

FORM: Half yearly/preliminary final report

Name of issuer

Ettalong Beach Financial Services Limited

ACN or ARBN

37 110 069 120

Half yearly
(tick)

✓

Preliminary
final (tick)

Half year/financial year ended
(‘Current period’)

31 December 2011

For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

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				\$A,000
Revenue (item 1.1)	up	13%	to	380
Profit (loss) for the period (item 1.9)	up	61%	to	31
Profit (loss) for the period attributable to members of the parent (item 1.11)	up	61%	to	31
Dividends				
Franking rate applicable:				
Final dividend (preliminary final report only)(item 10.13-10.14)				
Amount per security	-			-
Franked amount per security	-			-
Interim dividend (Half yearly report only) (item 10.11 – 10.12)				
Amount per security	-			-
Franked amount per security	-			-
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
n/a				

Consolidated income statement *(The figures are not equity accounted)**(see note 3)**(as per paragraphs 81-85 and 88-94 of AASB 101: Presentation of Financial Statements)*

	Current period - \$A'000	Previous corresponding period - \$A'000
1.1 Revenues <i>(item 7.1)</i>	380	338
1.2 Expenses, excluding finance costs <i>(item 7.2)</i>	(332)	(308)
1.3 Finance costs	(11)	(11)
1.4 Share of net profits (losses) of associates and joint ventures <i>(item 15.7)</i>	-	-
1.5 Profit (loss) before income tax	37	19
1.6 Income tax expense <i>(see note 4)</i>	(6)	-
1.7 Profit (loss) from continuing operations	-	-
1.8 Profit (loss) from discontinued operations <i>(item 13.3)</i>	-	-
1.9 Profit (loss) for the period	31	19
1.10 Profit (loss) attributable to minority interests	-	-
1.11 Profit (loss) attributable to members of the parent	31	19
1.12 Basic earnings per security <i>(item 9.1)</i>	4.11¢	2.55¢
1.13 Diluted earnings per security <i>(item 9.1)</i>	4.11¢	2.55¢
1.14 Dividends per security <i>(item 9.1)</i>	-¢	-¢

Comparison of half-year profits*(Preliminary final statement only)*

	Current period - \$A'000	Previous corresponding period - \$A'000
2.1 Consolidated profit (loss) after tax attributable to members reported for the 1st half year <i>(item 1.11 in the half yearly statement)</i>	-	-
2.2 Consolidated profit (loss) after tax attributable to members for the 2nd half year	-	-

Consolidated balance sheet

(See note 5)

(as per paragraphs 68-69 of AASB 101: Financial Statement Presentation)

Current assets		Current period - \$A'000	Previous corresponding period - \$A'000
3.1	Cash and cash equivalents	1	1
3.2	Trade and other receivables	66	61
3.3	Inventories	-	-
3.4	Other current assets (provide details if material)	-	-
3.5	Total current assets	67	62
Non-current assets			
3.6	Available for sale investments	-	-
3.7	Other financial assets	-	-
3.8	Investments in associates	-	-
3.9	Deferred tax assets	239	-
3.10	Exploration and evaluation expenditure capitalised (see para. 71 of AASB 1022 – new standard not yet finalised)	-	-
3.11	Development properties (mining entities)	-	-
3.12	Property, plant and equipment (net)	146	170
3.13	Investment properties	-	-
3.14	Goodwill	-	-
3.15	Other intangible assets	44	57
3.16	Other (provide details if material)	-	-
3.17	Total non-current assets	429	227
3.18	Total assets	496	289
Current liabilities			
3.19	Trade and other payables	56	80
3.20	Short term borrowings	3	62
3.21	Current tax payable	-	-
3.22	Short term provisions	24	12
3.23	Current portion of long term borrowings	-	-
3.24	Other current liabilities (provide details if material)	-	-
		83	454
3.25	Liabilities directly associated with non-current assets classified as held for sale (para 38 of AASB 5)	-	-
3.26	Total current liabilities	83	154

