

Bright Community Financial Services Ltd
Financial Report
as at
31 December 2007

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

Your Directors submit their 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:

Roger Williams

Karen Jane Dentry

Ronald Ido Kool

Allan James Poyner

Adrian Victor Smith

Carmel Smith (resigned 27 November 2007)

Stuart Hargreaves

Susan Cheryl Jarrett

Robert Charles Bone

Geoffrey Gurner Tually

Kim Hacon Muhlen-Schulte

Michael John Wright (appointed 20 November 2007)

Bruce Reid (appointed 20 November 2007)

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 continued to perform in line with expectations. The net loss of the company for the financial period was \$35,179 (2006: \$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 Limited
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



172-176 McIvor Rd
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 half year ended 31 December 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
4 June 2008

Signed in accordance with a resolution of the Directors at Bright on 4 June 2008.

.....
Roger Williams, Chairman

Bright Community Financial Services Limited
ABN 93 117 798 553
Condensed Income Statement
for the half-year ended 31 December 2007

	Note	2007 \$	2006 \$
Revenue from ordinary activities		119,139	-
Other revenue		5,516	-
Salaries and employee benefit expense		(84,682)	-
Depreciation and amortisation expense		(10,712)	-
Other expenses from ordinary activities	8	<u>(79,932)</u>	<u>(112,580)</u>
Loss from ordinary activities before income tax expense		(50,671)	(112,580)
Income tax benefit / (expense) relating to ordinary activities		<u>15,492</u>	<u>33,774</u>
Net loss		<u><u>(35,179)</u></u>	<u><u>(78,806)</u></u>
Earnings per share (cents per share)			
- basic for loss for the half year		(5.07)	(11.99)
- diluted for loss for the half year		(5.07)	(11.99)

Bright Community Financial Services Limited
ABN 93 117 798 553
Condensed Balance Sheet
as at 31 December 2007

	31-Dec 2007 \$	30-Jun 2007 \$
Current Assets		
Cash assets	141,238	203,545
Receivables	13,088	8,425
Prepaid expense	3,040	-
Total Current Assets	<u>157,366</u>	<u>211,970</u>
Non-Current Assets		
Property, plant and equipment	131,399	139,129
Deferred income tax asset	109,114	93,622
Intangibles	20,870	23,852
Total Non-Current Assets	<u>261,383</u>	<u>256,603</u>
Total Assets	<u>418,749</u>	<u>468,573</u>
Current Liabilities		
Payables	8,073	13,923
Provisions	2,371	11,166
Total Current Liabilities	<u>10,444</u>	<u>25,089</u>
Total Liabilities	<u>10,444</u>	<u>25,089</u>
Net Assets	<u>408,305</u>	<u>443,484</u>
Equity		
Issued capital	670,347	670,347
Accumulated losses	<u>(262,042)</u>	<u>(226,863)</u>
Total Equity	<u>408,305</u>	<u>443,484</u>

Bright Community Financial Services Limited
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Condensed Cash Flow Statement
for the half-year ended 31 December 2007

	2007	2006
	\$	\$
Cash Flows From Operating Activities		
Cash receipts in the course of operations	123,787	-
Cash payments in the course of operations	(191,610)	(2,166)
Interest received	<u>5,516</u>	<u>-</u>
Net cash flows from (used in) operating activities	(62,307)	(2,166)
Cash Flows From Financing Activities		
Proceeds from issue of shares	-	657,114
Capital raising costs	<u>-</u>	<u>(7,313)</u>
Net cash flows from (used in) financing activities	<u>-</u>	<u>649,801</u>
Net increase (decrease) in cash held	(62,307)	647,635
Opening cash brought forward	<u>203,545</u>	<u>-</u>
Closing cash carried forward	<u><u>141,238</u></u>	<u><u>647,635</u></u>

Bright Community Financial Services Limited
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Condensed Statement of Changes in Equity
for the half-year ended 31 December 2007

	Issued Capital \$	Retained Earnings \$	Total Equity \$
As at 1 July 2007	670,347	(226,863)	442,514
Net loss for the period	-	(35,179)	(35,179)
Issue of share capital	-	-	-
Equity dividends	-	-	-
As at 31 December 2007	<u>670,347</u>	<u>(262,042)</u>	<u>407,335</u>

	Issued Capital \$	Retained Earnings \$	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	-	-	-
As at 3 July 2006	<u>633,348</u>	<u>(78,806)</u>	<u>554,542</u>

Bright Community Financial Services Limited
ABN 93 117 798 553
Notes to the Financial Statements
for the half-year ended 31 December 2007

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 read in conjunction with the annual financial report of Bright Community Financial Services Ltd as at 30 June 2007. It is also recommended that this half year financial report be considered together with any public announcements made by Bright Community Financial Services Ltd during the half year ended 31 December 2007 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').

(c) Summary of significant accounting policies

The accounting policies have been consistently applied and are consistent with those applied in the 30 June 2007 financial statements.

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

Since the last annual reporting date there has been no material change of any 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, Victoria.

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Notes to the Financial Statements
for the half-year ended 31 December 2007

5. Dividends Paid

There were no dividends paid or proposed during the half year.

6. Director and Related Party Disclosures

The names of directors who have held office during the half year ended 31 December 2007 are:

Roger Williams
Karen Jane Dentry
Ronald Ido Kool
Allan James Poyner
Adrian Victor Smith
Carmel Smith (resigned 27 November 2007)
Stuart Hargreaves
Susan Cheryl Jarrett
Robert Charles Bone
Geoffrey Gurner Tually
Kim Hacon Muhlen-Schulte
Michael John Wright (appointed 20 November 2007)
Bruce Reid (appointed 20 November 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.

Directors shareholdings	<u>2007</u>	<u>2006</u>
Roger Williams	10,001	10,001
Karen Jane Dentry	1	1
Ronald Ido Kool	5,000	5,000
Allan James Poyner	2,301	2,301
Adrian Victor Smith	1,001	1,001
Carmel Smith (resigned 27 November 2007)	1,001	1,001
Stuart Hargreaves	20,801	20,801
Susan Cheryl Jarrett	20,000	20,000
Robert Charles Bone	2,000	2,000
Geoffrey Gurner Tually	10,000	10,000
Kim Hacon Muhlen-Schulte	-	-
Michael John Wright (appointed 20 November 2007)	5,000	5,000
Bruce Reid (appointed 20 November 2007)	500	500

There was no movement in directors shareholdings during the period. Each share held has a paid up value of \$1 and is fully paid. The above holdings are held personally or by associated parties.

7. Comparative Figures

Comparative figures shown in the income and cash flow statements for 2006 are for the first 6 months of operation of the company to 3 July 2006.

8. Other expenses

In 2006, 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 half-year ended 31 December 2007

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 31 December 2007 and its performance for the half-year 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, Chariman

Signed in Bright on this 4th day of June 2008