

MANDURAH COMMUNITY FINANCIAL SERVICES LIMITED

ABN 56 098 081 308

Interim Financial Report

For the half-year ended 31 December 2010

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



Director

Dated this 9th day of March 2011

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 2010.

Directors

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

David Waddell

Ian Ilsley (Secretary)

Colin Frizzell

Andrew Brown

Leonie Hansen

Tracey Brown

Dawn Simmonds

Noel Herbert

Review of operations

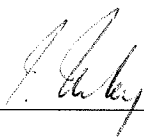
The focus of the Company's operations during the half-year was the operation of the Mandurah Community Financial Services Limited Branch of Bendigo and Adelaide Bank Limited, pursuant to a franchise agreement.

Auditor's declaration

The lead auditor's independence declaration under s 307C of the *Corporations Act 2001* for the half-year ended 31 December 2010 is attached to the financial report.

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

Director



Dated this

9th March 2011

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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 2010, 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



TUTU PHONG
Partner

Perth, WA
Dated: 9 March 2011

MANDURAH COMMUNITY FINANCIAL SERVICES LIMITED

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	31.12.2010	31.12.2009
	\$	\$
Revenue	710,702	634,615
Employee benefits expense	(288,516)	(262,952)
Depreciation and amortisation expense	(18,265)	(10,105)
Other expenses	(243,493)	(301,723)
	<hr/>	<hr/>
Profit before income tax	160,428	59,835
Income tax expense	(49,495)	(12,410)
	<hr/>	<hr/>
Profit for the period	110,933	47,425
	<hr/>	<hr/>
Other comprehensive income	-	-
	<hr/>	<hr/>
Total comprehensive income for the period attributable to members	110,933	47,425
	<hr/>	<hr/>
Earnings per share		
Basic earnings per share (cents per share)	18.66	7.98
Diluted earnings per share (cents per share)	18.66	7.98

The accompanying notes form part of these financial statements

MANDURAH COMMUNITY FINANCIAL SERVICES LIMITED**ABN 56 098 081 308****Interim Financial Report****STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010**

	31.12.2010	30.06.2010
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	1,009,195	874,815
Trade and other receivables	129,129	140,761
Other current assets	7,026	15,692
TOTAL CURRENT ASSETS	1,145,350	1,031,268
NON-CURRENT ASSETS		
Property, plant and equipment	76,873	83,203
Deferred tax assets	19,970	14,899
Intangible assets	12,515	17,513
TOTAL NON-CURRENT ASSETS	109,358	115,615
TOTAL ASSETS	1,254,708	1,146,883
CURRENT LIABILITIES		
Trade and other payables	57,575	63,803
Current tax liability	40,189	-
Short-term provisions	43,299	34,842
TOTAL CURRENT LIABILITIES	141,063	98,645
NON-CURRENT LIABILITIES		
Long-term provisions	29,317	27,284
TOTAL NON-CURRENT LIABILITIES	29,317	27,284
TOTAL LIABILITIES	170,390	125,929
NET ASSETS	1,084,328	1,020,954
EQUITY		
Issued capital	594,490	594,490
Retained profits	489,838	426,464
TOTAL EQUITY	1,084,328	1,020,954

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 2010**

	Note	Issued capital	Retained profits	Total
		\$	\$	\$
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	2	-	(35,669)	(35,669)
Balance at 31 December 2009		594,490	300,572	895,062
Balance at 1 July 2010		594,490	426,464	1,020,954
Total comprehensive income for the period		-	110,933	110,933
Subtotal		594,490	537,397	1,131,887
Dividends paid or provided for	2	-	(47,559)	(47,559)
Balance at 31 December 2010		594,490	489,838	1,084,328

The accompanying notes form part of these financial statements

MANDURAH COMMUNITY FINANCIAL SERVICES LIMITED

ABN 56 098 081 308

Interim Financial Report

**STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	31.12.2010	31.12.2009
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	711,864	610,901
Payments to suppliers and employees	(519,186)	(531,682)
Interest received	10,574	15,884
Income tax paid	(14,376)	(25,691)
Net cash provided by/(used in) operating activities	<u>188,876</u>	<u>69,412</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of non-current assets	<u>(6,937)</u>	<u>-</u>
Net cash provided by/(used in) investing activities	<u>(6,937)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	<u>(47,559)</u>	<u>(35,669)</u>
Net cash provided by/(used in) financing activities	<u>(47,559)</u>	<u>(35,669)</u>
Net increase/(decrease) in cash held	134,380	33,743
Cash and cash equivalents at beginning of period	<u>874,815</u>	<u>813,340</u>
Cash and cash equivalents at end of period	<u>1,009,195</u>	<u>847,083</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 2010

NOTE 1: BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2010 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 Limited (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 2010, 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.

NOTE 2: DIVIDENDS

	31.12.2010	31.12.2009
Distributions paid		
Interim dividend was declared on 29 October 2010 of 8 (2009: 6) cents per share franked at the tax rate of 30% (2009: 30%)	47,559	35,669

NOTE 3: OPERATING SEGMENTS

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

The Company operates under the terms of a franchise agreement with Bendigo and Adelaide Bank Limited, 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

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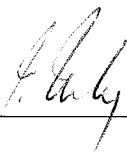
DIRECTORS' DECLARATION

The Directors of the Company declare that:

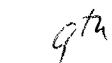
1. The financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - b. giving a true and fair view of the Company's financial position as at 31 December 2010 and of its performance 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



March 2011

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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 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 a 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 2010 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.

RSM Bird Cameron Partners

Chartered Accountants

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Mandurah Community Financial Services Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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 2010 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



TUTU PHONG
Partner

Perth, WA
Dated: 9 March 2011