Non-current liabilities			
		Current period - \$A'000	Previous corresponding period - \$A'000
3.27	Long-term borrowings	300	300
3.28	Deferred tax liabilities	-	-
3.29	Long term provisions	14	9
3.30	Other (provide details if material)	-	-
3.31	Total non-current liabilities	314	309
3.32	Total liabilities	397	463
3.33	Net assets	99	(174)
Equity			
3.34	Share capital	722	722
3.35	Other reserves	-	-
3.36	Retained earnings	(623)	(896)
	Amounts recognised directly in equity relating to non-current assets classified as held for sale	-	-
3.37	Parent interest	-	-
3.38	Minority interest	-	-
3.39	Total equity	99	(174)

Consolidated statement of changes in equity

(as per paragraphs 96-97 of AASB 101: Presentation of Financial Statements)

	Current period – A\$'000	Previous corresponding period – A\$'000
Revenues recognised directly in equity:	-	-
Expenses recognised directly in equity:	-	-
4.1 Net income recognised directly in equity	-	-
4.2 Profit for the period	31	19
4.3 Total recognised income and expense for the period	31	19
Attributable to:		
4.4 Members of the parent	31	19
4.5 Minority interest	-	-
Effect of changes in accounting policy (as per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors):		
4.6 Members of the parent entity	-	-
4.7 Minority interest	-	-

Consolidated statement of cash flows

(See note 6)

(as per AASB 107: Cash Flow Statements)

		Current period - \$A'000	Previous corresponding period - \$A'000
	Cash flows related to operating activities		
5.1	Receipts from customers	410	338
5.2	Payments to suppliers and employees	(347)	(327)
5.3	Interest and other costs of finance paid	(11)	(11)
5.4	Income taxes paid	-	-
5.5	Other (interest received)	-	-
5.6	Net cash used in operating activities	52	1
	Cash flows related to investing activities		
5.7	Payments for purchases of property, plant and equipment	(2)	(18)
5.8	Proceeds from sale of property, plant and equipment	-	-
5.9	Payment for purchases of equity investments	-	-
5.10	Proceeds from sale of equity investments	-	-
5.11	Loans to other entities	-	-
5.12	Loans repaid by other entities	-	-
5.13	Interest and other items of similar nature received	-	-
5.14	Dividends received	-	-
5.15	Other (provide details if material)	-	-
5.16	Net cash used in investing activities	(2)	(18)
	Cash flows related to financing activities		
5.17	Proceeds from issues of securities (shares, options, etc.)	-	-
5.18	Proceeds from borrowings	-	300
5.19	Repayment of borrowings	-	-
5.20	Dividends paid	-	-
5.21	Other (provide details if material)	-	-
5.22	Net cash used in financing activities	-	300
	Net increase (decrease) in cash and cash equivalents	50	283
5.23	Cash at beginning of period (see Reconciliations of cash)	(53)	(344)
5.24	Exchange rate adjustments to item 5.23	-	-
5.25	Cash at end of period (see Reconciliation of cash)	(3)	(61)

Reconciliation of cash provided by operating activities to profit or loss

(as per paragraph Aus20.1 of AASB 107: Cash Flow Statements)

		Current period \$A'000	Previous corresponding period \$A'000
6.1	Profit <i>(item 1.9)</i>	31	19
	Adjustments for:		
6.2	Depreciation	13	12
6.3	Amortisation	7	7
6.4			
6.5	(Increase)/decrease in receivables	(12)	(16)
6.6	(Increase)/decrease in other assets	6	-
6.7	Increase/(decrease) in payables	(1)	(9)
6.8	Increase/(decrease) in provisions	8	(12)
6.9	Increase/(decrease) in tax liabilities	-	-
6.10	Net cash from operating activities <i>(item 5.6)</i>	52	1

Notes to the financial statements

Details of revenues and expenses

(see note 16)

(Where items of income and expense are material, disclose nature and amount below in accordance with paragraphs 86-87 of AASB 101: Presentation of Financial Statements)

