



BIDGEE FINANCE LTD

HALF-YEAR ACCOUNTS
DECEMBER 2007

CONTENTS

Chairman's & Managing Director's Report	1
Directors' Report	2
Auditor's Independence Declaration	4
Independent Auditor's Review Report	5
Directors' Declaration	7
Income Statement	8
Balance Sheet	9
Statement of Changes in Equity	10
Cash Flow Statement	11
Notes to the Financial Statements	12

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the period ended 30 June 2007 and any public announcements made by Bidgee Finance Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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CHAIRMAN'S & MANAGING DIRECTOR'S REPORT

RECORD HALF YEAR - PROFIT BEFORE TAX UP 23%

The directors of Bidgee Finance Limited (the "Company") are pleased to report a record half yearly profit before tax for the six months ended 31 December 2007 of \$1,684,660 which is an increase of 23% on the same period last year. Profit after tax was \$1,151,978 which is an increase of 20% on the corresponding period last year.

The directors are pleased to maintain the fully franked interim dividend at 6 cents per share. The Record Date for determining entitlements to the interim dividend is 7 March 2008, with the dividend to be paid to shareholders on 26 March 2008. Bidgee's dividend re-investment plan continues to be well supported by shareholders. The directors have set the dividend reinvestment plan price for the interim dividend at \$1.75 per share.

The half yearly results were enhanced by bringing to account the gains made as a result of fixing rates on borrowed funds prior to the recent rises in interest rates. These gains were offset by increases in the provision for doubtful debts as the drought and difficult trading conditions continued during this period. Overall the Company's result is considered to be satisfactory given the seasonal and economic conditions of recent times.


The Company's relationship with the National Australia Bank continues to be very strong with an increase in facilities approved recently. This increase in facilities is beneficial and will allow the Company to take advantage of new revenue generating opportunities that arise.

In the half year accounts a contingent asset has been recognised in relation to the misappropriation of funds which was discovered by the Company in June 2006. It is expected that a recovery is likely in the coming months and the Company will continue to explore every avenue in an endeavour to recover all monies which were misappropriated.

Uncertainty in global markets and upward pressure on interest rates are issues that are affecting all lending institutions. However, recent rains in rural areas, together with the prospect of increased farm yields and commodity prices, are welcomed factors which have not been experienced in many years. They have brought renewed confidence to the areas in which Bidgee operates, although the overall operating environment remains difficult.

The board will continue to work with the Company's staff and external advisors to pursue both operational and strategic opportunities which may arise. The Company will endeavour to strengthen and diversify further its customer base and referral network.

On behalf of our shareholders, the directors wish to thank the Company's staff for their continued diligence and professionalism without whose efforts this record result would not have been achieved. The directors would also like to thank the shareholders for their continued support.



Lloyd Thomson
Chairman



Martin Hill
Managing Director

DIRECTORS' REPORT

In accordance with a resolution of the directors of Bidgee Finance Ltd ("the Company"), the directors submit herewith the Balance Sheet as at 31 December 2007, the Income Statement, the Statement of Changes in Equity and the Cash Flow Statement of the Company for the half year ended on that date and report as follows:

DIRECTORS

At the date of this report, the directors of the Company are:

Mr. Lloyd J Thomson (Chairman)

Mr. Gerard J Sullivan

Mr. Lester M Wheatley

Mr. Martin J Hill (Managing Director)

Mr. John H Macknight retired as a director on 25 October 2007.

Unless otherwise stated, the above directors each held office as a director of the Company throughout the period and up until the date of this report.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial period were:

- Receiving funds on deposit
- Advancing loans for business purposes from the Company's own funds, and
- The referral of finance applications to other financial institutions.

There have been no significant changes in the nature of the Company's activities during the half year ended 31 December 2007.

REVIEW OF OPERATIONS

Profit from ordinary activities before income tax expense was \$1,685 thousand (2006: \$1,369 thousand), an increase of 23%. The net profit of the Company for the half year, after income tax expense of \$533 thousand, was \$1,152 thousand (2006: \$960 thousand).

DIVIDENDS

Fully franked dividends paid or declared on ordinary shares during the half year:

- A final dividend of 9.50 cents per share was paid on 22 November 2007 in respect of the year ended 30 June 2007.
- The directors have resolved to pay an interim dividend of 6.00 cents per share for the half year ended 31 December 2007.

EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the half year to the date of this report 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 periods.

DIRECTORS' REPORT (continued)

AUDITOR'S DECLARATION

A copy of the auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is set out on page 4.

