



BIDGEE FINANCE LTD
HALF YEAR ACCOUNTS
DECEMBER 2006

TABLE OF CONTENTS

CHAIRMAN'S & MANAGING DIRECTOR'S REPORT	Page 1
DIRECTORS' REPORT	Page 2
AUDITOR'S INDEPENDENCE DECLARATION	Page 4
INCOME STATEMENT	Page 5
BALANCE SHEET	Page 6
STATEMENT OF CHANGES IN EQUITY	Page 7
CASH FLOW STATEMENT	Page 8
NOTES TO THE FINANCIAL STATEMENTS	Page 9
DIRECTORS' DECLARATION	Page 17
INDEPENDENT REVIEW REPORT	Page 18

CHAIRMAN'S & MANAGING DIRECTOR'S REPORT

The directors of Bidgee Finance Ltd ("the Company") report an after tax profit of \$960,497 for the 6 months ended 31 December 2006 which is a decrease of 11% compared to the same period last year.

The directors have resolved to maintain the fully franked interim dividend at 6 cents per share which will be paid on 30 March 2007. The record date for determining entitlement to this dividend will be 16 March 2007 with the shares going ex-dividend as per the National Stock Exchange's (NSX) listing rules 4 business days prior to this.

The directors have set the dividend reinvestment price at \$1.97 which is a 5% discount to the average selling price of the Company's shares on the NSX for the 3 weeks ended 19 February 2007. Notices of election or variation in the Dividend Reinvestment Plan must be received no later than 14 March 2007.

The Company is experiencing difficult trading conditions as a result of the ongoing drought, the worst drought ever recorded. As previously reported the directors and management have developed strategies to minimise any ongoing impact such as developing complementary products that are less affected by seasonal conditions. It is expected that these strategies will have a positive contribution to future results.

One of the Company's initiatives is to establish branches across a wider geographical area in higher population centres including capital cities. As recently announced the Company has made an acquisition of a well established finance brokering business in Adelaide, which is Bidgee's sixth branch.

The directors wish to express their appreciation to staff who continue to demonstrate their loyalty and professionalism.

Shareholders can be assured that your directors will continue to strengthen and grow the Company's referral and branch networks in order to improve future profitability.



Lloyd Thomson
Chairman



Martin Hill
Managing Director

DIRECTORS' REPORT

The directors of Bidgee Finance Ltd present the financial statements of the Company in respect of the half-year ended 31 December 2006 and submit the following report made out in accordance with a resolution of the directors.

DIRECTORS

The names of directors who held office during or since the end of the half-year:

Mr. Lloyd J Thomson (Chairman)

Mr. John H Macknight

Mr. Gerard J Sullivan

Mr. Lester M Wheatley

Mr. Martin J Hill (Managing Director)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITY

The principal activities of the Company during the financial period were:

- Receiving funds on deposit
- Advancing loans for business purposes from the Company's own funds, and
- The referral of finance applications to other financial institutions.

Other than the above there have been no significant changes in the nature of the Company's activities during the half-year ended 31 December 2006.

REVIEW OF OPERATIONS

The amount of profit of the Company for the half-year, after providing for income tax, was \$960,497 (2005 restated: \$1,081,631), a decrease of 11%.

DIVIDENDS

Dividends paid, or recommended for payment, are as follows:	\$
Fully franked final dividend of 9.50 cents per fully paid ordinary share paid on 6 November 2006 as recommended in last year's report.	1,444,963
Fully franked interim dividend of 6.00 cents per fully paid ordinary share as recommended by the directors.	940,044

ROUNDING OFF

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report and this report have been rounded off to the nearest thousand dollars, unless otherwise stated.

DIRECTORS' REPORT

EVENTS SUBSEQUENT TO BALANCE DATE

On 1 February 2007 the Company acquired the finance broking firm Delta Finance, operating in Adelaide, South Australia.

No other matters or circumstances have arisen since the end of the half-year, which 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 subsequent financial years.

