

**Rye & District Community
Financial Services Ltd**

ABN 67 095 766 895

**Financial Statements
For the Six Months ended 31st December
2005**

**JSP Partners Pty Ltd
A.C.N. 006 957 777**

**60 "S" Victor Crescent Narre Warren Vic. 3905 Phone 03 9704 2333
8/2319-2327 Point Nepean Rd. Rye Vic 3941 Phone 03 5985 1165
168 Ocean Beach Rd. Sorrento Vic 3943 Phone 03 5984 0178
Email: jspteam@jsp-pl.com.au**

Table of Contents
For the Six Months ended 31 December 2005

	<i>Page No.</i>
Director's Report	2 – 5
Director's Declaration	6
Condensed Income Statement	7
Condensed Balance Sheet	8
Condensed Statement of Changes in Equity	9
Condensed Cash Flow Statements	10
Notes to the Financial Statements	11 – 14
Notes to the Statement of Cash Flows	15
Compilation Report	16

Rye & District Community Financial Services Ltd
ABN 67 095 766 895
Statement of Directors' Report
For the Six Months ended 31 December 2005

The Directors submit the Financial Accounts of the company for the half year ended 31 December 2005.

Directors

The names and details of the directors of the company in office during the financial year and until the date of this report are:

Peter John Van Duren
Chairperson
Real Estate Agent
Age 50

Guiseppe Oscar Glavici
Director
Age 52
Dentist

Eileen Naylor
Company Secretary
Age 57
Retiree

Janet Iris Hall
Director
Age 58
Interior Decorator

Patricia Tonks
Treasurer
Age 63
Business Administrator

Brian Earles
Director
Age 53
Building Designer

Shane Christopher McCarthy
Director
Age 53
Solicitor

Barry Leonard Irving
Director
Age 62
Photographer

Trevor William Lloyd
Director
Age 53
Builder

Directors were in office from the beginning of the financial year until the date of this report, unless otherwise stated.

Rye & District Community Financial Services Ltd
ABN 67 095 766 895
Statement of Directors' Report
For the Six Months ended 31 December 2005

The directors and their associates held the following shares in the Rye & District Community Financial Services Ltd as at the 31 December 2005.

	<i>No. of Shares Held</i>
Peter J Van Duren	10,334
Patricia Tonks	10,559
Shane C McCarthy	1,251
Brian Earles	26,250
Eileen Naylor	10,000
Guiseppe Glavici	1,000
Janet Hall	1,000
Trevor Lloyd	4,000
Barry Irving	500

No Director holds shares in any related body corporate of the Company.

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.

There have been no significant changes in the nature of these activities during the year.

Review and Results of Operations

Operations have continued to perform in line with expectations. The net profit of the company for the financial period after provision for income tax was \$111,160 for 31 December 2005 (2004: \$171,442).

Remuneration Report

The Board is responsible for the determination of remuneration packages and policies applicable to the Branch Manager and all the staff. The Branch Manager is invited to the Board meeting as required to discuss performance and remuneration packages.

The Branch Manager is paid a base salary, which is between \$50,000 and \$100,000 plus the use of a company car. In addition the Branch Manager receives a bonus if the company exceeds the budget estimates established by the Board.

Rye & District Community Financial Services Ltd
ABN 67 095 766 895
Statement of Directors' Report
For the Six Months ended 31 December 2005

Dividends

The following dividend was paid during the year

	Six Months Ended 31 December 2005	
	Cents	\$
Dividends paid from prior years profit	16	84,847

Significant changes in the state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or the financial report.

Significant events after the balance date

There are no matters or circumstances that have arisen since the end of the 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, in future years.

Likely Developments

The company will continue its policy of providing banking services to the community.

Environmental Regulation

The company is not subject to any significant environmental regulation.

