



Annexure 3A

BSX Listing Rules

Half yearly/Yearly Disclosure

References Version 1, Operative 23/8/2000

Chapter 3, BSX Listing Rules

Acacia Ridge Financial Services Limited

Name of entity

73 116 060 916

Half yearly (tick)



31 December 2010

ABN, ACN or ARBN

Annual (tick)



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

Summary

				\$A,000
Sales revenue or operating revenue	up	17%	to	340
Profit before abnormal items and after tax	down	(28%)	to	17
Abnormal items before tax		gain of		-
Profit after tax but before outside equity interests	down	(28%)	to	17
Extraordinary items after tax attributable to members		Gain of		-
Profit for the period attributable to members	down	(28%)	to	17

Dividends (distributions)	Franking rate applicable	-
Current period	Final	5¢
	Interim	-¢
Previous corresponding period	Final	4¢
	Interim	-¢
Record date for determining entitlements to the dividend, (in the case of a trust distribution)		-

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Half Yearly/Yearly Disclosure

Short details of any bonus or cash issue or other items(s) of importance not previously released to BSX:

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Consolidated profit and loss account

	Current period \$A'000	Previous corresponding period \$A'000
Sales revenue or operating revenue	340	291
Expenses from ordinary activities	(317)	(259)
Borrowing costs	-	-
Share of net profit/(loss) of associates and joint venture entities	-	-
Profit/(loss) from ordinary activities before tax	23	32
Income tax on ordinary activities	(6)	(9)
Profit/(loss) from ordinary activities after tax	17	23
Outside equity interests	-	-
Profit/(loss) from ordinary activities after tax attributable to members	17	23
Profit/(loss) from extraordinary activities after tax attributable to members	17	23
Profit/(loss) for the period attributable to members	17	23
Retained profits (accumulated losses) at the beginning of the financial period	(248)	(273)
Net transfers to and from reserves	-	-
Net effect of changes in accounting policies	-	-
Dividends paid or payable	(27)	(21)
Retained profits/(accumulated losses) at end of financial period	(258)	(271)

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Profit restated to exclude amortisation of goodwill

	Current period \$A'000	Previous corresponding period \$A'000
Profit (loss) from ordinary activities after tax before outside equity interests and amortisation of goodwill	17	23
Less (plus) outside equity interests	-	-
Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members	17	23

Revenue and expenses from operating activities

	Current period \$A'000	Previous corresponding period \$A'000
Details of revenue and expenses		
Commission Revenue	340	291
Bank Interest Income	-	-
Other Revenue	-	-

Intangible and extraordinary items

	Consolidated - current period		
	Before tax \$A'000	Related tax \$A'000	After tax \$A'000
Amortisation of goodwill	-	-	-
Amortisation of other intangibles	2	-	2
Total amortisation of intangibles	2	-	2
Extraordinary items (details)	-	-	-
Total extraordinary items	-	-	-

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Half Yearly/Yearly Disclosure

Comparison of half year profits
(Annual statement only)

	Current year - \$A'000	Previous year - \$A'000
Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the 1st half year	-	-
Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	-	-

Consolidated balance sheet

	At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly statement \$A'000
Current assets			
Cash	25	48	15
Receivable	17	29	14
Investments	-	-	-
Inventories	-	-	-
Other (provide details if material)	-	-	-
Total current assets	42	76	29
Non-current assets			
Receivables	-	-	14
Investments	-	-	-
Other property, plant and equipment (net)	99	101	109
Intangibles (net)	68	1	1
Other (Deferred Tax Asset)	95	102	111
Total non-current assets	262	204	221
Total assets	305	260	251
Current liabilities			
Accounts payable	51	16	10
Borrowings	-	-	-
Provisions	-	-	-
Other (provide details if material)	-	-	-
Total current liabilities	51	16	10

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Half Yearly/Yearly Disclosure

Non-current liabilities			
Accounts payable	-	-	-
Borrowings	-	-	-
Provisions	-	-	-
Other (provide details if material)	-	-	-
Total non-current liabilities	-	-	-
Total liabilities	51	16	10
Net assets	254	264	241
Equity			
Capital	512	512	512
Reserves	-	-	-
Retained profits/(accumulated losses)	(258)	(248)	(271)
Equity attributable to members of the parent entity	-	-	-
Outside equity interests in controlled entities	-	-	-
Total equity	254	264	241
Preference capital and related premium included	-	-	-