AUDITOR'S DECLARATION

The auditor's independence declaration made under section 307C of the *Corporations Act 2001* is set out on page 4 for the half-year ended 31 December 2006 and forms part of this Directors' Report.

No matters have arisen since the end of half-year to 31 December 2006 and to the date of this report which in the opinion of the directors would substantially affect the Company's operations, the results of those operations or the state of affairs in future financial years.

Signed in accordance with a resolution of directors made pursuant to section 306(3) of the *Corporations Act 2001*.

On behalf of the board of directors.



Lloyd Thomson
Chairman



Martin Hill
Director

23 February 2007

The Board of Directors
Bidgee Finance Limited
113 Lime Avenue
MILDURA VIC 3500

21 February 2007

Dear Board Members


Bidgee Finance Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Bidgee Finance Limited.

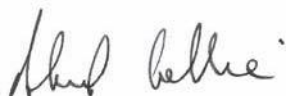
As lead audit partner for the review of the financial statements of Bidgee Finance Limited for the financial half-year ended 31 December 2006, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely



Deloitte Touche Tohmatsu



R D D Collie
Partner
Chartered Accountants

**INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

	Note	31 Dec 2006 \$'000	*Restated 31 Dec 2005 \$'000
Interest revenue	3	4,987	4,298
Borrowing costs		(2,305)	(1,987)
Net interest revenue		2,682	2,311
Other revenue from operations	3	1,679	1,771
Bad and doubtful debts expense		(264)	(43)
Employee benefits expense		(1,819)	(1,433)
Occupancy expense		(126)	(105)
Depreciation and amortisation expenses		(83)	(86)
Fee and commission expense		(61)	(134)
General administrative expenses		(221)	(170)
Other expenses from operations		(418)	(348)
Profit before income tax	4	1,369	1,763
Income tax expense	8	(409)	(681)
Profit for the year		960	1,082
Basic earnings per share (cents)	9	6.26	7.48
Diluted earnings per share (cents)	9	6.05	7.32

*Please refer to Note 13.

The accompanying notes form part of these financial statements.

BALANCE SHEET AS AT 31 DECEMBER 2006

	31 Dec 2006 \$'000	30 June 2006 \$'000	*Restated 31 Dec 2005 \$'000
Assets			
Cash and cash equivalents	642	1,321	561
Trade and other receivables	694	440	473
Other financial assets	446	342	28
Loans and advances to customers	84,189	82,851	77,404
Current tax assets	394	54	-
Deferred tax assets	266	288	275
Property, plant and equipment	1,036	995	1,089
Intangible assets	1,373	1,373	1,174
Total assets	89,040	87,664	81,004
Liabilities			
Trade and other payables	896	1,287	992
Deposits and short term borrowings	23,566	25,224	30,355
Current tax liabilities	-	-	179
Provisions	1,260	278	1,133
Other liabilities	62	84	297
Long term borrowings	45,000	42,000	32,000
Total liabilities	70,784	68,873	64,956
Net assets	18,256	18,791	16,048
Equity			
Share capital	15,807	14,938	13,900
Reserves	50	29	59
Retained earnings	2,399	3,824	2,089
Total equity	18,256	18,791	16,048

*Please refer to Note 13.

The accompanying notes form part of these financial statements.

BIDGEE FINANCE LIMITED
ABN 83 000 362 596

**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

	Ordinary share capital \$'000	Reserves \$'000	Retained profits \$'000	Total \$'000
*Restated Balance at 1 July 2005	12,993	53	1,889	14,935
Profit			1,082	1,082
Total income for the period	-	-	1,082	1,082
Shares issued during the year for business acquisitions	87			87
Shares issued during the year under dividend reinvestment plan	820			820
Option reserve on recognition of employee share options		6		6
Dividends paid or provided for			(882)	(882)
*Restated Balance at 31 Dec 2005	13,900	59	2,089	16,048
*Restated Balance at 1 July 2006	14,938	29	3,824	18,791
Profit			960	960
Total income for the period	-	-	960	960
Shares issued during the year under dividend reinvestment plan	869			869
Option reserve on recognition of employee share options		21		21
Dividends paid or provided for			(2,385)	(2,385)
Balance 31 Dec 2006	15,807	50	2,399	18,256

*Please refer to Note 13.