ROUNDING OFF

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report and this report have been rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of directors made pursuant to section 306(3) of the *Corporations Act 2001*.

On behalf of the board of directors.



Lloyd Thomson
Chairman



Martin Hill
Director
28 February 2008

The Board of Directors
Bidgee Finance Ltd
113 Lime Avenue
MILDURA VIC 3502

28 February 2008

Dear Board Members

AUDITOR'S INDEPENDENCE DECLARATION TO BIDGEE FINANCE LTD

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Bidgee Finance Ltd.

As lead audit partner for the review of the financial statements of Bidgee Finance Ltd for the half year ended 31 December 2007, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Robert Collie
Partner

Independent Auditor's Review Report to the Members of Bidgee Finance Limited

We have reviewed the accompanying half-year financial report of Bidgee Finance Limited, which comprises the balance sheet as at 31 December 2007, and the income statement, cash flow statement, statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration as set out on pages 7 to 18.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year 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 half-year 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 a conclusion on the half-year 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Bidgee Finance Limited's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Bidgee Finance Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year 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.

Deloitte.

Auditor's Independence Declaration

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 half-year financial report of Bidgee Finance Limited is not in accordance with the *Corporations Act 2001*, including:

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



Deloitte Touche Tohmatsu



Robert D D Collie
Partner
Chartered Accountants
Melbourne, 28 February 2008

DIRECTORS' DECLARATION

The directors of the Company declare that:

- (a) 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; and
- (b) In the director's opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Company.

Signed in accordance with a resolution of the directors made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the Directors



Lloyd Thomson
Chairman



Martin Hill
Director
28 February 2008

INCOME STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	Note	31 Dec 2007 \$'000	31 Dec 2006 \$'000
Income			
Interest income	3	5,467	4,987
Finance costs		(2,739)	(2,305)
Net interest income	2	2,728	2,682
Other revenue from operations	3	2,689	1,679
Total income after finance costs		5,417	4,361
Expenses			
Bad and doubtful debts		(392)	(264)
Employee benefits expense		(2,140)	(1,819)
Occupancy expenses		(143)	(126)
Depreciation and amortisation expenses		(96)	(83)
Fees and commissions		(185)	(61)
General administrative expenses		(278)	(204)
Advertising and promotion		(148)	(137)
Telephone expenses		(80)	(70)
Vehicle expenses		(73)	(77)
Other expenses from operations		(197)	(151)
Total other expenses		(3,732)	(2,992)
Profit before income tax expense	4	1,685	1,369
Income tax expense	7	(533)	(409)
Net profit		1,152	960
Basic earnings per share (cents per share)	8	7.03	6.26
Diluted earnings per share (cents per share)	8	6.88	6.05

The above income statement should be read in conjunction with the accompanying notes.

BALANCE SHEET AS AT 31 DECEMBER 2007

	Note	31 Dec 2007 \$'000	30 June 2007 \$'000	31 Dec 2006 \$'000
Assets				
Cash and cash equivalents	11(a)	184	1,022	642
Trade and other receivables		818	845	694
Other financial assets		1,086	699	446
Loans and advances to customers		93,614	88,813	84,189
Current tax assets		-	394	394
Deferred tax assets		392	286	266
Property, plant and equipment		1,088	1,118	1,036
Goodwill		2,094	2,094	1,373
Total assets		<u>99,276</u>	<u>95,271</u>	<u>89,040</u>
Liabilities				
Trade and other payables		755	699	896
Deposits and short term borrowings		18,032	20,181	23,566
Current tax liabilities		302	-	-
Deferred tax liabilities		541	315	-
Provisions		1,423	403	1,260
Other liabilities		16	35	62
Long term borrowings		58,000	53,000	45,000
Total liabilities		<u>79,069</u>	<u>74,633</u>	<u>70,784</u>
Net assets		<u>20,207</u>	<u>20,638</u>	<u>18,256</u>
Equity				
Share capital		17,864	16,904	15,807
Equity-settled employee benefits reserve		45	33	50
Retained earnings		2,298	3,701	2,399
Total equity		<u>20,207</u>	<u>20,638</u>	<u>18,256</u>

