

MANDURAH COMMUNITY FINANCIAL SERVICES LIMITED

ACN 098 081 308

Interim Financial Report

For the half-year ended 31 December 2006

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


Director

Dated this *13th* day of *March* 2007

MANDURAH COMMUNITY FINANCIAL SERVICES LIMITED

ACN 098 081 308

Interim Financial Report

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 or since the end of the half-year are:

David John Waddell

Antony Solin

Peter James Drown

Ian James Anson Hsley

Colin Arthur Frizzell

Stanley John Brice (Appointed September 2006)

Arron Michael Minchin (Appointed September 2006)

Lisa Jayne Craig (Appointed September 2006)

Andrew James Brown (Appointed December 2006)

Karen McLennan (Resigned August 2006)

Christine Steer (Resigned October 2006)

Allan Raynor (Resigned November 2006)

Karen Hadida (Resigned November 2006)

Review of operations

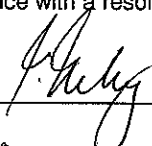
The focus of the Company's operations during the half-year was the operation of the Mandurah Community Bank[®] Branch of Bendigo Bank, pursuant to a franchise agreement.

Auditor's declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* for the half-year ended 31 December 2006 is attached to the financial report.

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

Director



Dated this

13th

day of

March

2007

RSM Bird Cameron Partners

Chartered Accountants

8 St Georges Terrace Perth WA 6000
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AUDITOR'S INDEPENDENCE DECLARATION

As lead audit partner for the review of the financial report of Mandurah Community Financial Services Limited for the half-year ended 31 December 2006, 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 Mandurah Community Financial Services Limited.

RSM Bird Cameron Partners.

RSM BIRD CAMERON PARTNERS
Chartered Accountants

D J Wall.

D J WALL
Partner

Perth, WA

Dated: 13 March 2007

MANDURAH COMMUNITY FINANCIAL SERVICES LIMITED**ACN 098 081 308****Interim Financial Report****INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

	31.12.2006	31.12.2005
	\$	\$
Revenue	481,774	372,971
Employee benefits expense	(167,728)	(158,418)
Depreciation and amortisation expense	(22,971)	(21,516)
Finance costs	-	(24)
Other expenses	(154,352)	(128,906)
Profit before income tax	136,723	64,107
Income tax expense	(40,758)	(18,961)
Profit from continuing operations	95,965	45,146
Profit attributable to members of the Company for the period	95,965	45,146
Overall operations		
Basic earnings per share (cents per share)	16.1	7.6
Diluted earnings per share (cents per share)	16.1	7.6

The accompanying notes form part of this financial report

MANDURAH COMMUNITY FINANCIAL SERVICES LIMITED

ACN 098 081 308

Interim Financial Report

**BALANCE SHEET
AS AT 31 DECEMBER 2006**

	31.12.2006	30.06.2006
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	510,464	423,567
Trade and other receivables	105,182	80,112
Other current assets	3,544	11,978
TOTAL CURRENT ASSETS	<u>619,190</u>	<u>515,657</u>
NON-CURRENT ASSETS		
Property, plant and equipment	35,916	50,039
Deferred tax assets	12,793	19,659
Intangible assets	835	5,833
TOTAL NON-CURRENT ASSETS	<u>49,544</u>	<u>75,531</u>
TOTAL ASSETS	<u>668,734</u>	<u>591,188</u>
CURRENT LIABILITIES		
Trade and other payables	62,519	80,637
Current tax liabilities	33,892	
Short-term provisions	29,644	30,090
TOTAL CURRENT LIABILITIES	<u>126,055</u>	<u>110,727</u>
NON-CURRENT LIABILITIES		
Long-term provisions	13,000	11,078
TOTAL NON-CURRENT LIABILITIES	<u>13,000</u>	<u>11,078</u>
TOTAL LIABILITIES	<u>139,055</u>	<u>121,805</u>
NET ASSETS	<u>529,679</u>	<u>469,383</u>
 EQUITY		
Issued capital	590,033	590,033
Retained earnings	(60,354)	(120,650)
TOTAL EQUITY	<u>529,679</u>	<u>469,383</u>

The accompanying notes form part of this financial report

MANDURAH COMMUNITY FINANCIAL SERVICES LIMITED

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Interim Financial Report

**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

	Note	Issued Capital Ordinary	Retained Earnings	Asset Revaluation Reserve	Total
		\$	\$	\$	\$
Balance at 1.7.2005		590,033	(212,969)	-	377,064
Profit attributable to members of the Company		-	45,146	-	45,146
Balance at 31.12.2005		<u>590,033</u>	<u>(167,823)</u>	<u>-</u>	<u>422,210</u>
 Balance at 1.7.2006		 590,033	 (120,650)	 -	 469,383
Profit attributable to members of the Company		-	95,965	-	95,965
Dividends paid or provided for	2	-	(35,669)	-	(35,669)
Balance at 31.12.2006		<u>590,033</u>	<u>(60,354)</u>	<u>-</u>	<u>529,679</u>

The accompanying notes form part of this financial report

MANDURAH COMMUNITY FINANCIAL SERVICES LIMITED

ACN 098 081 308

Interim Financial Report

**CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

	31.12.2006	31.12.2005
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	446,353	360,539
Payments to suppliers and employees	(334,137)	(295,010)
Interest received	10,350	7,241
Finance costs	-	(25)
Net cash provided by (used in) operating activities	<u>122,566</u>	<u>72,745</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(35,669)	-
Net cash provided by (used in) financing activities	<u>(35,669)</u>	<u>-</u>
Net increase in cash held	86,897	72,745
Cash at beginning of period	<u>423,567</u>	<u>264,842</u>
Cash at end of period	<u><u>510,463</u></u>	<u><u>337,587</u></u>

The accompanying notes form part of this financial report

MANDURAH COMMUNITY FINANCIAL SERVICES LIMITED

ACN 098 081 308

Interim Financial Report

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

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, Urgent Issues Group Interpretations 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 2006 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 half-year report does not include full disclosures of the type normally included in an annual 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: DIVIDENDS

	31.12.2006	31.12.2005
Distributions paid		
Unfranked dividend declared on 4 July 2006 of 6 (2005: 5) cents per share.	35,669	29,700

NOTE 3: SEGMENT INFORMATION

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

NOTE 4: CONTINGENT LIABILITIES

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

NOTE 5: 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.

MANDURAH COMMUNITY FINANCIAL SERVICES LIMITED

ACN 098 081 308

Interim Financial Report

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements 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 2006 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


13th day of March 2007

RSM Bird Cameron Partners

Chartered Accountants

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MANDURAH COMMUNITY FINANCIAL SERVICES LIMITED

The Financial Report

We have reviewed the accompanying half-year financial report which comprises the income statement, balance sheet, statement of changes in equity, cash flow statement, accompanying notes to the financial statements and directors' declaration for Mandurah Community Financial Services Limited (the company), for the half-year ended 31 December 2006.

Directors' Responsibility for the Half-Year Financial Report

The directors of Mandurah 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 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 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 2006 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 Mandurah 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.

Liability limited by a
scheme approved under
Professional Standards
Legislation

Major Offices in:
Perth, Sydney, Melbourne,
Adelaide and Canberra
ABN 36 965 185 036

RSM Bird Cameron Partners is an
independent member firm of RSM
International, an affiliation of independent
accounting and consulting firms.



Independence

In conducting our review, we have followed applicable independence requirements of Australian professional ethical pronouncements and 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 Mandurah 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 2006 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

DJ Wall

D J WALL
Partner

Perth, WA

Dated: *13 MARCH 2007*