The accompanying notes form part of these financial statements.

BIDGEE FINANCE LIMITED
ABN 83 000 362 596

**CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

	Note	31 Dec 06 \$'000	*Restated 31 Dec 05 \$'000
Cash flows related to operating activities			
Payments to suppliers and employees		(3,116)	(2,250)
Interest received		4,987	4,298
Interest paid		(2,628)	(1,804)
Income taxes paid		(727)	(576)
Brokerage fees received		1,288	1,505
Other income		324	280
Net cash provided by operating activities	10(b)	<u>128</u>	<u>1,453</u>
Cash flows relating to investing activities			
Purchases of property, plant and equipment		(124)	(75)
Proceeds from sale of property, plant and equipment		-	34
Customer loans granted		(18,599)	(23,561)
Customer loans repaid		16,076	15,692
Business acquisitions		-	(331)
Net cash used in investing activities		<u>(2,647)</u>	<u>(8,241)</u>
Cash flows from financing activities			
Proceeds from borrowings		3,000	7,000
Repayment of hire purchase agreements		(25)	11
Dividends paid to shareholders		(576)	(463)
Net decrease in debentures		(559)	(940)
Net cash provided by financing activities		<u>1,840</u>	<u>5,608</u>
Cash at beginning of period		1,321	1,741
Net decrease in cash		(679)	(1,180)
Cash at end of period	10(a)	<u>642</u>	<u>561</u>

*Please refer to Note 13.

The accompanying notes form part of these financial statements.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF-YEAR
ENDED 31 DECEMBER 2006**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These general purpose half-year accounts have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and other mandatory professional reporting requirements (Urgent Issue Group Consensus Views).

It is recommended that these accounts be read in conjunction with the financial accounts for the year ended 30 June 2006 and any public announcements made by the Company during the half-year in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001*.

This interim financial report does not include notes of the type normally included in an annual report.

Basis of Preparation of Interim Financial Report

The half-year financial report has been prepared on the basis of historical cost, except for financial instruments which have been measured at fair value.

The accounting policies and methods of computation adopted in the preparation of the half-year report are consistent with those adopted and disclosed in the Company's 2006 annual financial report for the financial year ended 30 June 2006.

Accounting Policies

a) Income Tax

The charge for current income tax expenses is based on the profit for the half-year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future are based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

b) Property, Plant and Equipment

Property, plant and equipment are brought to account at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2006**

The depreciable amount of all fixed assets, including buildings but excluding freehold land, is depreciated on a straight-line basis or reducing balance method over their effective lives commencing from the time the asset is ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The useful lives for each class of assets are:

	2006	2005
Buildings	40 years	40 years
Leasehold improvements	Up to 15 years	Up to 15 years
Plant & equipment	2 to 20 years	2 to 20 years

c) Financial Instruments

(i) Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

(ii) Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: *Recognition and Measurement of Financial Instruments*. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

(iv) Held to maturity investments

These investments have fixed maturities, and it is the Company's intention to hold these investments to maturity. Any held to maturity investments are stated at amortised cost using the effective interest rate method.

(v) Available for sale financial assets

Available for sale financial assets include any financial assets not included in the above categories. Available for sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

(vi) Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(vii) Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges.

(viii) Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2006**

(ix) Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

d) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing for goodwill and intangible assets with indefinite lives is performed annually or more frequently where indicators of impairment exist.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

e) Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition.

