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Chairperson's report

For year ending 30 June 2005

I am very pleased to be able to present to the Shareholders the Sixth Annual Report on behalf of the Board of Directors of the Bellarine Peninsula Community Branch Ltd. This is the sixth report for the Board, but my first as the Chairperson.

As you are all aware our inaugural Chairperson, Ann Nichol, resigned as Chairperson and Director on the 31 March 2005, after over six years of service to the Board. Ann was an integral part of the establishment of the branch in Portarlington, from the initial promotion of the concept of Community Banking™ to the opening and through to our first dividend in 2003. Ann has always put in 110% to the project and her commitment and enthusiasm will be sorely missed.

On behalf of the Board of Directors I wish her well in her retirement.

During the last year the Board has continued to work to fulfill our aims. The Garden Competition was a great success, culminating in a fantastic presentation at last year's Annual Meeting.

A variety concert was held in November of last year to celebrate our fifth birthday. All who attended had a fabulous time and all proceeds went to the Cancer Council of Victoria.

I became Chairperson on 1 April 2005, stepping into the very large shoes of Ann Nichol, and I am learning to walk before I can run. A number of Board members, and our Manager, attended the Bendigo Bank Community Bank® Regional Conference in Sale, held in May of this year. This is a fantastic opportunity for Directors to meet with Directors of other Community Bank® branches and to learn from their successes and mistakes. I spoke at the conference about our listing our shares on the Bendigo Stock Exchange which was finalized earlier this year.

The Board made the decision to list our shares on the Bendigo Stock Exchange largely because of the benefit to our Shareholders, in having a process by which they could more easily trade their shares, if they so desired, and to have the market set the price of those shares. The listing has also taken some of the workload from our Company secretary leaving more time for the continuing administration of the Board.

In June of this year the Board agreed to contribute just over \$54,000 to the Community Enterprise Foundation for the purposes of making grants to our community. The Community Enterprise Foundation is the newly established charitable arm of the Bendigo Bank Group. Having raised in excess of \$4.1 million dollars in under its first year of operation the Foundation has provided community groups and charities with over \$1 million dollars in support over the last six months. Donations of \$2 and over to the Community Enterprise Foundation are tax deductible. The

Chairperson's report continued

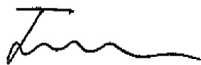
Foundation has the capacity to run specific appeals but more importantly will also create a pool of money that will be put to work to build stronger Australian communities through funding programs for families, youth, education, the environment, the arts and lots more.

The grants process will kick off in September of 2005 and we will present the successful applicants with those grants at our AGM in November of 2005. It is just fantastic to now be in a position to be giving back to the community in such a significant way - your Community Bank®, your community need, our money!

Lastly, on behalf of the Company I would like to thank:

- Our Manager Ian Faulkner, and his staff
- Bendigo Bank's Community Bank® Department personnel
- The Board of Directors
- Our Treasurer Stephen Wight and D.E and M.Davidsons
- The Port Report and the Echo

And especially to our valued Shareholders and customers, who continue to enable our branch to grow and to now fulfill our goal of giving back to the community, our thanks and appreciation for your continued support.



J P Finlay
Chairperson

Manager's report 30 June 2005

It is pleasing to report we have continued to grow and total business at 30 June 2005, exceeded \$57 million (up from \$51 million) and our total number of accounts increased by 279 to 3,887. It is great to see the support of the community continues after five and half years.

Deposits exceeded budget but lending was under budget due to higher than average run off of loans and the slowing real estate market.

Due to the continued growth and support of the community, the Community Bank® branch has now achieved another major goal by contributing \$54,000 to the Community Enterprise Foundation to initiate our community grants program. This is a major achievement and was one of the original objectives when the Community Bank® project commenced. These funds will benefit the community through the various clubs and/or organisations who will receive funds from the grants program.

Apart from the community grants program we have continued to support various clubs and organisations with sponsorships throughout the year and will continue to do so.

Board

I would firstly like to thank Ann Nichol, who retired during the year, for her support and commitment to the Community Bank® branch. She was fully committed to ensuring the success of the branch.

Our new Chairperson, Justine Finlay, resides in Ocean Grove and is a partner in Wightons Lawyers, one of Geelong's long standing legal firms.

