

This is annexure B of 1 to 17 pages referred to in Annexure 3A
Half Yearly/Yearly Disclosure.

This is the director's report, the financial statements and notes,
the director's declaration, the audit report and the auditor
independence statement.

Signed: 

Print Name: STEPHEN WIGNAT

Date: 8th SEPTEMBER 2006

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107

INCOME STATEMENT FOR THE YEAR ENDING 30 JUNE 2006

	Notes	2006 \$	2005 \$
REVENUE FROM ORDINARY ACTIVITIES			
Revenue from Ordinary Activities	2	585,476	528,352
EXPENSES FROM ORDINARY ACTIVITIES			
Employee Benefits		232,371	213,475
Information Technology Expenses		22,036	21,964
Depreciation and Amortisation		4,279	11,657
Property Expenses		33,658	30,331
Donations and Sponsorship		71,595	53,156
Professional Fees		22,127	15,391
Insurance		13,846	11,137
Administration Expenses		36,209	29,816
Other expenses From Ordinary Activities		29,514	23,172
TOTAL EXPENSES FROM ORDINARY ACTIVITIES		465,636	410,099
PROFIT BEFORE INCOME TAX		119,840	118,253
Income Tax Expense	3	35,555	37,258
PROFIT/LOSS FOR THE YEAR	13	84,285	80,995

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107

BALANCE SHEET
AS AT 30 JUNE 2006

	Note	2006 \$	2005 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	434,982	382,203
Receivables	5	47,957	42,326
Total Current Assets		<u>482,939</u>	<u>424,529</u>
Non-Current Assets			
Deferred Tax Assets	6	10,360	8,798
Property, Plant & Equipment	7	9,641	4,240
Intangible Assets	8	6,673	8,667
Total Non-Current Assets		<u>26,674</u>	<u>21,705</u>
TOTAL ASSETS		<u>509,613</u>	<u>446,234</u>
LIABILITIES			
Current Liabilities			
Payables	9	24,419	18,741
Short-term provisions	10	32,786	24,354
Current Tax Liabilities	11	10,678	12,497
Total Current Liabilities		<u>67,883</u>	<u>55,592</u>
Non-Current Liabilities			
Long-term provisions	10	3,729	4,926
Total Non-Current Liabilities		<u>3,729</u>	<u>4,926</u>
TOTAL LIABILITIES		<u>71,612</u>	<u>60,518</u>
NET ASSETS		<u>438,001</u>	<u>385,716</u>
EQUITY			
Contributed Equity	12a	400,000	400,000
Retained Earnings		38,001	(14,284)
TOTAL EQUITY		<u>438,001</u>	<u>385,716</u>

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2006

	Note	Contributed Capital \$	Retained Earnings \$	Total \$
Balance at 01.07.2004	12a	400,000	(67,280)	332,720
Profit/(loss) for the year	13	-	80,995	80,995
Dividends paid or provided for		-	(28,000)	(28,000)
Balance at 30.06.2005		<u>400,000</u>	<u>(14,285)</u>	<u>- 385,715</u>
Profit for the year		-	84,285	84,285
Dividends paid or provided for		-	(32,000)	(32,000)
Balance at 30.06.2006		<u>400,000</u>	<u>38,000</u>	<u>438,000</u>

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from Customers		557,965	497,938
Interest		21,880	18,082
Payments			
Employee Benefits		(225,136)	(203,030)
Tax Paid		(38,936)	(39,330)
Other		(223,308)	(191,077)
NET CASH FLOWS FROM OPERATING ACTIVITIES	13	<u>92,465</u>	<u>82,583</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Plant & Equipment		(7,686)	-
Purchase of Intangible Assets		-	(10,000)
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>(7,686)</u>	<u>(10,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends Paid		(32,000)	(28,000)
		<u>(32,000)</u>	<u>(28,000)</u>
NET INCREASE/DECREASE IN CASH HELD		52,779	44,583
CASH AT 1 JULY		382,203	337,620
CASH AT 30 JUNE	4	<u>434,982</u>	<u>382,203</u>

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2006**NOTE 1: STATEMENT OF ACCOUNTING POLICIES**

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

The financial report covers **Bellarine Peninsula Community Branch Ltd.** as an individual parent entity which is incorporated and domiciled in Australia. The financial report complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The financial report has been prepared on an accruals 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 following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Rounding

All amounts shown in the Financial Statements are expressed to the nearest dollar.

(b) Receivables

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis. The directors believe that the full amount of debt is recoverable, and no doubtful debt provision has been made at 30 June 2006.

(c) Plant and Equipment

Plant and equipment are brought to account at cost or at independent or directors' valuation less, where applicable, any accumulated depreciation or amortisation. 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 which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

The depreciable amount of all fixed assets is depreciated over their useful lives commencing from the time the asset is held ready for use. A summary of the depreciation method and depreciation rates for each class of attached is as follows.