	Current period - \$A'000	Previous corresponding period - \$A'000
Revenue		
Services commissions	380	338
Interest	-	-
Other revenue	-	-
7.1 Total Revenue	380	338
Expenses		
Employee benefits expense	(173)	(154)
Charitable donations, sponsorship, advertising and promotion	(25)	(31)
Occupancy and associated costs	(26)	(21)
Systems costs	(12)	(13)
Depreciation and amortisation expense	(20)	(19)
Finance costs	(11)	(11)
General administration expenses	(76)	(70)
7.2 Total Expenses	(343)	(319)
Profit (loss) before tax	37	19

Ratios

	Current period	Previous corresponding period
Profit before tax / revenue		
8.1 Consolidated profit (loss) before tax (item 1.5) as a percentage of revenue (item 1.1)	10%	6%
Profit after tax / equity interests		
8.2 Consolidated profit (loss) after tax attributable to members (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 3.37)	31%	(11%)

Earnings per Security

- 9.1 Provide details of basic and fully diluted EPS in accordance with paragraph 70 and Aus 70.1 of AASB 133: Earnings per Share below:

	Current period	Previous corresponding period
Profit/(loss) attributable to the ordinary equity holders of the company used in calculating earnings per share	31,088	19,315
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	756,711	756,711
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share (if different from basic)	-	-

Dividends

- 10.1 Date the dividend is payable

- 10.2 Record date to determine entitlements to the dividend (i.e. on the basis of registrable transfers received up to 5.00 pm if paper based, or by 'End of Day' if a proper ASTC/CHESS transfer)

- 10.3 If it is a final dividend, has it been declared?

(Preliminary final report only)

- 10.4 The *dividend or distribution plans* shown below are in operation.

The last date(s) for receipt of election notices to the *dividend or distribution plans*

- 10.5 Any other disclosures in relation to *dividends or distributions*

Dividends paid or provided for on all securities*(as per paragraph Aus126.4 AASB 101: Presentation of Financial Statements)*

		Current period - \$A'000	Previous corresponding period - \$A'000	Franking rate applicable
	Dividends paid or provided for during the reporting period			
10.6	Current year interim	-	-	-
10.7	Franked dividends	-	-	-
10.8	Previous year final	-	-	-
10.9	Franked dividends	-	-	-
	Dividends proposed and not recognised as a liability			
10.10	Franked dividends	-	-	-

Dividends per security*(as per paragraph Aus126.4 of AASB 101: Presentation of Financial Statements)*

		Current year	Previous year	Franking rate applicable
	Dividends paid or provided for during the reporting period			
10.11	Current year interim	-	-	-
10.12	Franked dividends – cents per share	-	-	-
10.13	Previous year final	-	-	-
10.14	Franked dividends – cents per share	-	-	-
	Dividends proposed and not recognised as a liability			
10.15	Franked dividends – cents per share	-	-	-

Exploration and evaluation expenditure capitalised

To be completed only by issuers with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit

	Current period \$A'000	Previous corresponding period \$A'000
11.1 Opening balance	-	-
11.2 Expenditure incurred during current period	-	-
11.3 Expenditure written off during current period	-	-
11.4 Acquisitions, disposals, revaluation increments, etc.	-	-
11.5 Expenditure transferred to Development Properties	-	-
11.6 Closing balance as shown in the consolidated balance sheet (item 3.10)	-	-

Development properties

(To be completed only by issuers with mining interests if amounts are material)

	Current period \$A'000	Previous corresponding period \$A'000
12.1 Opening balance	-	-
12.2 Expenditure incurred during current period	-	-
12.3 Expenditure transferred from exploration and evaluation	-	-
12.4 Expenditure written off during current period	-	-
12.5 Acquisitions, disposals, revaluation increments, etc.	-	-
12.6 Expenditure transferred to mine properties	-	-
12.7 Closing balance as shown in the consolidated balance sheet (item 3.11)	-	-

Discontinued Operations

(see note 18)

(as per paragraph 33 of AASB 5: Non-current Assets Held for Sale and Discontinued Operations)

	Current period – A\$'000	Previous corresponding period – A\$'000
13.1 Revenue	-	-
13.2 Expense	-	-
13.3 Profit (loss) from discontinued operations before income tax	-	-
13.4 Income tax expense <i>(as per para 81 (h) of AASB 112)</i>	-	-
13.5 Gain (loss) on sale/disposal of discontinued operations	-	-
13.6 Income tax expense <i>(as per paragraph 81(h) of AASB 112)</i>	-	-

