

MANDURAH COMMUNITY FINANCIAL SERVICES LIMITED

ABN 56 098 081 308

Interim Financial Report

For the half-year ended 31 December 2007

C O N T E N T S

Directors' Report

Auditor's Independence Declaration

Income Statement

Balance Sheet

Statement of Changes in Equity

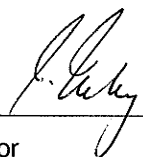
Cash Flow Statement

Notes to the Financial Statements

Directors' Declaration

Independent Review Report

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



Director

Dated this 5 day of March 2008

MANDURAH COMMUNITY FINANCIAL SERVICES LIMITED

ABN 56 098 081 308

Interim Financial Report

DIRECTORS' REPORT

Your Directors submit the financial report of the Company for the half-year ended 31 December 2007.

Directors

The names of Directors who held office during or since the end of the half-year are:

David Waddell

Peter Drown

Ian Ilsley

Colin Frizzell

Lisa Craig

Stanley Brice

Andrew Brown

Melinda Holland

Antony Edwards (Appointed 5 February 2008)

Arron Minchin (Resigned 11 December 2007)

Antony Solin (Resigned 15 February 2008)

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 2007 is attached to the financial report.

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

Director

Dated this

5

day of

March

2008

RSM Bird Cameron Partners

Chartered Accountants

8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 F +61 8 9261 9101
www.rsmi.com.au

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 2007, 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: **5 March 2008**

MANDURAH COMMUNITY FINANCIAL SERVICES LIMITED

ABN 56 098 081 308

Interim Financial Report

**INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007**

	31.12.2007	31.12.2006
	\$	\$
Revenue	568,160	481,774
Employee benefits expense	(198,413)	(167,728)
Depreciation and amortisation expense	(8,797)	(22,971)
Other expenses	(233,017)	(154,352)
Profit before income tax	127,933	136,723
Income tax expense	(40,064)	(40,758)
Profit from continuing operations	87,869	95,965
Profit attributable to members of the Company for the period	87,869	95,965
Overall operations		
Basic earnings per share (cents per share)	14.8	16.1
Diluted earnings per share (cents per share)	14.8	16.1

The accompanying notes form part of these financial statements

MANDURAH COMMUNITY FINANCIAL SERVICES LIMITED**ABN 56 098 081 308****Interim Financial Report****BALANCE SHEET
AS AT 31 DECEMBER 2007**

	31.12.2007	30.06.2007
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	682,074	615,255
Trade and other receivables	107,711	94,585
Other current assets	-	8,307
TOTAL CURRENT ASSETS	789,785	718,147
NON-CURRENT ASSETS		
Plant and equipment	25,300	29,099
Deferred tax assets	13,723	13,868
Intangible assets	42,503	47,501
TOTAL NON-CURRENT ASSETS	81,526	90,468
TOTAL ASSETS	871,311	808,615
CURRENT LIABILITIES		
Trade and other payables	79,110	74,525
Current tax liabilities	71,778	-
Short-term provisions	31,161	84,241
TOTAL CURRENT LIABILITIES	182,049	158,766
NON-CURRENT LIABILITIES		
Long-term provisions	14,581	15,478
TOTAL NON-CURRENT LIABILITIES	14,581	15,478
TOTAL LIABILITIES	196,630	174,244
NET ASSETS	674,681	634,371
EQUITY		
Issued capital	590,033	590,033
Retained earnings	84,648	44,338
TOTAL EQUITY	674,681	634,371

The accompanying notes form part of these financial statements

MANDURAH COMMUNITY FINANCIAL SERVICES LIMITED**ABN 56 098 081 308****Interim Financial Report****STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007**

	Note	Issued Capital	Retained Earnings/ (Accumulated Losses)	Total
		\$	\$	\$
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>529,679</u>
 Balance at 1.7.2007				
Shares issued during the half-year		590,033	44,338	634,371
Profit attributable to members of the Company		-	87,869	87,869
Dividends paid or provided for	2	-	(47,559)	(47,559)
Balance at 31.12.2007		<u>590,033</u>	<u>84,648</u>	<u>674,681</u>

The accompanying notes form part of these financial statements

MANDURAH COMMUNITY FINANCIAL SERVICES LIMITED

ABN 56 098 081 308

Interim Financial Report

**CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007**

	31.12.2007	31.12.2006
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	538,894	446,353
Payments to suppliers and employees	(422,150)	(334,138)
Interest received	19,266	10,350
Income tax paid	(21,632)	-
Net cash provided by operating activities	<u>114,378</u>	<u>122,565</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(47,559)	(35,669)
Net cash used in financing activities	<u>(47,559)</u>	<u>(35,669)</u>
Net increase in cash held	66,819	86,896
Cash at beginning of period	615,255	423,567
Cash at end of period	<u>682,074</u>	<u>510,463</u>

The accompanying notes form part of these financial statements

MANDURAH COMMUNITY FINANCIAL SERVICES LIMITED

ABN 56 098 081 308

Interim Financial Report

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007**

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 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 2007 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 accounting policies are consistent with those in the June 2007 financial report.

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

	31.12.2007	31.12.2006
Distributions paid		
Fully franked dividend declared on 2 nd October 2007 of 8 (2006: 6) cents per share franked at the tax rate of 30% (2006: 0%).	<u>47,559</u>	<u>35,669</u>

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

ABN 56 098 081 308

Interim Financial Report

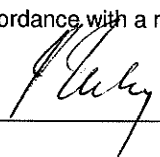
DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial report 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 2007 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

5

day of

March

2008

RSM Bird Cameron Partners

Chartered Accountants

8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 F +61 8 9261 9101
www.rsmi.com.au

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Mandurah Community Financial Services Limited (the company) which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, accompanying notes to the financial statements and directors' declaration.

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 establishing 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 2007 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 complied with the independence requirements of 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 2007 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

D J Wall.

D J WALL
Partner

Perth, WA

Dated: 5 March 2008