Consolidated statement of cash flows

Cash flows related to operating activities	Current period \$A'000	Previous corresponding period \$A'000
Receipts from customers	366	291
Payments to suppliers and employees	(322)	(262)
Dividends received	-	-
Interest and other items of similar nature received	-	-
Interest and other costs of finance paid	-	-
Income taxes paid	-	-
Other (provide details if material)	-	-
Net operating cash flows	44	29

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Half Yearly/Yearly Disclosure

Cash flows related to investing activities		
Payments for purchases of property, plant and equipment	(4)	(3)
Proceeds from sale of property, plant and equipment	-	-
Payment for purchases of equity investments	(36)	-
Proceeds from sale of equity investments	-	-
Loans to other entities	-	-
Loans repaid by other entities	-	-
Other (provide details if material)	-	-
Net investing cash flows	(40)	(3)
Cash flows related to financing activities		
Proceeds from issues of securities (shares, options, etc.)	-	-
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Dividends paid	(27)	(21)
Other (provide details if material)	-	-
Net financing cash flows	(27)	(21)
Net increase (decrease) in cash held	(22)	5
Cash at beginning of period (see Reconciliation of cash)	47	10
Exchange rate adjustments	-	-
Cash at end of period (see Reconciliation of cash)	25	15

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.

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Half Yearly/Yearly Disclosure

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current period \$A'000	Previous corresponding period \$A'000
Cash on hand and at bank	25	15
Deposits at call	-	-
Bank overdraft	-	-
Other (provide details)	-	-
Total cash at end of period	25	15

Ratios

	Current period	Previous corresponding period
Profit before tax/sales		
Consolidated profit/(loss) from ordinary activities before tax as a percentage of sales revenue	7%	11%
Profit after tax/equity interests		
Consolidated profit/(loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	7%	10%

Earnings per security (EPS)

	Current period	Previous corresponding period
Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per Share		
(a) Basic EPS	3.13c	4.32c
(b) Diluted EPS (if materially different from (a))	-	-

NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	35%	24%

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Details of specific receipts/outlays, revenues/expenses

	Current period A\$'000	Previous corresponding period A\$'000
Interest revenue included	-	-
Interest revenue included but not yet received (if material)	-	-
Interest costs excluded from borrowing costs capitalised in asset values	-	-
Outlays (excepts those arising from the acquisition of an existing business) capitalised in intangibles (if material)	-	-
Depreciation (excluding amortisation of intangibles)	6	8
Other specific relevant items	-	-

Control gained over entities having material effect

Name of entity	N/A
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity since the date in the current period on which control was acquired	\$-
Date from which such profit has been calculated	-
Profit (loss) from ordinary activities and extraordinary items after tax of the entity for the whole of the previous corresponding period	\$-

Loss of control of entities having material effect

Name of entity	N/A
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity for the current period to the date of loss of control	\$-
Date from which the profit (loss) has been calculated	-
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity while controlled during the whole of the previous corresponding period	\$-
Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	\$-

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Half Yearly/Yearly Disclosure

Reports for industry and geographical segments

Segments

Operating Revenue

Sales to customers outside the economic entity

Inter-segment sales

Unallocated revenue

Total revenue

Segment result

Unallocated expenses

Consolidated profit from ordinary activities after tax (before equity accounting)

Segment assets	)	<i>Comparative data for segment assets should be as at the end of the previous corresponding period</i>
Unallocated assets	)	
Total assets	)	

Dividends

Date the dividend is payable

-

Record date to determine entitlements to the dividend (ie. on the basis of registrable transfers received up to 5.00 pm)

-

Amount per security

		Franking rate applicable	%	%	%
<i>(annual report only)</i>					
Final dividend:	Current year	-¢	N/A	-¢	N/A
	Previous year	-¢	¢	-¢	¢
<i>(Half yearly and annual statements)</i>					
Interim dividend:	Current year	5¢	N/A	-¢	N/A
	Previous year	4¢	-¢	-¢	-¢

