

Manningham
Community Enterprises Limited
Financial Statements
as at
31 December 2009

Manningham Community Enterprises Limited
ABN 69 101 174 270
Directors' Report

Your directors submit the financial report of the company for the half-year ended 31 December 2009.

Directors

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

Raymond Thomas Lord

James Douglas Christie RFD

Erica Janice Mounter

Raymond Bruce Barrington

Daryl Lindsay George Brown

Trevor Leigh Waring

Keith Crothers

Geoffrey Bruce Roberts

David Carson (*Appointed 27 August 2009*)

Eileen M.C. Haw (*Appointed 27 August 2009*)

Heather Herbert (*Appointed 28 September 2009*)

Principal Activities

The principal activities of the company during the course of the financial period were in providing community banking services under management rights to operate a franchised branches 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 was: \$126,484 [2008: \$116,114].

Matters Subsequent to the End of the Reporting Period

There are no 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 Doncaster East, Victoria on 15 March 2010.



Raymond Thomas Lord, Chairman

Auditor's Independence Declaration

As lead auditor for the review of Manningham Community Enterprises Limited I declare that, to the best of my knowledge and belief, in relation to the review of the half year ended 31 December 2009 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
Auditor

Andrew Frewin & Stewart
Bendigo, Victoria

Dated this 15th day of March 2010

Manningham Community Enterprises Limited
ABN 69 101 174 270
Income Statement
for the half-year ended 31 December 2009

	2009	2008
	\$	\$
Revenue from ordinary activities	705,030	596,734
Salaries and employee benefit expense	(293,598)	(229,901)
Occupancy and associated costs	(57,454)	(56,347)
Charitable donations, sponsorship, advertising & promotion	(72,110)	(66,814)
Systems costs	(12,092)	(11,088)
Depreciation and amortisation expense	(17,494)	(9,707)
General administration expenses	(69,994)	(57,452)
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Profit before income tax expense	182,288	165,425
Income tax expense	(55,804)	(49,311)
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Profit for the period	126,484	116,114
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Profit attributable to members of the entity	126,484	116,114
	<hr/> <hr/>	<hr/> <hr/>
Earnings per Share	c	c
Earnings per share for the period:	10.86	17.86
Dividends paid per share for the period:	7 0.11	-

The accompanying notes form part of these financial statements.

Manningham Community Enterprises Limited
ABN 69 101 174 270
Balance Sheet
as at 31 December 2009

	31-Dec 2009 \$	30-Jun 2009 \$
ASSETS		
Current Assets		
Cash assets	995,497	474,625
Trade and other receivables	143,734	147,035
Total Current Assets	<u>1,139,231</u>	<u>621,660</u>
Non-Current Assets		
Property, plant and equipment	176,706	170,905
Intangible assets	132,130	50,525
Deferred tax asset	15,185	7,764
Total Non-Current Assets	<u>324,021</u>	<u>229,194</u>
Total Assets	<u>1,463,252</u>	<u>850,854</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	82,017	69,170
Current tax liabilities	43,953	15,544
Financial liabilities	-	-
Provisions	46,178	27,909
Total Current Liabilities	<u>172,148</u>	<u>112,623</u>
Non-Current Liabilities		
Financial liabilities	-	-
Provisions	13,396	17,668
Deferred tax liabilities	-	-
Total Non-Current Liabilities	<u>13,396</u>	<u>17,668</u>
Total Liabilities	<u>185,544</u>	<u>130,291</u>
Net Assets	<u>1,277,708</u>	<u>720,563</u>
Equity		
Issued capital	1,118,008	615,846
Retained earnings/Accumulated losses	159,700	104,717
Total Equity	<u>1,277,708</u>	<u>720,563</u>

The accompanying notes form part of these financial statements.

Manningham Community Enterprises Limited
ABN 69 101 174 270
Statement of Changes in Equity
for the half-year ended 31 December 2009

	Issued Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2008	615,846	15,174	631,020
Net profit for the period	-	116,114	116,114
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	-	(71,501)	(71,501)
Balance at 31 December 2008	<u>615,846</u>	<u>59,787</u>	<u>675,633</u>
 Balance at 1 July 2009	 615,846	 104,717	 720,563
Net profit for the period	-	126,484	126,484
Shares issued during period	514,700	-	514,700
Costs of issuing shares	(12,538)	-	(12,538)
Dividends provided for or paid	-	(71,501)	(71,501)
Balance at 31 December 2009	<u>1,118,008</u>	<u>159,700</u>	<u>1,277,708</u>

The accompanying notes form part of these financial statements.