I thank all Directors for their support and time they devote to the Company including attending both regional and national conferences.

Staff

The growth that we have achieved would not have been possible without the continued support of all our staff and I thank them for their assistance. There were no changes to staff during the year.

Bendigo Bank

Bendigo Bank continues to provide support and assistance and I thank the specialist staff in financial planning and business banking together with staff from Regional Office and Community Bank® Department.

Shareholders & customers

Finally, thank you to all our Shareholders and customers as without you our bank would not be the success it is today. I look forward to the continued relationship and our growth of business that will result in increasing returns for future years.



Ian Faulkner
Manager

Treasurer's report 30 June 2005

It is with pleasure that I am able to announce a 25% increase in net profit after income tax expense for the Bellarine Peninsula Community Branch Ltd for the 2005 year.

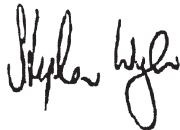
In 2005 the branch is continuing to improve the bottom line, which has been growing at a constant rate.

Fees and commissions generate the majority of the income of the branch and both have exceeded expectations. Total income exceeded budget by 4%, which contributed to the profit achieved by the branch. The achievement of the result has been very much a team effort and I wish to thank Ian and his staff for their effort and professionalism over the past 12 months.

In last year's report I mentioned that the challenge for the branch was to continue to grow and begin to fund the community support scheme so that the whole community could benefit. It is pleasing to be able to report that this challenge is being met and that the branch has indeed made a great start by donating a generous \$54,000 to the Community Enterprise Foundation.

The branch also paid \$28,000 in dividends in the 2005 financial year compared with \$20,000 for the 2004 year. Basic earnings per share for the 2005 year was 20 cents which was a 25% increase on the previous year.

An additional item of note is that Bellarine Peninsula Community Branch Ltd listed on the Bendigo Stock Exchange in February 2005. This has been a great achievement for the branch.



Stephen Wight
Treasurer

Directors' report 30 June 2005

Your committee presents their report on the financials statements of the Company for the year ended 30 June 2005.

Directors

The following persons held office as Directors at any time during or since the end of the financial year:

F Kelloway	J Farrell
S Thew	S Schultz
K A Woodhart	R Hynes
J P Finlay	M J Anderson (Resigned November 04)
R Enders	A E Nichol O.A.M (Resigned March 05)

Principle activities

The principle activities of the Company during the year related to the development of the Community Bank® branch with the support of Bendigo Bank Limited. No significant change in the nature of these activities occurred during the year.

Operating result

The net profit of the Company after providing for income tax was \$80,996.

Dividends

Dividends paid are as follows:

- Final ordinary dividend of \$0.07 per share paid on 30 November 2004 as recommended in last years annual report (\$28,000).

Review of operations

The Company continues to grow with assets under management now exceeding \$446,000. As a result the Company was able to achieve a profit in the current period.

The Bellarine Peninsula Community Branch Limited listed on the Bendigo Stock Exchange in February 2005.

Matters subsequent to the end of the financial year

At the date of this report no matter or circumstance has arisen since the end of the financial year that has 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 future years.

Directors' report 30 June 2005 continued

Directors benefits

No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Company, controlled entity or related body corporate with a Director, a firm which a Director is a member of, or an entity in which a Director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of the emoluments received or due and receivable by Directors shown in the Company's accounts, or the fixed salary of a full time employee of the Company, controlled entity or related body corporate other than interests and benefits disclosed at note 15 to the financial report.

Future development

The Directors are not aware of any specific development likely to have a significant effect on the operations of the Company or the expected results of those operations.

Environmental regulations

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

Director and Auditor indemnification

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or Auditor of the Company.

Share options

No options to shares in the Company have been granted during the financial year and there were no options outstanding at the date of this report.

Legal proceedings

No person had 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.

Directors' report 30 June 2005 continued

Directors Shareholdings:

The following Directors hold a relevant interest in the shares of the Company:

Ann Elizabeth Nichol:	2001	(retired)
Merrilyn Joy Anderson;	501	(retired)
Stephen Matthew Thew	2000	
Karen Ann Woodhart	3001	

Directorships

No Director has been a Director at anytime during the three years immediately preceding the end of the financial year of any other listed Company.

