

AUGUSTA & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

ABN 64 110 946 168

Interim Financial Report

For the half-year ended 31 December 2006

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This is annexure A of 11 pages referred to in Form 7051: Notification of half-yearly reports



Director

Dated this *15* day of *MARCH* 2007

AUGUSTA & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED**ABN 64 110 946 168****Interim Financial Report****DIRECTORS' REPORT**

Your Directors submit the financial report of the Company for the half-year ended 31 December 2006.

Directors

The names of Directors who held office during or since the end of the half-year are:

Edward Coulter

Barty Godley

Russell Simpson

Stephen Williams

Tom Howells

Mervyn Barrett (Appointed 21 November 2006)

Jasmine Meagher (Appointed 21 November 2006)

Alfred Richard Fandry (Appointed 21 November 2006)

Kim Basford (Resigned 21 November 2006)

Brendan Evans (Resigned 21 November 2006)

David Watterson (Resigned 21 November 2006)

Review of operations

The focus of the Company's operations during the half-year was the operation of the Augusta & Districts Community Bank® Branch of Bendigo Bank, pursuant to a franchise agreement.

Auditor's declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 for the half-year ended 31 December 2006 is attached to the financial report.

This report is signed in accordance with a resolution of the Board of Directors.

Director



Dated this

15th

day of

MARCH

2007

RSM Bird Cameron Partners

Chartered Accountants

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AUDITOR'S INDEPENDENCE DECLARATION

As lead audit partner for the review of the financial report of Augusta & Districts Community Financial Services Limited for the half-year ended 31 December 2006, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

This declaration is in respect of Augusta & Districts Community Financial Services Limited.

Rsm Bird Cameron Partners.

RSM BIRD CAMERON PARTNERS
Chartered Accountants

D J Wall.

D J WALL
Partner

Perth, WA

Dated: 15 MARCH 2007

AUGUSTA & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

ABN 64 110 946 168

Interim Financial Report

**INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

	31.12.2006	31.12.2005
	\$	\$
Revenue	66,232	20,399
Employee benefits expense	(91,275)	(89,279)
Depreciation and amortisation expense	(20,748)	(16,851)
Finance costs	-	(1)
Other expenses	(77,709)	(63,319)
Profit before income tax	(123,500)	(149,051)
Income tax expense	-	-
Profit from continuing operations	(123,500)	(149,051)
Profit attributable to members of the Company for the period	(123,500)	(149,051)
Overall operations		
Basic loss per share (cents per share)	(19.9)	(24.0)
Diluted loss per share (cents per share)	(19.9)	(24.0)

The accompanying notes form part of this financial report

AUGUSTA & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED**ABN 64 110 946 168****Interim Financial Report****BALANCE SHEET
AS AT 31 DECEMBER 2006**

	31.12.2006	30.06.2006
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	1,032	104,211
Trade and other receivables	4,529	3,436
Other current assets	8,149	9,898
TOTAL CURRENT ASSETS	13,710	117,545
NON-CURRENT ASSETS		
Property, plant and equipment	122,789	137,347
Intangible assets	41,000	47,000
Other non-current assets	14,500	17,500
TOTAL NON-CURRENT ASSETS	178,289	201,847
TOTAL ASSETS	191,999	319,392
CURRENT LIABILITIES		
Trade and other payables	16,843	21,763
Short-term provisions	6,938	5,911
TOTAL CURRENT LIABILITIES	23,781	27,674
TOTAL LIABILITIES	23,781	27,674
NET ASSETS	168,218	291,718
EQUITY		
Issued capital	621,813	621,813
Retained earnings	(453,595)	(330,095)
TOTAL EQUITY	168,218	291,718

