



## 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)

☒  
☐

31 December 2006

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

#### Summary

				\$A,000
Sales revenue or operating revenue	up	21.8%	to	10,803
Profit (loss) before abnormal items and after tax	up	64.5%	to	362
Abnormal items before tax		gain (loss) of		-
Profit (loss) after tax but before outside equity interests	up	64.5%	to	362
Extraordinary items after tax attributable to members		gain (loss) of		-
Profit (loss) for the period attributable to members	up	64.5%	to	362

Dividends (distributions)	Franking rate applicable	100%
Current period	Final	0¢
	Interim	5.0¢
Previous corresponding period	Final	4.0¢
	Interim	4.5¢
Record date for determining entitlements to the dividend, (in the case of a trust distribution)		n/a

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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	10,803	8,872
Expenses from ordinary activities	(10,298)	(8,544)
Borrowing costs	(11)	(14)
Share of net profit (loss) of associates and joint venture entities	0	0
Profit (loss) from ordinary activities before tax	494	314
Income tax on ordinary activities	(132)	(94)
Profit (loss) from ordinary activities after tax	362	220
Outside equity interests	0	0
Profit (loss) from ordinary activities after tax attributable to members	362	220
Profit (loss) from extraordinary activities after tax attributable to members	0	0
Profit (loss) for the period attributable to members	362	220
Retained profits (accumulated losses) at the beginning of the financial period	336	34
Net transfers to and from reserves	0	0
Net effect of changes in accounting policies	0	0
Dividends paid or payable	(223)	0
Retained profits (accumulated losses) at end of financial period	475	254

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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	362	220
Less (plus) outside equity interests	0	0
Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members	362	220

**Revenue and expenses from operating activities**

	Current period \$A'000	Previous corresponding period \$A'000
Details of revenue and expenses		
Revenue from ordinary activities	10,732	8,817
Cost of Products Sold	(7,612)	(6,662)
Other revenue	71	55
Salaries and employee benefit expense	(1,305)	(846)
Occupancy and associated costs	(109)	(96)
General administration expenses	(460)	(379)
Depreciation and amortisation expense	(113)	(96)
Advertising and promotion costs	(202)	(73)
Systems costs	(497)	(392)
Borrowing costs	(11)	(14)

**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	-	-	-
<b>Total amortisation of intangibles</b>	-	-	-
Extraordinary items (details)	-	-	-
<b>Total extraordinary items</b>	-	-	-

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**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
<b>Current assets</b>			
Cash	1,347	2,901	2,537
Receivable	4,157	2,796	2,859
Investments	-	-	-
Inventories	211	50	93
Prepayments & Intangibles	611	408	483
<b>Total current assets</b>	<b>6,326</b>	<b>6,155</b>	<b>5,972</b>
<b>Non-current assets</b>			
Receivables	-	-	-
Investments	-	-	-
Other property, plant and equipment (net)	1,119	671	701
Intangibles (net)	531	-	-
Other (Deferred Tax Asset)	-	-	-
<b>Total non-current assets</b>	<b>1,650</b>	<b>671</b>	<b>701</b>
<b>Total assets</b>	<b>7,976</b>	<b>6,826</b>	<b>6,673</b>
<b>Current liabilities</b>			
Accounts payable	3,336	2,674	2,556
Borrowings	169	139	105
Provisions	250	80	81
Taxation	271	145	127
<b>Total current liabilities</b>	<b>4,026</b>	<b>3,038</b>	<b>2,869</b>

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<b>Non-current liabilities</b>			
Accounts payable	-	-	-
Borrowings	91	90	201
Provisions	33	11	-
Other (provide details if material)	-	-	-
<b>Total non-current liabilities</b>	<b>124</b>	<b>101</b>	<b>201</b>
<b>Total liabilities</b>	<b>4,150</b>	<b>3,139</b>	<b>3,070</b>
<b>Net assets</b>	<b>3,826</b>	<b>3,687</b>	<b>3,603</b>
<b>Equity</b>			
Capital	3,351	3,351	3,349
Reserves	-	-	-
Retained profits (accumulated losses)	475	336	254
Equity attributable to members of the parent entity	-	-	-
Outside equity interests in controlled entities	-	-	-
<b>Total equity</b>	<b>3,826</b>	<b>3,687</b>	<b>3,603</b>
Preference capital and related premium included	-	-	-

**Consolidated statement of cash flows**

<b>Cash flows related to operating activities</b>	<b>Current period \$A'000</b>	<b>Previous corresponding period \$A'000</b>
Receipts from customers	9,371	8,486
Payments to suppliers and employees	(9,697)	(8,348)
Dividends received	-	-
Interest and other items of similar nature received	71	55
Interest and other costs of finance paid	(11)	(14)
Income taxes paid	(3)	(6)
Other (provide details if material)	-	-
<b>Net operating cash flows</b>	<b>(269)</b>	<b>173</b>