Information on Directors

The Directors responsible in office at the date of this report together with their qualifications, experience and special responsibilities are:

Justine P. Finlay LLB

Chairperson Board of Directors since 1/4/05
Past President Business & Professional Woman Geelong
Past Disability Rights & Advocacy Service Board Member
Ocean Grove resident
Solicitor in private practice.

Russell Enders

Managerial and Marketing
Extensive Banking experience
Ocean Grove resident

Frank Kelloway M.B.A., B.A., A.F.A.I.M.

Owns consultancy business in Leadership
Development & Communications
Point Lonsdale resident

Robert Hynes

Councillor with Rural City of Marong for six years, including one year Mayor.
Member of Lions Club since 1994
Resident of St. Leonard's

Karen A. Woodhart

Company Secretary
Retail Bakery Operator
Involvement in local community organisations
Portarlington resident

Directors' report 30 June 2005 continued

Stephen Thew

Certificate of Engineering,
Certificate of Local Government Administration
Engineering Design Management
Portarlinton resident

James Farrell

Grew up in Ocean Grove
Studying Law/Commerce at Deakin University
Involved with a wide range of community organisations

Steve Schultze

Along with wife Clare, Owner Operator of Grand Hotel Portarlinton.
Major sponsor of many clubs and fundraising activities.

General Board attendance

	No. Board meetings eligible to attend	No. attended
F. Kelloway (3 month leave of absence)	9	5
S. Thew	12	11
K. A. Woodhart	12	12
J. P. Finlay	12	8
R. Enders	12	9
J. Farrell	12	8
S. Schultz	12	4
R. Hynes	12	9
M. J. Anderson	4	4
A. E. Nichol O.A.M	9	8

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



K A Woodhart

Director/Company Secretary

Dated this 9th day of September, 2005.

Financial statements

Statement of financial performance

For year ending 30 June 2005

	Note	2005 \$	2004 \$
Revenues from ordinary activities	2	528,352	462,175
<hr/>			
EXPENSES FROM ORDINARY ACTIVITIES			
<hr/>			
FRANCHISE COSTS			
<hr/>			
Employee benefits		213,475	200,734
Depreciation and amortisation	3	11,657	27,291
Occupancy costs		30,331	30,937
Information technology costs		21,964	25,140
Other expenses		132,671	80,294
Total expenses from ordinary activities		410,098	364,396
<hr/>			
Profit from ordinary activities before income tax expense		118,254	97,779
<hr/>			
Income tax expense attributable to Ordinary Activities	4	(37,258)	(33,203)
<hr/>			
Net profit/(loss) from ordinary activities after income tax expense		80,996	64,576
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Total changes in equity other than those resulting from transactions with owners as owners		80,996	64,576
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Financial statements continued

Statement of financial position

As at 30 June 2005

	Note	2005 \$	2004 \$
CURRENT ASSETS			
Cash assets	5	382,203	337,620
Receivables	6	42,326	29,994
TOTAL CURRENT ASSETS		424,530	367,614
NON CURRENT ASSETS			
Deferred tax assets	7	8,798	5,640
Property, plant & equipment	8	4,240	11,079
Intangibles	9	8,667	3,484
TOTAL NON CURRENT ASSETS		21,705	20,203
TOTAL ASSETS		446,234	387,817
CURRENT LIABILITIES			
Payables	10	18,741	24,851
Provisions	11	24,354	16,189
Provision for Company tax	12	12,497	11,411
TOTAL CURRENT LIABILITIES		55,592	52,451
NON CURRENT LIABILITIES			
Provisions	11	4,926	2,646
TOTAL NON CURRENT LIABILITIES		4,926	2,646
TOTAL LIABILITIES		60,518	55,097
NET ASSETS		385,716	332,720
EQUITY			
Contributed equity	13	400,000	400,000
Retained losses	14	(14,284)	(67,280)
TOTAL EQUITY		385,716	332,720

Financial statements continued

Statement of cash flows

For the year ending 30 June 2005

	Note	2005 \$	2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		547,345	492,930
Interest received		18,081	11,438
Payments to suppliers and employees		(482,843)	(370,440)
Net cash provided by (used in) operating activities	19	82,583	133,928
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(10,000)	(3,950)
Net cash provided by (used in) investing activities		(10,000)	(3,950)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(28,000)	(19,531)
Net cash provided by (used in) financing activities		(28,000)	(19,531)
NET INCREASE IN CASH HELD		44,583	110,447
Cash at the beginning of the period	5	337,620	227,173
CASH AT THE END OF THE FINANCIAL YEAR	5	382,203	337,620