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Half Yearly/Yearly Disclosure

Total annual dividend (distribution) per security
(Annual statement only)

	Current year	Previous year
Ordinary securities	-¢	-¢
Preference securities	-¢	-¢

Total dividend (distribution)

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	\$27	\$21
Preference securities	\$-	\$-
Total	\$27	\$21

Half yearly report – interim dividend (distribution) on all securities or Annual report – final dividend (distribution) on all securities

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	\$-	\$-
Preference securities	\$-	\$-
Total	\$-	\$-

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

Any other disclosures in relation to dividends (distributions)

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Equity accounted associated entities and other material interests

Equity accounting information attributable to the economic entity's share of investments in associated entities must be disclosed in a separate notice. See AASB 1016: Disclosure of Information about Investments in Associated Companies.

Entities share of:	Current period A\$'000	Previous corresponding period A\$'000
Profit (loss) from ordinary activities before tax.	-	-
Income tax	-	-
Profit (loss) from ordinary activities after tax	-	-
Extraordinary items net of tax	-	-
Net profit (loss)	-	-
Outside equity interests	-	-
Net profit (loss) attributable to members	-	-

Material interests in entities which are not controlled entities

The entity has an interest (that is material to it) in the following entities.

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to profit (loss) from ordinary activities and extraordinary items after tax	
Equity accounted associates and joint venture entities	Current period	Previous corresponding period	Current period A\$'000	Previous corresponding period A\$'000
	-	-	-	-
	-	-	-	-
Total	-	-	-	-
Other material interests	-	-	-	-
	-	-	-	-
	-	-	-	-
Total	-	-	-	-

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Issued and listed securities

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

Category of securities	Number issued	Number listed	Issue Price (cents)	Paid-up value (cents)
Preference securities <i>(description)</i>	-	-	-	-
Changes during current period	-	-	-	-
Ordinary securities	534,487	534,487	100	100
Changes during current period	-	-	-	-
Convertible debt securities <i>(description and conversion factor)</i>	-	-	-	-
Changes during current period	-	-	-	-
			Exercise price	Expiry date
Options <i>(description and conversion factor)</i>	-	-	-	-
Changes during current period	-	-	-	-
Exercised during current period	-	-	-	-
Expired during current period	-	-	-	-
Debentures	-	-		
Unsecured Notes	-	-		

Annexure 3A
Half Yearly/Yearly Disclosure

Discontinuing Operations

Consolidated profit and loss account

	Continuing operations		Discontinuing operations		Total entity	
	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000
Sales revenue or operation revenue	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Expenses from ordinary activities	-	-	-	-	-	-
Profit (loss) before tax	-	-	-	-	-	-
Less tax	-	-	-	-	-	-
Profit (loss) from ordinary activities after tax	-	-	-	-	-	-

Consolidated statement of cash flows

	Continuing operations		Discontinuing operations		Total entity	
	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000
Net operating cash flows	-	-	-	-	-	-
Net investing cash flows	-	-	-	-	-	-
Net financing cash flows	-	-	-	-	-	-

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Other disclosures

	Current period A\$'000	Previous corresponding period A\$'000
Carrying amount of items to be disposed of:	-	-
- total assets	-	-
- total liabilities	-	-
Profit (loss) on disposal of assets or settlement of liabilities	-	-
Related tax		
Net profit (loss) on discontinuance	-	-

Description of disposals

Comments by directors

Basis of accounts preparation

If this statement is a half yearly statement it should be read in conjunction with the last annual report and any announcements to the market made by the entity during the period.

Material factors affecting the revenues and expenses of the entity for the current period including seasonal or cyclical factors

The company continues to trade in line with expectations and the entity has no material factors that have effected the revenues and expenses to report for the current period.

Annexure 3A Half Yearly/Yearly Disclosure

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)

While the human costs of the recent natural disasters across Australia have been extraordinary, Bendigo & Adelaide Bank expects that the effect on credit quality in both the rural and residential mortgage portfolios to be relatively minor and short-lived as markets reopen and the significant rebuilding and investment program begins.

