

**Mareeba & Dimbulah Financial
Services Limited**

ABN 53 115 503 930

**Financial Statements
For the year ended 30 June 2007**

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Mareeba & Dimbulah Financial Services Limited
ABN 53 115 503 930

Directors' Report

Your directors present this report on the company for the financial year ended 30 June 2007.

DIRECTORS

The names and qualifications of the Directors in office at any time during or since the end of the year are:

Name: Gaye F Taylor
Position: Chairman
Qualifications: Business Owner
Special responsibilities: Governance Committee

Name: Gilbert J Teitzel
Position: Secretary
Qualifications: Certified Practising Accountant
Special responsibilities: Governance Committee and Audit Committee

Name: Evan D McGrath
Position: Treasurer
Qualifications: Grazier
Special responsibilities: Audit Committee

Name: Wilfrid R Blundell
Position: Director
Qualifications: Property Developer/ Farmer
Special responsibilities: Business Development Committee and Public Relations Committee

Name: Gianfranco Delacovo
Position: Director
Qualifications: Business Owner
Special responsibilities: Business Development Committee and Public Relations Committee

Name: Philip G Quayle
Position: Director
Qualifications: Business Owner
Special responsibilities: Business Development Committee, Public Relations Committee and Human Resources Committee

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Directors' Report continued

DIRECTORS (CONTINUED)

Name:	Graeme E Ford
Position:	Director
Qualifications:	Automatic Dealer
Special responsibilities:	Governance Committee and Human Resources Committee
Name:	Rolf Seeberger
Position:	Director
Qualifications:	Store Proprietor
Special responsibilities::	Business Development Committee and Public Relations Committee
Name:	Clive W Staines
Position:	Director
Qualifications:	Real Estate Agent
Special responsibilities:	Business Development Committee and Public Relations Committee
Name:	Cheryl E Tonkin
Position:	Director
Qualifications:	Civil Celebrant/ Auctioneer
Special responsibilities:	Business Development Committee and Public Relations Committee
Name:	Patrick J Freney
Position:	Director
Qualifications:	Regional Manager - Bendigo Bank Limited
Special responsibilities:	Audit Committee

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

Mareeba & Dimbulah Financial Services Limited

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Directors' Report continued

DIRECTORS' MEETINGS

During the financial year, 10 meetings of Directors were held. Attendances by each Director during the year were:

	Directors' Meetings	
	Number Eligible to Attend	Number Attended
Gaye F Taylor	11	11
Gilbert J Teitzel	11	11
Evan D McGrath	11	8
Wilfrid R Blundell	11	11
Gianfranco Delacovo	11	8
Philip G Quayle	11	9
Graeme E Ford	11	8
Rolf Seeberger	11	11
Clive W Staines	11	7
Cheryl E Tonkin	11	9
Patrick J Freney	11	9

REMUNERATION REPORT

Remuneration of Directors

No income was paid or was payable or otherwise made available to the Directors of the Company during the year ended 30 June 2007.

Options

No options over issued shares or interests in the Company were granted to the Directors or Executive during or since the end of the financial year and there were no options outstanding at the date of this report.

The Directors and Executives do not own any options over issued shares or interests in the Company at the date of this report.

Remuneration practices

The Company's policy for determining the nature and amount of emoluments of Board members and senior executives of the Company is as follows:

It is current policy of the Company that Board members are not remunerated for the services performed.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the course of the year were providing Community Banking services under management rights to operate a franchised branch of Bendigo Bank Limited in Mareeba and Dimbulah, North Queensland.

No significant change in the nature of these activities occurred during the year.

Mareeba & Dimbulah Financial Services Limited

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Directors' Report continued

OPERATING AND FINANCIAL REVIEW

The amount of the profit from ordinary activities of the Company after income tax was \$71,377 for the year ended 30 June 2007.

The Company will continue to pursue its main objective of providing a core of banking products and services pursuant to its franchise agreement with the Bendigo Bank.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant changes in the company's state of affairs occurred during the financial year.

AFTER BALANCE DATE EVENTS

No matters or circumstances have arisen since the end of the financial 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.

FUTURE DEVELOPMENTS

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report, as the inclusion of such information is likely to result in unreasonable prejudice to the company.

