

ASIC registered agent number

6185

7051 15 July 2001 1/1

lodging party or agent name

WHK

office, level, building name or PO Box no.

street number & name

95 MACLEOD ST

suburb/city

BAIRNSDALE state/territory vic

postcode 3875

telephone

(3) 51531222

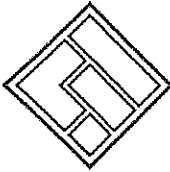
facsimile

(3) 51524372

DX number

suburb/city

ASS. REQ-A
CASH. REQ-P
PROC.



Australian Securities & Investments Commission

notification of

form 7051

• Half Yearly Reports

(ASX Form 1001)

Corporations Act 2001

(to be lodged within 75 days of the end of the accounting period)

285(2), 286(1), 320

Disclosing entity

Please complete A, B or C.

A a company

name

PAYNESVILLE & DISTRICT FINANCIAL SERVICES LTD

A.C.N.

115308 015

B a body (other than a company)

name

A.R.B.N. (if applicable)

C a registered scheme

name

A.R.S.N.

Financial period

from

01/07/2008

to

31/12/2008

Certification

I certify that the attached documents comprise the half yearly reports together with every other document that is required to be lodged with the reports by a disclosing entity under the Corporations Act 2001.

Signature

This form is to be signed by:

if a company or a body

a director or secretary or the equivalent

if a registered scheme

a director or secretary of the responsible entity acting in that capacity

name of responsible entity

PAYNESVILLE & DISTRICT FINANCIAL SERVICES LTD

A.C.N.

115308 015

name of person signing (print)

JOHN SMELLIN

capacity

COMPANY SECRETARY

sign here

date

11/3/09

Small Business (less than 20 employees), please provide an estimate of the time taken to complete this form

Include

- The time actually spent reading the instructions, working on the question and obtaining the information
- The time spent by all employees in collecting and providing this information

hrs

mins

HALF YEARLY REPORTS

PAYNESVILLE & DISTRICT

Financial Services Limited

Financial Statements

as at

31 December 2008

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 2008.

Directors

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

Geoffery Douglas Brooks

Donald William Blainey

Mark Anthony Kenny

Leslie John Mathieson

Andrew Charles Quirke

Robert Allen Rowe

John Charles Smellin

Margaret Gae Supplitt

Gerard Squire Veitch

Glenn David Williams

Ruth Wilson

Arthur Peter Huntley (*Resigned 1 December 2008*)

Andrew Sutherland McKee (*Resigned 1 December 2008*)

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 and Adelaide 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: \$13,273 [2007: \$26,272].

The recent global financial crisis has adversely impacted the stability of the international financial system. This presents a challenge for all financial institutions, including Bendigo and Adelaide Bank and in turn Paynesville & District Financial Services Limited. The duration and extent of the global financial crisis is still largely unknown and continuation of these conditions could adversely affect the ongoing financial performance or financial condition of the Company's business as a franchisee of a Community Bank@ branch.


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.

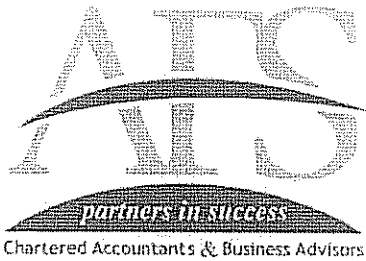
Auditor's independence declaration

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 2009.



John Charles Smellin, Company Secretary



PO Box 454
Bendigo VIC 3552
61-65 Bull Street
Bendigo VIC 3550
Phone (03) 5443 0344
Fax (03) 5443 5304
afs@afsbendigo.com.au
www.afsbendigo.com.au
ABN 51 061 295 317

Auditor's Independence Declaration

As lead auditor for the review of Paynesville & District Financial Services Limited I declare that, to the best of my knowledge and belief, in relation to the review of the half year ended 31 December 2008 there have been:

- no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

David Hutchings
Auditor

Andrew Frewin & Stewart
Bendigo, Victoria

Dated this 11th day of March 2009

Paynesville & District Financial Services Limited
ABN 80 115 308 015
Income Statement
for the half-year ended 31 December 2008