Notes to the financial statements

For year ending 30 June 2005

Note 1: Statement of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on an accrual basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial statements.

a) Income tax

The Company adopts the liability method of tax effective accounting whereby the income tax expense is based on the operating profit adjusted for any permanent differences

Timing differences which arise due to the different accounting periods in which items of revenue and expenditure are included in the determination of accounting profit and taxable income are brought to account as either a provision for deferred income tax or as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

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 law.

b) Property, plant and equipment

Property, plant and equipment are carried at cost or at independent or Directors' valuation less, where applicable, any accumulated depreciation or amortisation.

The carrying amount of property, 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 which will be received from the assets employment and subsequent disposal.

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Company commencing

Notes to the financial statements continued

Note 1: Statement of significant accounting policies continued

b) Property, plant and equipment continued

from the time the asset is held ready for use. Properties held for investment purposes are not subject to depreciation. 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 assets are:

Class of fixed asset	Depreciation rate	
	04/05	03/04
Plant and Equipment	5-33%	5-33%
Furniture and Fittings	5-33%	5-33%
Leasehold Improvements	20%	20%

c) Intangibles

Goodwill is initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition.

Purchased goodwill is amortised on a straight line basis over the period of 5 years. The balances are reviewed annually and any balance representing future benefits for which realisation is considered to be no longer probable are written off.

d) Employee entitlements

Provision is made for the Company's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year have been measured at the amounts expected to be paid when the liabilities are settled. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

e) Cash

For the purposes of the statement of cash flows, cash includes:

- i) cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts; and
- ii) investments in money market instruments with less than 14 days to maturity

Notes to the financial statements continued

Note 1: Statement of significant accounting policies continued

f) Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

g) Comparative figures

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

(h) Impacts of adopting AASB equivalents to IASB standards

Following the adoption of Australian equivalents to International Financial Reporting Standards (A-IFRS), Bellarine Peninsula Community Branch Limited will report for the first time in compliance with A-IFRS, when results for the financial year ended 30 June 2006 are released.

An A-IFRS compliant financial report will comprise a new statement of changes in equity in addition to the three existing financial statements, which will all be renamed. The Statement of Financial Performance will be renamed as the Operating Statement, the Statement of Financial Position will revert to its previous title as the Balance Sheet and the Statement of Cash Flows will be simplified as the Cash Flow Statement. However, for the purpose of disclosing the impact of adopting A-IFRS in the 2005 financial report, existing titles and terminologies will be retained

This financial report has been prepared in accordance with current Australian accounting standards and other financial reporting requirements (Australian GAAP).

The Company's management has conducted a comprehensive review of all accounting policies and the recording and recognition of items in the Statement of Financial Performance and Statement of Financial Position.

There have been no differences identified between Australian GAAP and A-IFRS as potentially having a material impact on the Company's Financial Position and Financial Performance on the adoption of A-IFRS.

Notes to the financial statements continued

	2005	2004
	\$	\$
Note 2: Revenue		
OPERATING ACTIVITIES		
Services revenue	510,270	450,737
Interest received – other persons	18,082	11,438
Total revenue from operating activities	528,352	462,175

Note 3: Operating profit

Operating profit before abnormal items and income tax

has been determined after:

(I) CHARGING AS EXPENSE

MOVEMENTS IN PROVISIONS

DEPRECIATION

- leasehold improvements	6,839	14,445
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AMORTISATION OF NON-CURRENT ASSETS

- goodwill	-	10,000
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- formation expenses	-	2,846
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- franchise fee	4,818	-
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OTHER PROVISIONS

- employee entitlements	10,445	4,947
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Notes to the financial statements continued

	2005	2004
	\$	\$

Note 4: Income tax expense

a) The prima facie tax on loss from ordinary activities before tax is reconciled to the income tax as follows:

