

**AUGUSTA & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED**

**ABN 64 110 946 168**

**Interim Financial Report**

**For the half-year ended 31 December 2007**

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

  
\_\_\_\_\_  
Director

Dated this 10 day of March 2008

**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 2007.

**Directors**

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

*Edward Coulter*

*Barry Godley*

*Russell Simpson*

*Stephen Williams*

*Thomas Howells*

*Mervyn Barrett*

*Jasmine Meagher*

*Libby Williams (Appointed 27 November 2007)*

*Douglas Anderson (Appointed 27 November 2007)*

**Review of operations**

The focus of the Company's operations during the half-year was the operation of the Augusta & Districts Community Bank<sup>®</sup> 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 2007 is attached to the financial report.

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

Director 

Dated this 10 day of March 2008

# RSM Bird Cameron Partners

Chartered Accountants

8 St Georges Terrace Perth WA 6000  
GPO Box R1253 Perth WA 6844  
T +61 8 9261 9100 F +61 8 9261 9101  
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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 2007, 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: *10 March 2008*

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**AUGUSTA & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED**

**ABN 64 110 946 168**

**Interim Financial Report**

**INCOME STATEMENT  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007**

|   | <b>31.12.2007</b> | <b>31.12.2006</b> |
|---|-------------------|-------------------|
|   | <b>\$</b>         | <b>\$</b>         |
| Revenue   | 117,571           | 66,232            |
| Employee benefits expense   | (105,223)         | (91,275)          |
| Depreciation and amortisation expense                               | (17,306)          | (22,776)          |
| Finance costs   | (1,938)           | -                 |
| Other expenses  | (79,611)          | (77,709)          |
| Profit before income tax  | (86,507)          | (125,528)         |
| Income tax expense  | -                 | -                 |
| Profit from continuing operations                                   | (86,507)          | (125,528)         |
| <b>Profit attributable to members of the Company for the period</b> | <b>(86,507)</b>   | <b>(125,528)</b>  |
| <b>Overall operations</b>   |                   |                   |
| Basic earnings (loss) per share (cents per share)                   | (13.9)            | (20.2)            |
| Diluted earnings (loss) per share (cents per share)                 | (13.9)            | (20.2)            |

The accompanying notes form part of these financial statements

**AUGUSTA & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED**

**ABN 64 110 946 168**

**Interim Financial Report**

**BALANCE SHEET  
AS AT 31 DECEMBER 2007**

|                                  | <b>31.12.2007</b> | <b>30.06.2007</b> |
|----------------------------------|-------------------|-------------------|
|                                  | <b>\$</b>         | <b>\$</b>         |
| <b>ASSETS</b>                    |                   |                   |
| <b>CURRENT ASSETS</b>            |                   |                   |
| Cash and cash equivalents        | 100               | 100               |
| Trade and other receivables      | 17,861            | 10,689            |
| Other current assets             | 8,926             | 12,049            |
| <b>TOTAL CURRENT ASSETS</b>      | <b>26,887</b>     | <b>22,838</b>     |
| <b>NON-CURRENT ASSETS</b>        |                   |                   |
| Property, plant and equipment    | 96,749            | 108,054           |
| Intangible assets                | 29,000            | 35,000            |
| Other non-current assets         | 8,500             | 11,500            |
| <b>TOTAL NON-CURRENT ASSETS</b>  | <b>134,249</b>    | <b>154,554</b>    |
| <b>TOTAL ASSETS</b>              | <b>161,136</b>    | <b>177,392</b>    |
| <b>CURRENT LIABILITIES</b>       |                   |                   |
| Trade and other payables         | 30,682            | 22,590            |
| Short-term borrowings            | 136,118           | 77,148            |
| Short-term provisions            | 9,572             | 6,383             |
| <b>TOTAL CURRENT LIABILITIES</b> | <b>176,372</b>    | <b>106,121</b>    |
| <b>TOTAL LIABILITIES</b>         | <b>176,372</b>    | <b>106,121</b>    |
| <b>NET ASSETS</b>                | <b>(15,236)</b>   | <b>71,271</b>     |
| <b>EQUITY</b>                    |                   |                   |
| Issued capital                   | 621,813           | 621,813           |
| Accumulated losses               | (637,049)         | (550,542)         |
| <b>TOTAL EQUITY</b>              | <b>(15,236)</b>   | <b>71,271</b>     |

The accompanying notes form part of these financial statements

**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 2007**

|  | Note | Issued Capital<br>Ordinary | Accumulated<br>Losses | Total           |
|--|------|----------------------------|-----------------------|-----------------|
|  |      | \$                         | \$                    | \$              |
| Balance at 1.7.2006                              |      | 621,813                    | (330,095)             | 291,718         |
| Profit attributable to members of the<br>Company |      | -                          | (125,528)             | (125,528)       |
| Balance at 31.12.2006                            |      | <u>621,813</u>             | <u>(455,623)</u>      | <u>166,190</u>  |
| Balance at 1.7.2007                              |      |                            |                       |                 |
| Shares issued during the half-year               |      | 621,813                    | (550,542)             | 71,271          |
| Profit attributable to members of the<br>Company |      | -                          | (86,507)              | (86,507)        |
| Balance at 31.12.2007                            |      | <u>621,813</u>             | <u>(637,049)</u>      | <u>(15,236)</u> |

The accompanying notes form part of these financial statements

**AUGUSTA & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED**

**ABN 64 110 946 168**

**Interim Financial Report**

**CASH FLOW STATEMENT  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007**

|   | <b>31.12.2007</b>       | <b>31.12.2006</b>   |
|---|-------------------------|---------------------|
|   | <b>\$</b>               | <b>\$</b>           |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>         |                         |                     |
| Receipts from customers                             | 110,400                 | 63,947              |
| Payments to suppliers and employees                 | (167,501)               | (167,537)           |
| Interest received                                   | -                       | 1,192               |
| Finance costs                                       | (1,938)                 | -                   |
| Net cash used in operating activities               | <u>(59,039)</u>         | <u>(102,398)</u>    |
| <br><b>CASH FLOWS FROM INVESTING ACTIVITIES</b>     |                         |                     |
| Purchase of non-current assets                      | -                       | (781)               |
| Net cash provided by (used in) investing activities | <u>-</u>                | <u>(781)</u>        |
| Net decrease in cash held                           | (59,039)                | (103,179)           |
| Cash at beginning of period                         | (76,979)                | 104,211             |
| <b>Cash at end of period</b>                        | <u><b>(136,018)</b></u> | <u><b>1,032</b></u> |

The accompanying notes form part of these financial statements

**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 2007**

**NOTE 1: BASIS OF PREPARATION**

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 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 2007 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 accounting policies are consistent with those in the June 2007 financial report.

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

The financial report has been prepared on a going concern basis after consideration by the Directors of the following matter:

- (i) The Company is budgeting to return a profit within the next 2 to 5 years; and
- (ii) The 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 matter, the Directors believe that it is appropriate to adopt the going concern basis of accounting in the preparation of this 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: SEGMENT INFORMATION**

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

**NOTE 3: CONTINGENT LIABILITIES**

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

**NOTE 4: 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 reports 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 2007 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

10

day of

March

2008

# RSM Bird Cameron Partners

Chartered Accountants

8 St Georges Terrace Perth WA 6000  
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## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF AUGUSTA & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

### *Report on the Half-Year Financial Report*

We have reviewed the accompanying half-year financial report of Augusta & Districts Community Financial Services Limited (the company) which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, accompanying notes to the financial statements and directors' declaration.

### *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 establishing 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 2007 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.

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*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 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 2007 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: 10 March 2008