Directors' Benefits

No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a Director, a firm which a Director is a member or an entity in which a Director has a substantial financial interest, other than Mr. McCarthy whose company McCarthy Partners Pty Ltd provide legal services. This statement excludes a benefit included in the aggregate amount, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Indemnification and Insurance of Directors and Officers

The company has indemnified all Directors and the Manager in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as Directors or Manager of the company except where the liability arises out of conduct involving the lack of good faith.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality of the contract of insurance. The company has not provided any insurance for an auditor of the company or a related body corporate.

Rye & District Community Financial Services Ltd
ABN 67 095 766 895
Statement of Directors' Report
For the Six Months ended 31 December 2005

Directors Meetings

The number of Director's meetings attended by each of the Directors of the company during the period was:

	<u>No. of Meetings Attended</u>	<u>No. of Meeting Held</u>
Peter J Van Duren	7	7
Eileen Naylor	5	7
Patricia Tonks	6	7
Shane C McCarthy	6	7
Brian Earles	7	7
Janet Hall	5	7
Guiseppe Glavici	6	7
Trevor Lloyd	7	7
Barry Irving	7	7

Non Audit Services

The Company may decide to employ the auditor on assignment to their statutory duties where the auditor's expertise and experience with the Company are important. Details of the amounts paid or payable to the Auditor (Andrew Frewin & Stewart) for audit and non-audit services during the year are set out in the notes to the accounts.

The board of directors has considered the position and in accordance with the advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are satisfied that the provision of non-audit services by the auditor, as set out in the notes, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons: -

- All non-audit services have been reviewed by the audit committee to ensure they do not impact on the impartiality and objectivity of the auditor;
- None of the services undermine the general principles relating to auditors independence as set out in Professional Statement F1, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risk and rewards.

A copy of the Auditors' Independence Declaration as required under section 307C of the Corporations Act 2001 is attached to the Financial Statements.

Signed in accordance with a resolution of the Board of Directors at Rye on 28.9.06.


Peter J Van Duren


Patricia Tonks

Rye & District Community Financial Services Ltd
ABN 67 095 766 895

Statement of Directors' Declaration
For the Six Months ended 31 December 2005

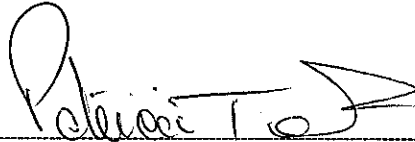
In accordance with a resolution of the Directors of the Rye & District Community Financial Services Limited, we state that:

In the opinion of the Directors:

- a) the accompanying financial statements and notes of the company are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 31 December 2005 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029, "Interim Financial Reporting" and the Corporations Act 2001; and
- b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become payable.



Peter J Van Duren



Patricia Tonks

Dated this

28/02/06

Rye & District Community Financial Services Ltd
ABN 67 095 766 895
Condensed Income Statement
For the Six Months ended 31 December 2005

	31 December 2005 \$	31 December 2004 \$
Revenues from ordinary activities	589,263	507,976
Salaries and employee benefits expense	(161,511)	(115,753)
Occupancy and associated costs	(19,583)	(17,315)
Depreciation and amortisation expense	(29,556)	(28,781)
Other expenses from ordinary activities	(223,776)	(112,333)
Profit from ordinary activities before income tax	154,834	233,794
Income tax expense relating to ordinary activities	43,674	62,352
Profit from ordinary activities after related income tax	111,160	171,442
Profit attributable to members of the entity	111,160	171,442

*The accompanying notes form part of these financial statements.
These financial statements have been subject to review and should be read in
conjunction with the attached Compilation Report.*

Rye & District Community Financial Services Ltd
ABN 67 095 766 895
Condensed Balance Sheet
As at December 2005

