

PINJARRA COMMUNITY FINANCIAL SERVICES LIMITED

ABN 31 097 389 547

Interim Financial Report

For the half-year ended 31 December 2009

C O N T E N T S

Directors' Report

Auditor's Independence Declaration

Statement of Comprehensive Income

Statement of Financial Position

Statement of Changes in Equity

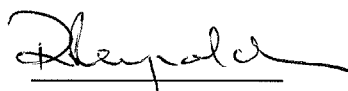
Statement of Cash Flows

Notes to the Financial Statements

Directors' Declaration

Independent Auditor's Review Report

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



Director

Dated this 12 day of March 2010

PINJARRA COMMUNITY FINANCIAL SERVICES LIMITED

ABN 31 097 389 547

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:

Michael Peter Faro (Resigned 16th September 2009)

Ernest Albert Hiddlestone

Brian Arthur Morrell

Monica Rae Bermingham (Resigned 1st August 2009)

Evelyn Stagg (Resigned 31st January 2010)

Barbara Dimasi (Resigned 19th January 2010)

Rosemarree Reynolds

Iggy Castle (Appointed 19th January 2010)

Trevor Lawrence Delaporte (Appointed 19th January 2010)

Laurence Ian Galloway (Appointed 19th January 2010)

Review of operations

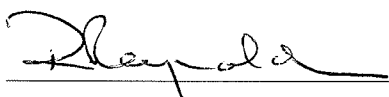
The focus of the Company's operations during the half-year was the operation of the Pinjarra Community Financial Services Ltd operating as Pinjarra Community Bank[®] Branch of Bendigo and Adelaide Bank Ltd, pursuant to a franchise agreement.

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

12

day of

March

2010

RSM Bird Cameron Partners

Chartered Accountants

8 St Georges Terrace Perth WA 6000
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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Pinjarra 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.*

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PINJARRA COMMUNITY FINANCIAL SERVICES LIMITED

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Interim Financial Report

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

	31.12.2009	31.12.2008
	\$	\$
Revenue	414,106	399,831
Employee benefits expense	(186,933)	(228,084)
Depreciation and amortisation expense	(28,823)	(25,667)
Finance costs	(4,139)	(5,056)
Impairment of property, plant and equipment	-	-
Other expenses	(183,915)	(238,868)
Profit / (Loss) before income tax	10,296	(97,844)
Income tax (expense) / benefit	(3,653)	29,700
Profit / (Loss) for the period	6,643	(68,144)
Total comprehensive income / (loss) for the period attributable to members	6,643	(68,144)
Earnings per share		
Basic earnings per share (cents per share)	1.68	(17.29)
Diluted earnings per share (cents per share)	1.68	(17.29)

The accompanying notes form part of these financial statements

PINJARRA COMMUNITY FINANCIAL SERVICES LIMITED

ABN 31 097 389 547

Interim Financial Report

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

	31.12.2009	30.06.2009
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	43,945	22,468
Trade and other receivables	76,275	70,689
Other current assets	7,755	18,247
TOTAL CURRENT ASSETS	127,975	111,404
NON-CURRENT ASSETS		
Property, plant and equipment	151,976	172,609
Deferred tax assets	39,145	42,799
Intangible assets	32,834	39,834
Other non-current assets	-	-
TOTAL NON-CURRENT ASSETS	223,955	255,242
TOTAL ASSETS	351,930	366,646
CURRENT LIABILITIES		
Trade and other payables	54,937	51,254
Short-term financial liabilities	9,000	9,000
Current tax liability	-	15,713
Deferred tax liability	-	-
Short-term provisions	7,257	11,019
TOTAL CURRENT LIABILITIES	71,194	86,986
NON-CURRENT LIABILITIES		
Long-term financial liabilities	74,923	80,809
Long-term provisions	8,964	8,645
TOTAL NON-CURRENT LIABILITIES	83,887	89,454
TOTAL LIABILITIES	155,081	176,440
NET ASSETS	196,849	190,206
EQUITY		
Issued capital	385,805	385,805
Retained earnings/(Accumulated losses)	(188,956)	(195,599)
TOTAL EQUITY	196,849	190,206

The accompanying notes form part of these financial statements

PINJARRA COMMUNITY FINANCIAL SERVICES LIMITED

ABN 31 097 389 547

Interim Financial Report

**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	385,805	(72,240)	313,565
Total comprehensive income for the period	-	(68,144)	(68,144)
Subtotal	385,805	(140,384)	245,421
Dividends paid or provided for	-	(31,533)	(31,533)
Balance at 31 December 2008	385,805	(171,917)	213,888
Balance at 1 July 2009	385,805	(195,599)	190,206
Total comprehensive income for the period	-	6,643	6,643
Subtotal	385,805	(188,956)	196,849
Dividends paid or provided for	-	-	-
Balance at 31 December 2009	385,805	(188,956)	196,849

The accompanying notes form part of these financial statements

PINJARRA COMMUNITY FINANCIAL SERVICES LIMITED

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Interim Financial Report

**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	408,455	414,276
Payments to suppliers and employees	(360,116)	(471,653)
Interest received	65	3,547
Finance costs	(4,139)	(5,056)
Income tax paid	(15,712)	(1,023)
Net cash provided by /(used in) operating activities	<u>28,553</u>	<u>(59,909)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of non-current assets	-	7,818
Payments for plant and equipment	(1,190)	(75,728)
Net cash used in investing activities	<u>(1,190)</u>	<u>(67,910)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	100,000
Repayments of borrowings	(5,886)	(6,336)
Dividends paid	-	(31,533)
Net cash provided by/(used in) financing activities	<u>(5,886)</u>	<u>62,131</u>
Net increase/decrease in cash held	21,477	(65,688)
Cash and cash equivalents at beginning of period	22,468	142,366
Cash and cash equivalents at end of period	<u>43,945</u>	<u>76,678</u>

The accompanying notes form part of these financial statements

PINJARRA COMMUNITY FINANCIAL SERVICES LIMITED

ABN 31 097 389 547

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 Pinjarra Community Financial Services Ltd operating as Pinjarra 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.

PINJARRA COMMUNITY FINANCIAL SERVICES LIMITED

ABN 31 097 389 547

Interim Financial Report

**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
	\$	\$
No Interim Dividend was declared. (Final unfranked dividend of 8 cents per share was declared for the period to 31/12/2008)	-	31,533

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.

PINJARRA COMMUNITY FINANCIAL SERVICES LIMITED

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Interim Financial Report

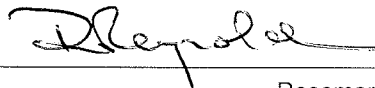
DIRECTORS' DECLARATION

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



Rosemarree Reynolds

Dated this

12

day of

March

2010

RSM Bird Cameron Partners

Chartered Accountants

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF

PINJARRA COMMUNITY FINANCIAL SERVICES LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Pinjarra 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 Pinjarra 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.

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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 Pinjarra 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
Partner

Perth, WA

Dated: *12 March 2010.*