Movements in Equity

(as per paragraph 97 of AASB 101: Financial Statement Presentation)

		Number issued	Number listed	Paid-up value (cents)	Current period – A\$'000	Previous corresponding period – A\$'000
14.1	Preference securities <i>(description)</i>					
14.2	Balance at start of period	-	-	-	-	-
14.3	a) Increases through issues	-	-	-	-	-
14.4	a) Decreases through returns of capital, buybacks etc.	-	-	-	-	-
14.5	Balance at end of period	-	-	-	-	-
14.6	Ordinary securities <i>(ordinary shares fully paid)</i>					
14.7	Balance at start of period	756,711	756,711	100	757	757
14.8	a) Increases through issues	-	-	-	-	-
14.9	b) Decreases through returns of capital, buybacks etc.	-	-	-	-	-
14.10	Balance at end of period	756,711	756,711	100	757	757
14.11	Convertible Debt Securities <i>(description & conversion factor)</i>					
14.12	Balance at start of period	-	-	-	-	-
14.13	a) Increases through issues	-	-	-	-	-
14.14	b) Decreases through maturity, converted.	-	-	-	-	-
14.15	Balance at end of period	-	-	-	-	-

		Number issued	Number listed	Paid-up value (cents)	Current period – A\$'000	Previous corresponding period – A\$'000
14.16 Options						
	<i>(description & conversion factor)</i>					
14.17	Balance at start of period	-	-	-	-	-
14.18	Issued during period	-	-	-	-	-
14.19	Exercised during period	-	-	-	-	-
14.20	Expired during period	-	-	-	-	-
14.21	Balance at end of period	-	-	-	-	-
14.22 Debentures						
	<i>(description)</i>					
14.23	Balance at start of period	-	-	-	-	-
14.24	a) Increases through issues	-	-	-	-	-
14.25	b) Decreases through maturity, converted	-	-	-	-	-
14.26	Balance at end of period	-	-	-	-	-
14.27 Unsecured Notes						
	<i>(description)</i>					
14.28	Balance at start of period	-	-	-	-	-
14.29	a) Increases through issues	-	-	-	-	-
14.30	b) Decreases through maturity, converted	-	-	-	-	-
14.31	Balance at end of period	-	-	-	-	-
14.32 Total Securities		756,711	756,711	100	757	757

		Current period – A\$'000	Previous corresponding period – A\$'000
Reserves			
14.33	Balance at start of period	-	-
14.34	Transfers to/from reserves	-	-
14.35	Total for the period	-	-
14.36	Balance at end of period	-	-
14.37	Total reserves	-	-
Retained earnings			
14.38	Balance at start of period	(654)	(915)
14.39	Changes in accounting policy	-	-
14.40	Restated balance	-	-
14.41	Profit for the balance	31	19
14.42	Total for the period	-	-
14.43	Dividends	-	-
14.44	Balance at end of period	(623)	(896)

Details of aggregate share of profits (losses) of associates and joint venture entities*(equity method)**(as per paragraph Aus 37.1 of AASB 128: Investments in Associates and paragraph Aus 57.3 of AASB 131: Interests in Joint Ventures)*

Name of associate or joint venture entity

Reporting entities percentage holding

		Current period - \$A'000	Previous corresponding period - \$A'000
15.1	Profit (loss) before income tax	-	-
15.2	Income tax	-	-
15.3	Profit (loss) after tax	-	-
15.4	Impairment losses	-	-
15.5	Reversals of impairment losses	-	-
15.6	Share of non-capital expenditure contracted for (excluding the supply of inventories)	-	-
15.7	Share of net profit (loss) of associates and joint venture entities	-	-

Control gained over entities having material effect*(See note 8)*16.1 Name of *issuer* (or *group*)16.2 Consolidated profit (loss) after tax of the *issuer* (or *group*) since
the date in the current period on which control was acquired16.3 Date from which profit (loss) in *item 16.2* has been calculated16.4 Profit (loss) after tax of the *issuer* (or *group*) for the whole of the
previous corresponding period