	31-Dec 2005 \$	30-Jun 2005 \$	31-Dec 2004 \$
CURRENT ASSETS			
Cash	630,653	603,404	715,116
Receivables	99,815	90,975	97,826
Current tax benefit	52,537	34,187	-
Other	-	-	765
TOTAL CURRENT ASSETS	<u>783,005</u>	<u>728,566</u>	<u>813,707</u>
NON-CURRENT ASSETS			
Property, plant and equipment	77,879	97,174	112,924
Intangible assets	4,960	10,000	14,960
TOTAL NON-CURRENT ASSETS	<u>82,839</u>	<u>107,174</u>	<u>127,884</u>
TOTAL ASSETS	<u>865,844</u>	<u>835,740</u>	<u>941,591</u>
CURRENT LIABILITIES			
Payables	39,469	36,324	24,592
Interest-bearing liabilities	5,685	5,451	5,246
Current tax liabilities	809	-	55,880
Provisions	40,016	37,526	11,416
TOTAL CURRENT LIABILITIES	<u>85,979</u>	<u>79,301</u>	<u>97,134</u>
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	12,911	15,798	18,576
TOTAL NON-CURRENT LIABILITIES	<u>12,911</u>	<u>15,798</u>	<u>18,576</u>
TOTAL LIABILITIES	<u>98,890</u>	<u>95,099</u>	<u>115,710</u>
NET ASSETS	<u>766,954</u>	<u>740,641</u>	<u>825,881</u>
EQUITY			
Contributed Equity	504,166	504,166	504,166
Retained profits	262,788	236,472	321,715
TOTAL EQUITY	<u>766,954</u>	<u>740,641</u>	<u>825,881</u>

*The accompanying notes form part of these financial statements.
These financial statements have been subject to review and should be read in
conjunction with the attached Compilation Report.*

Rye & District Community Financial Services Ltd
ABN 67 095 766 895
Condensed Statement of Changes in Equity
For the Six Months ended 31 December 2005

	31 December 2005 \$	31 December 2004 \$
<u>Retained Earnings</u>		
Retained earnings at the beginning of the period	236,472	203,302
Net profit/(loss) attributable to members of the parent entity	111,160	171,442
Dividends	(84,844)	(53,029)
Retained earnings at the end of the period	262,788	321,715
<u>Earnings</u>		
Net profit/(loss) attributable to members of the parent entity	111,160	171,442
Net income/expense recognised directly in equity	-	-
Total recognised income & expense for the period	111,160	171,442
<u>Share Capital</u>		
Share capital at the beginning of the period (530,291 shares (2004: 530,291))	504,166	504,166
Shares issued during the period	-	-
Share capital at the beginning of the period (530,291 shares (2004: 530,291))	504,166	504,166

*The accompanying notes form part of these financial statements.
These financial statements have been subject to review and should be read in
conjunction with the attached Compilation Report.*

Rye & District Community Financial Services Ltd
ABN 67 095 766 895
Condensed Cash Flow Statements
For the Six Months ended 31 December 2005

	Note	31-Dec 2005 \$	31-Dec 2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers		564,307	470,853
Cash paid to suppliers and employees		(459,653)	(333,532)
Interest received		16,114	16,306
Interest paid		(797)	(973)
Net Cash Provided by Operating Activities	7 (b)	119,971	152,654
CASH FROM INVESTING ACTIVITIES			
Payments for Property Improvements		(4,384)	(13,950)
Payments for Office Furniture & Equipment		(837)	(398)
Net Cash used in Investing Activities		(5,221)	(14,348)
CASH FROM FINANCING ACTIVITIES			
Repayment of borrowings		(2,653)	(2,465)
Dividends paid		(84,847)	(53,029)
Net Cash used in Financing Activities		(87,500)	(55,494)
Net Increase in Cash Held		27,250	82,812
Cash at the beginning of the financial year		603,403	632,304
Cash at the end of the half- year	7 (a)	630,653	715,116

*The accompanying notes form part of these financial statements.
These financial statements have been subject to review and should be read in
conjunction with the attached Compilation Report.*

Rye & District Community Financial Services Ltd
ABN 67 095 766 895
Notes to the Financial Statements
For the Six Months ended 31 December 2005

1. Basis for preparation of the Half-Year Financial Statements

Basis of accounting

The half-year financial report is general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent financial report.

