



Annexure 3A

BSX Listing Rules

Half yearly/Yearly Disclosure

References Version 1, Operative 23/8/2000

Chapter 3, BSX Listing Rules

Bendigo Community Telco Limited

Name of entity

88 089 782 203

ABN, ACN or ARBN

Half yearly (tick)

Annual (tick)

☐
☒

30 June 2006

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

Summary

				\$A,000
Sales revenue or operating revenue	up	19.1%	to	18,371
Profit (loss) before abnormal items and after tax	up	0.2%	to	553
Abnormal items before tax		gain (loss) of		-
Profit (loss) after tax but before outside equity interests	up	0.2%	to	553
Extraordinary items after tax attributable to members		gain (loss) of		-
Profit (loss) for the period attributable to members	up	0.2%	to	553

Dividends (distributions)	Franking rate applicable	100%
Current period	Final	4.0¢
	Interim	4.5¢
Previous corresponding period	Final	7.67¢
	Interim	2.885¢
Record date for determining entitlements to the dividend, (in the case of a trust distribution)		n/a

Annexure 3A
Half Yearly/Yearly Disclosure

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

N/A

Consolidated profit and loss account

	Current period \$A'000	Previous corresponding period \$A'000
Sales revenue or operating revenue	18,371	15,424
Expenses from ordinary activities	(17,486)	(14,620)
Borrowing costs	(26)	(36)
Share of net profit (loss) of associates and joint venture entities	0	0
Profit (loss) from ordinary activities before tax	859	768
Income tax on ordinary activities	(306)	(216)
Profit (loss) from ordinary activities after tax	553	552
Outside equity interests	0	0
Profit (loss) from ordinary activities after tax attributable to members	553	552
Profit (loss) from extraordinary activities after tax attributable to members	0	0
Profit (loss) for the period attributable to members	553	552
Retained profits (accumulated losses) at the beginning of the financial period	34	(105)
Net transfers to and from reserves	0	0
Net effect of changes in accounting policies	0	0
Dividends paid or payable	(251)	(413)
Retained profits (accumulated losses) at end of financial period	336	34

Annexure 3A
Half Yearly/Yearly Disclosure

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	553	552
Less (plus) outside equity interests	0	0
Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members	553	552

Revenue and expenses from operating activities

	Current period \$A'000	Previous corresponding period \$A'000
Details of revenue and expenses		
Revenue from ordinary activities	18,246	15,372
Cost of Products Sold	(13,632)	(11,152)
Other revenue	125	52
Salaries and employee benefit expense	(1,757)	(1,545)
Occupancy and associated costs	(212)	(140)
General administration expenses	(680)	(592)
Depreciation and amortisation expense	(192)	(204)
Advertising and promotion costs	(196)	(314)
Systems costs	(817)	(673)
Borrowing costs	(26)	(36)

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	-	-	-
Total amortisation of intangibles	-	-	-
Extraordinary items (details)	-	-	-
Total extraordinary items	-	-	-

Annexure 3A

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	220	227
Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	333	325

Consolidated balance sheet

Current assets	At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly statement \$A'000
Cash	2,901	926	2,537
Receivable	2,796	2,528	2,859
Investments	-	-	-
Inventories	50	90	93
Prepayments & Intangibles	408	499	483
Total current assets	6,155	4,043	5,972
Non-current assets			
Receivables	-	-	-
Investments	-	250	-
Other property, plant and equipment (net)	671	684	701
Intangibles (net)	-	-	-
Other (Deferred Tax Asset)	-	-	-
Total non-current assets	671	934	701
Total assets	6,826	4,977	6,673
Current liabilities			
Accounts payable	2,674	2,540	2,556
Borrowings	139	162	105
Provisions	80	80	81
Taxation	145	39	127
Total current liabilities	3,038	2,821	2,869

Annexure 3A
Half Yearly/Yearly Disclosure

Non-current liabilities			
Accounts payable	-	-	-
Borrowings	90	184	201
Provisions	11	-	-
Other (provide details if material)	-	-	-
Total non-current liabilities	101	184	201
Total liabilities	3,139	3,005	3,070
Net assets	3,687	1,972	3,603
Equity			
Capital	3,351	1,938	3,349
Reserves	-	-	-
Retained profits (accumulated losses)	336	34	254
Equity attributable to members of the parent entity	-	-	-
Outside equity interests in controlled entities	-	-	-
Total equity	3,687	1,972	3,603
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	17,978	14,440
Payments to suppliers and employees	(17,020)	(13,942)
Dividends received	-	-
Interest and other items of similar nature received	125	52
Interest and other costs of finance paid	(26)	(36)
Income taxes paid	(199)	(177)
Other (provide details if material)	-	-
Net operating cash flows	858	337

Annexure 3A
Half Yearly/Yearly Disclosure

Cash flows related to investing activities		
Payments for purchases of property, plant and equipment	(178)	(243)
Proceeds from sale of property, plant and equipment	-	56
Payment for purchases of equity investments	-	-
Proceeds from sale of equity investments	250	-
Loans to other entities	-	-
Loans repaid by other entities	-	-
Other (provide details if material)	-	-
Net investing cash flows	72	(187)
Cash flows related to financing activities		
Proceeds from issues of securities (shares, options, etc.)	1676	-
Proceeds from borrowings	-	-
Repayment of borrowings	(117)	(84)
Dividends paid	(251)	(413)
Cost of Shares Issued	(264)	-
Net financing cash flows	1,044	(497)
Net increase (decrease) in cash held		
Cash at beginning of period (see Reconciliation of cash)	926	1,273
Exchange rate adjustments	-	-
Cash at end of period (see Reconciliation of cash)	2,901	926

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.

