

PAYNESVILLE & DISTRICT

Financial Services Limited

Financial Statements

as at

31 December 2007

Paynesville & District Financial Services Limited
ABN 80 115 308 015
Directors' Report

Your Directors submit the financial report of the company for the half-year ended 31 December 2007.

Directors

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

Geoffrey Douglas Brooks

Donald William Blainey

Arthur Peter Huntley

Mark Anthony Kenny

Leslie John Mathieson

Andrew Sutherland McKee

Andrew Charles Quirke

Robert Allen Rowe

John Charles Smellin

Margaret Gae Supplitt

Gerard Squire Veitch

Glenn David Williams

Ruth Wilson

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. The net loss of the company for the financial period was: (\$26,272) (2006: (\$56,346)).

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.

Auditor's independence declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 2.

Signed in accordance with a resolution of the Directors at Paynesville & District Financial Services on 11 March 2008.

John Charles Smellin, Company Secretary

Paynesville & District Financial Services Limited
ABN 80 115 308 015
Auditor's Independence Declaration



Auditor's Independence Declaration

In accordance with section 307C of the Corporations Act 2001 and as lead auditor for the review of the financial statements of Paynesville & District Financial Services Limited for the half-year ended 31 December 2007, 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

Paynesville & District Financial Services Limited
ABN 80 115 308 015
Income Statement
for the half-year ended 31 December 2007

	2007	2006
	\$	\$
Revenue from ordinary activities	206,394	149,142
Salaries and employee benefit expense	(131,541)	(117,883)
Occupancy and associated costs	(16,557)	(15,271)
Advertising and promotion expenses	(2,441)	(1,825)
Depreciation and amortisation expense	(24,563)	(24,781)
General administration expenses	(66,991)	(68,493)
	<hr/>	<hr/>
Loss before income tax credit	(35,699)	(79,111)
Income tax credit	9,427	22,765
	<hr/>	<hr/>
Loss for the period	(26,272)	(56,346)
	<hr/>	<hr/>
Loss attributable to members of the entity	(26,272)	(56,346)
	<hr/> <hr/>	<hr/> <hr/>
 Earnings per Share		
	<u>c</u>	<u>c</u>
Earnings per share for the period were:	(3)	(7)

The accompanying notes form part of these financial statements.

Paynesville & District Financial Services Limited
ABN 80 115 308 015
Balance Sheet
as at 31 December 2007

	31-Dec 2007 \$	30-Jun 2007 \$
ASSETS		
Current Assets		
Cash assets	274,442	303,830
Trade and other receivables	33,823	38,469
Total Current Assets	<u>308,265</u>	<u>342,299</u>
Non-Current Assets		
Property, plant and equipment	151,752	174,204
Deferred tax asset	92,039	82,612
Intangible assets	49,788	6,901
Total Non-Current Assets	<u>293,579</u>	<u>263,717</u>
Total Assets	<u>601,844</u>	<u>606,016</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	58,913	39,688
Borrowings	996	286
Provisions	17,365	15,200
Total Current Liabilities	<u>77,274</u>	<u>55,174</u>
Total Liabilities	<u>77,274</u>	<u>55,174</u>
Net Assets	<u>524,570</u>	<u>550,842</u>
Equity		
Issued capital	793,513	793,513
Retained earnings	(268,943)	(242,671)
Total Equity	<u>524,570</u>	<u>550,842</u>

The accompanying notes form part of these financial statements.

Paynesville & District Financial Services Limited
ABN 80 115 308 015
Statement of Changes in Equity
for the half-year ended 31 December 2007

	2007	2006
	\$	\$
Total equity at the beginning of the period	550,842	656,071
Net loss for the period	(26,272)	(56,346)
Net income/expense recognised directly in equity	-	-
Dividends provided for or paid	-	-
Shares issued during period	-	-
Total equity at the end of the period	<u>524,570</u>	<u>599,725</u>

The accompanying notes form part of these financial statements.

Paynesville & District Financial Services Limited
ABN 80 115 308 015
Cash Flow Statement
for the half-year ended 31 December 2007

	2007	2006
	\$	\$
Cash Flows From Operating Activities		
Receipts from customers	201,299	148,717
Payments to suppliers and employees	(226,615)	(258,817)
Interest paid	(11)	(104)
Interest received	9,741	13,945
Net cash used in operating activities	<u>(15,586)</u>	<u>(96,259)</u>
Cash Flows From Investing Activities		
Payments for property, plant and equipment	(3,262)	(328)
Payments for intangible assets	(11,250)	-
Net cash used in investing activities	<u>(14,512)</u>	<u>(328)</u>
Cash Flows From Financing Activities		
Proceeds from Borrowings	710	-
Net cash provided by financing activities	<u>710</u>	<u>-</u>
Net decrease in cash held	(29,388)	(96,587)
Cash at the beginning of the financial year	303,830	440,268
Cash at the end of the half-year	<u><u>274,442</u></u>	<u><u>343,681</u></u>

The accompanying notes form part of these financial statements .

Paynesville & District Financial Services Limited
ABN 80 115 308 015
Notes to the financial statements
for the half-year ended 31 December 2007

1. Basis of preparation of the half-year financial statements

Statement of compliance

The half-year financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. The financial report also complies with the IFRSs and interpretations adopted by the International Accounting Standards Board.

Basis of accounting

The half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly the report shall be read in conjunction with the financial report for the year ended 30 June 2007 and any public pronouncements made by the company during the period.

The accounting policies set out below have been applied in preparing the financial statements for the half-year ended 31 December 2007. All accounting policies are consistent with those applied in the 30 June 2007 financial statements except as set out below.

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

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

4. Segment Reporting

The economic entity operates in the service sector where it facilitates community banking services pursuant to a franchise agreement with Bendigo Bank Limited. The economic entity operates in one geographic area being Paynesville and District.

Paynesville & District Financial Services Ltd
ABN 115 308 015
Directors' Declaration

In the opinion of the directors of Paynesville & District Financial Services Limited

- 1 The financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - (a) giving a true and fair view of the financial position of the entity as at 31 December 2007 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date;
 - (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- 2 there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors

John Charles Smellin, Company Secretary

Dated this 11th day of March 2008.