ENVIRONMENTAL ISSUES

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

DIVIDENDS

No dividends were declared or paid since the start of the financial year. No recommendation for payment of dividends has been made.

OPTIONS

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

INDEMNIFYING OFFICER OR AUDITOR

Indemnities have been given, during and since the end of the financial period, for any persons who are or have been a Director or an Officer, but not an Auditor, of the Company. A Directors' and Officers' liability insurance policy for \$5,000,000 cover has been taken out for an annual premium cost of \$3,145.

Mareeba & Dimbulah Financial Services Limited
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Directors' Report continued

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

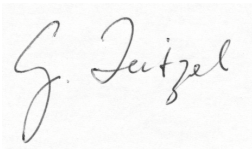
AUDITORS INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* has been included on page 8.

Signed in accordance with a resolution of the Board of Directors:



Gaye F Taylor
Director



Gilbert J Teitzel
Director

Dated this fourteenth day of September 2007.


**Auditor's Independence Declaration
Under Section 307C of the *Corporation Act 2001*
To the Directors of**

Mareeba & Dimbulah Financial Services Limited
ABN 53 115 503 930


We declare that, to the best of our knowledge and belief, during the year ended 30 June 2007 there have been :

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the Audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit

Dated this fourteenth day of September 2007.



WHK Greenwood (Cairns)



A R Bottomer
Partner

Mareeba & Dimbulah Financial Services Limited

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Income Statement

For the year ended 30 June 2007

	Note	2007 \$	2006 \$
Revenues from ordinary activities	2	982,641	458,138
Administration and general costs		(149,063)	(74,095)
ATM expenses		(22,615)	(10,356)
Depreciation and amortisation expenses		(55,043)	(30,913)
IT leasing and running costs		(42,574)	(21,299)
Management fees		(120,165)	(240,330)
Prospectus fees		-	(23,332)
Occupancy costs		(72,885)	(45,054)
Secondment expenses		(420,373)	(226,543)
Profit/(loss) from ordinary activities before income tax		99,923	(213,784)
Income tax credit /(expense)	4	(28,546)	65,622
Net profit/(loss) attributable to members of the company		(348,996)	(148,162)
Earnings per share		7.11	(14.75)
Diluted earnings per share		7.11	(14.75)

Mareeba & Dimbulah Financial Services Limited

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Balance Sheet

As at 30 June 2007

	Note	2007 \$	2006 \$
CURRENT ASSETS			
Cash assets	5	528,189	383,575
Receivables	6	103,260	78,030
Other assets	7	5,061	4,956
TOTAL CURRENT ASSETS		636,510	466,561
NON-CURRENT ASSETS			
Deferred tax assets	8	37,076	65,622
Property, plant and equipment	9	210,063	214,135
Intangible assets	10	129,833	167,833
TOTAL NON-CURRENT ASSETS		376,972	447,590
TOTAL ASSETS		1,013,482	914,151
CURRENT LIABILITIES			
Payables	11	85,756	57,802
TOTAL CURRENT LIABILITIES		85,756	57,802
TOTAL LIABILITIES		85,756	57,802
NET ASSETS		927,726	856,349
EQUITY			
Contributed equity	12	1,004,511	1,004,511
Retained profits / (Accumulated losses)	13	(76,785)	(148,162)
TOTAL EQUITY		927,726	856,349

Mareeba & Dimbulah Financial Services Limited

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Statement of Changes in Equity

For the year ended 30 June 2007

	Share Capital (Ordinary Shares) \$	Accumulated Losses \$	Total \$
Balance at 1 July 2005	-	-	-
Profit/(loss) attributable to members of the Company	-	(148,162)	(148,162)
Share issued during the year	1,004,511	-	1,004,511
BALANCE AT 30 JUNE 2006	1,004,511	(148,162)	856,349
Balance at 1 July 2006	1,004,511	(148,162)	856,349
Profit/(loss) attributable to members of the Company	-	71,377	71,377
Share issued during the year	-	-	-
BALANCE AT 30 JUNE 2007	1,004,511	(76,785)	927,726

