

MANDURAH COMMUNITY FINANCIAL SERVICES LIMITED

ABN 56 098 081 308

Interim Financial Report

For the half-year ended 31 December 2009

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This is annexure A of 12 pages referred to in Form 7051: Notification of half-yearly reports

Director

Dated this *12th* day of *March* 2010

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 2009.

Directors

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

David Waddell

Colin Frizzell

Ian Ilsley

Andrew Brown

Leonie Hansen

Peter Drown (Resigned 3rd December 2009)

Stanley Brice (Resigned 3rd December 2009)

Tracey Brown (Appointed 3rd December 2009)

Dawn Simmonds (Appointed 3rd December 2009)

Noel Herbert (Appointed 3rd December 2009)

Review of operations

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

Auditor's declaration

The lead auditor's independence declaration under s 307C of the *Corporations Act 2001* for the half-year ended 31 December 2009 is attached to the financial report.

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

Director



Dated this

12th day of March

2010

RSM Bird Cameron Partners

Chartered Accountants

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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 2009, 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: *12 March 2010.*

MANDURAH COMMUNITY FINANCIAL SERVICES LIMITED

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	31.12.2009	31.12.2008
	\$	\$
Revenue	634,615	600,558
Employee benefits expense	(262,952)	(238,202)
Depreciation and amortisation expense	(10,105)	(8,618)
Other expenses	(301,723)	(233,673)
Profit before income tax	59,835	120,065
Income tax expense	(12,410)	(42,184)
Profit for the period	47,425	77,881
Total comprehensive income for the period attributable to members	47,425	77,881
Earnings per share		
Basic earnings per share (cents per share)	7.98	13.1
Diluted earnings per share (cents per share)	7.98	13.1

The accompanying notes form part of these financial statements

MANDURAH COMMUNITY FINANCIAL SERVICES LIMITED

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**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009**

	31.12.2009	30.06.2009
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	847,083	813,340
Trade and other receivables	115,911	112,640
Other current assets	4,726	14,870
TOTAL CURRENT ASSETS	967,720	940,850
NON-CURRENT ASSETS		
Property, plant and equipment	27,093	32,200
Deferred tax assets	23,899	17,782
Intangible assets	22,511	27,509
Other non-current assets	-	-
TOTAL NON-CURRENT ASSETS	73,503	77,491
TOTAL ASSETS	1,041,223	1,018,341
CURRENT LIABILITIES		
Trade and other payables	70,847	64,200
Short-term financial liabilities	-	-
Current tax liability	4,400	11,562
Short-term provisions	44,215	36,777
TOTAL CURRENT LIABILITIES	119,462	112,539
NON-CURRENT LIABILITIES		
Long-term financial liabilities	-	-
Long-term provisions	26,699	22,496
TOTAL NON-CURRENT LIABILITIES	26,699	22,496
TOTAL LIABILITIES	146,161	135,035
NET ASSETS	895,062	883,306
EQUITY		
Issued capital	594,490	594,490
Retained earnings/(Accumulated losses)	300,572	288,816
TOTAL EQUITY	895,062	883,306

The accompanying notes form part of these financial statements

MANDURAH COMMUNITY FINANCIAL SERVICES LIMITED

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**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	Issued Capital	Retained earnings/ (Accumulated losses)	Total
	\$	\$	\$
Balance at 1 July 2008	594,490	231,805	826,295
Total comprehensive income for the period	-	77,881	77,881
Subtotal	594,490	309,686	904,176
Dividends paid or provided for	-	(59,449)	(59,449)
Balance at 31 December 2008	594,490	250,237	844,727
Balance at 1 July 2009	594,490	288,816	883,306
Total comprehensive income for the period	-	47,425	47,425
Subtotal	594,490	336,241	930,731
Dividends paid or provided for	-	(35,669)	(35,669)
Balance at 31 December 2009	594,490	300,572	895,062

The accompanying notes form part of these financial statements

MANDURAH COMMUNITY FINANCIAL SERVICES LIMITED

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**STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	31.12.2009	31.12.2008
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	610,901	585,026
Payments to suppliers and employees	(531,682)	(445,770)
Interest received	15,884	27,012
Income tax paid	(25,691)	(50,999)
Net cash provided by operating activities	<u>69,412</u>	<u>115,269</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash provided by/(used in) investing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(35,669)	(59,449)
Net cash provided by/(used in) financing activities	<u>(35,669)</u>	<u>(59,449)</u>
Net increase/(decrease) in cash held	33,743	55,820
Cash and cash equivalents at beginning of period	<u>813,340</u>	<u>807,361</u>
Cash and cash equivalents at end of period	<u>847,083</u>	<u>863,181</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 2009

NOTE 1: BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2009 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Mandurah Community Financial Services Ltd operating as Halls Head Community Bank[®] (the Company). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2009, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards.

Accounting Standards not Previously Applied

The Company has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current interim period. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

Presentation of Financial Statements

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

- the replacement of Income Statement with Statement of Comprehensive Income. Items of income and expense not recognised in profit or loss are now disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected as equity movements in the Statement of Changes in Equity;
- the adoption of the single statement approach to the presentation of the Statement of Comprehensive Income;
- other financial statements are renamed in accordance with the Standard; and
- presentation of a third Statement of Financial Position as at the beginning of a comparative financial year where relevant amounts have been affected by a retrospective change in accounting policy or material reclassification of items.

Operating Segments

From 1 January 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Company's chief operating decision maker which, for the Company, is the Board of Directors. In this regard, such information is provided using the same measures to those used in preparing the Statement of Comprehensive Income and Statement of Financial Position.

MANDURAH COMMUNITY FINANCIAL SERVICES LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

NOTE 1: BASIS OF PREPARATION

NOTE 2: DIVIDENDS

	31.12.2009	31.12.2008
	\$	\$
Distributions paid / provided for		
Interim dividend was declared on 13 th October 2009 of 6 (2008:10) cents per share franked at the tax rate of 30% (2008: 30%)	35,669	59,449

NOTE 3: OPERATING SEGMENTS

Types of products and services by segment

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

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Company.

Comparative information

This is the first reporting period in which AASB 8: Operating Segments has been adopted. Comparative information has been stated to conform to the requirements of the Standard.

Major customers

The Company operates under the terms of a franchise agreement with Bendigo and Adelaide Bank Ltd, which accounts for all of the franchise margin income.

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 accompanying financial statements and notes, are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - b. giving a true and fair view of the Company's financial position as at 31 December 2009 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



Ian Ilsley

Dated this

12th

day of

March

2010

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 which comprises the statement of financial position as at 31 December 2009 and the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 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 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 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 *Corporations Regulations 2001*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

D J Wall

D J WALL
Partner

Perth, WA

Dated: 12 March 2010