The accompanying notes form part of this financial report

AUGUSTA & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

ABN 64 110 946 168

Interim Financial Report

**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

	Note	Issued Capital Ordinary	Retained Earnings	Asset Revaluation Reserve	Total
		\$	\$	\$	\$
Balance at 1.7.2005		606,313	(43,671)	-	(562,642)
Profit attributable to members of the Company			(149,051)	-	(149,051)
Shares issued during the half-year		15,500	-	-	15,500
Balance at 31.12.2005		621,813	(192,722)	-	429,091
Balance at 1.7.2006		621,813	(330,095)	-	291,718
Profit attributable to members of the Company		-	(123,500)	-	(123,500)
Dividends paid or provided for	2	-	-	-	-
Balance at 31.12.2006		621,813	(453,595)	-	168,218

The accompanying notes form part of this financial report

AUGUSTA & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED**ABN 64 110 946 168****Interim Financial Report****CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

	31.12.2006	31.12.2005
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	63,947	13,660
Payments to suppliers and employees	(167,537)	(110,521)
Interest received	1,192	6,739
Finance costs	-	(1)
Net cash provided by (used in) operating activities	<u>(102,398)</u>	<u>(90,123)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of non-current assets	<u>(781)</u>	<u>(160,727)</u>
Net cash provided by (used in) investing activities	<u>(781)</u>	<u>(160,727)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	<u>-</u>	<u>15,500</u>
Net cash provided by (used in) financing activities	<u>-</u>	<u>15,500</u>
Net increase in cash held	(103,179)	(235,350)
Cash at beginning of period	104,211	463,308
Cash at end of period	<u>1,032</u>	<u>227,958</u>

The accompanying notes form part of this financial report

AUGUSTA & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

ABN 64 110 946 168

Interim Financial Report

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

NOTE 1: BASIS OF PREPARATION

The half-year financial report has been prepared on a going concern basis after consideration by the Directors of the following matters:

- (i) The Company is budgeting to return a profit over the next twelve months; and
- (ii) Bendigo Bank has confirmed that it will support the Company such that it will be in a position to meet its financial obligations for a period of twelve months from the date of this report.

In consideration of the above matters, the Directors believe that it is appropriate to adopt the going concern basis of accounting in the preparation of this half-year financial report.

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

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2006 and any public announcements made by the Company during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

Reporting Basis and Conventions

The half-year 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.

NOTE 2: DIVIDENDS

	31.12.2006	31.12.2005
Distributions paid	-	-

NOTE 3: SEGMENT INFORMATION

The Company operates in the financial services sector as a branch of Bendigo Bank in Western Australia.

NOTE 4: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 5: EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the financial period that significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

AUGUSTA & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED**ABN 64 110 946 168****Interim Financial Report****DIRECTORS' DECLARATION**

The Directors of the Company declare that:

1. The financial statements comprising the balance sheet, income statement, statement of changes in equity, cash flow statement, notes to the financial statements and this declaration :
 - a. comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and
 - b. give a true and fair view of the Company's financial position as at 31 December 2006 and of its performance for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director



Dated this

15th

day of March 2007

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
AUGUSTA & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED**

The Financial Report

We have reviewed the accompanying half-year financial report which comprises the income statement, balance sheet, statement of changes in equity, cash flow statement, accompanying notes to the financial statements and directors' declaration for Augusta & Districts Community Financial Services Limited (the company), for the half-year ended 31 December 2006.

Directors' Responsibility for the Half-Year Financial Report

The directors of Augusta & Districts Community Financial Services Limited are responsible for the preparation and fair presentation of the half-year financial report 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 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 2006 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 Augusta & Districts Community 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.

RSM Bird Cameron Partners

Independence
Chartered Accountants

In conducting our review, we have followed applicable independence requirements of Australian professional ethical pronouncements and 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 Augusta & Districts Community 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 as at 31 December 2006 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Rsm Bird Cameron Partners.

RSM BIRD CAMERON PARTNERS
Chartered Accountants

D J Wall

D J WALL
Partner

Perth, WA

Dated: 15 MARCH 2007