\$A'000
-
-
-

Loss of control of entities having material effect*(See note 8)*17.1 Name of *issuer* (or *group*)17.2 Consolidated profit (loss) after tax of the entity (or *group*) for the current period to the date of loss of control17.3 Date from which the profit (loss) in *item 17.2* has been calculated17.4 Consolidated profit (loss) after tax of the entity (or *group*) while controlled during the whole of the previous corresponding period

17.5 Contribution to consolidated profit (loss) from sale of interest leading to loss of control

\$A'000
-
-
-
-

Material interests in entities which are not controlled entities*The economic entity has an interest (that is material to it) in the following entities.*

		Percentage of ownership interest (ordinary securities, units etc) held at end of period or date of disposal		Contribution to profit (loss) (<i>item 1.9</i>)	
18.1	Equity accounted associated entities	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period \$A'000
				<i>Equity accounted</i>	
		-	-	-	-
		-	-	-	-
18.2	Total	-	-	-	-
18.3	Other material interests			Non equity accounted (i.e. part of <i>item 1.9</i>)	
		-	-	-	-
		-	-	-	-
18.4	Total	-	-	-	-

Reports for industry and geographical segments

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 114: Segment Reporting. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this statement. However, the following is the personation adopted in the Appendices to AASB 114 and indicates which amount should agree with items included elsewhere in this statement.

	Current period - \$A'000	Previous corresponding period - \$A'000
Segments		
Revenue:		
19.1 External sales	-	-
19.2 Inter-segment sales	-	-
19.3 Total (consolidated total equal to item 1.1)	-	-
19.4 Segment result	-	-
19.5 Unallocated expenses	-	-
19.6 Operating profit (equal to item 1.5)	-	-
19.7 Interest expense	-	-
19.8 Interest income	-	-
19.9 Share of profits of associates	-	-
19.10 Income tax expense	-	-
19.11 Net profit (consolidated total equal to item 1.9)	-	-
Other information	-	-
19.12 Segment assets	-	-
19.13 Investments in equity method associates	-	-
19.14 Unallocated assets	-	-
19.15 Total assets (equal to item 3.18)	-	-
19.16 Segment liabilities	-	-
19.17 Unallocated liabilities	-	-
19.18 Total liabilities (equal to item 3.32)	-	-
19.19 Capital expenditure	-	-
19.20 Depreciation	-	-
19.21 Other non-cash expenses	-	-

NTA Backing

(see note 7)

20.1	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	(24¢)	(31¢)

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

21.1	n/a
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International Financial Reporting Standards

Under paragraph 39 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, an entity's first Australian-equivalents-to-IFRS's financial report shall include reconciliations of its equity and profit or loss under previous GAAP to its equity and profit or loss under Australian equivalents to IFRS's. See IG63 in the appendix to AASB 1 for guidance.

22.1	n/a
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Under paragraph 4.2 of AASB 1047: Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards, an entity must disclose any known or reliably estimable information about the impacts on the financial report had it been prepared using the Australian equivalents to IFRSs or if the aforementioned impacts are not known or reliably estimable, a statement to that effect.

22.2	n/a
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Comments by directors

Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 134: Interim Financial Reporting. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) but may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.

Basis of accounts preparation

If this statement is a half yearly statement, it is a general purpose financial report prepared in accordance with the listing rules and AASB 134: Interim Financial Reporting. It should be read in conjunction with the last annual report and any announcements to the market made by the issuer during the period. This report does not include all notes of the type normally included in an annual financial report.

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible). In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations (as per paragraphs 16(b), 16(b) and Aus 16.1 of AASB 134: Interim Financial Reporting)

There are no matters or circumstances that have arisen since the end of the half year reporting period that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

Any other factors which have affected the results in the period, or which are likely to affect results in the future, including those where the effect could not be quantified.

n/a

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

n/a

Changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows.