	2008	2007
	\$	\$
Revenue from ordinary activities	249,235	206,394
Salaries and employee benefit expense	(144,325)	(131,541)
Occupancy and associated costs	(23,395)	(16,557)
Advertising and promotion expenses	(2,759)	(2,441)
Systems costs	(13,101)	(13,047)
Depreciation and amortisation expense	(22,399)	(24,563)
General administration expenses	(61,059)	(53,944)
	<hr/>	<hr/>
Loss before income tax credit	(17,803)	(35,699)
Income tax credit	4,530	9,427
	<hr/>	<hr/>
Loss for the period	(13,273)	(26,272)
	<hr/>	<hr/>
Loss attributable to members of the entity	(13,273)	(26,272)
	<hr/> <hr/>	<hr/> <hr/>
Earnings per Share	¢	¢
Earnings per share for the period:	(1.67)	(3.31)

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 2008

	31-Dec 2008 \$	30-Jun 2008 \$
ASSETS		
Current Assets		
Cash assets	272,988	276,862
Trade and other receivables	29,841	38,193
Total Current Assets	302,829	315,055
Non-Current Assets		
Property, plant and equipment	117,380	131,141
Deferred tax asset	100,793	96,263
Intangible assets	44,408	47,115
Total Non-Current Assets	262,581	274,519
Total Assets	565,410	589,574
LIABILITIES		
Current Liabilities		
Trade and other payables	30,862	43,837
Borrowings	506	5
Provisions	15,789	15,170
Total Current Liabilities	47,157	59,012
Non-Current Liabilities		
Provisions	2,120	1,159
Total Non-Current Liabilities	2,120	1,159
Total Liabilities	49,277	60,171
Net Assets	516,133	529,403
Equity		
Issued capital	793,513	793,513
Accumulated losses	(277,380)	(264,110)
Total Equity	516,133	529,403

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 2008

	2008	2007
	\$	\$
Total equity at the beginning of the period	529,406	550,842
Net loss for the period	(13,273)	(26,272)
Net income/expense recognised directly in equity	-	-
Dividends provided for or paid	-	-
Shares issued during period	-	-
	<hr/>	<hr/>
Total equity at the end of the period	516,133	524,570
	<hr/> <hr/>	<hr/> <hr/>

Paynesville & District Financial Services Limited
ABN 80 115 308 015
Cash Flow Statement
for the half-year ended 31 December 2008

	2008	2007
	<u>\$</u>	<u>\$</u>
Cash Flows From Operating Activities		
Receipts from customers	268,864	201,299
Payments to suppliers and employees	(263,392)	(226,615)
Interest paid	(294)	(11)
Interest received	8,221	9,741
Net cash provided by/(used in) operating activities	<u>13,399</u>	<u>(15,586)</u>
Cash Flows From Investing Activities		
Payments for property, plant and equipment	(6,524)	(3,262)
Payments for intangible assets	(11,250)	(11,250)
Net cash used in investing activities	<u>(17,774)</u>	<u>(14,512)</u>
Cash Flows From Financing Activities		
Proceeds from borrowings	501	710
Net cash provided by financing activities	<u>501</u>	<u>710</u>
Net decrease in cash held	(3,874)	(29,388)
Cash at the beginning of the financial year	276,862	303,830
Cash at the end of the half-year	<u><u>272,988</u></u>	<u><u>274,442</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 2008

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

Statement of compliance

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB').

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 2008 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 2008. All accounting policies are consistent with those applied in the 30 June 2008 financial statements except as set out below.

Reporting basis and convention

The half-year financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

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 & District.

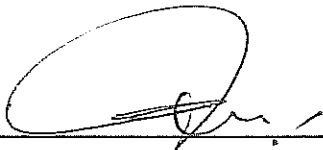
Paynesville & District Financial Services Limited
ABN 80 115 308 015
Directors' Declaration

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 2008 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 2009.



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afs@afsbendigo.com.au
www.afsbendigo.com.au
ABN 31 061 795 377

INDEPENDENT AUDITOR'S REPORT

To the members of Paynesville & District Financial Services Limited

We have reviewed the accompanying half year financial report of Paynesville & District Financial Services Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half year then ended and other selected explanatory notes and the directors' declaration.

Directors Responsibility for the Financial Report

The directors 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 designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the 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 the 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 entity's financial position as at 31 December 2008 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 Paynesville & District 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. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. 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.

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

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our audit we have complied with the independence requirements of the Corporations Act 2001.

Auditor's Opinion

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 Paynesville & District Financial Services Limited is not in accordance with the *Corporations Act 2001* including:

- a) Giving a true and fair view of the consolidated entity's financial position at 31 December 2008 and of its performance for the half-year ended on that date; and
- b) Complying with Accounting Standard AASB 134 *Interim Financial Report* and the *Corporations Regulations 2001*



DAVID HUTCHINGS
ANDREW FREWIN & STEWART
61-65 Bull Street, Bendigo, 3550

Dated this 11th day of March 2009