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<b>Cash flows related to investing activities</b>		
Payments for purchases of property, plant and equipment	(561)	(182)
Proceeds from sale of property, plant and equipment	-	-
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)	(531)	-
<b>Net investing cash flows</b>	<b>(1,092)</b>	<b>68</b>
<b>Cash flows related to financing activities</b>		
Proceeds from issues of securities (shares, options, etc.)	-	1,675
Proceeds from borrowings	-	-
Repayment of borrowings	32	(41)
Dividends paid	(223)	-
Cost of Shares Issued	-	(264)
<b>Net financing cash flows</b>	<b>(193)</b>	<b>1,370</b>
<b>Net increase (decrease) in cash held</b>		
Cash at beginning of period (see Reconciliation of cash)	2,901	926
Exchange rate adjustments	-	-
<b>Cash at end of period</b> (see Reconciliation of cash)	<b>1,347</b>	<b>2,537</b>

**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
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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	1,347	2,537
Deposits at call	-	-
Bank overdraft	-	-
Other (provide details)	-	-
Total cash at end of period	1,347	2,537

**Ratios**

	Current period	Previous corresponding period
<b>Profit before tax/sales</b>		
Consolidated profit (loss) from ordinary activities before tax as a percentage of sales revenue	4.6%	3.56%
<b>Profit after tax/equity interests</b>		
Consolidated profit (loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	9.46%	6.12%

**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	6.5c	3.9c
(b) Diluted EPS (if materially different from (a))	-	-

**NTA backing**

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$0.59	\$0.67

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**Details of specific receipts/outlays, revenues/expenses**

	Current period A\$'000	Previous corresponding period \$A'000
Interest revenue included	71	55
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)	112	96
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**

**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

30 March 2007

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

20 March 2007

**Amount per security**

		Franking rate applicable	%	%	%
<i>(annual report only)</i>					
<b>Final dividend:</b>	Current year	-¢	N/A	-¢	N/A
	Previous year	4.0¢	100%	-¢	¢
<i>(Half yearly and annual statements)</i>					
<b>Interim dividend:</b>	Current year	5.0¢	100%	-¢	N/A
	Previous year	4.5¢	100%	-¢	-¢

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**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	-	-
Preference securities	-	-
<b>Total</b>	-	-

**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	\$279	\$251
Preference securities	-	-
<b>Total</b>	\$279	\$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      20 March 2007

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
	-	-	-	-
	-	-	-	-
<b>Total</b>	-	-	-	-
<b>Other material interests</b>	-	-	-	-
	-	-	-	-
	-	-	-	-
<b>Total</b>	-	-	-	-

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**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)
<b>Preference securities</b> <i>(description)</i>	-	-	-	-
Changes during current period	-	-	-	-
<b>Ordinary securities</b>	5,586,010	5,586,010	\$1.00	\$1.00
Changes during current period	5,586,010	5,586,010	\$1.00	\$1.00
<b>Convertible debt securities</b> <i>(description and conversion factor)</i>	-	-	-	-
Changes during current period	-	-	-	-
			Exercise price	Expiry date
<b>Options</b> <i>(description and conversion factor)</i>	-	-	-	-
Changes during current period	-	-	-	-
Exercised during current period	-	-	-	-
Expired during current period	-	-	-	-
<b>Debentures</b>	-	-		
<b>Unsecured Notes</b>	-	-		

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**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)

Nil

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

The interim dividend declared on 20 February 2007 of 5.0c/share will be 100% franked and it is expected that based on dividend payment history 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.

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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**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 <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.
- 7 The entity does have a formally constituted audit committee.



Sign here: ..... Date: 16 March 2007  
(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.



## Independent Review Report to the Members of Bendigo Community Telco Limited

### *Scope*

We have reviewed the accompanying financial report of Bendigo Community Telco Limited comprising the balance sheet, income statement, statement of changes in equity, cash flow statement, accompanying notes 1 – 5 to the financial statements and the directors' declaration for the entity for the half-year ended 31 December 2006.

### *Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the interim 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 an opinion on the interim 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 interim 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 Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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.

### *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Bendigo Community Telco Limited is not in accordance with *Corporations Act 2001*, including:

- i. giving a true and fair view of the entity's financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134 '*Interim Financial Reporting*' and the *Corporations Regulations 2001*.



Graeme Stewart Partner  
BENDIGO 21 February 2007