The above balance sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	Note	Ordinary Share Capital \$'000	Reserves \$'000	Retained Profits \$'000	Total \$'000
Balance at 1 July 2006		14,938	29	3,824	18,791
Total recognised income and expense (profit)				960	960
Issue of shares under dividend reinvestment plan	6	869			869
Recognition of share based payments			21		21
Dividends paid or provided for	5			(2,385)	(2,385)
Balance at 31 December 2006		<u>15,807</u>	<u>50</u>	<u>2,399</u>	<u>18,256</u>
Balance at 1 July 2007		16,904	33	3,701	20,638
Total recognised income and expense (profit)				1,152	1,152
Issue of shares under dividend reinvestment plan	6	960			960
Recognition of share based payments			12		12
Dividends paid or provided for	5			(2,555)	(2,555)
Balance 31 December 2007		<u>17,864</u>	<u>45</u>	<u>2,298</u>	<u>20,207</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	Note	31 Dec 07 \$'000	31 Dec 06 \$'000
Cash flows from operating activities			
Payments to suppliers and employees		(3,167)	(3,116)
Interest received		5,467	4,987
Interest paid		(2,734)	(2,628)
Income taxes paid		283	(727)
Brokerage fees received		1,932	1,288
Other income		373	324
Net cash provided by operating activities	11(b)	<u>2,154</u>	<u>128</u>
Cash flows from investing activities			
Purchases of property, plant and equipment		(109)	(124)
Proceeds from sale of property, plant and equipment		38	-
Customer loans granted		(21,380)	(18,599)
Customer loans repaid		16,112	16,076
Net cash used in investing activities		<u>(5,339)</u>	<u>(2,647)</u>
Cash flows from financing activities			
Proceeds from borrowings		5,000	3,000
Repayment of hire purchase agreements		(20)	(25)
Dividends paid to shareholders		(584)	(576)
Net decrease in debentures		(2,049)	(559)
Net cash provided by financing activities		<u>2,347</u>	<u>1,840</u>
Net decrease in cash and cash equivalents held		(838)	(679)
Cash and cash equivalents at the beginning of the financial period		<u>1,022</u>	<u>1,321</u>
Cash and cash equivalents at the end of the half year	11(a)	<u>184</u>	<u>642</u>

The above cash flow statement should be read in conjunction with the accompanying notes.

CONTENTS

Note		Page
1	Basis of preparation	13
2	Average balance sheet and related interest	13
3	Revenue	14
4	Profit from operations	14
5	Dividends paid for or provided	14
6	Non-cash financing and investing activities	14
7	Income tax	15
8	Earnings per share	15
9	Acquisitions and disposals	15
10	Segment reporting	15
11	Notes to the Cash Flow Statement	18
12	Contingent assets and liabilities	18
13	Events subsequent to reporting date	18
14	Significant events	18

Note 1. BASIS OF PREPARATION

This general purpose financial report for the interim half year reporting period ended 31 December 2007 has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The financial statements comprise the accounts of Bidgee Finance Ltd. There are no other controlled entities.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2007 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies have been consistently applied by the Company and are consistent with those in the June 2007 financial report. Reference should be made to Bidgee Finance Limited's annual report for 30 June 2007 for a complete list of the Company's accounting policies. Where necessary, comparative figures have been adjusted to conform with changes in presentation at 31 December 2007.

Average Balance \$'000	Interest 6 mths \$'000	Average Interest Rate %
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Note 2. AVERAGE BALANCE SHEET AND RELATED INTEREST

For the six month period ended 31 December 2007

Interest earning assets

Deposits with other financial institutions	819	27	6.15%
Loans and advances to customers	92,478	5,440	11.76%
Total interest earning assets	<u>93,297</u>	<u>5,467</u>	<u>11.71%</u>

Interest bearing liabilities

Deposits from other financial institutions	56,759	2,103	7.41%
Amounts owed to other depositors	18,451	636	6.89%
Total interest bearing liabilities	<u>75,210</u>	<u>2,739</u>	<u>7.28%</u>
Net interest income to December 2007		<u>2,728</u>	

For the six month period ended 31 December 2006

Interest earning assets

Deposits with other financial institutions	995	25	5.09%
Loans and advances to customers	83,295	4,962	11.91%
Total interest earning assets	<u>84,290</u>	<u>4,987</u>	<u>11.83%</u>

Interest bearing liabilities

Deposits from other financial institutions	42,258	1,487	7.03%
Amounts owed to other depositors	24,920	818	6.56%
Total interest bearing liabilities	<u>67,178</u>	<u>2,305</u>	<u>6.86%</u>
Net interest income to December 2006		<u>2,682</u>	

