

**Warburton Community Financial Services Ltd**  
**ABN 54 090 252 627**  
**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:

Mr R J Murray (Resigned 2 November 2006)  
Compliance Officer

Mr G M Vickers  
Company Secretary

Mr B Berry  
Motel/Conference Centre Owner

Ms C L Fitzpatrick  
Account Manager

Mr M Magee  
Truck Body Builder

Mr L G Corallo (Resigned 13 February 2007)  
Strawberry Farmer

Mr L B Marshall  
Retired Maintenance Manager

Ms E R Fox  
Student Counsellor

Mr R J Woods  
Environmental Consultant

Mr R McKail  
Governance manager

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. During this period the company paid Donations and Community payments of \$90,939 (2005: \$181,447). The net profit/(loss) of the company for the financial period was \$40,802 (2005: (\$12,267)).

**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.

**Warburton Community Financial Services Ltd**  
**ABN 54 090 252 627**  
**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 Warburton Community 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 Warburton, Victoria on  
5 March 2007.

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Baden Berry, Chairman

**Warburton Community Financial Services Ltd**  
**ABN 54 090 252 627**  
**Condensed Income Statement**  
**for the half-year ended 31 December 2006**

	<b>Note</b>	<b>2006</b> <b>\$</b>	<b>2005</b> <b>\$</b>
Revenue from ordinary activities		429,442	410,883
Other revenue		7,558	18,302
Salaries and employee benefit expense		(170,973)	(135,951)
Depreciation and amortisation expense		(8,029)	(3,243)
Borrowing cost expense		(8,250)	-
Donations and community payments		(90,939)	(181,447)
Other expenses from ordinary activities		<u>(99,813)</u>	<u>(120,811)</u>
<b>Profit / (loss) from ordinary activities before income tax expense</b>		58,996	(12,267)
Income tax expense relating to ordinary activities		<u>18,194</u>	<u>-</u>
<b>Net profit / (loss) attributable to members of the entity</b>		<u><u>40,802</u></u>	<u><u>(12,267)</u></u>
<b>Earnings per share (cents per share)</b>			
- basic for profit / (loss) for the half year		10.20	(3.07)
- diluted for profit / (loss) for the half year		10.20	(3.07)
- dividends paid per share	<b>5</b>	9.00	9.00

**Warburton Community Financial Services Ltd**  
**ABN 54 090 252 627**  
**Condensed Balance Sheet**  
**as at 31 December 2006**

	<b>31-Dec 2006 \$</b>	<b>30-Jun 2006 \$</b>
<b>Current Assets</b>		
Cash assets	344,362	337,133
Current tax asset	-	49,447
Prepayments	1,954	-
Receivables	82,161	73,246
<b>Total Current Assets</b>	<u>428,477</u>	<u>459,826</u>
<b>Non-Current Assets</b>		
Property, plant and equipment	591,537	588,795
Intangibles	6,558	7,607
<b>Total Non-Current Assets</b>	<u>598,095</u>	<u>596,402</u>
<b>Total Assets</b>	<u>1,026,572</u>	<u>1,056,228</u>
<b>Current Liabilities</b>		
Payables	47,101	57,231
Interest bearing liabilities	61,234	66,870
Current tax liability	6,194	-
Provisions	24,569	28,020
<b>Total Current Liabilities</b>	<u>139,098</u>	<u>152,121</u>
<b>Non-Current Liabilities</b>		
Interest bearing liabilities	158,038	179,473
<b>Total Non-Current Liabilities</b>	<u>158,038</u>	<u>179,473</u>
<b>Total Liabilities</b>	<u>297,136</u>	<u>331,594</u>
<b>Net Assets</b>	<u>729,436</u>	<u>724,634</u>
<b>Equity</b>		
Issued capital	400,000	400,000
Retained earnings	329,436	324,634
<b>Total Equity</b>	<u>729,436</u>	<u>724,634</u>

**Warburton Community Financial Services Ltd**  
**ABN 54 090 252 627**  
**Condensed Cash Flow Statement**  
**for the half-year ended 31 December 2006**