Class of Asset	2006	2005
Furniture & Fittings	18.75-25%	18.75-25%
Plant & Equipment	18.75-25%	18.75-25%
Leasehold Improvements	20-25%	20-25%

(d) Payables

These amounts represent liabilities for goods and services provided prior to the end of the financial year and which are unpaid. The normal credit terms are Nett 30 days.

(e) Goods and Services Tax

Revenues, expenses and assets are recognised net of GST except for receivables and payables which are stated with the amount of GST included and except where the amount of GST incurred is not recoverable, in which case GST is recognised as part of the cost of acquisition of an asset or part of an item of expense or revenue. GST receivable from and payable to the Australian Taxation Office (ATO) is included in the statement of financial position. The GST component of a receipt or payment is recognised on a gross basis in the statement of cash flows in accordance with Accounting Standard AASB 107.

(f) Income Tax

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

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 a 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 taxation 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.

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2006

(g) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are classified as finance leases. Finance leases are capitalised, recording as asset value of the minimum lease payments, including any guaranteed residual values. Leased assets are amortised over their estimated useful lives where it is likely that the entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the interest expense for the period.

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

Lease incentives under operating leases are recognised as a liability. Lease payments received reduce the liability.

(h) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

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

(i) Revenue recognition

Revenue is recognised in accordance with AASB 118. Income is recognised as revenue to the extent it is earned. Unearned income at reporting date is reported as income received in advance.

(j) Comparative Information

Where necessary the previous year's figures have been reclassified to facilitate comparisons.

(k) Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

l) Impact of adoption of AIFRS

The company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations, and effective for accounting periods commencing 1 July 2005. The adoption of these new accounting standards has resulted in changes to the accounting policies that affected the amounts reported for the current or prior year.

The impacts of adopting AIFRS on the total equity and profit after tax as reported under Australian Accounting Standards applicable before 1 July 2005 have been assessed by the company and results in no material difference requiring comparative data to be re-stated.

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2006

NOTE 2: REVENUE

Revenue from Operating Activities

Services Revenue
Interest-Other Persons

Total Revenue from Ordinary Activities

2006	2005
\$	\$
563,596	510,270
21,880	18,082
<u>585,476</u>	<u>528,352</u>

NOTE 3: INCOME TAX EXPENSE

a) The components of tax expense comprise:

Current Tax
Deferred Tax

Over provision in respect of prior years

40,117	40,417
(1,562)	(3,159)
(3,000)	-
<u>35,555</u>	<u>37,258</u>

b) The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:

Prima facie tax payable on profit from ordinary activities before income tax at 30% (2005: 30%)

Add

Tax effect of:

non-deductible depreciation and amortisation
other non-allowable items

35,952	35,476
598	1,435
2,005	347
<u>38,555</u>	<u>37,258</u>

Less

Tax effect of:

over provision of tax in prior years

INCOME TAX EXPENSE

3,000	-
<u>35,555</u>	<u>37,258</u>

Weighted Average Tax Effective Rate

<u>29.67%</u>	<u>31.50%</u>
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NOTE 4: CASH AND CASH EQUIVALENTS

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and short-term deposits which are readily convertible to cash on hand, and are subject to insignificant risk of change in value.

Cash at Bank
Short Term Deposits

53,843	31,118
381,139	351,085
<u>434,982</u>	<u>382,203</u>

NOTE 5: RECEIVABLES

CURRENT

Franchise Income Receivable
Accrued investment income

TOTAL

47,261	42,326
696	-
<u>47,957</u>	<u>42,326</u>

NOTE 6: DEFERRED TAX ASSETS

Deferred Tax Assets Comprise:

Provisions
Other

10,955	8,784
(595)	14
<u>10,360</u>	<u>8,798</u>

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2006

NOTE 7: PROPERTY, PLANT & EQUIPMENT

At Cost
 Furniture and Fittings
 Less Accumulated Depreciation
Total Plant & Equipment

2006	2005
\$	\$
14,964	7,278
(5,323)	(3,038)
<u>9,641</u>	<u>4,240</u>

Reconciliations of the carrying amounts of each class of land, buildings and plant & equipment at the beginning and end of the current financial year is set out below.

Balance at 1 July 2004
 Additions
 Disposals at WDV
 Depreciation expense
Balance at 30 June 2005
 Additions
 Disposals at WDV
 Depreciation expense
Balance at 30 June 2006

Furniture & Fittings	Total
\$	\$
11,079	11,079
-	-
-	-
(6,839)	(6,839)
<u>4,240</u>	<u>4,240</u>
7,686	7,686
-	-
(2,285)	(2,285)
<u>9,641</u>	<u>9,641</u>

NOTE 8: INTANGIBLE ASSETS

NON-CURRENT
 Franchise Licence Fee
 less accumulated amortisation

10,000	10,000
(3,327)	(1,333)
<u>6,673</u>	<u>8,667</u>

NOTE 9: PAYABLES

CURRENT
 Trade Creditors
 Accrued Expenses

4,050	-
20,369	18,741
<u>24,419</u>	<u>18,741</u>

NOTE 10: PROVISIONS

CURRENT
 Long Service Leave
 Annual Leave
 TOTAL

3,764	-
29,022	24,354
<u>32,786</u>	<u>24,354</u>

NON-CURRENT
 Long Service Leave

3,729	4,926
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TOTAL PROVISIONS

