

**Bright Community Financial Services**

**Financial Statements**

**as at**

**30 June 2007**

**Bright Community Financial Services Ltd**  
**ABN 93 117 798 553**  
**Directors' Report**

Your Directors submit their report of the company for the financial period ended 30 June 2007.

**Directors**

The names and details of the company's directors who held office during or since the end of the financial period are:

Roger Williams Chairman Newsagent	Marilyn Chipperfield (resigned 19 December 2006) Director Director-Engineering Consultancy
Karen Jane Dentry Director Company Director	Ronald Ido Kool Director Retired
Allan James Poyner Director Civil Engineer	Adrian Victor Smith Director Tyre Retailer / Wholesaler
Carmel Smith Director Tyre Retailer / Wholesaler	Paul Andrew Vey (resigned 27 February 2007) Director Accountant
Stuart Hargreaves Director Retired	Robert James Moore (resigned 27 March 2007) Director Real Estate Agent
Peter Joseph Ely (resigned 7 August 2006) Director Farmer	Eckberg Enid Donadio (resigned 7 August 2006) Director Company Director / Accountant
John Edward Farrington (resigned 17 July 2006) Director Retail Manager	Alan Bruce Stephens (resigned 31 July 2006) Director Accommodation Owner
Susan Cheryl Jarrett (appointed 25 September 2006) Director Business Services Officer	Robert Charles Bone (appointed 25 September 2006) Director Retired
Geoffrey Gurner Tually (appointed 25 September 2006) Director Business Consultant	Kim Hacon Muhlen-Schulte (appointed 30 Oct. 2006) Director Economic Development Officer

Directors were in office for this entire period unless otherwise stated.

No Directors have material interests in contracts or proposed contracts with 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.

**Bright Community Financial Services Ltd**  
**ABN 93 117 798 553**  
**Directors' Report**

There has been no significant changes in the nature of these activities during the period.

**Bright Community Financial Services Ltd**  
**ABN 93 117 798 553**  
**Directors' Report**

**Operating Results**

Operations have performed in line with expectations. The loss of the company for the financial period after provision for income tax was \$226,863.

**Dividends**

The directors recommend that no dividend be paid for the current year.

**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 period under review not otherwise disclosed in this report.

**Significant events after the balance date**

There are no matters or circumstances that have arisen since the end of the financial 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.

**Directors' Benefits**

During the period ended 30 June 2007, \$507 was paid to Bright Authorised Newsagency, which is owned by Roger Williams. All transactions were on normal commercial terms.

During the period ended 30 June 2007, \$534 was paid to B & S Bright Ideas, which is owned by Sue Jarrett and her husband. All transactions were on normal commercial terms.

No other Director has received or become entitled to receive, during or since the financial period, 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. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the company's accounts, 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 Managers 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 clause of the contract of insurance. The company has not provided any insurance for an auditor of the company or a related body corporate.

**Bright Community Financial Services Ltd**  
**ABN 93 117 798 553**  
**Directors' Report**

**Directors Meetings**

The number of Directors meetings attended by each of the Directors of the company during the period were:

**Number of Meetings Held:** 46

**Number of Meetings Attended:**

Roger Williams	43
Marilyn Chipperfield (resigned 19 December 2006)	26
Karen Jane Dentry	32
Ronald Ido Kool	26
Allan James Poyner	28
Adrian Victor Smith	41
Carmel Smith	44
Paul Andrew Vey (resigned 27 February 2007)	24
Stuart Hargreaves	40
Robert James Moore (resigned 27 March 2007)	34
Peter Joseph Ely (resigned 7 August 2006)	14
Eckberg Enid Donadio (resigned 7 August 2006)	19
John Edward Farrington (resigned 17 July 2006)	17
Alan Bruce Stephens (resigned 31 July 2006)	19
Susan Cheryl Jarrett (appointed 25 September 2006)	8
Robert Charles Bone (appointed 25 September 2006)	10
Geoffrey Gurner Tually (appointed 25 September 2006)	11
Kim Hacon Muhlen-Schulte (appointed 30 Oct. 2006)	8

**Company Secretary**

Geoff Gurner Tually has been the company secretary of Bright Community Financial Services Ltd since 25 September 2006. Geoff's qualifications and experience include being a senior academic with the University of Melbourne, member of the Association of Taxation and Management Accountants of Australia and a registered taxation agent.

