

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

Your Directors submit their report of the company for the period ended 3 July 2006.

Directors

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

Roger Williams (Chairman)

Marilyn Chipperfield

Karen Jane Dentry

Eckberg Enid Donadio (resigned 7 August 2006)

Peter Joseph Ely (resigned 7 August 2006)

Stuart Hargreaves

Ronald Ido Kool

Robert James Moore

Allan James Poyner

Adrian Victor Smith

Carmel Smith

Alan Bruce Stephens (resigned 31 July 2006)

Paul Andrew Vey

John Edward Farrington (resigned 20 July 2006)

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

Principal activities

The principal activities of the company during the course of the financial period were in providing community banking services under management rights to operate a franchised branch of Bendigo Bank Limited.

Review and results of operations

Operations have performed in line with expectations. The net loss of the company for the financial period was \$78,806.

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.

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

Auditor Independence Declaration

The directors received the following independence declaration from the auditor of the company:

Richmond Sinnott & Delahunty
Chartered Accountants



10 Forest Street
PO Box 30
Bendigo. 3552
Ph. 03 5443 1177
Fax. 03 5444 4344
E-mail: rsd@rsdadvisors.com.au

Auditor's Independence Declaration

In relation to our review of the financial report of Bright Community Financial Services Ltd for the period ended 3 July 2006, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Warren Sinnott
Partner
Richmond Sinnott & Delahunty
Bendigo
15 September 2006

Signed in accordance with a resolution of the Directors at Bright on 15 September 2006.

.....
Roger Williams, Chairman

Bright Community Financial Services Limited
ABN 93 117 798 553
Condensed Income Statement
for the period ended 3 July 2006

	Note	2006 \$
Revenue from ordinary activities		-
Salaries and employee benefit expense		-
Depreciation and amortisation expense		-
Other expenses from ordinary activities	8	<u>(112,580)</u>
Profit/(loss) from ordinary activities before income tax expense		(112,580)
Income tax benefit relating to ordinary activities		<u>33,774</u>
Net profit/(loss) attributable to members of the entity		<u><u>(78,806)</u></u>
Earnings per share (cents per share)		
- basic for loss for the half year		(11.99)
- diluted for loss for the half year		(11.99)

Bright Community Financial Services Limited
ABN 93 117 798 553
Condensed Balance Sheet
as at 3 July 2006

	3-Jul 2006 \$
Current Assets	
Cash assets	647,635
Receivables	12,756
Total Current Assets	<u>660,391</u>
Non-Current Assets	
Deferred income tax asset	33,774
Intangibles	10,000
Total Non-Current Assets	<u>43,774</u>
Total Assets	<u>704,165</u>
Current Liabilities	
Payables	149,623
Total Current Liabilities	<u>149,623</u>
Total Liabilities	<u>149,623</u>
Net Assets	<u>554,542</u>
Equity	
Issued capital	633,348
Retained earnings / (accumulated losses)	<u>(78,806)</u>
Total Equity	<u>554,542</u>

Bright Community Financial Services Limited
ABN 93 117 798 553
Condensed Cash Flow Statement
for the period ended 3 July 2006

	2006 \$
Cash Flows From Operating Activities	
Cash payments in the course of operations	<u>(2,166)</u>
Net cash flows from (used in) operating activities	(2,166)
Cash Flows From Financing Activities	
Proceeds from issue of shares	657,114
Capital raising costs	<u>(7,313)</u>
Net cash flows from (used in) financing activities	<u>649,801</u>
Net increase (decrease) in cash held	647,635
Opening cash brought forward	<u>-</u>
Closing cash carried forward	<u><u>647,635</u></u>

Bright Community Financial Services Limited
ABN 93 117 798 553
Condensed Statement of Changes in Equity
for the period ended 3 July 2006

	Issued Capital \$	Accumulated Losses \$	Total Equity \$
As at 10 January 2006	-	-	-
Net profit/(loss) for the period	-	(78,806)	(78,806)
Issue of share capital	657,114	-	657,114
Share issue costs	(23,766)	-	(23,766)
Equity dividends	<u>-</u>	<u>-</u>	<u>-</u>
As at 3 July 2006	<u><u>633,348</u></u>	<u><u>(78,806)</u></u>	<u><u>554,542</u></u>

Bright Community Financial Services Limited
ABN 93 117 798 553
Notes to the Financial Statements
for the period ended 3 July 2006

1. Basis of preparation of the Half-Year Financial Report

(a) Basis of accounting

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial report.