Mareeba & Dimbulah Financial Services Limited

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Cash Flow Statement

For the year ended 30 June 2007

	Note	2007 \$	2006 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		949,674	387,139
Interest received		11,841	63
Payments to suppliers and seconded employees		(803,930)	(595,257)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	16(b)	157,585	(208,055)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(12,971)	(222,881)
Payments for franchise agreement		-	(190,000)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		(12,971)	(412,881)
CASH FLOW FROM FINANCING ACTIVITIES			
PROCEEDS FROM ISSUE OF SHARES		-	1,004,511
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		-	1,004,511
NET INCREASE (DECREASE) IN CASH HELD		144,614	383,575
Cash at the beginning of the financial year		383,575	-
CASH AT THE END OF THE FINANCIAL YEAR	16(a)	528,189	383,575

Mareeba & Dimbulah Financial Services Limited

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Notes to the Financial Statements

For the year ended 30 June 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers Mareeba & Dimbulah Financial Services Limited as an individual entity. Mareeba & Dimbulah Financial Services Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial report of Mareeba & Dimbulah Financial Services Limited comply with all International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Income tax

The change for current income tax expenses is based on the profit for the year adjusted for the 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.

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 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 is based on the assumption that no adverse change will occur in income tax 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.

Mareeba & Dimbulah Financial Services Limited
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Notes to the Financial Statements continued
For the year ended 30 June 2007

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment is measured on the cost basis.

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.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to Mareeba & Dimbulah Financial Services Limited commencing from the time the asset is held 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 depreciation rates used for each class of depreciable asset are:

Class of Asset	Depreciation Rate %
Plant and equipment	2.5%– 40%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An assets carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Leases

Lease payments under operating leases, where substantially all the risks and benefits remain with the leaser, are charged as expenses in the periods in which they are incurred.

(d) Impairment of Assets

At each reporting date, the directors review 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 assets fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

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

Mareeba & Dimbulah Financial Services Limited

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Notes to the Financial Statements continued

For the year ended 30 June 2007

(e) Intangibles

The franchise fee paid by the Company pursuant to a Franchise Agreement with the Bendigo Bank (Note 8) is being amortised over the initial five (5) year period of the agreement, being the period of expected economic benefits of the franchise fee.

Class of Intangible	Amortisation Rate %
Franchise fee	20%

(f) Cash and Cash Equivalents

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

(g) Revenue

Revenue from the provision of banking services is recognised upon the delivery of the services to customers.

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

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

(h) Goods and Service 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 and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Comparative Figures

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

	2007 \$	2006 \$
NOTE 2: REVENUE FROM ORDINARY ACTIVITIES		
Gross margin	560,063	265,829
Upfront product commission	19,812	9,861
Trailer product commission	225,658	96,485
Fee income	119,631	57,989
Market development fund	45,636	27,911
Interest received	11,841	63
	982,641	458,138

Mareeba & Dimbulah Financial Services Limited

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Notes to the Financial Statements continued

For the year ended 30 June 2007

	2007	2006
	\$	\$

NOTE 3: AUDITOR'S REMUNERATION

Remuneration of the auditor of the company for:

- Auditing or reviewing the financial report	7,000	4,750
- Other services	-	-
	<u>7,000</u>	<u>4,750</u>

NOTE 4: INCOME TAX EXPENSE

No income tax is payable by the Company as it has carried forward tax losses from previous trading periods for income tax purposes.

(a) The components of tax expense comprise:

Deferred tax (Note 8)	28,577	(57,952)
Prepayments	(31)	(1,487)
	<u>28,546</u>	<u>(59,439)</u>

(b) Reconciliation of income tax expense

The prime facie tax on income/(loss) from ordinary activities before income tax is reconciled to the income tax expense as follows:

Profit/(loss) from ordinary activities before income tax at 30%	99,923	(213,784)
Prima facie income tax at 30%	29,977	(64,135)
Less Tax effect of :		
- Deductible prospectus costs amortised	(1,400)	-
- Prepaid insurance	(31)	(1,487)
	<u>28,546</u>	<u>(65,622)</u>

(c) Tax losses

Balance at the beginning of the year	193,173	-
Recoupment of prior year loss not previously brought into account	20,610	
Tax loss incurred/(utilised) in the financial year	(95,257)	193,173
	<u>118,526</u>	<u>193,173</u>

At balance date, the Company had tax losses of \$118,526 (2006: \$193,173) which are available to offset future years' taxable income.

