

**MANDURAH COMMUNITY FINANCIAL SERVICES LIMITED**

**ABN 56 098 081 308**

**Interim Financial Report**

**For the half-year ended 31 December 2008**

**C O N T E N T S**

Directors' Report

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

  
\_\_\_\_\_  
Director

Dated this 4 day of March 2009

**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 2008.

**Directors**

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

*David Waddell*

*Ian Ilsley*

*Peter Drown*

*Colin Frizzell*

*Susan Allan*

*Lisa Craig*

*Stanley Brice*

*Andrew Brown*

*Melinda Holland*

*Antony Edwards (Resigned 23 October 2008)*

**Review of operations**

The focus of the Company's operations during the half-year was the operation of the Mandurah Community Financial Services Limited operating as Halls Head Community Bank<sup>®</sup> Branch of Bendigo Bank, pursuant to a franchise agreement.

Due to the current economic environment of rapidly falling interest rates, Halls Head Community Bank has experienced a significant decline in the budgeted income received from Bendigo and Adelaide Bank Limited. This reduction of income is expected to materially and adversely effect the operating performance for the financial year ended the 30 June 2009

**Auditor's declaration**

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* for the half-year ended 31 December 2008 is attached to the financial report.

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

Director

Dated this

*4*

day of

*March*

2009

# RSM Bird Cameron Partners

Chartered Accountants

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

As lead auditor for the review of the financial report of Mandurah Community Financial Services Limited for the half year ended 31 December 2008, 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.

*RSM Bird Cameron Partners.*

RSM BIRD CAMERON PARTNERS  
Chartered Accountants

*D J Wall*

D J WALL  
Partner

Perth, WA

Dated: 4 March 2009

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**MANDURAH COMMUNITY FINANCIAL SERVICES LIMITED**

**ABN 56 098 081 308**

**Interim Financial Report**

**INCOME STATEMENT  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

	<b>31.12.2008</b>	<b>31.12.2007</b>
	<b>\$</b>	<b>\$</b>
Revenue	600,558	568,160
Employee benefits expense	(238,202)	(198,413)
Depreciation and amortisation expense	(8,618)	(8,797)
Other expenses	(233,673)	(233,017)
	<hr/>	<hr/>
Profit before income tax	120,065	127,933
Income tax expense	(42,184)	(40,064)
	<hr/>	<hr/>
<b>Profit attributable to members</b>	<b>77,881</b>	<b>87,869</b>
	<hr/>	<hr/>
<b>Overall operations</b>		
Basic earnings per share (cents per share)	13.1	14.8
Diluted earnings per share (cents per share)	13.1	14.8

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 2008**

	<b>31.12.2008</b>	<b>30.06.2008</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	863,181	807,361
Trade and other receivables	95,465	106,944
Other current assets	2,826	13,259
<b>TOTAL CURRENT ASSETS</b>	<b>961,472</b>	<b>927,564</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	17,882	21,502
Intangible assets	32,507	37,505
Deferred tax asset	17,575	13,579
<b>TOTAL NON-CURRENT ASSETS</b>	<b>67,964</b>	<b>72,586</b>
<b>TOTAL ASSETS</b>	<b>1,029,436</b>	<b>1,000,150</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	77,920	75,566
Current tax liability	48,206	53,026
Short-term provisions	36,710	30,342
<b>TOTAL CURRENT LIABILITIES</b>	<b>162,836</b>	<b>158,934</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term provisions	21,873	14,921
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>21,873</b>	<b>14,921</b>
<b>TOTAL LIABILITIES</b>	<b>184,709</b>	<b>173,855</b>
<b>NET ASSETS</b>	<b>844,727</b>	<b>826,295</b>
<b>EQUITY</b>		
Issued capital	594,490	594,490
Retained earnings	250,237	231,805
<b>TOTAL EQUITY</b>	<b>844,727</b>	<b>826,295</b>

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 2008**

	Note	Issued Capital	Retained earnings	Total
		\$	\$	\$
Balance at 1 July 2007		590,033	44,338	634,371
Profit attributable to the members of the Company		-	87,869	87,869
Dividends paid or provided	2	-	(47,559)	(47,559)
<b>Balance at 31 December 2007</b>		<b>590,033</b>	<b>84,648</b>	<b>674,681</b>
Balance at 1 July 2008		594,490	231,805	826,295
Profit attributable to the members of the Company		-	77,881	77,881
Dividends paid or provided	2	-	(59,449)	(59,449)
<b>Balance at 31 December 2008</b>		<b>594,490</b>	<b>250,237</b>	<b>844,727</b>

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 2008**

	<b>31.12.2008</b>	<b>31.12.2007</b>
	<b>\$</b>	<b>\$</b>
Cash flows from operating activities		
Receipts from customers	585,026	538,894
Payments to suppliers and employees	(445,770)	(422,150)
Interest received	27,012	19,266
Income tax paid	(50,999)	(21,632)
Net cash provided by operating activities	<u>115,269</u>	<u>114,378</u>
Cash flows from financing activities		
Dividends paid	(59,449)	(47,559)
Net cash used in financing activities	<u>(59,449)</u>	<u>(47,559)</u>
Net increase in cash held	55,820	66,819
Cash at beginning of period	<u>807,361</u>	<u>615,255</u>
<b>Cash at end of period</b>	<b><u>863,181</u></b>	<b><u>682,074</u></b>

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 2008**

**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, Australian Accounting 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 2008 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 2008 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**

	<b>31.12.2008</b>	<b>31.12.2007</b>
Distributions paid		
Interim dividend was declared on <b>3 September 2008</b> of <b>10</b> (2007: 8) cents per share franked at the tax rate of 30% (2007: 30%)	<b>59,449</b>	<b>47,559</b>

**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**

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**Interim Financial Report**

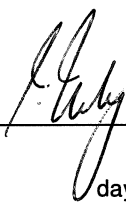
**DIRECTORS' DECLARATION**

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 2008 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

4

day of

March

2009

# RSM Bird Cameron Partners

Chartered Accountants

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## 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 2008 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 the directors' declaration.

#### *Directors' Responsibility for the Half-Year 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 establishing and maintaining internal controls 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 2008 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.

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*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 2008 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  
Partner

Perth, WA

Dated: 4 March 2009