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	2007 \$'000	2006 \$'000
Note 3. REVENUE		
Operating Activities		
Interest received	5,467	4,987
Fees and commissions	1,914	1,285
Other revenue	373	324
	<u>7,754</u>	<u>6,596</u>
Non-operating Activities		
Fair value gains on derivatives	394	70
Gain on disposal of property, plant & equipment	8	-
	<u>402</u>	<u>70</u>
Total revenue	<u>8,156</u>	<u>6,666</u>

Note 4. PROFIT FROM OPERATIONS

Profit before income tax has been determined after:

Expenses

Bad and doubtful debts	<u>392</u>	<u>264</u>
Depreciation		
Plant and equipment	74	66
Leasehold improvements	20	15
Buildings	2	2
Total depreciation	<u>96</u>	<u>83</u>
Operating lease expenses	<u>106</u>	<u>87</u>

Note 5. DIVIDENDS PAID FOR OR PROVIDED

Recognised amounts

Dividends paid during the half year:

Final dividend 2007: 9.5 cents per share (2006: 9.5 cents per share)	1,545	1,445
Dividends declared during the half year:		
Interim dividend 2007: 6.0 cents per share (2006: 6.0 cents per share)	<u>1,010</u>	<u>940</u>
	<u>2,555</u>	<u>2,385</u>

All dividends were 100% franked at the 30% corporate tax rate.

Note 6. NON-CASH FINANCING AND INVESTING ACTIVITIES

(a) During the half year, 577,679 fully paid ordinary shares were issued to shareholders of the Company pursuant to the Dividend Reinvestment Plan in satisfaction of dividends payable of \$960,391 (\$868,805: 2006).

(b) Clients transferred \$99,285 from debenture stock to make payments on finance contracts with the Company.

These transactions are not reflected in the Cash Flow Statement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2007

2007 **2006**
\$'000 **\$'000**

Note 7. INCOME TAX

The major components of income tax expense for the half year ended 31 December are:

Current income tax

Current income tax charge	397	400
Adjustments in respect of current income tax of previous years	16	(13)

Deferred income tax

Relating to origination and reversal of temporary differences	120	22
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Income tax expense reported on the Income Statement	533	409
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The Company adopts the balance sheet liability method of tax-effect accounting. The Company has provided for income tax at 31 December 2007 even though the Company is only required to pay tax on its taxable income at year end. The circumstances in calculating the tax liability for the first half year may change during the half year period to 30 June 2007.

Note 8. EARNINGS PER SHARE

Total earnings used in calculation of basic and diluted earnings per share

	1,152	960
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	Number of Shares	Number of Shares
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Total weighted average number of ordinary shares used in the calculation of basic earnings per share

	16,387	15,345
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Weighted average number of shares used in the calculation of diluted earnings per share

Weighted average fully paid ordinary shares	16,387	15,345
Weighted average number of options outstanding	366	522

Total weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share

	16,753	15,867
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Note 9. ACQUISITIONS AND DISPOSALS

(a) For the half year ended 31 December 2007

There were no material acquisitions, disposals or loss of control over any entities to the half year ended 31 December 2007.

(b) For the half year ended 31 December 2006

There were no material acquisitions, disposals or loss of control over any entities to the half year ended 31 December 2006.

Note 10. SEGMENT REPORTING

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment or the relevant portion that can be allocated to a segment on a reasonable basis. Segment assets include all assets used by a segment. The carrying amount of certain assets used jointly by segments is allocated based on reasonable estimates of usage.

(a) Primary Reporting – Geographical Segments

For management purposes, the Company is structured on a branch basis covering Mildura, Deniliquin, Horsham, Wagga Wagga, Albury and Adelaide. The branches are the basis on which the Company reports its primary segment information. Each branch segment finances a broad range of loans and advances.

Note 10. SEGMENT REPORTING (continued)

For the six month period ended 31 December 2007

	Deniliquin \$'000	Mildura \$'000	Horsham \$'000	Wagga Wagga \$'000	Albury \$'000	Adelaide \$'000	Consolidated \$'000
Income							
Total sales revenue	585	2,338	589	3,063	703	440	7,718
Unallocated revenue							438
Total revenue							<u>8,156</u>
Results							
Segment result	(58)	860	260	914	180	119	2,275
Net unallocated expenses*							(590)
Operating profit							<u>1,685</u>
Income tax							(533)
Profit after income tax							<u>1,152</u>
Assets							
Segment assets	8,085	31,050	4,472	42,826	6,248	3,850	96,531
Unallocated assets							2,745
Total assets							<u>99,276</u>
Liabilities							
Segment liabilities	6,714	24,898	3,581	34,276	4,309	2,573	76,351
Unallocated liabilities							2,718
Total liabilities							<u>79,069</u>