(Disclose changes in the half yearly statement in accordance with paragraph 16(a) of AASB 134: Interim Financial Reporting. Disclose changes in the preliminary final statement in accordance with paragraphs 28-29 of 108: Accounting Policies, Changes in Accounting Estimates and Errors.)

n/a

An issuer shall explain how the transition from previous GAAP to Australian equivalents to IFRS' affected its reported financial position, financial performance and cash flows. (as per paragraph 38 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards)

n/a

Revisions in estimates of amounts reported in previous periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year (as per paragraph 16(d) of AASB 134: Interim Financial Reporting)

n/a

Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last annual report (as per paragraph 16(j) of AASB 134: Interim Financial Reporting)

n/a

The nature and amount of items affecting assets, liabilities, equity, profit or loss, or cash flows that are unusual because of their nature, size or incidence (as per paragraph 16(c) of AASB 134: Interim Financial Reporting)

n/a

Effect of changes in the composition of the entity during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinued operations (as per paragraph 16(i) of AASB 134: Interim Financial Reporting)

n/a

Annual meeting*(Preliminary final statement only)*

The annual meeting will be held as follows:

Place

Date

Time

Approximate date the annual report will be available

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

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2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:
- ☐ The financial statements have been audited. ☒ The financial statements have been subject to review by a registered auditor (or overseas equivalent).
- ☐ The financial statements are in the process of being audited or subject to review. ☐ The financial statements have *not* yet been audited or reviewed.
5. If the accounts have been or are being audited or subject to review details of any qualifications are attached.
6. The *issuer* has a formally constituted audit committee.

Sign here:


(Director/Company secretary)

Date:

14. 3. 2012

Print name:

Dominic John Michael GAGE

Ettalong Beach

Financial Services Limited

Financial Statements

for the half-year ended

31 December 2011

Ettalong Beach Financial Services Limited
ABN 37 110 069 120
Directors' Report

Your directors submit the financial report of the company for the half-year ended 31 December 2011.

Directors

The names of directors who held office during the half year and until the date of this report are as below:

Dominic John Michael Gage

Donald John Wilson

Eric Keith Leggett

Robert Henry Millwood

Paul David Thomas

Bruce Maxwell Croft

Jeanette Maxine Polley

Charles Hedley Brock

Principal Activities

The principal activity of the company during the course of the financial period was in facilitating **Community Bank®** services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

Review and Results of Operations

Operations have continued to perform in line with expectations. The net profit of the company for the financial period after the provision of income tax was: \$31,088 [2010: \$19,315].

Matters Subsequent to the End of the Reporting Period

There are no matters or circumstances that have arisen since the end of the half year reporting period that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 2.

Signed in accordance with a resolution of the directors at Ettalong Beach, New South Wales on 14 March 2012.



Dominic John Michael Gage, Chairman

**Lead Auditor's Independence Declaration under section 307C of the Corporations Act 2001
to the directors of Ettalong Beach Financial Services Limited**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2011 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.



GRAEME STEWART
ANDREW FREWIN & STEWART
61-65 Bull Street Bendigo 3550

Dated this 14th day of March 2012

Ettalong Beach Financial Services Limited
ABN 37 110 069 120
Statement of Comprehensive Income
for the half-year ended 31 December 2011

	<u>Notes</u>	2011 \$	2010 \$
Revenue from ordinary activities		379,820	337,615
Employee benefits expense		(172,981)	(154,026)
Charitable donations, sponsorship, advertising and promotion		(25,010)	(30,712)
Occupancy and associated costs		(26,110)	(21,068)
Systems costs		(12,334)	(12,703)
Depreciation and amortisation expense		(19,562)	(18,707)
Finance costs		(11,258)	(10,648)
General administration expenses		(75,361)	(70,436)
Profit before income tax expense		<hr/> 37,204	<hr/> 19,315
Income tax expense	5	(6,116)	-
Profit after income tax expense		<hr/> 31,088	<hr/> 19,315
Total comprehensive income for the year attributable to members		<hr/> <hr/> 31,088	<hr/> <hr/> 19,315
Earnings per Share		<u>c</u>	<u>c</u>
Basic from profit for the period:		4.11	2.55

The accompanying notes form part of these financial statements.