Goodwill is not amortised but is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

f) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

The Company operates an employee share option plan. The bonus element over the exercise price for the grant of options is recognised as an expense in the income statement in the period(s) when the benefit is earned. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options at grant date. Under the transitional arrangements for first-time adoption of Australian Equivalents to International Reporting Standards (AIFRS), no expense has been recognised for options granted before 7 November 2002 and/or vested before 1 January 2005. For options granted after 7 November 2002 and vesting after 1 January 2005 the fair value of options at grant date is determined using a trinomial American call option pricing model, and is recognised as an employee expense over the period during which the employees become entitled to the option.

g) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2006**

h) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within deposits and short-term borrowings within liabilities on the balance sheet.

i) Revenue

Lease finance transactions have been recorded using the finance concept and accordingly these are shown in the financial statements as net receivable rather than leased assets less depreciation.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax.

j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables, payables and lease receivables in the balance sheet are shown exclusive of GST.

k) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Note 2. CHANGES IN ACCOUNTING POLICY

There have been no changes to accounting policy for the half-year ended 31 December 2006.

	2006	Restated
	\$'000	2005
		\$'000
<u>Note 3. REVENUE</u>		
Interest revenue	4,987	4,298
Brokerage, consultant and documentation fees	1,679	1,771

Note 4. PROFIT FROM OPERATIONS

Profit before income tax has been determined after:

Crediting interest revenue	4,987	4,298
Charging interest expense	(2,102)	(1,760)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2006**

	2006	2005
	\$'000	\$'000

Note 5. DIVIDENDS

Recognised amounts:

Final fully franked ordinary dividend of 9.5 (2005: 9.0) cents per share franked at the tax rate of 30% (2005: 30%)	1,445	-
Interim fully franked ordinary dividend of 6.0 (2005: 6.0) cents per share franked at the tax rate of 30% (2005: 30%)	940	882

Financial reports of the Company until 30 June 2005 had been prepared in accordance with previous Australian Generally Accepted Accounting Principles (AGAAP). Previous AGAAP differs in certain respects from AIFRS. Under AIFRS, dividends which are declared after the reporting date are not recognised as a liability at the reporting date because they do not meet the criteria of a present obligation. A liability for the proposed final dividend of \$1,444,963 out of retained profits at 30 June 2006 has now been recognised.

Note 6. NON-CASH FINANCING AND INVESTING ACTIVITIES

(a) During the half-year, 457,266 fully paid ordinary shares were issued to shareholders of the Company pursuant to the Dividend Reinvestment Plan in satisfaction of dividends payable of \$868,805.

(b) Clients transferred \$1,099,685 from debenture stock to make payments on finance contracts with the Company.

As part of a business acquisition agreement the Company may be required to issue shares and/or cash at a future date dependant upon certain performance targets being met.

These transactions are not reflected in the Cash Flow Statement.

Note 7. EVENTS SUBSEQUENT TO BALANCE DATE

On 1 February 2007 the Company acquired the finance broking firm Delta Finance, operating in Adelaide, South Australia.

No other matters or circumstances have arisen since the end of the half-year, which 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 subsequent financial years.

Note 8. INCOME TAX

The Company adopts the balance sheet liability method of tax-effect accounting. The Company has provided for income tax at 31 December 2006 even though the Company is only required to pay tax on its taxable income at year-end. The circumstances in calculating the tax liability for the first half-year may change during the half-year period to 30 June 2007.

	2006	Restated 2005
	\$'000	\$'000

Note 9. EARNINGS PER SHARE (EPS)

(a) Earnings used in calculation of basic and dilutive EPS	960	1,082
(b) Weighted average number of ordinary shares outstanding during the half-year used in calculation of basic EPS	15,345	14,453
Weighted average number of options outstanding	522	320
Weighted average number of ordinary shares outstanding during the half-year used in calculation of dilutive EPS	15,867	14,773

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2006**

Note 10. CASH FLOW INFORMATION

(a) Cash at end of the half-year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	2006 \$'000	2005 \$'000
Cash at bank	642	561
Bank overdraft	-	-
	<hr/> 642 <hr/>	<hr/> 561 <hr/>

