

Mt Evelyn and Districts Financial Services Ltd
ABN 93 096 782 240
Directors' Report

Your Directors submit their report of the company for the half year ended 31 December 2006.

Directors

The names of directors who held office during the half year and until the date of this report are:

Allan Alexander Grundy
Chairman
Operations Manager - Retired
Director since 11 May 2001

Margaret Calder Sank
Treasurer
Accountant
Director since 11 May 2001

Janette Christine Simmons
Director
Manager
Director since 11 May 2001

Jillian Lorraine Rule
Director
Retailer
Director since 11 May 2001

Brian John Hewett
Vice Chairperson
Butcher
Director since 11 May 2001

Arch Campbell Carswell
Director
Contractor
Director since 11 May 2001

Craig Keithley
Director
Police Officer
Director since 28 May 2002

Leighton Moore Clark
Director
Managing Director
Director since 24 February 2005

Albert Buitenhaus
Secretary
Horticulturist
Director since 18 November 2004

Directors were in office for this entire period unless otherwise stated.

Principal activities

The principal activities of the company during the course of the financial period were in providing community banking services under management rights to operate a franchised branch of Bendigo Bank Limited.

Review and results of operations

Operations have continued to perform in line with expectations. The net profit of the company for the financial period was \$49,379 (2005: \$77,539).

Matters subsequent to the end of the reporting period

There are no matters or circumstances that have arisen since the end of the half year reporting period that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

Mt Evelyn and Districts Financial Services Ltd
ABN 93 096 782 240
Directors' Report

Auditor Independence Declaration

The directors received the following independence declaration from the auditor of the company:

Richmond Sinnott & Delahunty
Chartered Accountants



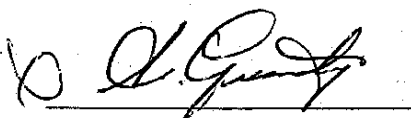
10 Forest Street
PO Box 30
Bendigo. 3552
Ph. 03 5443 1177
Fax. 03 5444 4344
E-mail: rsd@rsd advisors.com.au

Auditor's Independence Declaration

In relation to our review of the financial report of Mt Evelyn and Districts Financial Services Ltd for the half year ended 31 December 2006, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Warren Sinnott
Partner
Richmond Sinnott & Delahunty
Bendigo
5 March 2007

Signed in accordance with a resolution of the Directors at Mt Evelyn on 5 March 2007.



Allan Alexander Grundy, Chairman

Mt Evelyn and Districts Financial Services Limited
ABN 93 096 782 240
Condensed Income Statement
for the half-year ended 31 December 2006

	2006	2005
	\$	\$
Revenue from ordinary activities	422,585	353,598
Salaries and employee benefit expense	(191,904)	(148,063)
Depreciation and amortisation expense	(16,649)	(20,243)
Other expenses from ordinary activities	<u>(139,593)</u>	<u>(79,076)</u>
Profit from ordinary activities before income tax expense	74,439	106,216
Income tax expense relating to ordinary activities	<u>25,060</u>	<u>28,677</u>
Profit attributable to members of the entity	<u>49,379</u>	<u>77,539</u>
Earnings per share (cents per share)		
- basic for profit for the half year	7.03	11.04
- diluted for profit for the half year	7.03	11.04
- dividends paid per share	5 4.60	-

Mt Evelyn and Districts Financial Services Limited
ABN 93 096 782 240
Condensed Balance Sheet
as at 31 December 2006

	31-Dec 2006 \$	30-Jun 2006 \$
Current Assets		
Cash assets	251,612	234,816
Receivables	82,191	68,424
Other	1,498	4,627
Total Current Assets	<u>335,301</u>	<u>307,867</u>
Non-Current Assets		
Property, plant and equipment	460,389	471,812
Deferred income tax asset	9,973	7,432
Intangibles	2,159	7,385
Total Non-Current Assets	<u>472,521</u>	<u>486,629</u>
Total Assets	<u>807,822</u>	<u>794,496</u>
Current Liabilities		
Payables	37,544	53,086
Interest bearing liabilities	183	175
Current tax liability	12,562	11,309
Provisions	30,048	19,504
Total Current Liabilities	<u>80,337</u>	<u>84,074</u>
Non-Current Liabilities		
Other	2,500	2,500
Total Non-Current Liabilities	<u>2,500</u>	<u>2,500</u>
Total Liabilities	<u>82,837</u>	<u>86,574</u>
Net Assets	<u>724,985</u>	<u>707,922</u>
Equity		
Issued capital	695,010	695,010
Retained earnings	29,975	12,912
Total Equity	<u>724,985</u>	<u>707,922</u>

Mt Evelyn and Districts Financial Services Limited
ABN 93 096 782 240
Condensed Cash Flow Statement
for the half-year ended 31 December 2006

