

# Richmond Sinnott & Delahanty

Chartered Accountants



Partners:  
Kenneth J Richmond  
Warren J Sinnott  
Philip P Delahanty  
Brett A Andrews

## Independent Review Report

### To the members of Mt Evelyn & Districts Financial Services Ltd

#### Scope

The financial report comprises the condensed income statement, condensed balance sheet, condensed cash flow statement, condensed statement of changes in equity, accompanying notes to the financial statements and the directors' declaration for Mt Evelyn & Districts Financial Services Ltd for the half-year ended 31 December 2007.

The company's directors are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company and that complies with Accounting Standard AASB 134 "Interim Financial Reporting", in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for accounting policies and accounting estimates inherent in the financial report.

#### Review Approach

We conducted an independent review of the half year financial report in order to make a statement about it to the members of the company, and in order for the company to lodge the half year financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements, in order to state whether, on the basis or procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the Corporations Act 2001, Accounting Standard AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia, so as to present a view which is consistent with our understanding of the company's financial position and of their performance as represented by the results of their operations and their cash flows.

A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than that given in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

## Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

## Review Statement

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 interim financial report of Mt Evelyn & Districts Financial Services Ltd is not in accordance with:

- (a) the Corporations Act 2001, including:
  - (i) 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
  - (ii) complying with Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements.

*Richmond Sinnott & Delahanty*

Richmond Sinnott & Delahanty  
Chartered Accountants

*Warren Sinnott*

Warren Sinnott  
Partner

Signed at Bendigo on 12 March 2008

# Richmond Sinnott & Delahanty

Chartered Accountants



Partners:  
Kenneth J Richmond  
Warren J Sinnott  
Philip P Delahanty  
Brett A Andrews

12 March 2008

The Directors  
Mt Evelyn & Districts Financial Services Limited  
PO Box 451  
MT EVELYN VIC 3796

Dear Directors

## Auditor's Independence Declaration

In relation to our review of the financial report of Mt Evelyn & Districts Financial Services Limited for the half year ended 31 December 2007, 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 & Delahanty

**Mt Evelyn & 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 2007.

**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  
Resigned 25 October 2007

Arch Campbell Carswell  
Director  
Contractor  
Director since 11 May 2001

Craig Keithley  
Director  
Police Officer  
Director since 28 May 2002

Albert Buitenhaus  
Secretary  
Horticulturist  
Director since 18 November 2004

James Justin Chapman  
Director  
Manager  
Director since 19 December 2007

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 \$62,940 (2006: \$49,379).

**Matters subsequent to the end of the reporting period**

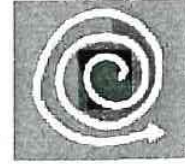
There are no matters or circumstances that have arisen since the end of the half year reporting period that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

**Mt Evelyn & 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**



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**Auditor's Independence Declaration**

In relation to our review of the financial report of Mt Evelyn & Districts Financial Services Ltd for the half year ended 31 December 2007, 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**  
**12 March 2008**

Signed in accordance with a resolution of the Directors at Mt Evelyn on 12 March 2008.



Allan Alexander Grundy, Chairman

**Mt Evelyn & Districts Financial Services Limited**  
**ABN 93 096 782 240**  
**Condensed Income Statement**  
**for the half-year ended 31 December 2007**

|  | <b>2007</b>          | <b>2006</b>          |
|--|----------------------|----------------------|
|  | <b>\$</b>            | <b>\$</b>            |
| Revenue from ordinary activities                                 | 482,628              | 422,585              |
| Salaries and employee benefit expense                            | (194,454)            | (191,904)            |
| Depreciation and amortisation expense                            | (16,715)             | (16,649)             |
| Sponsorship and donations  | (73,194)             | (66,139)             |
| Other expenses from ordinary activities                          | <u>(106,145)</u>     | <u>(73,454)</u>      |
| <b>Profit from ordinary activities before income tax expense</b> | 92,120               | 74,439               |
| Income tax expense relating to ordinary activities               | <u>29,180</u>        | <u>25,060</u>        |
| <b>Net profit</b>  | <u><u>62,940</u></u> | <u><u>49,379</u></u> |
| <b>Earnings per share (cents per share)</b>                      |                      |                      |
| - basic for profit for the half year                             | 8.96                 | 7.03                 |
| - diluted for profit for the half year                           | 8.96                 | 7.03                 |
| - dividends paid per share                                       | 5 6.35               | 4.60                 |