*Unallocated expenses net of unallocated revenue

For the six month period ended 30 June 2007

Income							
Total sales revenue	641	2,293	532	2,797	633	304	7,200
Unallocated revenue							320
Total revenue							<u>7,520</u>
Results							
Segment result	181	845	212	1,198	(17)	67	2,486
Net unallocated expenses*							(615)
Operating profit							<u>1,871</u>
Income tax							(566)
Profit after income tax							<u>1,305</u>
Assets							
Segment assets	9,597	30,570	4,626	38,049	6,040	2,873	91,755
Unallocated assets							3,516
Total assets							<u>95,271</u>
Liabilities							
Segment liabilities	13,744	28,714	2,903	23,475	3,342	1,318	73,496
Unallocated liabilities							1,137
Total liabilities							<u>74,633</u>

*Unallocated expenses net of unallocated revenue

Note 10. SEGMENT REPORTING (continued)

For the six month period ended 31 December 2006

	Deniliquin \$'000	Mildura \$'000	Horsham \$'000	Wagga Wagga \$'000	Albury \$'000	Adelaide \$'000	Consolidated \$'000
Income							
Total sales revenue	755	2,058	469	2,504	764	-	6,550
Unallocated revenue							116
Total revenue							6,666
Results							
Segment result	272	748	178	647	219	-	2,064
Net unallocated expenses*							(695)
Operating profit							1,369
Income tax							(409)
Profit after income tax							960
Assets							
Segment assets	10,965	28,109	4,469	36,066	5,457	-	85,066
Unallocated assets							3,974
Total assets							89,040
Liabilities							
Segment liabilities	14,332	27,546	2,513	21,023	3,148	-	68,562
Unallocated liabilities							2,222
Total liabilities							70,784

*Unallocated expenses net of unallocated revenue

(b) Secondary Reporting – Business Segments

	Segment Revenue to External Customers			Carrying Amount of Segment Assets		
	Dec 2007 \$'000	June 2007 \$'000	Dec 2006 \$'000	Dec 2007 \$'000	June 2007 \$'000	Dec 2006 \$'000
Leases	384	417	409	6,334	7,471	7,808
Hire purchase	233	135	209	4,360	2,905	2,940
Mortgage	1,573	1,238	881	27,176	22,438	16,878
Goods Mortgage	3,228	3,334	3,443	56,317	56,254	56,929
Insurance premium funding	18	16	19	216	154	332
Professional fee funding	4	2	-	40	55	-
Total	5,440	5,142	4,961	94,443	89,277	84,887
Unallocated	2,716	2,378	1,705	4,833	5,994	4,153
Total	8,156	7,520	6,666	99,276	95,271	89,040

The Company's six branches are managed and reported on individually; they provide finance in six different loans types and refer loans to external financiers. Revenue from sources not identifiable to the Company's core lending services has been listed under unallocated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2007

2007
\$'000

2006
\$'000

Note 11. NOTES TO THE CASH FLOW STATEMENT

(a) Cash at end of the period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

Cash & cash equivalents at the end of the half year	184	642
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(b) Reconciliation of net cash provided by operating activities to operating profit after income tax:

Operating profit after income tax	1,152	960
Adjustments to profit from ordinary activities		
Depreciation	96	83
Bad debts written off	2	11
Profit on sale of non-current assets	(8)	-
Loss on sale of non-current assets	13	-
Changes in assets and liabilities		
Decrease in doubtful debts provision	365	75
Increase in employee entitlements provision	21	64
(Increase)/decrease in other debtors	41	(25)
Increase in prepayments	(6)	(263)
Increase/(decrease) in accrued expenses/creditors	45	(329)
Increase/(decrease) in tax payable	696	(340)
Increase/(decrease) in accrued interest payable	11	(60)
Increase in derivative asset	(394)	(70)
Net movement in deferred tax asset/deferred tax liability	120	22
Net cash flows from operating activities	2,154	128

Note 12. CONTINGENT ASSETS AND LIABILITIES

Details of contingent assets and contingent liabilities are summarised below.

(a) Contingent assets

A contingent asset exists of \$366 thousand relating to the recovery of funds that were misappropriated from the Company in prior years. This matter is currently subject to legal action.

Contingent assets

Recoveries	366	-
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(b) Contingent liabilities

No contingent liabilities exist at balance date.

Note 13. EVENTS SUBSEQUENT TO REPORTING DATE

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

Note 14. SIGNIFICANT EVENTS

No significant event has happened since balance date.



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