

Mt Evelyn & Districts

Financial Services Limited

**Financial Statements
for the half-year ended
31 December 2010**

Mt Evelyn & Districts Financial Services Limited
ABN 93 096 782 240
Directors' Report

Your Directors submit their report of the Company for the half year ended 31 December 2010.

Directors

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

Iain Warren Fraser

Margaret Calder Sank

Janette Christine Simmons

Jillian Lorraine Rule

James Justin Chapman

Gareth Little-Hales

Craig Keithley

Gai Williams

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 and Adelaide 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 \$23,372 (2009: \$73,898).

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.

Significant changes in the state of affairs

The Company opened their second branch site in Montrose during the half year.

In order to secure the premises from which to operate the Montrose branch, the Company signed an agreement on 17 August 2010 to purchase premises along with the associated business. A lease agreement has been entered into while awaiting settlement of the property due in 2012.

In the opinion of the directors there were no significant changes in the state of affairs of the Company that occurred during the financial period under review not otherwise disclosed in this report.

Mt Evelyn & Districts Financial Services Limited
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



Level 2, 10-16 Forest Street
PO Box 30
Bendigo. 3552
Ph. 03 5443 1177
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E-mail:
rsd@rsdadvisors.com.au

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 2010, 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.

Philip Delahunty
Partner
Richmond Sinnott & Delahunty
Bendigo
7 March 2011

Signed in accordance with a resolution of the Directors at Mt Evelyn on 7 March 2011.



Jill Rule, Chairperson

Mt Evelyn & Districts Financial Services Limited
ABN 93 096 782 240
Condensed Statement of Comprehensive Income
for the half-year ended 31 December 2010

	2010	2009
	\$	\$
Revenue from ordinary activities	751,190	629,023
Salaries and employee benefit expense	(358,602)	(252,249)
Depreciation and amortisation expense	(29,800)	(15,376)
Charitable donations and sponsorships	(82,648)	(119,568)
Other expenses from ordinary activities	<u>(246,172)</u>	<u>(135,956)</u>
Profit from ordinary activities before income tax expense	33,968	105,874
Income tax expense relating to ordinary activities	<u>10,596</u>	<u>31,976</u>
Net profit	23,372	73,898
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income	<u><u>23,372</u></u>	<u><u>73,898</u></u>
Earnings per share (cents per share)		
- basic for profit for the half year	0.79	10.52
- diluted for profit for the half year	0.79	10.52

Mt Evelyn & Districts Financial Services Limited
ABN 93 096 782 240
Condensed Statement of Financial Position
as at 31 December 2010

	31-Dec 2010 \$	30-Jun 2010 \$
Current Assets		
Cash and cash equivalents	826,306	1,258,889
Receivables	143,019	133,379
Other assets	16,943	4,819
Total Current Assets	<u>986,268</u>	<u>1,397,087</u>
Non-Current Assets		
Property, plant and equipment	1,093,159	437,777
Deferred income tax asset	24,693	21,619
Intangibles	98,415	33,692
Total Non-Current Assets	<u>1,216,267</u>	<u>493,088</u>
Total Assets	<u>2,202,535</u>	<u>1,890,175</u>
Current Liabilities		
Payables	45,839	51,607
Current tax payable	7,950	31,751
Loans and borrowings	250	240
Provisions	81,208	69,159
Total Current Liabilities	<u>135,247</u>	<u>152,757</u>
Non-Current Liabilities		
Loans and borrowings	2,500	2,500
Other liabilities	380,000	-
Total Non-Current Liabilities	<u>382,500</u>	<u>2,500</u>
Total Liabilities	<u>517,747</u>	<u>155,257</u>
Net Assets	<u>1,684,788</u>	<u>1,734,918</u>
Equity		
Issued capital	1,527,561	1,527,561
Retained earnings	157,227	207,357
Total Equity	<u>1,684,788</u>	<u>1,734,918</u>

Mt Evelyn & Districts Financial Services Limited
ABN 93 096 782 240
Condensed Statement of Cash Flows
for the half-year ended 31 December 2010

	2010	2009
	\$	\$
Cash Flows From Operating Activities		
Cash receipts in the course of operations	796,919	657,613
Cash payments in the course of operations	(386,693)	(537,625)
Interest received	18,059	2,492
Income tax paid	<u>(37,471)</u>	<u>(20,591)</u>
Net cash flows from operating activities	<u>390,814</u>	<u>101,889</u>
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(669,905)	(6,000)
Purchase of intangible assets	(80,000)	(9,000)
Grant received relating to intangible assets	<u>-</u>	<u>5,000</u>
Net cash flows used in investing activities	<u>(749,905)</u>	<u>(10,000)</u>
Cash Flows From Financing Activities		
Dividends paid	(73,502)	(68,846)
Proceeds from borrowings	<u>10</u>	<u>7</u>
Net cash flows used in financing activities	<u>(73,492)</u>	<u>(68,839)</u>
Net increase/(decrease) in cash held	(432,583)	23,050
Cash and cash equivalents at start of period	<u>1,258,889</u>	<u>341,055</u>
Cash and cash equivalents at end of period	<u><u>826,306</u></u>	<u><u>364,105</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 2010