**Mt Evelyn & Districts Financial Services Limited**  
**ABN 93 096 782 240**  
**Condensed Balance Sheet**  
**as at 31 December 2007**

|                                      | <b>31-Dec<br/>2007<br/>\$</b> | <b>30-Jun<br/>2007<br/>\$</b> |
|--------------------------------------|-------------------------------|-------------------------------|
| <b>Current Assets</b>                |                               |                               |
| Cash assets                          | 230,850                       | 233,468                       |
| Receivables                          | 94,509                        | 88,986                        |
| Other                                | 1,514                         | 4,736                         |
| <b>Total Current Assets</b>          | <u>326,873</u>                | <u>327,190</u>                |
| <b>Non-Current Assets</b>            |                               |                               |
| Property, plant and equipment        | 471,436                       | 475,973                       |
| Deferred income tax asset            | 16,914                        | 13,843                        |
| Intangibles                          | 42,927                        | 48,301                        |
| <b>Total Non-Current Assets</b>      | <u>531,277</u>                | <u>538,117</u>                |
| <b>Total Assets</b>                  | <u>858,150</u>                | <u>865,307</u>                |
| <b>Current Liabilities</b>           |                               |                               |
| Payables                             | 46,796                        | 76,986                        |
| Interest bearing liabilities         | 199                           | 190                           |
| Provisions                           | 61,263                        | 56,570                        |
| <b>Total Current Liabilities</b>     | <u>108,258</u>                | <u>133,746</u>                |
| <b>Non-Current Liabilities</b>       |                               |                               |
| Other                                | 2,500                         | 2,500                         |
| <b>Total Non-Current Liabilities</b> | <u>2,500</u>                  | <u>2,500</u>                  |
| <b>Total Liabilities</b>             | <u>110,758</u>                | <u>136,246</u>                |
| <b>Net Assets</b>                    | <u>747,392</u>                | <u>729,061</u>                |
| <b>Equity</b>                        |                               |                               |
| Issued capital                       | 695,010                       | 695,010                       |
| Retained earnings                    | 52,382                        | 34,051                        |
| <b>Total Equity</b>                  | <u>747,392</u>                | <u>729,061</u>                |



**Mt Evelyn & Districts Financial Services Limited**  
**ABN 93 096 782 240**  
**Condensed Cash Flow Statement**  
**for the half-year ended 31 December 2007**

|  | <b>2007</b>           | <b>2006</b>           |
|--|-----------------------|-----------------------|
|  | <b>\$</b>             | <b>\$</b>             |
| <b>Cash Flows From Operating Activities</b>        |                       |                       |
| Cash receipts in the course of operations          | 524,769               | 444,822               |
| Cash payments in the course of operations          | (444,269)             | (376,762)             |
| Interest received                                  | 1,269                 | 7,392                 |
| Income tax paid                                    | (33,187)              | (26,348)              |
| <b>Net cash flows from operating activities</b>    | <u>48,582</u>         | <u>49,104</u>         |
| <b>Cash Flows From Investing Activities</b>        |                       |                       |
| Purchase of property, plant and equipment          | (6,600)               | -                     |
| <b>Net cash flows used in investing activities</b> | <u>(6,600)</u>        | <u>-</u>              |
| <b>Cash Flows From Financing Activities</b>        |                       |                       |
| Dividends paid                                     | (44,609)              | (32,316)              |
| Proceeds from borrowings                           | 9                     | 8                     |
| <b>Net cash flows used in financing activities</b> | <u>(44,600)</u>       | <u>(32,308)</u>       |
| <b>Net increase/(decrease) in cash held</b>        | (2,618)               | 16,796                |
| Opening cash brought forward                       | <u>233,468</u>        | <u>234,816</u>        |
| <b>Closing cash carried forward</b>                | <u><u>230,850</u></u> | <u><u>251,612</u></u> |

