

Cobden & District Community

Finance Limited

Financial Statements

as at

31 December 2007

Cobden & District Financial Services Limited
ABN 84 117 781 049
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:

Trevor John Gardner

James Alfred Green

Gayle Patricia Kelson

Trevor John Clarke

Stuart James Dawson

Michael David Hinkley

Donald Francis Howard

Margaret Emily McDonald

Milton John Parlour

Andrew Keith Suter

Gregory Leigh Suter

Rodney Peter Giblett

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: (\$63,250 (2006: (\$92,427))).

Matters subsequent to the end of the reporting period

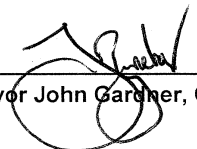
On 14 January 2008 Cobden & District Community Finance Limited opened a Bendigo Community Bank sub branch in Camperdown. The directors believe that this development will provide a significant boost to the company's business and profile in the local community.

There are no other 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 Cobden, Victoria on 11 March 2008.


Trevor John Gardner, Chairman

**Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001
to the directors of Cobden & District Community Finance Limited**

I declare that, to the best of my knowledge and belief, in relation to the review for the financial period ended 31 December 2007 there have been:

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



David Hutchings
Auditor

Andrew Frewin & Stewart
Bendigo, Victoria

Dated this 11th day of March 2008

Cobden & District Financial Services Limited
ABN 84 117 781 049
Income Statement
for the half-year ended 31 December 2007

	2007	2006
	\$	\$
Revenue from ordinary activities	80,909	42,373
Salaries and employee benefit expense	(104,112)	(101,447)
Occupancy and associated costs	(12,687)	(12,546)
Advertising and promotion expenses	(3,938)	(2,387)
Systems costs	(11,228)	(23,022)
Depreciation and amortisation expense	(4,618)	(4,686)
General administration expenses	(35,148)	(29,699)
Loss before income tax credit	(90,822)	(131,414)
Income tax credit	27,572	38,987
Loss for the period	(63,250)	(92,427)
Loss attributable to members of the entity	(63,250)	(92,427)
Earnings per Share		
	<u>c</u>	<u>c</u>
Earnings per share for the period were:	(8.93)	(12.75)

The accompanying notes form part of these financial statements.

Cobden & District Financial Services Limited
ABN 84 117 781 049
Balance Sheet
as at 31 December 2007

	31-Dec 2007 \$	30-Jun 2007 \$
ASSETS		
Current Assets		
Cash assets	64,497	162,952
Trade and other receivables	13,915	8,498
Total Current Assets	<u>78,412</u>	<u>171,450</u>
Non-Current Assets		
Property, plant and equipment	157,004	160,622
Deferred tax asset	142,639	115,067
Intangible assets	7,000	8,000
Total Non-Current Assets	<u>306,643</u>	<u>283,689</u>
Total Assets	<u>385,055</u>	<u>455,139</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	7,801	17,706
Provisions	13,115	10,044
Total Current Liabilities	<u>20,916</u>	<u>27,750</u>
Net Assets	<u>364,139</u>	<u>427,389</u>
Equity		
Issued capital	698,455	698,455
Retained earnings	(334,316)	(271,066)
Total Equity	<u>364,139</u>	<u>427,389</u>

The accompanying notes form part of these financial statements.

Cobden & District Financial Services Limited
ABN 84 117 781 049
Statement of Changes in Equity
for the half-year ended 31 December 2007

	2007	2006
	\$	\$
Total equity at the beginning of the period	427,389	578,856
Net loss for the period	(63,250)	(92,427)
Net income/expense recognised directly in equity	-	-
Dividends provided for or paid	-	-
Shares issued during period	-	6,300
Total equity at the end of the period	<u>364,139</u>	<u>492,729</u>

The accompanying notes form part of these financial statements.

Cobden & District Financial Services Limited
ABN 84 117 781 049
Cash Flow Statement
for the half-year ended 31 December 2007

	2007	2006
	\$	\$
Cash Flows From Operating Activities		
Receipts from customers	71,640	33,811
Payments to suppliers and employees	(172,270)	(178,298)
Interest received	2,175	4,175
Net cash used in operating activities	<u>(98,455)</u>	<u>(140,312)</u>
Cash Flows From Investing Activities		
Payments for property, plant and equipment	-	(2,000)
Net cash used in investing activities	<u>-</u>	<u>(2,000)</u>
Cash Flows From Financing Activities		
Proceeds from issues of equity securities	-	6,300
Net cash provided by financing activities	<u>-</u>	<u>6,300</u>
Net decrease in cash held	(98,455)	(136,012)
Cash at the beginning of the financial year	162,952	374,133
Cash at the end of the half-year	<u><u>64,497</u></u>	<u><u>238,121</u></u>

The accompanying notes form part of these financial statements.

Cobden & District Financial Services Limited
ABN 84 117 781 049
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 Cobden and surrounding district, Victoria.

Cobden & District Financial Services Limited
ABN 84 117 781 049
Directors' Declaration

In the opinion of the directors of Cobden & District Financial Services Limited ("the Company"):

- 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



Trevor John Gardner, Chairman

Dated this 11th day of March 2008.

Independent Review Report to the Members of Cobden & District Community Finance Limited

Scope

We have reviewed the accompanying financial report of Cobden & District Community Finance Limited comprising the balance sheet, income statement, statement of changes in equity, cash flow statement, accompanying notes 1-4 to the financial statements and the directors' declaration for the entity for the half-year ended 31 December 2007.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standards and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the interim 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 an opinion on the interim 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 interim financial report is not in accordance with the Corporations Act 2001 including: giving 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 complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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.

While we considered the effectiveness of management's internal controls over financial reports 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 managers.

Independence

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 interim financial report of Cobden & District Community Finance Limited is not in accordance with Corporations Act 2001, including:

- i. giving a true and fair view of the entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Regulations 2001.

David Hutchings Partner
BENDIGO

Dated this 11th day of March 2008