The future income tax benefit of these tax losses is \$35,558 (2006: \$57,952). This benefit has been recognised as an asset in the Balance Sheet as its realisation is highly probable. The benefits will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realized;
- the Company continues to comply with the conditions for deductibility imposed by the law; and
- no change in tax legislation adversely affect the Company in realising the benefit from the deduction for the losses.

Mareeba & Dimbulah Financial Services Limited

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Notes to the Financial Statements continued

For the year ended 30 June 2007

	2007 \$	2006 \$
NOTE 5: CASH ASSETS		
Cash on hand	813	996
Cash at bank	254,566	262,579
Term deposit	272,810	120,000
	528,189	383,575
NOTE 6: RECEIVABLES		
Current		
Trade debtors	103,260	78,030
	103,260	78,030
NOTE 7: OTHER ASSETS		
Current		
Prepayments	5,061	4,956
	5,061	4,956
NOTE 8: DEFERRED TAX ASSETS		
Non-Current		
Future income tax benefit comprises of:		
Deferred tax losses	35,558	57,952
Prepayments	1,518	1,487
	37,076	59,439
Reconciliations		
(a) Gross Movements		
The overall movement in the deferred tax account is as follows:		
Opening balance	65,622	-
Credit/(charge) to income statement	(28,546)	65,622
Charge to equity	-	-
Closing balance	38,563	65,622
(b) Deferred Tax Assets		
The movement in deferred tax assets for each temporary difference during the year is as follows:		
<i>Deferred tax losses</i>		
Opening balance	57,952	-
Recoupment of prior year loss not previously brought into account	6,183	
Credit/(charge) to the income statement	(28,577)	57,952
Closing balance	35,558	57,952

Mareeba & Dimbulah Financial Services Limited

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Notes to the Financial Statements continued

For the year ended 30 June 2007

	2007	2006
	\$	\$

NOTE 8: DEFERRED TAX ASSETS CONTINUED

(b) Deferred Tax Assets

Prepayments

Opening balance	1,487	-
Credited to the income statement	31	1,487
Closing balance	1,518	1,487

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

Leasehold improvements:

- At cost	223,507	210,536
- Less accumulated depreciation	(19,694)	(6,386)
	203,813	204,150

Plant and equipment

- At cost	12,345	12,345
- Less accumulated depreciation	(6,095)	(2,360)
	6,250	9,985

Total property, plant and equipment	210,063	214,135
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NOTE 10: INTANGIBLE ASSETS

Franchise fee:

- At cost	190,000	190,000
- Less accumulated amortisation	(60,167)	(22,167)
	129,833	167,833

Pursuant to a five year franchise agreement with Bendigo Bank, the Company operates a Community Bank® branch of Bendigo Bank at Mareeba and Dimbulah, trading as “Mareeba Community Bank® Branch – Bendigo Bank” and “Dimbulah Community Bank® Branch – Bendigo Bank” providing a core range of banking products and services. The Company entered into the franchise agreement at a cost of \$190,000 that is being amortised on the basis disclosed in Note 1(e).

NOTE 11: PAYABLES

Unsecured:

- Trade creditors and accruals	80,989	54,420
- GST payable	4,767	3,382
	85,756	57,802

Mareeba & Dimbulah Financial Services Limited

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Notes to the Financial Statements continued

For the year ended 30 June 2007

	2007	2006
	\$	\$

NOTE 12: CONTRIBUTED CAPITAL

1,004,511 fully paid ordinary shares	1,004,511	1,004,511
	<u>1,004,511</u>	<u>1,004,511</u>

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

NOTE 13: ACCUMULATED LOSSES

Balance at the beginning of the financial year	(148,162)	-
Profit/(loss) attributable to members of the Company	71,377	(148,162)
Balance at the end of the financial year	<u>(76,785)</u>	<u>(148,162)</u>

NOTE 14: DIRECTORS' AND EXECUTIVE'S REMUNERATION

(a) The names and positions of Directors and Executive in office at any time during the financial year are:

Directors

Gaye F Taylor	Chairman
Gilbert J Teitzel	Secretary
Evan D McGrath	Treasurer
Wilfrid R Blundell	Non-Executive Director
Gianfranco DeIacovo	Non-Executive Director
Philip G Quayle	Non-Executive Director
Graeme E Ford	Non-Executive Director
Rolf Seeberger	Non-Executive Director
Clive W Staines	Non-Executive Director
Cheryl E Tonkin	Non-Executive Director
Patrick J Freney	Non-Executive Director

Executive

No person met the definition of executive of the Company during the financial year ended 30 June 2007.