At this time the Company would like to thank its staff, partners and customers for their efforts in helping their fellow Australian's through these recent disasters. Together with Bendigo and Adelaide Bank's charitable arm, the Community Enterprise Foundation™, they have raised more than \$2.25 million for victims of Australia's recent natural disasters – including the Queensland and Victorian floods, Cyclone Yasi, and bushfires in Western Australia.

On 22 February 2011 the company's Franchise partner Bendigo & Adelaide Bank Limited announced that commencing 1 April 2011 two income streams (Term Deposits greater than 90 days and Fixed Rate Home Loans) will have their trailing commission cut from 0.5% to 0.375%. This reduction in commission rate is expected to have a material effect on the expected revenue and profits of the company in the 2011/2012 financial year. The Board estimates that the change will reduce income by \$22,000 based on current budgets and it will continue to monitor budgets to ensure maximisation of returns to shareholders and the community. Further confirmation of the financial effect will be available in the 2011 Annual Report.

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

Nil.

Changes in accounting policies since the last annual report and estimates of amounts reported in prior years are disclosed as follows.

N/A

Changes in the amounts of contingent liabilities or assets since the last annual report are disclosed as follows.

N/A

Additional disclosure for trusts

Number of units held by the management company or responsible entity to their related parties.

N/A

A statement of the fees and commissions payable to the management company or responsible entity.

Identify:

- Initial service charges
- Management fees
- Other fees

N/A

Annual meeting (Annual statement only)

The annual meeting will be held as follows:

Place	N/A
Date	N/A
Time	N/A
Approximate date the annual report will be available	N/A

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Half Yearly/Yearly Disclosure

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law.
- 2 This statement, and the financial statements under the Corporations Law (if separate), use the same accounting policies.
- 3 In the case of a half-yearly report the same accounting standards and methods of computation are followed as compared with the most recent annual accounts.
- 4 This statement does give a true and fair view of the matters disclosed.
- 5 This statement is based on financial statements to which one of the following applies:
(Tick one)
☐ 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.
- 6 If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached.
- 7 The entity has a formally constituted audit committee.

Sign here: L.A. Beaumont Date: 4/3/2011
(Director/Company secretary)

Print name: Linda Anne Beaumont

Notes

True and fair view If this statement does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.

Income tax If the amount provided for income tax in this statement differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts.

Additional information An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the financial statements. The information may be an expansion of the material contained in this statement, or contained in a note attached to the statement.

Acacia Ridge

Financial Services Limited

Financial Statements

for the half-year ended

31 December 2010

Acacia Ridge Financial Services Limited
ABN 73 116 060 916
Directors' Report

Your directors submit the financial report of the company for the half-year ended 31 December 2010.

Directors

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

Victoria Louise Maguire

Peter Geoffrey Henderson

Linda Anne Beaumont

Paul Douglas Knight

Mark Ledwidge

Earle Alexander Johnston

Principal Activities

The principal activity of the company during the course of the financial period were 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: \$16,740 [2009: \$23,113].

Matters Subsequent to the End of the Reporting Period

While the human costs of the recent natural disasters across Australia have been extraordinary, Bendigo & Adelaide Bank expects that the effect on credit quality in both the rural and residential mortgage portfolios to be relatively minor and short-lived as markets reopen and the significant rebuilding and investment program begins.

At this time the Company would like to thank its staff, partners and customers for their efforts in helping their fellow Australian's through these recent disasters. Together with Bendigo and Adelaide Bank's charitable arm, the Community Enterprise Foundation™, they have raised more than \$2.25 million for victims of Australia's recent natural disasters – including the Queensland and Victorian floods, Cyclone Yasi, and bushfires in Western Australia.

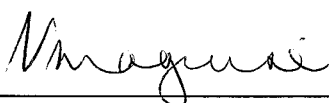
On 22 February 2011 the company's Franchise partner Bendigo & Adelaide Bank Limited announced that commencing 1 April 2011 two income streams (Term Deposits greater than 90 days and Fixed Rate Home Loans) will have their trailing commission cut from 0.5% to 0.375%. This reduction in commission rate is expected to have a material effect on the expected revenue and profits of the company in the 2011/2012 financial year. The Board estimates that the change will reduce income by \$22,000 based on current budgets and it will continue to monitor budgets to ensure maximisation of returns to shareholders and the community. Further confirmation of the financial effect will be available in the 2011 Annual Report.