**Mt Evelyn & Districts Financial Services Limited****ABN 93 096 782 240****Condensed Statement of Changes in Equity  
for the half-year ended 31 December 2007**

|                               | <b>Issued<br/>Capital<br/>\$</b> | <b>Retained<br/>Earnings<br/>\$</b> | <b>Total<br/>Equity<br/>\$</b> |
|-------------------------------|----------------------------------|-------------------------------------|--------------------------------|
| <b>As at 1 July 2007</b>      | 695,010                          | 34,051                              | 729,061                        |
| Net profit for the period     | -                                | 62,940                              | 62,940                         |
| Issue of share capital        | -                                | -                                   | -                              |
| Equity dividends              | -                                | (44,609)                            | (44,609)                       |
| <b>As at 31 December 2007</b> | <u>695,010</u>                   | <u>52,382</u>                       | <u>747,392</u>                 |

|                               | <b>Issued<br/>Capital<br/>\$</b> | <b>Retained<br/>Earnings<br/>\$</b> | <b>Total<br/>Equity<br/>\$</b> |
|-------------------------------|----------------------------------|-------------------------------------|--------------------------------|
| <b>As at 1 July 2006</b>      | 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)                       |
| <b>As at 31 December 2006</b> | <u>695,010</u>                   | <u>29,975</u>                       | <u>724,985</u>                 |



**Mt Evelyn & Districts Financial Services Limited**  
**ABN 93 096 782 240**  
**Notes to the Financial Statements**  
**for the half-year ended 31 December 2007**

**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 & Districts Financial Services Ltd as at 30 June 2007. It is also recommended that this half year financial report be considered together with any public announcements made by Mt Evelyn & Districts Financial Services Ltd during the half year ended 31 December 2007 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 2007 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 & Districts Financial Services Limited**  
**ABN 93 096 782 240**  
**Notes to the Financial Statements**  
**for the half-year ended 31 December 2007**

**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**

|  | <b>2007</b> | <b>2006</b> |
|--|-------------|-------------|
|  | <b>\$</b>   | <b>\$</b>   |
| <i>Dividends paid during the half year</i>               |             |             |
| Interim franked dividend for the year ended 30 June 2007 | 44,609      | 32,316      |
| 6.35 cents per share (2006: 4.6 cents)                   |             |             |

**6. Director and Related Party Disclosures**

The names of directors who have held office during the half year ended 31 December 2007 are:

Allan Alexander Grundy  
Margaret Calder Sank  
Janette Christine Simmons  
Jillian Lorraine Rule  
Brian John Hewett (resigned 25 October 2007)  
Arch Campbell Carswell  
Craig Keithley  
Albert Buitenhuis  
James Justin Chapman (appointed 19 December 2007)

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**

|   | <b><u>2007</u></b> | <b><u>2006</u></b> |
|---|--------------------|--------------------|
| Allan Alexander Grundy                            | 6,876              | 6,876              |
| Margaret Calder Sank                              | -                  | -                  |
| Janette Christine Simmons                         | 938                | 938                |
| Jillian Lorraine Rule                             | -                  | -                  |
| Brian John Hewett (resigned 25 October 2007)      | 1,938              | 1,938              |
| Arch Campbell Carswell                            | 3,938              | 3,938              |
| Craig Keithley                                    | 500                | 500                |
| Albert Buitenhuis                                 | 5,000              | 5,000              |
| James Justin Chapman (appointed 19 December 2007) | -                  | -                  |

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 (resigned 25 October 2007) | 938   | 938   |
| Arch Campbell Carswell                       | 938   | 938   |

**Mt Evelyn & Districts Financial Services Limited**  
**ABN 93 096 782 240**  
**Directors Declaration**  
**for the half-year ended 31 December 2007**

In accordance with a resolution of the directors of Mt Evelyn & 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 2007 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 12th day of March 2008