

Gympie & District Financial Services Limited
Financial Report
as at
31 December 2007

Gympie & District Financial Services Ltd
ABN 79 113 293 173
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 period and until the date of this report are:

Raymond John Bird Chairman Retired Manufacturing Business Operator (appointed 9 March 2005)	Rens John Poels Treasurer Retired Computer Engineer (appointed 9 March 2005)
Michael Ellis Thornley Director Community Bank Branch Manager (resigned 26 July 2007)	Vicki Shapcott Company Secretary Community Development Officer (appointed 9 March 2005)
Lesley Anne O'Hern Director Teacher and Primary Producer (appointed 9 March 2005)	Elaine Gwen Thompson Director Shop Owner (appointed 9 March 2005)
Beven Roy Webb Director Furniture Retailer (appointed 23 March 2005)	Christopher James Hodges Director Business Owner (appointed 28 March 2007)
David James Weller Director Event Co-ordinator (appointed 28 March 2007)	Rae Allison Gâté Director Secretary/Events Manager (appointed 28 March 2007)
William Bauer Director Retired Civil Engineer (appointed 27 February 2008)	

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

The net loss of the company for the financial period was \$42,748 (2006: \$59,839).

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.

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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 Gympie & District 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
7 March 2008

Signed in accordance with a resolution of the Directors at Gympie on 7 March 2008.

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Rens Poels, Director

Gympie & District Financial Services Ltd
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Condensed Income Statement
for the half-year ended 31 December 2007

	2007	2006
	\$	\$
Revenue from ordinary activities	137,437	97,116
Other revenue	241	5,226
Salaries and employee benefit expense	(106,572)	(94,978)
Depreciation and amortisation expense	(22,383)	(22,441)
Sponsorship and donations	(2,391)	(1,275)
Other expenses from ordinary activities	<u>(62,857)</u>	<u>(65,597)</u>
Loss from ordinary activities before income tax expense	(56,525)	(81,949)
Income tax benefit relating to ordinary activities	<u>13,777</u>	<u>22,110</u>
Net loss	<u><u>(42,748)</u></u>	<u><u>(59,839)</u></u>
Earnings per share (cents per share)		
- basic for loss for the half year	(5.34)	(7.48)
- diluted for loss for the half year	(5.34)	(7.48)

Gympie & District Financial Services Ltd
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Condensed Balance Sheet
as at 31 December 2007

	31-Dec 2007 \$	30-Jun 2007 \$
Current Assets		
Cash assets	100	30,420
Receivables	21,559	17,677
Total Current Assets	<u>21,659</u>	<u>48,097</u>
Non-Current Assets		
Property, plant and equipment	182,636	192,624
Deferred income tax asset	156,601	142,824
Intangibles	45,221	57,616
Total Non-Current Assets	<u>384,458</u>	<u>393,064</u>
Total Assets	<u>406,117</u>	<u>441,161</u>
Current Liabilities		
Bank overdraft	4,076	-
Payables	9,432	10,408
Provisions	22,221	17,617
Total Current Liabilities	<u>35,729</u>	<u>28,025</u>
Total Liabilities	<u>35,729</u>	<u>28,025</u>
Net Assets	<u>370,388</u>	<u>413,136</u>
Equity		
Issued capital	800,010	800,010
Accumulated losses	(429,622)	(386,874)
Total Equity	<u>370,388</u>	<u>413,136</u>

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Condensed Cashflow Statement
for the half year ended 31 December 2007

	2007	2006
	\$	\$
Cash Flows From Operating Activities		
Cash receipts in the course of operations	146,881	102,468
Cash payments in the course of operations	(181,518)	(179,397)
Interest received	241	5,226
	<u> </u>	<u> </u>
Net cash flows used in operating activities	<u>(34,396)</u>	<u>(71,703)</u>
Net decrease in cash held	<u>(34,396)</u>	<u>(71,703)</u>
Opening cash brought forward	<u>30,420</u>	<u>148,899</u>
Closing cash carried forward	<u><u>(3,976)</u></u>	<u><u>77,196</u></u>

Gympie & District Financial Services Ltd
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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	800,010	(386,874)	413,136
Net profit/(loss) for the period	-	(42,748)	(42,748)
Issue of share capital	-	-	-
Equity dividends	-	-	-
As at 31 December 2007	<u>800,010</u>	<u>(429,622)</u>	<u>370,388</u>

	Issued Capital \$	Retained Earnings \$	Total Equity \$
As at 1 July 2006	800,010	(275,705)	524,305
Net profit/(loss) for the period	-	(59,839)	(59,839)
Issue of share capital	-	-	-
Equity dividends	-	-	-
As at 31 December 2006	<u>800,010</u>	<u>(335,544)</u>	<u>464,466</u>

Gympie & District Financial Services Ltd
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Notes to 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 Gympie & District 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 Gympie & District 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 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.

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

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 Gympie and District.

5. Director and Related Party Disclosures

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

Raymond John Bird
Rens John Poels
Michael Ellis Thornley (resigned 26 July 2007)
Vicki Shapcott
Lesley Anne O'Hern
Elaine Gwen Thompson
Beven Roy Webb
Christopher James Hodges
David James Weller
Rae Allison Gâté
William Bauer (appointed 27 February 2008)

No director or related entity has entered into a material contract with the company. Michael Ellis Thornley is employed by Gympie & District Financial Services Ltd as the Gympie Branch Manager. Other than wages to Michael Ellis Thornley, which have been paid under normal commercial terms, no director's fees have been paid as the positions are held on a voluntary basis.

Directors shareholdings	<u>2007</u>	<u>2006</u>
Raymond John Bird	2,501	2,501
Rens John Poels	1,501	1,001
Michael Ellis Thornley (resigned 26 July 2007)	1,001	1,001
Vicki Shapcott	502	502
Lesley Anne O'Hern	2,001	2,001
Elaine Gwen Thompson	4,001	4,001
Beven Roy Webb	501	501
Christopher James Hodges	500	-
David James Weller	500	500
Rae Allison Gâté	-	-
William Bauer (appointed 27 February 2008)	-	-

Other than the purchase of 500 shares by Rens Poels and Christopher Hodges, there was no movement in directors shareholdings during the period. Each share held has a paid up value of \$1 and is fully paid.

Gympie & District Financial Services Ltd
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Directors Declaration
for the half year ended 31 December 2007

In accordance with a resolution of the directors of Gympie & District 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 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

.....
Rens Poels, Director

Signed in Gympie on this 7th day of March 2008