Ettalong Beach Financial Services Limited
ABN 37 110 069 120
Balance Sheet
as at 31 December 2011

	31-Dec 2011 \$	30-Jun 2011 \$
ASSETS		
Current Assets		
Cash assets	500	500
Trade and other receivables	66,093	53,868
Total Current Assets	<u>66,593</u>	<u>54,368</u>
Non-Current Assets		
Property, plant and equipment	146,534	157,569
Intangible assets	43,724	50,451
Deferred tax asset	239,140	245,256
Total Non-Current Assets	<u>429,398</u>	<u>453,276</u>
Total Assets	<u>495,991</u>	<u>507,644</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	55,467	56,420
Borrowings	3,128	53,311
Provisions	23,825	18,183
Total Current Liabilities	<u>82,420</u>	<u>127,914</u>
Non-Current Liabilities		
Borrowings	300,000	300,000
Provisions	14,270	11,517
Total Non-Current Liabilities	<u>314,270</u>	<u>311,517</u>
Total Liabilities	<u>396,690</u>	<u>439,431</u>
Net Assets	<u>99,301</u>	<u>68,213</u>
Equity		
Issued capital	722,104	722,104
Accumulated losses	(622,803)	(653,891)
Total Equity	<u>99,301</u>	<u>68,213</u>

The accompanying notes form part of these financial statements.

Ettalong Beach Financial Services Limited
ABN 37 110 069 120
Statement of Changes in Equity
for the half-year ended 31 December 2011

	Issued Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2010	722,104	(915,792)	(193,688)
Total comprehensive income for the year	<u>-</u>	<u>19,315</u>	<u>19,315</u>
	722,104	(896,477)	(174,373)
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 December 2010	<u>722,104</u>	<u>(896,477)</u>	<u>(174,373)</u>
Balance at 1 July 2011	722,104	(653,891)	68,213
Total comprehensive income for the year	<u>-</u>	<u>31,088</u>	<u>31,088</u>
	722,104	(622,803)	99,301
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 December 2011	<u>722,104</u>	<u>(622,803)</u>	<u>99,301</u>

The accompanying notes form part of these financial statements.

Ettalong Beach Financial Services Limited
ABN 37 110 069 120
Cash Flow Statement
for the half-year ended 31 December 2011

	2011	2010
	\$	\$
Cash Flows From Operating Activities		
Receipts from customers	410,381	337,753
Payments to suppliers and employees	(346,890)	(326,528)
Interest paid	(11,509)	(10,648)
Interest received	1	-
Net cash provided by operating activities	<u>51,983</u>	<u>577</u>
Cash Flows From Investing Activities		
Payments for property, plant and equipment	(1,800)	(17,941)
Net cash used in investing activities	<u>(1,800)</u>	<u>(17,941)</u>
Cash Flows From Financing Activities		
Proceeds from borrowings	-	300,000
Net cash provided by financing activities	<u>-</u>	<u>300,000</u>
Net increase in cash held	50,183	282,636
Cash at the beginning of the financial year	(52,811)	(343,854)
Cash at the end of the half-year	<u><u>(2,628)</u></u>	<u><u>(61,218)</u></u>

The accompanying notes form part of these financial statements.

Ettalong Beach Financial Services Limited
ABN 37 110 069 120
Notes to the financial statements
for the half-year ended 31 December 2011

Note 1. Summary of Significant Accounting Policies

Statement of Compliance

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard *IAS 34: Interim Financial Reporting*.

Basis of Preparation

The half-year financial report is intended to provide users with an update on the latest annual financial statements and does not include all the notes of the type normally included in an annual financial report. Accordingly the report shall be read in conjunction with the annual financial report for the year ended 30 June 2011 and any public announcements made by the company during the period.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements and the previous corresponding interim period.

The half-year financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The company has elected not to early adopt the new and amended Accounting Standards and Interpretations, as outlined in the annual financial report for the year ended 30 June 2011, that have mandatory application dates during future reporting periods.

There are no new and revised Standards and amendments thereof and Interpretations effective for the current reporting period relevant to the company that were not disclosed in the annual financial report for the year ended 30 June 2011.