**Corporate Governance**

The company has implemented various corporate governance practices, which include:

- (a) The establishment of an audit committee. Members of the audit committee are Roger Williams, Karen Dentry, Rob Bone and Kim Muhlen;
- (b) Director approval of operating budgets and monitoring of progress against these budgets;
- (c) Ongoing Director training; and
- (d) Monthly Director meetings to discuss performance and strategic plans.

**Bright Community Financial Services Ltd  
ABN 93 117 798 553  
Directors' Report**

**Auditor Independence Declaration**

The directors received the following 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@rsdadvisors.com.au](mailto:rsd@rsdadvisors.com.au)**

**Auditor's Independence Declaration**

In relation to our audit of the financial report of Bright Community Financial Services Ltd for the financial period ended 30 June 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  
27 September 2007**

Signed in accordance with a resolution of the Board of Directors at Bright on 27 September 2007.

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Roger Williams, Chairman

**Bright Community Financial Services Limited**  
**ABN 93 117 798 553**  
**Income Statement**  
**for the period ended 30 June 2007**

	<u>Notes</u>	<b>2007</b> <b>\$</b>
Revenues from ordinary activities	2	138,788
Employee benefits expense	3	(184,715)
Depreciation and amortisation expense	3	(21,421)
Other expenses from ordinary activities		<u>(253,137)</u>
<b>Profit/(loss) before income tax expense</b>		(320,485)
Income tax expense / (benefit)	4	<u>(93,622)</u>
<b>Profit/(loss) after income tax expense</b>		<u><u>(226,863)</u></u>
 <b>Earnings per share (cents per share)</b>		
- basic for profit / (loss) for the period	20	(32.68)
- diluted for profit / (loss) for the period	20	(32.68)

The accompanying notes form part of these financial statements

**Bright Community Financial Services Limited**  
**ABN 93 117 798 553**  
**Balance Sheet**  
**as at 30 June 2007**

	<u>Notes</u>	<b>2007</b> <b>\$</b>
<b>Current Assets</b>		
Cash assets	6	203,545
Receivables	7	8,425
<b>Total Current Assets</b>		<u>211,970</u>
<b>Non-Current Assets</b>		
Property, plant and equipment	8	139,129
Deferred income tax asset	4	93,622
Intangible assets	9	23,852
<b>Total Non-Current Assets</b>		<u>256,603</u>
<b>Total Assets</b>		<u>468,573</u>
<b>Current Liabilities</b>		
Payables	10	13,923
Provisions	11	11,166
<b>Total Current Liabilities</b>		<u>25,089</u>
<b>Total Liabilities</b>		<u>25,089</u>
<b>Net Assets</b>		<u>443,484</u>
<b>Equity</b>		
Share capital	12	670,347
Retained earnings / (accumulated losses)	13	(226,863)
<b>Total Equity</b>		<u>443,484</u>

The accompanying notes form part of these financial statements



**Bright Community Financial Services Limited**  
**ABN 93 117 798 553**  
**Cash Flow Statement**  
**for the period ended 30 June 2007**

	<u>Notes</u>	<b>2007</b> <b>\$</b>
<b>Cash Flows From Operating Activities</b>		
Cash receipts in the course of operations		120,303
Cash payments in the course of operations		(422,880)
Interest received		20,177
<b>Net cash flows from/(used in) operating activities</b>	14b	<u>(282,400)</u>
<b>Cash Flows From Investing Activities</b>		
Payment for intangible assets		(29,815)
Payments for property, plant and equipment		(154,587)
<b>Net cash flows from/(used in) investing activities</b>		<u>(184,402)</u>
<b>Cash Flows From Financing Activities</b>		
Proceeds from issue of shares		694,113
Share issue costs		(23,766)
<b>Net cash flows from/(used in) financing activities</b>		<u>670,347</u>
<b>Net increase/(decrease) in cash held</b>		203,545
Add opening cash brought forward		-
<b>Closing cash carried forward</b>	14a	<u><u>203,545</u></u>