Prima facie tax payable on operating profit before income tax at 30% (2004: 30%)	35,476	29,334
ADD: TAX EFFECT OF:		
- non-deductible amortisation	1,435	3,869
Under provision for income tax in prior year	347	-
Income tax benefit/(expense attributable to loss from ordinary activities before income tax)	37,258	33,203

b) Future income tax benefit as disclosed in Note 7 is attributable to:

- timing differences	8,798	5,640
Total future income tax benefit	8,798	5,640

Note 5: Cash

Cash	31,118	43,889
Deposits at call	351,085	293,731
Total cash	382,203	337,620

Note 6: Receivables

CURRENT

Franchise income receivable	42,326	29,994
Total receivables	42,326	29,994

Notes to the financial statements continued

	2005 \$	2004 \$
Note 7: Deferred tax assets		
Future income tax benefit	8,798	5,640

The future income tax benefit is made up of the following estimated tax benefits:

Timing differences	8,798	5,640
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Note 8: Property, plant & equipment

Leasehold improvements – at cost	75,343	75,343
Less: accumulated depreciation	(71,103)	(64,264)
Total property, plant & equipment	4,240	11,079

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

LEASEHOLD IMPROVEMENTS		
Balance at beginning of year	11,079	21,574
Additions	-	3,950
Depreciation	(6,839)	(14,445)
	4,240	11,079

Notes to the financial statements continued

	2005	2004
	\$	\$
Note 9: Intangibles		
NON CURRENT		
Goodwill	50,000	50,000
Less: accumulated amortisation	(50,000)	(47,288)
Total goodwill	-	2,712
Formation costs	14,230	14,230
Less: accumulated amortisation	(14,230)	(13,458)
Total formation costs	-	772
Franchise fee	10,000	-
Less: accumulated amortisation	(1,333)	-
Total franchise fee	8,667	-
Total intangible assets	8,667	3,484

Note 10: Payables

CURRENT		
Accrued expenses	18,741	24,851
Total payables	18,741	24,851

Notes to the financial statements continued

	2005	2004
	\$	\$

Note 11: Provisions

CURRENT

Provision for annual leave	24,354	16,189
Total current provisions	24,354	16,189

NON CURRENT

Provision for long service leave	4,926	2,646
Total non current provisions	4,926	2,646

Note 12: Provision for Company tax

Provision for Company tax	12,497	11,411
Total provision for Company tax	12,497	11,411

Note 13: Contributed equity

ORDINARY SHARES

400,000 fully paid ordinary shares	400,000	400,000
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Note 14: Retained profits

Retained profits at the beginning of the year	(67,280)	(111,856)
Net profit/(loss) attributable to members	80,996	64,576
	13,716	(47,280)
Dividends paid	(28,000)	(20,000)
Retained profits at the end of the year	(14,284)	(67,280)

Notes to the financial statements continued

	2005	2004
	\$	\$
Note 15: Remuneration and retirement benefits		
Income paid or payable to all Directors of the Company	-	-

No Directors remuneration has been paid as the positions are held on a voluntary basis.

The names of Directors who have held office during the financial year are:

F Kelloway	J Farrell
S Thew	S Schultz
K A Woodhart	R Hynes
J P Finlay	M J Anderson (Resigned November 2004)
R Enders	A E Nichol O.A.M (Resigned March 2005)

Note 16: Related party transactions

There were no transactions with Directors or Director related entities during the year ended 30 June 2005.

	2005	2004
	\$	\$
Note 17: Auditors' remuneration		
Remuneration of the Auditor of the Company for:		
- auditing or reviewing the financial report	4,800	4,750
	4,800	4,750

Notes to the financial statements continued

	2005 \$	2004 \$
Note 18: Earnings/(loss) per share		
Basic earning per share (cents per share)	0.20	0.16
Diluted earnings per share (cents per share)	0.20	0.16
a) Weighted average number of ordinary shares outstanding during the year used in the calculation of basic EPS		
	400,000	400,000

b) Classification of securities

Diluted earnings per share is calculated after classifying all options on issue and all ownership based remuneration scheme shares remaining unconverted at 30 June 2005 as potential ordinary shares.

There were no such options or remuneration scheme shares on issue at 30 June 2005.