(b) Remuneration of Directors

No income was paid or was payable or otherwise made available, to the Directors of the Company during the year ended 30 June 2007.

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Notes to the Financial Statements continued
For the year ended 30 June 2007

NOTE 14: DIRECTORS' AND EXECUTIVE'S REMUNERATION CONTINUED

(c) Options

No options over issued shares or interests in the Company were granted to the Directors or Executive during or since the end of the financial year and there were no options outstanding at the date of this report.

The Directors and Executives do not own any options over issued shares or interests in the Company at the date of this report.

(d) Shareholdings

	Balance at 1 July 2006	Received as remuneration	Options exercised	Net change/ Others*	Balance at 30 June 2007
Gaye F Taylor	2,501	-	-	-	2,501
Gilbert J Teitzel	5,091	-	-	-	5,091
Evan D McGrath	501	-	-	-	501
Wilfrid R Blundell	1,001	-	-	-	1,001
Gianfranco DeIacovo	1,001	-	-	-	1,001
Philip G Quayle	2,501	-	-	-	2,501
Graeme E Ford	2	-	-	-	2
Rolf Seeberger	5,001	-	-	-	5,001
Clive W Staines	2,001	-	-	-	2,001
Cheryl E Tonkin	2,501	-	-	-	2,501
Patrick J Freney	-	-	-	-	-
Total	22,101	-	-	-	22,101

* Net change/other refers to shares purchased or sold during the financial year.

(e) Remuneration practices

The Company's policy for determining the nature and amount of emoluments of Board members and senior executives of the Company is as follows:

It is current policy of the Company that Board members are not remunerated for the services performed.

NOTE 15: RELATED PARTY TRANSACTIONS

Millar and Teitzel Certified Practising Accountants received \$5,005 for accounting fees.

No other related parties entered into a transaction with the Company during the financial year ended 30 June 2007 other than those disclosed in Note 14.

Mareeba & Dimbulah Financial Services Limited
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Notes to the Financial Statements continued
For the year ended 30 June 2007

	2007 \$	2006 \$
NOTE 16: NOTES TO THE CASH FLOW STATEMENT		
(a) Reconciliation of cash assets		
For the purpose of the cash flow statement, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash on hand	813	996
Cash at bank	254,566	262,579
Term Deposit	272,810	120,000
	528,189	383,575
(b) Reconciliation of net cash provided by operating activities to profit / (loss) from ordinary activities		
Profit / (loss) from ordinary activities before income tax	99,923	(213,784)
<i>Non-cash flows in profit/(loss) from ordinary activities</i>		
Depreciation and amortisation	55,043	30,913
<i>Movement in assets and liabilities</i>		
<i>(Increase)/Decrease in assets</i>		
Receivables	(25,230)	(78,030)
Other assets	(105)	(4,956)
<i>Increase/(Decrease) in Liabilities</i>		
Payables	25,569	57,802
Current tax liabilities	1,385	-
Net cash provided by / (used) in operating activities	157,585	(208,055)

NOTE 17: LEASING COMMITMENTS

Non-cancelable operating lease commitment contracted for but not capitalised in the financial statements:

Payable

- Not longer than 1 year	47,240	16,034
- Longer than 1 year but not longer than 5 years	182,489	166,495
	229,729	182,529

Mareeba & Dimbulah Financial Services Limited
ABN 53 115 503 930

Notes to the Financial Statements continued
For the year ended 30 June 2007

NOTE 18: FINANCIAL INSTRUMENTS

(a) Interest rate risk

2007	Rates	Variable	Fixed	Non- interest	Total
			1 year	1 to 5 years	
<i>Financial assets</i>					
Cash	6.39%	254,566	272,810	-	528,189
Receivable	-	-	-	-	103,260
		254,566	272,810	-	631,449
<i>Financial liabilities</i>					
Payables	-	-	-	-	80,989
		-	-	-	80,989
Net financial assets	-	254,566	272,810	-	550,460