There are no other 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 Acacia Ridge, Queensland on 4 March 2011.



Victoria Louise Maguire, Chairman

Auditor's Independence Declaration

As lead auditor for the review of Acacia Ridge Financial Services Limited for the half year ended 31 December 2010 I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of 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 4th day of March 2011

Acacia Ridge Financial Services Limited
ABN 73 116 060 916
Statement of Comprehensive Income
for the half-year ended 31 December 2010

	2010	2009
	\$	\$
Revenue from ordinary activities	339,647	290,811
Employee benefits expense	(165,882)	(131,892)
Charitable donations, sponsorship, advertising and promotion	(26,300)	(15,880)
Occupancy and associated costs	(41,059)	(36,200)
Systems costs	(10,257)	(10,632)
Depreciation and amortisation expense	(7,968)	(8,321)
General administration expenses	(65,175)	(56,049)
Profit before income tax expense	23,006	31,837
Income tax expense	(6,266)	(8,724)
Profit after income tax expense	16,740	23,113
Total comprehensive income for the year attributable to members	16,740	23,113
Earnings per Share	c	c
Basic for profit for the period:	3.13	4.30

The accompanying notes form part of these financial statements.

Acacia Ridge Financial Services Limited
ABN 73 116 060 916
Balance Sheet
as at 31 December 2010

	31-Dec 2010 \$	30-Jun 2010 \$
ASSETS		
Current Assets		
Cash assets	25,104	47,544
Trade and other receivables	17,245	28,776
Total Current Assets	<u>42,349</u>	<u>76,320</u>
Non-Current Assets		
Property, plant and equipment	99,030	101,192
Intangible assets	67,938	821
Deferred tax asset	95,457	101,723
Total Non-Current Assets	<u>262,425</u>	<u>203,736</u>
Total Assets	<u>304,774</u>	<u>280,056</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	50,788	16,086
Total Current Liabilities	<u>50,788</u>	<u>16,086</u>
Total Liabilities	<u>50,788</u>	<u>16,086</u>
Net Assets	<u>253,986</u>	<u>263,970</u>
Equity		
Issued capital	512,373	512,373
Accumulated losses	(258,387)	(248,403)
Total Equity	<u>253,986</u>	<u>263,970</u>

The accompanying notes form part of these financial statements.

Acacia Ridge Financial Services Limited
ABN 73 116 060 916
Statement of Changes in Equity
for the half-year ended 31 December 2010

	Issued Capital \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2009	512,373	(272,942)	239,431
Total comprehensive income for the period	<u>-</u>	<u>23,113</u>	<u>23,113</u>
	512,373	(249,829)	262,544
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	<u>-</u>	<u>(21,379)</u>	<u>(21,379)</u>
Balance at 31 December 2009	<u>512,373</u>	<u>(271,208)</u>	<u>241,165</u>
 Balance at 1 July 2010	 512,373	 (248,403)	 263,970
Total comprehensive income for the period	<u>-</u>	<u>16,740</u>	<u>16,740</u>
	512,373	(231,663)	280,710
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	<u>-</u>	<u>(26,724)</u>	<u>(26,724)</u>
Balance at 31 December 2010	<u>512,373</u>	<u>(258,387)</u>	<u>253,986</u>

The accompanying notes form part of these financial statements.

Acacia Ridge Financial Services Limited
ABN 73 116 060 916
Cash Flow Statement
for the half-year ended 31 December 2010

	2010	2009
	\$	\$
Cash Flows From Operating Activities		
Receipts from customers	366,325	290,811
Payments to suppliers and employees	(322,495)	(261,580)
Interest paid	(5)	-
Interest received	279	-
Net cash provided by operating activities	<u>44,104</u>	<u>29,231</u>
Cash Flows From Investing Activities		
Payments for property, plant and equipment	(3,504)	(3,101)
Payment for intangible asset	(36,316)	-
Net cash used in investing activities	<u>(39,820)</u>	<u>(3,101)</u>
Cash Flows From Financing Activities		
Dividends paid	(26,724)	(21,379)
Net cash used in financing activities	<u>(26,724)</u>	<u>(21,379)</u>
Net increase/(decrease) in cash held	(22,440)	4,751
Cash at the beginning of the financial year	47,544	10,655
Cash at the end of the half-year	<u><u>25,104</u></u>	<u><u>15,406</u></u>

The accompanying notes form part of these financial statements.