	2006 \$	2005 \$
Cash Flows From Operating Activities		
Cash receipts in the course of operations	444,822	382,328
Cash payments in the course of operations	(376,762)	(251,674)
Interest paid	-	(848)
Interest received	7,392	2,727
Income tax paid	(26,348)	(18,181)
Net cash flows from operating activities	<u>49,104</u>	<u>114,352</u>
Cash Flows From Investing Activities		
Proceeds from sale of property, plant and equipment	-	(489)
Net cash flows used in investing activities	<u>-</u>	<u>(489)</u>
Cash Flows From Financing Activities		
Dividends paid	(32,316)	-
Proceeds from/(repayment of) borrowings	8	(79,726)
Net cash flows used in financing activities	<u>(32,308)</u>	<u>(79,726)</u>
Net increase in cash held	16,796	34,137
Opening cash brought forward	<u>234,816</u>	<u>152,737</u>
Closing cash carried forward	<u><u>251,612</u></u>	<u><u>186,874</u></u>

Mt Evelyn and Districts Financial Services Limited
ABN 93 096 782 240
Condensed Statement of Changes In Equity
for the half-year ended 31 December 2006

	Issued Capital \$	Retained Earnings \$	Total Equity \$
As at 1 July 2006	695,010	12,912	707,922
Net profit for the period	-	49,379	49,379
Issue of share capital	-	-	-
Equity dividends	-	(32,316)	(32,316)
As at 31 December 2006	<u>695,010</u>	<u>29,975</u>	<u>724,985</u>

	Issued Capital \$	Retained Earnings \$	Total Equity \$
As at 1 July 2005	695,010	(89,070)	605,940
Net profit for the period	-	77,539	77,539
Issue of share capital	-	-	-
Equity dividends	-	-	-
As at 31 December 2005	<u>695,010</u>	<u>(11,531)</u>	<u>683,479</u>

Mt Evelyn and Districts Financial Services Limited
ABN 93 096 782 240
Notes to the Financial Statements
for the half-year ended 31 December 2006

1. Basis of preparation of the Half-Year Financial Report

(a) Basis of accounting

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial report.

The half year financial report should be read in conjunction with the annual financial report of Mt Evelyn and Districts Financial Services Ltd as at 30 June 2006. It is also recommended that this half year financial report be considered together with any public announcements made by Mt Evelyn and Districts Financial Services Ltd during the half year ended 31 December 2006 in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

The half year financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

For the purpose of preparing the half year financial statements the half year has been treated as a discrete reporting period.

(b) Statement of compliance

The half year financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the half year financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

(c) Summary of significant accounting policies

The accounting policies have been consistently applied and are consistent with those applied in the 30 June 2006 financial statements.

2. Events subsequent to Reporting Date

There have been no events subsequent to reporting date that would materially effect the financial statements at the reporting date.

3. Contingent Assets and Liabilities

Since the last annual reporting date there has been no material change of any contingent assets or contingent liabilities.

Mt Evelyn and Districts Financial Services Limited
ABN 93 096 782 240
Notes to the Financial Statements
for the half-year ended 31 December 2006

4. Segment Reporting

The economic entity operates in the financial services sector where it provides banking services to its clients. The economic entity operates in one geographic area being Mt Evelyn, Victoria.

5. Dividends Paid

	2006	2005
	\$	\$
<i>Dividends paid during the half year</i>		
Final franked dividend for the year ended 30 June 2006	32,316	-
4.6 cents per share (2005: Nil)		
<i>Dividends proposed and not recognised as a liability</i>		
Interim franked dividend for the year ended 30 June 2007	-	42,151
(2006: 6 cents per share).		

6. Director and Related Party Disclosures

The names of directors who have held office during the half year ended 31 December 2006 are:

Allan Alexander Grundy
Margaret Calder Sank
Janette Christine Simmons
Jillian Lorraine Rule
Brian John Hewett
Arch Campbell Carswell
Craig Keithley
Albert Buitenhuis
Leighton Moore Clark

No director or related entity has entered into a material contract with the company. No director's fees have been paid as the positions are held on a voluntary basis.

Directors shareholdings	<u>2006</u>	<u>2005</u>
Allan Alexander Grundy	6,876	6,876
Margaret Calder Sank	5,001	5,001
Janette Christine Simmons	938	938
Jillian Lorraine Rule	27,876	27,876
Brian John Hewett	1,938	1,938
Arch Campbell Carswell	3,938	3,938
Craig Keithley	500	500
Albert Buitenhuis	5,000	5,000
Leighton Moore Clark	-	-

Other than stated below, each share held has a paid up value of \$1 and is fully paid. The following directors shares were issued for \$0.

Allan Alexander Grundy	1,875	1,875
Janette Christine Simmons	938	938
Brian John Hewett	938	938
Arch Campbell Carswell	938	938

Mt Evelyn and Districts Financial Services Limited
ABN 93 096 782 240
Directors Declaration
for the half-year ended 31 December 2006

In accordance with a resolution of the directors of Mt Evelyn and Districts Financial Services Ltd, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the company:
 - (i) give 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
 - (ii) comply with Accounting Standard AASB 134, "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Allan Alexander Grundy, Chairman

Signed at Mt Evelyn on this 5th day of March 2007