	<u>Notes</u>	Issued Capital \$	Retained Earnings \$	Total Equity \$
As at 1 July 2010		1,527,561	207,357	1,734,918
Net profit for the period		-	23,372	23,372
Issue of share capital		-	-	-
Dividends paid	5	<u>-</u>	<u>(73,502)</u>	<u>(73,502)</u>
As at 31 December 2010		<u><u>1,527,561</u></u>	<u><u>157,227</u></u>	<u><u>1,684,788</u></u>

		Issued Capital \$	Retained Earnings \$	Total Equity \$
As at 1 July 2009		695,010	121,285	816,295
Net profit for the period			73,898	73,898
Issue of share capital		-	-	-
Dividends paid	5	<u>-</u>	<u>(68,846)</u>	<u>(68,846)</u>
As at 31 December 2009		<u><u>695,010</u></u>	<u><u>126,337</u></u>	<u><u>821,347</u></u>

Mt Evelyn & Districts Financial Services Limited
ABN 93 096 782 240
Notes to the Financial Statements
for the half-year ended 31 December 2010

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

(a) Basis of accounting

Mt Evelyn & Districts Financial Services Limited ('the Company') is domiciled in Australia. The financial statements for the half year ending 31 December 2010 are presented in Australian dollars. The Company was incorporated in Australia and the principal operations involve providing community banking services.

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 Limited as at 30 June 2010. It is also recommended that this half year financial report be considered together with any public announcements made by Mt Evelyn & Districts Financial Services Limited during the half year ended 31 December 2010 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. Australian Accounting Standards that have been recently issued or amended, but are not yet effective, have not been adopted in the preparation of this financial report.

(c) Summary of significant accounting policies

The accounting policies have been consistently applied and are consistent with those applied in the 30 June 2010 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 2010

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

	2010	2009
	\$	\$
<i>Dividends paid during the half year</i>		
Final franked dividend for the year ended 30 June 2010	73,502	68,846
2.5 cents per share (2009: 9.8 cents)		

Mt Evelyn & Districts Financial Services Limited
ABN 93 096 782 240
Directors Declaration
for the half-year ended 31 December 2010

In accordance with a resolution of the directors of Mt Evelyn & Districts Financial Services Limited, 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 2010 and its performance for the half-year ended on that date; and
 - (ii) comply with Accounting Standard AASB 134, "Interim Financial Reporting", the Corporations Act 2001 and other mandatory reporting requirements; 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.



Jill Rule, Chairperson

Signed at Mt Evelyn on 7 March 2011



**Richmond
Sinnott &
Delahunty**

Chartered Accountants

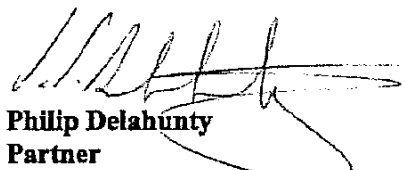
7 March 2011

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

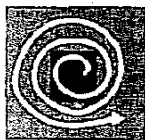
Dear Directors

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 2010, 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.



Philip Delahunty
Partner
Richmond Sinnott & Delahunty



**Richmond
Sinnott &
Delahunty**

Chartered Accountants

Independent Review Report

To the members of Mt Evelyn & Districts Financial Services Limited

Scope

The financial report comprises the condensed statement of comprehensive income, condensed statement of financial position, condensed statement of cash flows, condensed statement of changes in equity, accompanying notes to the financial statements and the directors' declaration for Mt Evelyn & Districts Financial Services Limited for the half-year ended 31 December 2010.

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.

Partners: Kenneth J Richmond • Warren J Sinnott • Philip P Delahunty • Brett A Andrews
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Liability limited by a scheme approved under Professional Standards Legislation

Independence

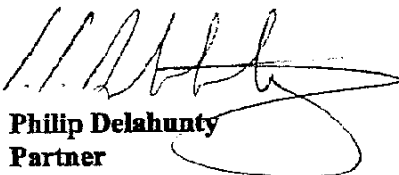
We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

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 Limited 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 2010 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 & Delahunty
Chartered Accountants



Philip Delahunty
Partner

Signed at Bendigo on 7 March 2011