The accompanying notes form part of these financial statements

**Bright Community Financial Services Limited**  
**ABN 93 117 798 553**  
**Statement of Changes in Equity**  
**for the period ended 30 June 2007**

	<b>2007</b> <b>\$</b>
<b>SHARE CAPITAL</b>	
<i>Ordinary shares</i>	
Balance at start of period	-
Issue of share capital	694,113
Share issue costs	<u>(23,766)</u>
<b>Balance at end of period</b>	<b><u>670,347</u></b>
 <b>RETAINED EARNINGS / (ACCUMULATED LOSSES)</b>	
Balance at start of period	-
Profit/(loss) after income tax expense	(226,863)
Dividends paid	<u>-</u>
<b>Balance at end of period</b>	<b><u>(226,863)</u></b>

The accompanying notes form part of these financial statements

**Bright Community Financial Services Limited**

**ABN 93 117 798 553**

**Notes to the Financial Statements**

**for the period ended 30 June 2007**

**1. Basis of preparation of the Financial Report**

**(a) Basis of accounting**

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and applicable Australian Accounting Standards and other mandatory professional reporting requirements.

The financial report has been prepared on an accruals basis and is based on historical costs (except for land and buildings and available-for-sale financial assets that have been measured at fair value) and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report was authorised for issue by the Directors on 27 September 2007.

**(b) Statement of compliance**

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS'). 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) Significant accounting policies**

**Income tax**

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled.

**Bright Community Financial Services Limited**

**ABN 93 117 798 553**

**Notes to the Financial Statements**

**for the period ended 30 June 2007**

**1. Basis of preparation of the Financial Report (continued)**

**Property, plant and equipment**

Property, plant and equipment are brought to account at cost less accumulated depreciation and any impairment in value.

Land and buildings are measured at fair value less accumulated depreciation.

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

<i>Class of Asset</i>	<i>Depreciation Rate</i>
Branch fit out	10.0%

*Impairment*

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater 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.

*Revaluations*

Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and accumulated impairment losses.

Fair value is determined by reference to market based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the balance sheet unless it reverses a revaluation decrease of the same asset previously recognised in the income statement.

Any revaluation deficit is recognised in the income statement unless it directly offsets a previous surplus of the same asset in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve is made to retained earnings for the depreciation relating to the revaluation surplus.

**Recoverable amount of assets**

At each reporting date, the company assesses whether there is any indication that an asset is impaired. Where an indicator of impairment exists, the company makes a formal estimate of the

**Bright Community Financial Services Limited**  
**ABN 93 117 798 553**  
**Notes to the Financial Statements**  
**for the period ended 30 June 2007**

recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

**Bright Community Financial Services Limited**

**ABN 93 117 798 553**

**Notes to the Financial Statements**

**for the period ended 30 June 2007**

**1. Basis of preparation of the Financial Report (continued)**

**Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. Cash flows are included in the cash flow statement on a gross basis.

The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

**Employee Benefits**

The provision for employee benefits to wages, salaries and annual leave represents the amount which the company has a present obligation to pay resulting from employees' services provided up to the balance date. The provision has been calculated on undiscounted amounts based on wage and salary rates expected to be paid and includes related on-costs.

The company contributes to a defined contribution plan. Contributions to employee superannuation funds are charged against income as incurred.

**Intangibles**

Establishment costs have been initially recorded at cost and amortised on a straight line basis at a rate of 20% per annum.

**Cash**

Cash on hand and in banks are stated at nominal value.

For the purposes of the cash flow statement, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

**Revenue**

Interest and fee revenue is recognised when earned. All revenue is stated net of the amount of goods and services tax (GST).

**Bright Community Financial Services Limited**  
**ABN 93 117 798 553**  
**Notes to the Financial Statements**  
**for the period ended 30 June 2007**

**1. Basis of preparation of the Financial Report (continued)**

**Receivables and Payables**

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days. Receivables are recognised and carried at original invoice amount less a provision for any uncollected debts. Liabilities for trade creditors and other amounts are carried at cost that is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

**Interest Bearing Liabilities**

All loans are measured at the principal amount. Interest is recognised as an expense as it accrues.