2006	Rates	Variable	Fixed	Non- interest	Total
			1 year	1 to 5 years	
<i>Financial assets</i>					
Cash	5.35%	262,578	120,000	-	383,575
Receivable	-	-	-	-	78,030
		262,578	120,000	-	461,605
<i>Financial liabilities</i>					
Payables	-	-	-	-	54,420
		-	-	-	54,420
Net financial assets		262,578	120,000	-	407,185

(b) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

(c) Net fair values

The net fair value of financial assets and liabilities of the Company approximates their carrying amount. The Company has no financial assets and liabilities where the carrying amount exceeds the net fair value at balance date.

No financial assets and financial liabilities are readily traded on organised markets in standardised form. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

Mareeba & Dimbulah Financial Services Limited

ABN 53 115 503 930

Notes to the Financial Statements continued

For the year ended 30 June 2007

NOTE 19: SEGMENT REPORTING

The Company operates in the financial services sector as a Community Bank® branch of the Bendigo Bank at Mareeba and Dimbulah, North Queensland.

NOTE 20: EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the financial year that 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.

	2007	2006
	\$	\$

NOTE 21: CONTINGENT LIABILITIES

The Company is liable to pay Management Advisory Fees to Bendigo Bank Limited as set out in the Franchise Agreement. The Management Advisory Fee is payable over a five year period for ongoing assistance provided by Bendigo Bank Limited. The Management Advisory Fee is expensed when incurred.

Payable

- Not longer than 1 year	120,165	120,165
- Longer than 1 year but not longer than 5 years	120,165	240,330
	240,330	360,495

NOTE 22: COMPANY DETAILS

The registered office and principal place of business of the Company is:

Millar Teitzel
Office 6, Level 1
81 Byrnes Street
Mareeba Qld 4880

Mareeba Branch
Shop 3
Post Office Centre
94 Byrnes Street
Mareeba Qld 4880

Dimbulah Branch
31-33
Raleigh Street
Dimbulah Qld 4872

Mareeba & Dimbulah Financial Services Limited

ABN 53 115 503 930

Directors' Declaration

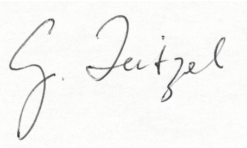
The directors of the company declare that:

1. the financial statements and notes, as set out on pages 9 to 23, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards and the Corporations Regulations; and
 - (b) give a true and fair view of the company's financial position as at 30 June 2007 and of its performance for the year ended on that date;
2. the Chief Executive Officer and the Chief Finance Officer have each declared that:
 - (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view;
3. 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.

This declaration is made in accordance with a resolution of the Board of Directors.



Gaye F Taylor
Director



Gilbert J Teitzel
Director

Dated this fourteenth day of September 2007.

Independent Audit Report To the Members of

Mareeba & Dimbulah Financial Services Limited

ABN 53 115 503 930

Report on the Financial Report

We have audited the accompanying financial report of Mareeba & Dimbulah Financial Services Limited, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory note and the director's declaration.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the 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. In Note 1, the directors also state, in accordance with Accounting Standards AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

The Directors also are responsible for the preparation of the remuneration disclosures contained in the directors' report in accordance with the *Corporations Regulations 2001*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement and that the remuneration disclosures in the director's report comply with Accounting Standards AASB 124.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report and the remuneration disclosures in the director's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Audit Report To the Members of

Mareeba & Dimbulah Financial Services Limited

ABN 53 115 503 930

Independence

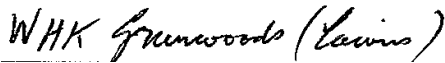
In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

- (a) the financial report of Mareeba & Dimbulah Financial Services Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of Mareeba & Dimbulah Financial Services Limited at 30 June 2007 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards in Australia (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1; and
- (c) the remuneration disclosures that are contained that are contained in the Directors' Report comply with Accounting Standards AASB 124.

Dated this fourteenth day of September 2007.



WHK Greenwoods (Cairns)



A R Bottomer
Partner