	2005 \$	2004 \$
Note 19: Cash flow information		
a) Reconciliation of cash flow from operations with operating profit after income tax		
Operating profit/loss after income tax	81,683	64,577
NON CASH FLOWS IN OPERATING PROFIT		
Depreciation and amortisation	11,656	27,291
CHANGES IN ASSETS AND LIABILITIES		
Increase in receivables	(12,332)	(3,930)
Increase/(decrease) in deferred taxes receivable	(3,158)	21,791
Increase/(decrease) in payables	(6,110)	7,841
Increase in provisions	10,844	16,358
Cash flows from operations	82,583	133,928

Notes to the financial statements continued

Note 20: Financial instruments

(a) 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 balance sheet and notes to the financial statements. The Company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Company.

(b) Interest rate risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted average effective interest rate %	Non interest bearing \$	Floating fixed interest rate			Total \$
			interest rate \$	maturing within 1 year \$	maturing within 1-5 years \$	
FOR THE YEAR ENDED 30 JUNE 2005						
Cash Assets	3.45-4.55%	-	31,118	351,085	-	382,203
Receivables		42,326	-	-	-	42,326
		42,326	31,118	351,085	-	424,53
Accounts Payable		18,741	-	-	-	18,741
		18,741	-	-	-	18,741
FOR THE YEAR ENDED 30 JUNE 2004						
Cash Assets	3.45-4.55%	-	43,889	293,731	-	337,620
Receivables		29,994	-	-	-	29,994
		29,994	43,889	293,731	-	367,614
Accounts Payable		24,851	-	-	-	24,851
		24,851	-	-	-	24,851

Notes to the financial statements continued

Note 20: Financial instruments continued

(c) Net fair values

The net fair value of financial assets and liabilities approximates their carrying value.

Financial assets where the carrying amount exceeds net fair values have not been written down as the Company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

Note 21: Contingent liabilities

There are no known contingent liabilities for Bellarine Peninsula Community Branch Ltd.

Note 22: Segment reporting

Industry segment

Bellarine Peninsula Community Branch Ltd's only industry segment is the provision of branch banking services.

Geographical segment

Bellarine Peninsula Community Branch Ltd operates predominantly in Portarlington, Victoria. More than 90% of revenue, net surplus from ordinary activities and segment assets relate to operations in Portarlington.

Note 23: Capital commitments

There are no known capital commitments for Bellarine Peninsula Community Branch Ltd.

Directors' declaration

The Directors of the Bellarine Peninsula Community Branch Limited declare that:

1. The financial statements and notes, as set out on pages 10 to 24 are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June, 2005 and performance for the year ended on that date of the Company.
2. 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:



K A Woodhart
Director

Dated this 9th day of September, 2005

Independent audit report



INDEPENDENT AUDIT REPORT **TO THE MEMBERS OF** **BELLARINE PENINSULA COMMUNITY BRANCH LIMITED**

Scope

We have audited the financial report of Bellarine Peninsula Community Branch Limited for the financial year ended 30 June 2005 as set out on pages 1 to 16. The company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of Bellarine Peninsula Community Branch Limited is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2005 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements in Australia


LBW CHARTERED ACCOUNTANTS


PETER ALLEN LANDERS
PARTNER

Dated: 07 September 2005

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BSX report

Additional information requested by the Bendigo Stock Exchange Limited and not shown elsewhere in this report is as follows. The information is current as of 30 September 2005.

1. Distribution of equity securities

The number of Shareholders by size of holding are

1-1000	132
1001 – 5,000	61
5,001 – 10,000	14
10,001 – 50,000	1

2. Ten largest Shareholdings

The names of the ten largest Shareholders of quoted shares are:

Miss Alice Patricia Stroud	20,000
Mr. Peter Wolfenden	10,000
Impact Insurance Superannuation Fund Pty Ltd	10,000
Mrs. Lynette Maree Elliott	10,000
Dej Investments Pty Ltd	10,000
David Lewis Investment Pty Ltd (asf) Lewis Family Super Fund	10,000
Davis Lewis Investment Pty Ltd	10,000
Mr. John Barry Carew	10,000
Mrs. Annie Carew	10,000
Margaret Ann Batty	10,000

3. Voting rights

Each Shareholder has one vote.

4. Corporate governance

The Board guides and monitors the business and affairs on and behalf of the Shareholders to whom they are accountable.