Acacia Ridge Financial Services Limited
ABN 73 116 060 916
Notes to the financial statements
for the half-year ended 31 December 2010

Note 1. Basis of Preparation of the Half-Year Financial Statements

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards, *AASB 134: Interim Financial Reporting*, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

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 2010 and any public announcements made by the company during the

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.

Adoption of new and revised Accounting Standards

During the current year the entity has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of the company.

AASB 101 Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101, and as a result there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the company's financial statements.

Disclosure impact

Terminology changes – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity – The revised AASB 101 requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income – The revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The company's financial statements contain a single statement of comprehensive income.

Acacia Ridge Financial Services Limited
ABN 73 116 060 916
Notes to the financial statements
for the half-year ended 31 December 2010

Note 1. Basis of Preparation of the Half-Year Financial Statements (continued)

Adoption of new and revised Accounting Standards (continued)

Other comprehensive income – The revised version of AASB 101 introduces the concept of “other comprehensive income” which comprises of income and expense that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

New Accounting Standards for application in future periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods, as follows:

- *AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013)*
- *AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011)*

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The company has determined these amendments will have no impact on the preparation of the financial statements and therefore they have not been applied.

Note 2. Events Subsequent to Reporting Date

While the human costs of the recent natural disasters across Australia have been extraordinary, Bendigo & Adelaide Bank expects that the effect on credit quality in both the rural and residential mortgage portfolios to be relatively minor and short-lived as markets reopen and the significant rebuilding and investment program begins.

At this time the Company would like to thank its staff, partners and customers for their efforts in helping their fellow Australian's through these recent disasters. Together with Bendigo and Adelaide Bank's charitable arm, the Community Enterprise Foundation™, they have raised more than \$2.25 million for victims of Australia's recent natural disasters – including the Queensland and Victorian floods, Cyclone Yasi, and bushfires in Western Australia.

On 22 February 2011 the company's Franchise partner Bendigo & Adelaide Bank Limited announced that commencing 1 April 2011 two income streams (Term Deposits greater than 90 days and Fixed Rate Home Loans) will have their trailing commission cut from 0.5% to 0.375%. This reduction in commission rate is expected to have a material effect on the expected revenue and profits of the company in the 2011/2012 financial year. The Board estimates that the change will reduce income by \$22,000 based on current budgets and it will continue to monitor budgets to ensure maximisation of returns to shareholders and the community. Further confirmation of the financial effect will be available in the 2011 Annual Report.

There are no other 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.

Acacia Ridge Financial Services Limited
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Notes to the financial statements
for the half-year ended 31 December 2010

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 pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited.

Note 5. Related Parties

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2010 annual financial report.

Note 6. Dividends Paid/Provided	2010 Cents	2010 \$	2009 Cents	2009 \$
Dividend declared and paid during the period:	5.00	26,724	4.00	21,379

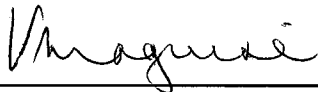
Acacia Ridge Financial Services Limited
ABN 73 116 060 916
Directors' Declaration

In the opinion of the directors of Acacia Ridge 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 2010 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.



Victoria Louise Maguire, Chairman

Dated this 4th day of March 2011.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Acacia Ridge Financial Services Limited

Report on the Half Year Financial Report

We have reviewed the accompanying half year financial report of Acacia Ridge Financial Services Limited, which comprises the balance sheet as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the half year then ended, selected explanatory notes and the directors' declaration.

Directors' Responsibility for the 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 an Interim 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 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 2010 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 Acacia Ridge 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. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. 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.

Conclusion

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 Acacia Ridge Financial Services Limited is not in accordance with the Corporations Act 2001 including:

Giving a true and fair view of the company's financial position at 31 December 2010 and of 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.

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal stroke.

GRAEME STEWART

ANDREW FREWIN & STEWART

61-65 Bull Street, Bendigo, 3550

Dated this 4th day of February 2011