

Community
Financial Services Victoria Limited
Financial Statements
as at
31 December 2006

Community Financial Services Victoria Limited
ABN 51 092 756 351
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 the half year and until the date of this report are as below:

Maxwell William Papley

Michael John Duff

Douglas Hugh Hamilton

Tania Lyn Hansen

Maxwell Arthur John Kneebone

John Munro Lyle

Glenister Malcolm McGregor

Leslie John Preston

Gordon Lovell Sampson

Ronald James Witney

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 branch of Bendigo 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: \$143,496 (2005: \$98,228).

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.

Auditor's 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 Board of Directors at Lang Lang, Victoria
on 9 March 2007.


Maxwell W. Papley, Chairman


Tania Lyn Hansen, Director

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the directors of Community Financial Services Victoria Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the financial period ended 31 December 2006 there have been:

- ✓ no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review and
- ✓ no contraventions of any applicable code of professional conduct in relation to the review.



David Hutchings
Auditor

Andrew Frewin & Stewart
Bendigo, Victoria

Dated: 9 March 2007

Community Financial Services Victoria Limited
ABN 51 092 756 351
Income Statement
for the half-year ended 31 December 2006

	2006	2005
	\$	\$
Revenues from ordinary activities	1,033,238	811,618
Salaries and employee benefits expense	(406,897)	(419,736)
Advertising and promotion	(102,831)	(14,141)
Occupancy and associated costs	(70,123)	(58,313)
Systems costs	(43,574)	(43,157)
Depreciation and amortisation expense	(19,761)	(20,597)
General administration expenses	(181,358)	(111,364)
Profit before income tax expense	208,694	144,310
Income tax expense	65,198	46,082
Profit for the period	143,496	98,228
Profit attributable to members of the entity	143,496	98,228
Earnings per share (cents per share)		
- basic for profit for the year	19.59	13.41

The accompanying notes form part of these financial statements.

Community Financial Services Victoria Limited
ABN 51 092 756 351
Balance Sheet
as at 31 December 2006

	31-Dec 2006 \$	30-Jun 2006 \$
ASSETS		
Current Assets		
Cash assets	360,241	224,104
Trade and other receivables	164,175	150,967
Total Current Assets	<u>524,416</u>	<u>375,071</u>
Non-Current Assets		
Property, plant and equipment	253,438	221,440
Intangibles	258,934	266,932
Total Non-Current Assets	<u>512,372</u>	<u>488,372</u>
Total Assets	<u>1,036,788</u>	<u>863,443</u>
Current Liabilities		
Trade and other payables	149,570	80,262
Tax liability	81,170	45,483
Provisions	49,123	51,032
Total Current Liabilities	<u>279,863</u>	<u>176,777</u>
Total Liabilities	<u>279,863</u>	<u>176,777</u>
Net Assets	<u>756,925</u>	<u>686,666</u>
Equity		
Contributed equity	607,871	607,871
Retained profits	149,054	78,795
Total Equity	<u>756,925</u>	<u>686,666</u>

The accompanying notes form part of these financial statements.

Community Financial Services Victoria Limited
ABN 51 092 756 351
Statement of Changes in Equity
for the half-year ended 31 December 2006

	2006	2005
	\$	\$
Total equity at the beginning of the period	686,666	566,723
Net profit for the period	143,496	98,228
Net income/expense recognised directly in equity	-	-
Dividends provided for or paid	(73,237)	-
Write back of amortisation of Goodwill no longer amortised	-	79,520
Shares issued during period	-	-
Total equity at the end of the period	<u><u>756,925</u></u>	<u><u>744,471</u></u>

The accompanying notes form part of these financial statements.

Community Financial Services Victoria Limited
ABN 51 092 756 351
Cash Flow Statement
for the half-year ended 31 December 2006

	2006 \$	2005 \$
Cash Flows From Operating Activities		
Receipts from customers	1,121,973	588,186
Payments to suppliers and employees	(913,157)	(405,672)
Interest received	558	3,419
Net cash provided by operating activities	<u>209,374</u>	<u>185,933</u>
Cash Flows From Investing Activities		
Payments for property, plant and equipment	(19,445)	-
Net cash used in investing activities	<u>(19,445)</u>	<u>-</u>
Cash Flows From Financing Activities		
Dividends paid	(73,237)	-
Net cash used in financing activities	<u>(73,237)</u>	<u>-</u>
Net increase in cash held	136,137	185,933
Cash at the beginning of the financial year	224,104	354,373
Cash at the end of the half-year	<u><u>360,241</u></u>	<u><u>540,306</u></u>

The accompanying notes form part of these financial statements.

Community Financial Services Victoria Limited
ABN 51 092 756 351
Notes to the financial statements
for the half-year ended 31 December 2006

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

Statement of compliance

The half-year financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. The financial report also complies with the IFRSs and interpretations adopted by the International Accounting Standards Board.

Basis of accounting

The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent financial report 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 2006. All accounting policies are consistent with those applied in the 30 June 2006 financial statements except as set out below.

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 financial services sector where it provides banking services to its clients. The economic entity operates in the geographic area being of Lang Lang, Pearcedale, Koo Wee Rup, Narre Warren South and their surrounding districts of Victoria.

5. Related Parties

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2006 annual financial report.

6. Dividends Paid

Period ended 31 December 2006	2006 Cents	2006 \$	2005 Cents	2005 \$
Interim dividend declared	-	-	-	-
Dividends paid in the year.				
- final for the previous year	10	73,237	-	-

The Directors resolved that a 10 cents fully franked dividend be paid to ordinary shareholders from the previous year profits. The dividend was paid on the 15th December 2006 based on the shareholdings as at 1st December 2006.


Community Financial Services Victoria Limited
ABN 51 092 756 351
Directors' Declaration


In the opinion of the directors of Community Financial Services Victoria 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 2006 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
 - (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 disclosing entity 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


Maxwell W. Papley, Chairman


Tania Lyn Hansen, Director

Dated this 9th day of March 2007

Independent Review Report to the Members of Community Financial Services Victoria Limited

Scope

We have reviewed the accompanying financial report of Community Financial Services Victoria Limited comprising the balance sheet, income statement, statement of changes in equity, cash flow statement, accompanying notes 1 – 6 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 Community Financial Services Victoria 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.



David Hutchings Partner
BENDIGO 9 March 2007