The Board recognizes the importance of a strong corporate governance focus and methodology. The Board is continually working towards adopting policies and procedures that will govern our Company into the future. We believe that building a policy framework will assist to clarify the future direction of our local Company, provide accountability and transparency and ensure there are guiding principals in place for future decision making.

BSX report continued

Composition of the Board

The composition of the Board is determined in accordance with the following principals and guidelines:

- The Board shall comprise at least 3 Directors and a maximum of 11.
- The Board shall meet regularly and follow meeting guidelines set down to ensure all Directors are made aware of and have available all information, to participate in an informed discussion of all agenda items.
- All Directors should attend a minimum of 75% of eligible meetings.

The Directors who held office at the date of this statement are:

Name	Position
Justine Paige Finlay	Chairperson
Karen Ann Woodhart	Secretary
Russell Robert Enders	Director
Robert John Hynes	Director
Stephen Matthew Thew	Director
Francis Joseph Kelloway	Director
James Farrell	Director
Steven Charles Schultze	Director
Ann Elizabeth Nichol	Retired March 05
Merrilyn Joy Anderson	Retired November 04

Board responsibilities

The Board acts on behalf of and is responsible to the Shareholders. The Board seeks to identify the expectations of Shareholders, as well as other regulatory and ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks. The Board seeks to discharge these responsibilities in a number of ways.

The Board is responsible for ensuring that Management's objectives are aligned with the expectations and risks identified by the Board. The Board has a number of mechanisms in place to ensure this is achieved.

These mechanisms include the following:

- Board approval of a Business Plan and Marketing Strategy, which encompasses the entity's vision, mission and value statements, designed to meet stakeholders needs and manage risk;
- The Business Plan is a dynamic document and the Board is actively involved in developing and approving initiatives and strategies designed to ensure the continued growth and success of the entity;

BSX report continued

- Implementation of operating plans and budgets by Management and Board monitoring of progress against budget – this includes the establishment and monitoring of key performance indicators (both financial and non-financial) for all significant business processes.

Monitoring of the Boards performance and communication to Shareholders

In order to ensure that the Board continues to discharge its responsibilities in an appropriate manner, the performance of all Directors is reviewed annually by the Chairperson. Directors whose performance is unsatisfactory are asked to retire.

The Board of Directors aims to ensure that the Shareholders on behalf of whom they act are informed of all information necessary to assess the performance of the Directors. Information is communicated to the Shareholders through:

- The Annual Report which is distributed to all Shareholders;
- The Annual General Meeting and other meetings so called to obtain approval for Board action as appropriate.

5. Name of Company Secretary

Karen Ann Woodhart.

6. Address and telephone number of registered office

44 Newcombe St, Portarlinton, VIC 3223

Phone: (03) 5259 3266

Fax: (03) 5259 3277

7. Address and telephone number of office at which securities register is kept

44 Newcombe St, Portarlinton, VIC 3223

Phone: (03) 5259 3266

8. Trading history

Trading History for the year ended the 30 June 2005 for the Bellarine Peninsula Community Branch Limited is available on the BSX website at www.bsx.com.au

Our purpose, vision and mission

Purpose

To offer a full range of banking services to, and for the benefit of, the Bellarine Peninsula community.

Mission

- Provide quality franchised banking services to its customers.
- Return a fair and equitable dividend to its Shareholders.
- Maintain a broad based ownership from the local community; ensuing the share transactions are conducted in a responsible, transparent, legal and ethical manner.
- Maintain broad professional and community representation on the Board of Directors.
- Provide a satisfying and rewarding workplace for staff who will be recruited for their professional skills and willingness to embrace the community banking concept.
- Support local community projects.

Vision

- Over the next three to five years the bank will continue to expand its services over a broad target area, to ensure that it meets the banking needs of the Bellarine Peninsula community .
- It will have a strong, professional and representative Board of Directors which will be responsive to the needs of its Shareholders, customers, staff and the wider Bellarine Peninsula community.
- The Company will have a strong financial position, be profitable, commercially based and committed to the community. As a leading corporate citizen it will offer leadership and support in the fields of economic, social, environmental and cultural community projects and initiatives.
- The Bellarine Peninsula Community Bank® Community Project Fund will retain profit distributions set aside for community projects. Distribution of these funds will be through specific guidelines and a transparent process of application, and adjudication.