The consolidated entity changed its accounting policies on 1 July 2005. The transition to A-IFRS is accounted for in accordance with Accounting Standard AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards', with 1 July 2005 as the date of transition. An explanation of how the transition from superseded policies to A-IFRS has affected the consolidated entity's financial position, financial performance and cash flows is discussed in Note 2.

The accounting policies set out below have been applied in preparing the financial statements for the half-year ended 31 December 2005, the comparative information presented in these financial statements, and in the preparation of the opening A-IFRS balance sheet at 1 July 2005 the entity's date of transition. All accounting policies are consistent with those applied in the 30 June 2005 financial statements except as set out below.

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

Income Tax

Current Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred Tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilized. However, deferred tax assets and liabilities (other than as a result of a business combination) which affect neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the assets and liability giving rise to them are realized or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities reflects the tax consequences that would follow from the manner in which the consolidated entity expects at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Rye & District Community Financial Services Ltd
ABN 67 095 766 895
Notes to the Financial Statements
For the Six Months ended 31 December 2005

1. Basis of preparation of the Half-Year Financial Statements (Continued)

Deferred tax assets and liabilities are offset when they related to income taxes levied by the same taxation authority and the company/consolidated entity intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Property, plant and equipment

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated at the rate equivalent to the available building allowance using the straight line method. The estimated useful lives, residual values, and depreciation method is reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

▪ Leasehold improvements	40yrs
▪ Plant & Equipment	2.5 – 40yrs
▪ Furniture & Fittings	4 - 40yrs

Impairment of assets

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. Goodwill is tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Rye & District Community Financial Services Ltd
ABN 67 095 766 895
Notes to the Financial Statements
For the Six Months ended 31 December 2005

1. Basis of preparation of the Half-Year Financial Statements (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

2. Impacts of adoption of Australian equivalents to International Financial Reporting Standards

Correction of errors v changes in accounting policies

If the entity becomes aware of errors made under previous GAAP, the reconciliations of equity at the date of transition to A-IFRS and of reported profit or loss for the latest period presented in the entity's most recent annual financial report under Australian GAAP shall distinguish the correction of those errors from changes in accounting policies.

The consolidated entity changed its accounting policies on 1 July 2005 to comply with Australian equivalents to International Financial Reporting Standards ('A-IFRS'). The transition to A-IFRS is accounted for in accordance with Accounting Standard AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards', with 1 July 2004 as the date of transition.

There has been no impact to the Financial Statements of Rye & District Community Financial Services Limited from the adoption of the Australian equivalents to International Financial Reporting Standards.

Revenue

Under superseded policies, the consolidated entity recognised the gain or loss on disposal of property, plant and equipment on a 'gross' basis by recognising the proceeds from sale as revenue, and the carrying amount of the property, plant and equipment disposed as an expense. Under A-IFRS, the gain or loss on disposal is recognised on a 'net' basis, and is classified as income, rather than revenue.

Income tax

Under superseded policies, the consolidated entity adopted tax-effect accounting principles whereby income tax expense was calculated on pre-tax accounting profits after adjustments for permanent differences. The tax-effect of timing differences, which occur when items were included or allowed for income tax purposes in a period different to that for accounting were recognised at current taxation rates as deferred tax assets and deferred tax liabilities, as applicable.

Under A-IFRS, deferred tax is determined using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and their corresponding tax bases.

Rye & District Community Financial Services Ltd
ABN 67 095 766 895
Notes to the Financial Statements
For the Six Months ended 31 December 2005

3. 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.

4. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the date of this report to affect the financial statements.

5. 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 Rye, Victoria.

6. Dividends Paid

Dec 2005	Dec 2004
\$	\$
84,847	53,029

Interim fully franked dividends of 16 cents per share
franked at the tax rate of 30%.