	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
<b>Cash Flows From Operating Activities</b>		
Cash receipts in the course of operations	463,417	435,920
Cash payments in the course of operations	(428,399)	(476,418)
Interest received	7,558	18,302
Income tax refunded / (paid)	<u>37,447</u>	<u>(43,440)</u>
<b>Net cash flows from (used in) operating activities</b>	<u>80,023</u>	<u>(65,636)</u>
<b>Cash Flows From Investing Activities</b>		
Payments for property, plant and equipment	<u>(9,723)</u>	<u>(3,217)</u>
<b>Net cash flows from (used in) investing activities</b>	<u>(9,723)</u>	<u>(3,217)</u>
<b>Cash Flows From Financing Activities</b>		
Repayment of borrowings	(27,071)	-
Dividends paid	<u>(36,000)</u>	<u>(36,000)</u>
<b>Net cash flows from (used in) financing activities</b>	<u>(63,071)</u>	<u>(36,000)</u>
<b>Net increase (decrease) in cash held</b>	7,229	(104,853)
Opening cash brought forward	<u>337,133</u>	<u>694,323</u>
<b>Closing cash carried forward</b>	<u><u>344,362</u></u>	<u><u>589,470</u></u>

**Warburton Community Financial Services Ltd**  
**ABN 54 090 252 627**  
**Condensed Statement of Changes in Equity**  
**for the half-year ended 31 December 2006**

	<b>Issued Capital \$</b>	<b>Retained Earnings \$</b>	<b>Total Equity \$</b>
<b>As at 1 July 2006</b>	400,000	324,634	724,634
Net profit/(loss) for the period	-	40,802	40,802
Issue of share capital	-	-	-
Equity dividends	-	(36,000)	(36,000)
<b>As at 31 December 2006</b>	<u>400,000</u>	<u>329,436</u>	<u>729,436</u>

	<b>Issued Capital \$</b>	<b>Retained Earnings \$</b>	<b>Total Equity \$</b>
<b>As at 1 July 2005</b>	400,000	323,068	723,068
Net profit/(loss) for the period	-	(12,267)	(12,267)
Issue of share capital	-	-	-
Equity dividends	-	(36,000)	(36,000)
<b>As at 31 December 2005</b>	<u>400,000</u>	<u>274,801</u>	<u>674,801</u>

**Warburton Community Financial Services Ltd**  
**ABN 54 090 252 627**  
**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 Warburton Community 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 Warburton Community 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.

**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 Warburton, Victoria.

**Warburton Community Financial Services Ltd**  
**ABN 54 090 252 627**  
**Notes to the Financial Statements**  
**for the half-year ended 31 December 2006**

<b>5. Dividends Paid</b>	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
<i>Dividends paid during the half year</i>		
Final franked dividend for the year ended 30 June 2006 of 9 cents (2005: 9 cents franked)	36,000	36,000
<i>Dividends proposed and not recognised as a liability</i>		
Interim franked dividend for the year ended 30 June 2007	-	-

**6. Director and Related Party Disclosures**

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

Mr R J Murray (Resigned 2 November 2006)  
Mr G M Vickers  
Mr B Berry  
Ms C L Fitzpatrick  
Mr M Magee  
Mr L G Corallo (Resigned 13 February 2007)  
Mr L B Marshall  
Ms E R Fox  
Mr R J Woods  
Mr R McKail

The company hired Mr G Vickers, to perform services in relation to secretarial and treasurer operations for the Board. The amount paid to Mr G Vickers was \$22,833 for the half year ended 31 December 2006 (2005: \$3,175).

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.

<b>Directors shareholdings</b>	<b><u>2006</u></b>	<b><u>2005</u></b>
Mr R J Murray (Resigned 2 November 2006)	990	990
Mr G M Vickers	500	500
Mr B Berry	2,000	2,000
Ms C L Fitzpatrick	100	100
Mr M Magee	2,000	2,000
Mr L G Corallo (Resigned 13 February 2007)	1,000	1,000
Mr L B Marshall	-	-
Ms E R Fox	-	-
Mr R J Woods	-	-
Mr R McKail	-	-

There was no movement in directors shareholdings during the period.  
Each share held has a paid up value of \$1 and is fully paid.



**Warburton Community Financial Services Ltd**  
**ABN 54 090 252 627**  
**Directors Declaration**  
**for the half-year ended 31 December 2006**

In accordance with a resolution of the directors of Warburton Community 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

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Baden Berry, Chairman

Signed in Warburton on this 5th day of March 2007