**Provisions**

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

**Contributed Capital**

Issued and paid up capital is recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

**Comparative figures**

The entity commenced operations during the period, hence there are no comparative figures.

<b>2. Revenue from ordinary activities</b>	<b>2007</b>
	<b>\$</b>
Operating activities	
- services commissions and fee income	118,611
Total revenue from operating activities	<u>118,611</u>
Non-operating activities:	
- interest received	20,177
- other revenue	-
Total revenue from non-operating activities	<u>20,177</u>
Total revenue from ordinary activities	<u><u>138,788</u></u>

**Bright Community Financial Services Limited**

**ABN 93 117 798 553**

**Notes to the Financial Statements**

**for the period ended 30 June 2007**

<b>3. Expenses</b>	<b>2007</b>
	<b>\$</b>
Employee benefits expense	
- wages and salaries	153,115
- superannuation costs	13,306
- workers' compensation costs	903
- other costs	17,391
	<u>184,715</u>
Depreciation of non-current assets:	
- branch fit out	15,458
Amortisation of non-current assets:	
- set up costs	3,963
- franchise fee	2,000
	<u>21,421</u>
Finance Costs:	
- Interest paid	-
Bad debts	-
<b>4. Income Tax Expense</b>	
The prima facie tax on profit/(loss) before income tax is reconciled to the income tax expense as follows:	
Prima facie tax on profit/(loss) before income tax at 30%	(96,145)
Add tax effect of:	
- Non-deductible expenses	<u>2,523</u>
<i>Current income tax expense / (benefit)</i>	<u>(93,622)</u>
Income tax expense /(benefit)	<u>(93,622)</u>
<b>Deferred income tax asset</b>	
Future income tax benefits arising from tax losses are recognised at reporting date as realisation of the benefit is regarded as probable.	
	<u>93,622</u>



**Bright Community Financial Services Limited**  
**ABN 93 117 798 553**  
**Notes to the Financial Statements**  
**for the period ended 30 June 2007**

<b>5. Auditors' Remuneration</b>	<b>2007</b>
	<b>\$</b>
Amounts received or due and receivable by Richmond, Sinnott & Delahunty for:	
- Audit or review of the financial report of the company	3,650
- Completion of feasibility study	5,000
- Accounting work for prospectus	2,000
	<u>10,650</u>
	<u><u>10,650</u></u>
<b>6. Cash Assets</b>	
Cash at bank and on hand	<u>203,545</u>
	<u><u>203,545</u></u>
<b>7. Receivables</b>	
Trade debtors	<u>8,425</u>
	<u><u>8,425</u></u>
<b>8. Property, Plant and Equipment</b>	
<i>Branch fit out costs</i>	
At cost	154,587
Less accumulated depreciation	<u>(15,458)</u>
	<u>139,129</u>
	<u><u>139,129</u></u>
Total written down amount	<u>139,129</u>
	<u><u>139,129</u></u>
<b>Movements in carrying amounts</b>	
<i>Branch fit out costs</i>	
Carrying amount at beginning of period	-
Additions	154,587
Disposals	-
Depreciation expense	<u>(15,458)</u>
Carrying amount at end of period	<u>139,129</u>
	<u><u>139,129</u></u>

**Bright Community Financial Services Limited**  
**ABN 93 117 798 553**  
**Notes to the Financial Statements**  
**for the period ended 30 June 2007**

<b>9. Intangible Assets</b>	<b>2007</b>
	<b>\$</b>
<i>Franchise fee</i>	
At cost	10,000
Less accumulated amortisation	<u>(2,000)</u>
	<u>8,000</u>
<i>Set up costs</i>	
At cost	19,815
Less accumulated amortisation	<u>(3,963)</u>
	<u>15,852</u>
	<u><u>23,852</u></u>
<b>10. Payables</b>	
Trade creditors	9,705
Other creditors and accruals	<u>4,218</u>
	<u><u>13,923</u></u>
<b>11. Provisions</b>	
Employee benefits	<u>11,166</u>
Number of employees at period end	<u><u>5</u></u>
<b>12. Share Capital</b>	
694,113 Ordinary Shares fully paid of \$1 each	694,113
Less capital raising costs	<u>(23,766)</u>
	<u><u>670,347</u></u>
All the above shares were issued during the period.	
<b>13. Retained Earnings / (Accumulated Losses)</b>	
Balance at the beginning of the financial period	-
Profit/(loss) after income tax	(226,863)
Dividends	-
Balance at the end of the financial period	<u><u>(226,863)</u></u>