Note 2. Events Subsequent to Reporting Date

There have been no events subsequent to reporting date that would materially effect the financial statements at the reporting date.

Note 3. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the date of this report to affect the financial statements.

Note 4. Segment Reporting

The economic entity operates in a single service sector where it facilitates community banking services in Ettalong Beach, New South Wales pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited.

Ettalong Beach Financial Services Limited
ABN 37 110 069 120
Notes to the financial statements
for the half-year ended 31 December 2011

Note 5. Income Tax Expense/Credit	2011	2010
	\$	\$
The components of tax expense comprise:		
- Current tax		-
- Future income tax benefit attributed to losses		-
- Movement in deferred tax	(2,160)	4,436
- Recoupment of prior year tax losses	13,321	3,377
- Adjustments to tax expense of prior periods	(5,045)	-
- Prior year tax losses not brought to account	-	(7,813)
	<u>6,116</u>	<u>-</u>

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

Operating profit	37,204	19,315
Prima facie tax on profit from ordinary activities at 30%	11,161	5,795
Add tax effect of:		
- non-deductible expenses	-	2,018
- timing difference expenses	2,160	(4,436)
- other deductible expenses	-	-
	<u>13,321</u>	<u>3,377</u>
Movement in deferred tax	(2,160)	4,436
Adjustments to tax expense of prior periods	(5,045)	-
Prior year tax losses not brought to account	-	(7,813)
	<u>6,116</u>	<u>-</u>

Adjustments to tax expense of prior periods relates to the tax deductibility of amortisation on the renewal franchise fee and renewal processing fee. A tax deduction was not initially claimed for the amortisation on these items, pending the outcome of a private tax ruling by the Commissioner of Taxation. While the original private tax ruling held that these items were in fact not tax deductible, the ruling was overturned by Administrative Appeals Tribunal decision 607 handed down on 31 August 2011. Therefore amortisation on the renewal franchise fee and renewal processing fee can now be claimed as a tax deduction. Amendment to the applicable income tax returns will be undertaken, with the overall tax effect of the change outlined below:

Year	Franchise Fee	Amortisation Process Fee	Total	Tax effect @ 30%
2010	561	2,803	3,364	1,009
2011	2,242	11,211	13,453	4,036
	<u>2,803</u>	<u>14,014</u>	<u>16,817</u>	<u>5,045</u>

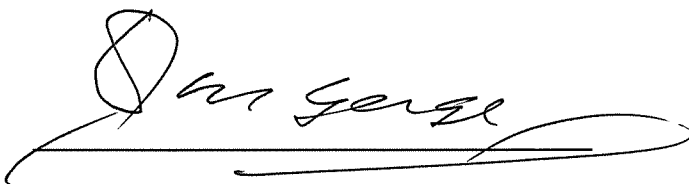
Ettalong Beach Financial Services Limited
ABN 37 110 069 120
Directors' Declaration

In the opinion of the directors of Ettalong Beach Financial Services Limited ("the company"):

- 1 The financial statements and notes thereto are in accordance with the *Corporations Act 2001* including:
 - (a) giving a true and fair view of the financial position of the entity as at 31 December 2011 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date;
 - (b) complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- 2 There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the board of directors.

A handwritten signature in black ink, appearing to read 'Dm Gage', with a long horizontal flourish extending to the right.

Dominic John Michael Gage, Chairman

Dated this 14th day of March 2012.

Independent Auditor's Review Report to the Members of Ettalong Beach Financial Services Limited

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Ettalong Beach Financial Services Limited, which comprises the balance sheet as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Ettalong Beach Financial Services Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.


Independence

In conducting our review we have complied with the independence requirements of the Corporations Act 2001.

Auditor's Opinion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Ettalong Beach Financial Services Limited is not in accordance with the Corporations Act 2001 including:

- a) Giving a true and fair view of the company's financial position at 31 December 2011 and of its performance for the half-year ended on that date; and
- b) Complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.



GRAEME STEWART
ANDREW FREWIN & STEWART
61-65 Bull Street, Bendigo, 3550

Dated this 14th day of March 2012