Rye & District Community Financial Services Ltd
ABN 67 095 766 895
Notes to the Statement of Cash Flows
For the Six Months ended 31 December 2005

	2005	2004
	\$	\$

7 (a) RECONCILIATION OF CASH

For the purpose of the Statement of Cash Flows cash includes cash on hand and in banks and in at call deposits with banks and financial institutions, less the outstanding bank overdraft. Cash at the end of the financial year is shown in the Statement Financial Position as:

Cash on Hand	200	200
Cash at Bank	64,941	75,859
Cash Management Accounts - Grants	33,197	-
Bendigo Bank - Term Deposits	532,315	639,057
	<u>630,653</u>	<u>715,116</u>

7 (b) RECONCILIATION OF OPERATING PROFIT / (LOSS) FOR THE YEAR TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating Profit for the Year	111,160	171,442
Add Non-cash Items:		
Depreciation & Amortisation	29,556	28,781
Movement in provisions	2,491	(10,286)
Loss on Sale of Non-current Assets		
Changes in Assets & Liabilities		
(Increase) / Decrease in Receivables	(8,840)	(20,817)
Increase / (Decrease) in Payables	3,146	(19,753)
Increase / (Decrease) in Other Current Liabilities	(17,540)	3,287
	<u>119,973</u>	<u>152,654</u>

Rye & District Community Financial Services Ltd
ABN 67 095 766 895
Compilation Report
For the Six Months ended 31 December 2005

Scope

On the basis of information provided by the Directors, we have compiled in accordance with APS 9 "Statement on Compilation of Financial Reports" the General Purpose Financial Report of the client for the period ended 31 December 2005, as set out in the Financial Statements.

The Directors are solely responsible for the information contained in the General Purpose Financial Report.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Directors provided, into a Financial Report. Our procedures do not include verification or validation procedures. No audit or review has been performed, and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage, which any person, other than the company, may suffer arising from any negligence on our part. No person should rely on the General Purpose Financial Report without having an audit or review conducted.

The General Purpose Financial Report was prepared exclusively for the benefit of the company. We do not accept responsibility to any other person for the contents of the General Purpose Financial Report.

JSP Partners

Chartered Accountants
PO Box 309 Rye Vic 3941

Bryan A Payne MBA (Melb), CA, FCPA, FCIS, FCIM, FIMM, FTIA.
2005

Auditor's Independence Declaration

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Rye & District Community Financial Services Limited.

As lead auditor for the review of the financial statements of Rye & District Community Financial Services Limited for the half-year ended 31 December 2005, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.



David Hutchings
Auditor

Andrew Frewin & Stewart

Bendigo VIC 3550

Dated: 3 March 2006

Independent Review Report to the Members of Rye & District Community Financial Services Limited

Scope

The financial report and directors' responsibility

The financial report comprises the balance sheet, income statement, cash flow statement, statement of changes in equity, accompanying notes to the financial statements and the directors' declaration for the entity for the half-year ended 31 December 2005.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report 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 the accounting policies and accounting estimates inherent in the financial report.

Review Approach

We have performed an independent review of the financial report in order to state whether, on the basis of the 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 Standards AASB 134 'Interim Financial Reporting' and AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards' and other mandatory professional reporting requirements in Australia, so as to present a view which is consistent with our understanding of the entity's financial position, and performance as presented by the results of its operations and its cash flows, and in order for the company to lodge the financial report with the Australian Securities and Investments Commission.

Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the entity's 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 provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

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 financial report of Rye & District Community Financial Services Limited is not in accordance with:

- a) the Corporations Act 2001, including:
 - i. giving a true and fair view of the entity's financial position as at 31 December 2005 and of its performance for the half-year ended on that date; and
 - ii. complying with Accounting Standards AASB 134 'Interim Financial Reporting' and AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards' and the Corporations Regulations 2001; and
- b) other mandatory professional reporting requirements in Australia.



David Hutchings

Partner

BENDIGO

3 March 2006