(b) Reconciliation of net cash provided by operating activities to operating profit after income tax:

Operating profit after income tax	960	1,082
Depreciation	83	86
Bad debts written off	11	6
Doubtful loans provision	75	(170)
Employee entitlements	64	59
Decrease in other debtors	(25)	(74)
(Increase)/decrease in prepayments	(263)	122
Increase/(decrease) in accrued expenses	(329)	170
Decrease in tax payable	(340)	(87)
Increase/(decrease) in accrued interest payable	(60)	6
Increase/(decrease) in derivative liability	(70)	61
Net movement in deferred tax asset/deferred tax liability	22	192
	<hr/> 128 <hr/>	<hr/> 1,453 <hr/>

Note 11. ACQUISITIONS AND DISPOSALS

(a) For the half-year ended 31 December 2006

There were no material acquisitions, disposals or loss of control over any entities to the half-year ended 31 December 2006.

(b) For the half-year ended 31 December 2005

Entities acquired:	Date acquired	Beneficial Ownership %
Lovetts Finance Brokers	1 November 2005	100%

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2006**

Note 12. SEGMENT INFORMATION

The Company operates geographic segments (branches) in Mildura, Deniliquin, Horsham, Wagga Wagga and Albury.

31 Dec 2006	Mildura	Deniliquin	Horsham	Wagga Wagga	Albury	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	2,058	755	469	2,504	764	6,550
Unallocated revenue						116
Total revenue from ordinary activities						6,666
Segment result	1,484	588	296	1,623	378	4,369
Unallocated expenses net of unallocated revenue						(3,000)
Profit before income tax						1,369
Income tax expense						(409)
Profit after income tax						960
Restated						
31 Dec 2005						
Revenue	1,993	1,130	542	1,889	480	6,034
Unallocated revenue						35
Total revenue from ordinary activities						6,069
Segment result	1,442	948	364	1,344	221	4,319
Unallocated expenses net of unallocated revenue						(2,556)
Profit before income tax						1,763
Income tax expense						(681)
Profit after income tax						1,082

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2006**

NOTE 13. SIGNIFICANT EVENT

On 30 June 2006, the Company advised the National Stock Exchange of Australia that investigations had revealed a misappropriation of Company funds of approximately \$1.23 million.

The retrospective restatement corrections are as follows:

	Note	31 Dec 05 \$'000
Interest revenue		
Opening balance		4,366
Reversal of interest income		(68)
Restated balance	4	<hr/> 4,298
Loans and advances to customers		
Opening balance		78,568
Loans receivable written back		(1,164)
Restated balance		<hr/> 77,404
Retained profit		
Opening balance		3,253
Retrospective write-off due to misappropriation		(1,164)
Restated balance		<hr/> 2,089
Earnings used in calculation of basic and dilutive EPS		
Opening balance		1,150
Effect of misappropriation		(68)
Restated balance	10(b)	<hr/> 1,082

NOTE 14. CONTINGENT LIABILITIES

No contingent liabilities exist at balance date.

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 16:
 - (a) Comply with Accounting Standards and the *Corporations Act 2001*; and
 - (b) Give a true and fair view of the financial position as at 31 December 2006 and performance for the half-year ended on that date of the Company.
2. In the directors' opinion 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 section 303(5) of the *Corporations Act 2001*.

On behalf of the Directors



Lloyd Thomson
Chairman



Martin Hill
Director

23 February 2007

Independent review report to the members of Bidgee Finance Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Bidgee Finance Limited, which comprises the balance sheet as at 31 December 2006, and the income statement, cash flow statement, statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 5 to 17.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company 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 half-year 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 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 consolidated entity's financial position as at 31 December 2006 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 Bidgee Finance 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. 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

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

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 Bidgee Finance 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 as at 31 December 2006 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

Deloitte Touche Tohmatsu

A handwritten signature in black ink, appearing to read "Robert D D Collie".

Robert D D Collie
Partner
Chartered Accountants
Melbourne, 23 February 2007



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