Manningham Community Enterprises Limited
ABN 69 101 174 270
Cash Flow Statement
for the half-year ended 31 December 2009

	2009	2008
	\$	\$
Cash Flows From Operating Activities		
Receipts from customers	696,438	668,852
Payments to suppliers and employees	(508,273)	(446,808)
Interest paid	-	(265)
Interest received	24,087	17,389
Income taxes paid	(17,141)	(25,588)
Net cash provided by operating activities	<u>195,111</u>	<u>213,580</u>
Cash Flows From Investing Activities		
Payments for property, plant and equipment	(14,902)	(1,323)
Payments for intangible assets	(89,999)	-
Net cash used in investing activities	<u>(104,901)</u>	<u>(1,323)</u>
Cash Flows From Financing Activities		
Proceeds from issues of equity securities	514,700	-
Payment for share issue costs	(12,537)	-
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Dividends paid	(71,501)	(71,501)
Net cash provided by/(used in) financing activities	<u>430,662</u>	<u>(71,501)</u>
Net increase in cash held	520,872	140,756
Cash at the beginning of the financial year	474,625	395,702
Cash at the end of the half-year	<u><u>995,497</u></u>	<u><u>536,458</u></u>

The accompanying notes form part of these financial statements.

Manningham Community Enterprises Limited
ABN 69 101 174 270
Notes to the financial statements
for the half-year ended 31 December 2009

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

Statement of Compliance

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*, *Australian Accounting Interpretations* and other authoritative pronouncements of the *Australian Accounting Standards Board ('AASB')*.

Basis of Accounting

The half-year financial report 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 financial report for the year ended 30 June 2009 and any public pronouncements made by the company during the period.

The accounting policies set out below have been applied in preparing the financial statements for the half-year ended 31 December 2009. All accounting policies are consistent with those applied in the 30 June 2009 financial statements except as set out below.

Reporting Basis and Convention

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.

2. Events Subsequent to Reporting Date

There have been no events subsequent to reporting date that would materially effect the financial statements at the reporting date.

3. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the date of this report to affect the financial statements.

4. Segment Reporting

The economic entity operates in the service sector where it facilitates community banking services pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited. The economic entity operates in the geographic area being the suburbs of Doncaster East and Templestowe, Melbourne, Victoria.

5. Contributed Equity

	2009	2008
	\$	\$
2,139,711* Ordinary shares fully paid (2009: 650,011)	1,164,711	650,011
Less: equity raising expenses	(46,702)	(34,165)
	<u>1,118,009</u>	<u>615,846</u>

* 975,000 Bonus Shares were issued on 30 September 2009.

Manningham Community Enterprises Limited
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Notes to the financial statements
for the half-year ended 31 December 2009

6. Related Parties

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2009 annual financial report.

7. Dividends Paid

Period ended 31 December 2009	2009 Cents	2009 \$	2008 Cents	2008 \$
Interim dividend declared	-	-	-	-
Dividends paid in the year.				
- interim for the year	11	71,501	-	-
- as recommended in the prior year report	-	-	11	71,501

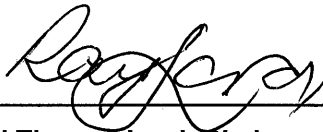
Manningham Community Enterprises Limited
ABN 69 101 174 270
Directors' Declaration

In the opinion of the directors of Manningham Community Enterprises 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 2009 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.

On behalf of the Directors



Raymond Thomas Lord, Chairman

Dated this 15th day of March 2010.

INDEPENDENT AUDITOR'S REPORT

To the members of Manningham Community Enterprises Limited

We have reviewed the accompanying half year financial report of Manningham Community Enterprises Limited, which comprises the balance sheet as at 31 December 2009, and the income statement, statement of changes in equity and cash flow statement for the half year then ended, a statement of accounting policies and other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company 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 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 2009 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 Manningham Community Enterprises 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.

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.

Auditor's Opinion

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 Manningham Community Enterprises Limited is not in accordance with the Corporations Act 2001 including:

- a) Giving a true and fair view of the company's financial position at 31 December 2009 and of its performance for the half-year ended on that date; and
- b) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.



GRAEME STEWART

ANDREW FREWIN & STEWART

61-65 Bull Street, Bendigo, 3550

Dated this 15th day of March 2010