**Bright Community Financial Services Limited**  
**ABN 93 117 798 553**  
**Notes to the Financial Statements**  
**for the period ended 30 June 2007**

<b>14. Cash Flow Statement</b>	<b>2007</b>
	<b>\$</b>
<b>(a) Reconciliation of cash</b>	
Cash assets	<u>203,545</u>
<b>(b) Reconciliation of profit / (loss) after tax to net cash provided from/(used in) operating activities</b>	
Profit / (loss) after income tax	(226,863)
Non cash items	
- Depreciation	15,458
- Amortisation	5,963
Changes in assets and liabilities	
- (Increase) decrease in receivables	(8,425)
- (Increase) decrease in deferred income tax asset	(93,622)
- Increase (decrease) in payables	13,923
- Increase (decrease) in provisions	11,166
Net cashflows from/(used in) operating activities	<u>(282,400)</u>

**15. Director and Related Party Disclosures**

The names of directors who have held office during the financial period are:

Roger Williams  
Marilyn Chipperfield (resigned 19 December 2006)  
Karen Jane Dentry  
Ronald Ido Kool  
Allan James Poyner  
Adrian Victor Smith  
Carmel Smith  
Paul Andrew Vey (resigned 27 February 2007)  
Stuart Hargreaves  
Robert James Moore (resigned 27 March 2007)  
Peter Joseph Ely (resigned 7 August 2006)  
Eckberg Enid Donadio (resigned 7 August 2006)  
John Edward Farrington (resigned 17 July 2006)  
Alan Bruce Stephens (resigned 31 July 2006)  
Susan Cheryl Jarrett (appointed 25 September 2006)  
Robert Charles Bone (appointed 25 September 2006)  
Geoffrey Gurner Tually (appointed 25 September 2006)  
Kim Hacon Muhlen-Schulte (appointed 30 Oct. 2006)

During the period ended 30 June 2007, \$507 was paid to Bright Authorised Newsagency, which is owned by Roger Williams. All transactions were on normal commercial terms.

During the period ended 30 June 2007, \$534 was paid to B & S Bright Ideas, which is owned by Sue Jarrett and her husband. All transactions were on normal commercial terms.

**Bright Community Financial Services Limited**

**ABN 93 117 798 553**

**Notes to the Financial Statements**

**for the period ended 30 June 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.

**Bright Community Financial Services Limited**  
**ABN 93 117 798 553**  
**Notes to the Financial Statements**  
**for the period ended 30 June 2007**

**15. Director and Related Party Disclosures (continued)**

<b>Directors shareholdings</b>	<b>2007</b>
Roger Williams	10,001
Marilyn Chipperfield (resigned 19 December 2006)	6,001
Karen Jane Dentry	1
Ronald Ido Kool	5,000
Allan James Poyner	2,301
Adrian Victor Smith	1,001
Carmel Smith	1,001
Paul Andrew Vey (resigned 27 February 2007)	1,001
Stuart Hargreaves	20,801
Robert James Moore (resigned 27 March 2007)	1
Peter Joseph Ely (resigned 7 August 2006)	9,201
Eckberg Enid Donadio (resigned 7 August 2006)	801
John Edward Farrington (resigned 17 July 2006)	801
Alan Bruce Stephens (resigned 31 July 2006)	1,001
Susan Cheryl Jarrett (appointed 25 September 2006)	20,000
Robert Charles Bone (appointed 25 September 2006)	2,000
Geoffrey Gurner Tually (appointed 25 September 2006)	10,000
Kim Hacon Muhlen-Schulte (appointed 30 Oct. 2006)	-

All directors shareholdings were purchased during the period. Each share held has a paid up value of \$1 and is fully paid.

**16. Subsequent Events**

There have been no events after the end of the financial period that would materially affect the financial statements.