The half year financial report should be considered together with any public announcements made by Bright Community Financial Services Ltd during the period ended 3 July 2006 in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

The half year financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

For the purpose of preparing the half year financial statements the half year has been treated as a discrete reporting period.

(b) Statement of compliance

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

This is the first half year financial report based on AIFRS.

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 are no material contingent assets or contingent liabilities.

4. Segment Reporting

The economic entity operates in the financial services sector where it provides banking services to its clients. The economic entity operates in one geographic area being Bright.

5. Dividends Paid

No dividends were paid or proposed during the period.

Bright Community Financial Services Limited

ABN 93 117 798 553

**Notes to the Financial Statements
for the period ended 3 July 2006**

6. Director and Related Party Disclosures

The names of directors who have held office during the period ended 3 July 2006 are:

Roger Williams (Chairman)
Marilyn Chipperfield
Karen Jane Dentry
Eckberg Enid Donadio (resigned 7 August 2006)
Peter Joseph Ely (resigned 7 August 2006)
Stuart Hargreaves
Ronald Ido Kool
Robert James Moore
Allan James Poyner
Adrian Victor Smith
Carmel Smith
Alan Bruce Stephens (resigned 31 July 2006)
Paul Andrew Vey
John Edward Farrington (resigned 20 July 2006)

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.

Directors shareholdings	<u>2006</u>
Roger Williams (Chairman)	10,001
Marilyn Chipperfield	6,001
Karen Jane Dentry	1
Eckberg Enid Donadio (resigned 7 August 2006)	801
Peter Joseph Ely (resigned 7 August 2006)	9,201
Stuart Hargreaves	20,801
Ronald Ido Kool	701
Robert James Moore	5,001
Allan James Poyner	2,301
Adrian Victor Smith	1,001
Carmel Smith	1,001
Alan Bruce Stephens (resigned 31 July 2006)	1,001
Paul Andrew Vey	1,001
John Edward Farrington (resigned 20 July 2006)	801

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

7. Comparative Figures

The are no comparative figures as the date of incorporation of the company was 10 January 2006.

8. Other expenses

Other expenses include \$100,000 payable to Bendigo Bank Limited for start up costs recovery and \$10,000 payable to Bendigo Bank Limited for training costs.

Bright Community Financial Services Limited
ABN 93 117 798 553
Directors Declaration
for the period ended 3 July 2006

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

In the opinion of the directors:

- (a) the financial statements and notes of the company:
 - (i) give a true and fair view of the company's financial position as at 3 July 2006 and its performance for the period ended on that date; and
 - (ii) comply with Accounting Standard AASB 134, "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

.....
Roger Williams, Chairman

Signed in Bright on this 15th day of September 2006

Richmond Sinnott & Delahunty

Chartered Accountants



Partners:
Kenneth J Richmond
Warren J Sinnott
Philip P Delahunty

15 September 2006

The Directors
Bright Community Financial Services Limited
C/- Paul Vey
Bright Accounting
PO Box 537
BRIGHT VIC 3740

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 3 July 2006, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

A handwritten signature in dark ink, appearing to read 'W Sinnott', is positioned above the printed name.

Warren Sinnott
Partner
Richmond Sinnott & Delahunty



Partners:
Kenneth J Richmond
Warren J Sinnott
Philip P Delahunty

Independent Review Report

To the members of Bright Community Financial Services Ltd

Scope

The financial report comprises the condensed income statement, condensed balance sheet, condensed cash flow statement, condensed statement of changes in equity, accompanying notes to the financial statements and the directors' declaration for Bright Community Financial Services Ltd for the period ended 3 July 2006.

The company's directors 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 Standard AASB 134 "Interim Financial Reporting", 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 accounting policies and accounting estimates inherent in the financial report.

Review Approach

We conducted an independent review of the half year financial report in order to make a statement about it to the members of the company, and in order for the company to lodge the half year financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements, in order to state whether, on the basis or procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the Corporations Act 2001, Accounting Standard AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia, so as to present a view which is consistent with our understanding of the company's financial position and of their performance as represented by the results of their operations and their cash flows.

A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than that given in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Independence

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

Review Statement

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 interim financial report of Bright Community Financial Services Ltd is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 3 July 2006 and its performance for the period ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements.

Richmond Sinnott & Delahunty

Richmond Sinnott & Delahunty
Chartered Accountants

W Sinnott

Warren Sinnott
Partner

Signed at Bendigo on 15 September 2006