Nil

Annexure 3A
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	1,161	926
Deposits at call	1,740	-
Bank overdraft	-	-
Other (provide details)	-	-
Total cash at end of period	2,901	926

Ratios

	Current period	Previous corresponding period
Profit before tax/sales		
Consolidated profit (loss) from ordinary activities before tax as a percentage of sales revenue	4.71%	4.99%
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	15.01%	28.00%

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	10.25c	13.37c
(b) Diluted EPS (if materially different from (a))	-	-

NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$0.68	\$0.49

Annexure 3A
Half Yearly/Yearly Disclosure

Details of specific receipts/outlays, revenues/expenses

	Current period A\$'000	Previous corresponding period \$A'000
Interest revenue included	125	52
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)	(26)	(36)
Depreciation (excluding amortisation of intangibles)	(192)	(204)
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

-

Reports for industry and geographical segments

N/A

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</i>
Unallocated assets	)	<i>end of the previous corresponding period</i>
Total assets	)	

Dividends

Date the dividend is payable

15 September 2006

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

8 September 2006

Amount per security

		Franking rate applicable	%	%	%
<i>(annual report only)</i>					
Final dividend:	Current year	4.0¢	100		
	Previous year	7.67¢	100		
<i>(Half yearly and annual statements)</i>					
Interim dividend:	Current year	4.5¢	100		
	Previous year	2.885¢	100		

Annexure 3A
Half Yearly/Yearly Disclosure

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

	Current year	Previous year
Ordinary securities	8.5¢	10.555¢
Preference securities	-	-

Total dividend (distribution)

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	\$475	\$413
Preference securities	-	-
Total	\$475	\$413

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	\$251	-
Preference securities	-	-
Total	\$251	-

The dividend or distribution plans shown below are in operation.

Nil

The last date(s) for receipt of election notices to the dividend or distribution plans 8 September 2006

Any other disclosures in relation to dividends (distributions)

N/A

Annexure 3A Half Yearly/Yearly Disclosure

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	-	-	-	-

Annexure 3A
Half Yearly/Yearly Disclosure

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	5,586,010	5,586,010	\$1.00	\$1.00
Changes during current period	1,676,000	5,586,010	\$1.00	\$1.00
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	-	-	-	-	-	-

Annexure 3A
Half Yearly/Yearly Disclosure

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

Nil

Comments by *directors* - Nil

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

Nil

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)

A dividend of 4 cents per share was declared on 24 August 2006 which will be 100% franked. This will be distributed on 15 September 2006.

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

Refer to response above. It is expected, based on the history of dividends payments, that dividends will be 100% franked over the next year.

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

The full year accounts have been prepared in accordance with A-IFRS including the restatement of comparative information as required. This included an impairment loss of \$55,957.

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

Vahland Room. Shamrock Hotel, Cnr Pall Mall & Williamson Street, Bendigo

Date

Tuesday 17 October 2006

Time

6.00 pm

Approximate date the annual report will be available

Monday 18 September 2006

Annexure 3A
Half Yearly/Yearly Disclosure

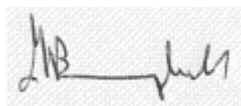
Compliance statement

- 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 not followed as compared with the most recent annual accounts (due to transition to A-IFRS). **N/A**
- 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 <i>not</i> 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 will follow immediately they are available. **(N/A – Audit report is attached)**
- 7 The entity does have a formally constituted audit committee.



Sign here: Date: 13 September 2006
(Company secretary)

Print name: Malcolm Campbell

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.



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INDEPENDENT AUDIT REPORT

To the members of Bendigo Community Telco Limited

Scope

The financial report comprises the balance sheet, income statement, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes and the directors' declaration for Bendigo Community Telco Limited for the financial year ended 30 June 2006.

The company has disclosed information about the compensation of key management personnel ("compensation disclosures"), as required by Accounting Standard AASB 124 Related Party Disclosures ("AASB 124") under the heading "remuneration report" in the directors' report as permitted by the ASIC class order 06/50. These compensation disclosures are identified in the directors' report as being subject to audit. The remuneration report also contains information not subject to audit.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with Accounting Standards in Australia and the Corporations Act 2001. This includes responsibility for the maintenance of adequate financial records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The directors are also responsible for the compensation disclosures contained in the directors' report.

Audit Approach

We have conducted an independent audit of the financial report and compensation disclosures in order to express an opinion on them to the members of the company. Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement and the compensation disclosures comply with AASB 124. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal controls, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards in Australia and the Corporations Act 2001 so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations, its changes in equity and their cash flows and whether the compensation disclosures comply with AASB 124.

Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates made by the directors.

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

..2..

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion:

1. the financial report of Bendigo Community Telco Limited is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2006 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations; and
2. the compensation disclosures that are contained in the directors' report under the heading "remuneration report" comply with Accounting Standard AASB 124 *Related Party Disclosures*.


DAVID HUTCHINGS

ANDREW FREWIN & STEWART
61-65 Bull Street, Bendigo, VIC 3550
Dated this 9th day of September 2006