**17. Contingent Liabilities**

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

**18. 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 Bright, Victoria.

**19. Corporate Information**

Bright Community Financial Services Ltd is a company limited by shares incorporated in Australia whose shares are publicly traded on the Bendigo Stock Exchange.

The registered office and principal place of business is:

Shop 2, 104 Gavan Street  
Bright, Victoria

**Bright Community Financial Services Limited**  
**ABN 93 117 798 553**  
**Notes to the Financial Statements**  
**for the period ended 30 June 2007**

**20. Earnings per share**

Basic earnings per share amounts are calculated by dividing profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the period (adjusted for the effects of any dilutive options or preference shares).

The following reflects the income and share data used in the basic and diluted earnings per share computations:

Profit/(loss) after income tax expense	<u><u>(226,863)</u></u>
Weighted average number of ordinary shares for basic and diluted earnings per share	<u><u>694,113</u></u>

**Bright Community Financial Services Limited**  
**ABN 93 117 798 553**  
**Notes to the Financial Statements**  
**for the period ended 30 June 2007**

**21. Financial Instruments**

**Net Fair Values**

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the Balance Sheet. The company does not have any unrecognised financial instruments at period end.

**Credit Risk**

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount of those assets as disclosed in the Balance Sheet and notes to the financial statements.

There are no material credit risk exposures to any single debtor or group of debtors under financial instruments entered into by the economic entity.

**Interest Rate Risk**

Financial Instrument	Floating Interest Rate	Fixed Interest Rate maturing in			Non Interest Bearing	Weighted average Effective interest rate
		1 year or less	Over 1 to 5 years	Over 5 years		
	2007 \$	2007 \$	2007 \$	2007 \$	2007 \$	2007 %
<b>Financial Assets</b>						
Cash assets	203,545	-	-	-	-	5.0%
Receivables	-	-	-	-	8,425	N/A
<b>Financial Liabilities</b>						
Payables	-	-	-	-	13,923	N/A

**Bright Community Financial Services Ltd**  
**ABN 93 117 798 553**  
**Directors' Declaration**

In accordance with a resolution of the directors of Bright Community Financial Services Limited,  
I state that:

In the opinion of the directors:

- (a) the 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 30 June 2007 and of their performance for the period ended on that date; and
  - (ii) complying with Accounting Standards in Australia and Corporations Regulations 2001;
- (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; and
- (c) this declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial period ending 30 June 2007.

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Roger Williams, Chairman

Signed at Bright on the 27th of September 2007.



# Richmond Sinnott & Delahunty

Chartered Accountants



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

27 September 2007

The Directors  
Bright Community Financial Services Limited  
Shop 2, 104 Gavan Street  
BRIGHT VIC 3741

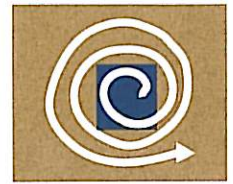
Dear Directors

## **Auditor's Independence Declaration**

In relation to our audit of the financial report of Bright Community Financial Services Limited for the period ended 30 June 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.

A handwritten signature in blue ink, appearing to read 'W. Sinnott', is written over a faint, illegible stamp.

**Warren Sinnott**  
**Partner**  
**Richmond Sinnott & Delahunty**



**INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF BRIGHT COMMUNITY  
FINANCIAL SERVICES LIMITED**

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

## **SCOPE**

The financial report comprises the balance sheet, income statement, statement of changes in equity, cash flow statement, accompanying notes to the financial statements, and the directors' declaration for Bright Community Financial Services Limited, for the period ended 30 June 2007.

The directors of the company 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 Standards in Australia, 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.

## *Audit approach*

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. Our audit has been conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly in accordance with the Corporations Act 2001, including compliance with Accounting Standards in Australia, and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant account estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the directors and management of the company.

***INDEPENDENCE***

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

***AUDIT OPINION***

In our opinion, the financial report of Bright Community Financial Services Limited is in accordance with:

- (a) the Corporations Act 2001 including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2007 and of its performance for the period ended on that date;
  - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

*Richmond Sinnott & Delahunty*

**RICHMOND SINNOTT & DELAHUNTY**

Chartered Accountants

*W. J. Sinnott*

**W. J. SINNOTT**

Partner  
Bendigo

Date: 27 September 2007