<u>36,515</u>	<u>29,280</u>
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NOTE 11: TAX LIABILITIES

CURRENT
 Income Tax

10,678	12,497
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NOTE 12: CONTRIBUTED EQUITY

(a) Contributed Equity
 400,000 (2005: 400,000) ordinary shares fully paid

<u>400,000</u>	<u>400,000</u>
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BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2006

NOTE 13: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2006 \$	2005 \$
Profit after income tax	84,285	80,996
Non-Cash Flows in Profit		
Depreciation and amortisation	4,279	11,656
Changes in Assets and Liabilities		
Increase/(Decrease) in Employee Entitlements	7,235	10,445
Increase/(Decrease) in Payables	5,678	(6,110)
Increase/(Decrease) in Income Tax Payable	(3,381)	(2,072)
Decrease/(Increase) in Receivables	(5,631)	(12,332)
Net Cash From Operating Activities	92,465	82,583

NOTE 14: FINANCIAL INSTRUMENTS

(a) Interest Rate Exposure

The Service's exposure to interest rate risk and effective weighted average interest rate by maturity periods is set out in the following timetable. For interest rates applicable to each class of liability refer to the individual notes in the financial statements. Exposure arises predominantly from assets and liabilities bearing variable interest rates.

	Floating Interest Rate \$	Fixed Interest Rate Maturing			Non- Interest Bearing \$	Total 2006 \$	Total 2005 \$
		1 year or less \$	1 to 2 years \$	Over 5 years \$			
Financial Assets							
Cash	434,982	-	-	-	-	434,982	382,203
Receivables	-	-	-	-	47,957	47,957	42,326
Total Financial Assets	434,982	-	-	-	47,957	482,939	424,529
Financial Liabilities							
Payables	-	-	-	-	24,419	24,419	18,701
Tax Liabilities	-	-	-	-	10,678	10,678	12,497
Total Financial Liabilities	-	-	-	-	35,097	35,097	31,198
Net Financial Asset/Liabilities	434,982	-	-	-	12,860	447,842	393,331

Weighted Average interest Rate	2006	2005
Financial Assets		
Cash	4.10%	4.07%
Receivables	0.00%	0.00%
Other Financial Assets	0.00%	0.00%
Financial Liabilities		
Payables	0.00%	0.00%
Other Financial Liabilities	0.00%	0.00%
Interest Bearing Liabilities	0.00%	0.00%

b) Credit Risk Exposures

Credit risk represents the loss that would be recognised if counterparties failed to meet their obligations under the respective contracts at maturity. The credit risk on financial assets of the company which have been recognised on the statement of financial position, is the carrying amount, net of any provision for doubtful debts. The company is not materially exposed to any individual debtor.

c) Net Fair Values of Financial Assets and Liabilities

The net fair value of on-balance sheet financial assets and liabilities are not materially different to the carrying value of the financial assets and liabilities.

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2006

NOTE 15: CAPITAL AND LEASING COMMITMENTS

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

NOTE 16: SEGMENT REPORTING

Industry Segments

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% revenue, net surplus from ordinary activities and segment assets relate to operation in Portarlington.

NOTE 17: RELATED PARTY TRANSACTIONS

a) The names of directors whom have held office during the financial year are:

F Kelloway	R Hynes
S Thew	S Schultz (Resigned 01/10/05)
K A Woodhart	S Wight (Appointed 13/02/06)
J P Finlay	G Irving (Appointed 01/03/06)
R Enders	T Hockley (Appointed 01/03/06)
J Farrell	

b) Income paid or payable to all directors

2006	2005
\$	\$
-	-

NOTE 18: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The are no known contingent assets or contingent liabilities for the company

NOTE 19: EVENTS OCCURRING AFTER REPORTING DATE

Since 30 June 2006 no matter or circumstance has arisen which had significantly affected or which may significantly affect the operations of the organisation or of a related entity

NOTE 20: AUDITORS REMUNERATION

Remuneration of the Auditor of the Company for:
-Auditing or reviewing the financial report

6,700	4,800
6,700	4,800

NOTE 21: EARNINGS/ (LOSS) PER SHARE

a) Basic earnings per share (cents per share)

0.21 0.20

b) Diluted earnings per share (cents per share)

0.21 0.20

Note 22: Dividends

2004 Final dividend Franked at 7 cents per share
2005 Final Dividend Franked at 8 cents per share

32,000 (28,000)

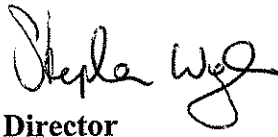
**DIRECTOR'S DECLARATION
FOR THE YEAR ENDING 30 JUNE 2006**

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

1. The financial statements and notes, as set out on pages 1 to 10 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, 2006 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:


Director

Dated this 8th day of September, 2006

BELLARINE PENINSULA COMMUNITY BRANCH LIMITED
ABN: 33 089 107 657

DIRECTOR'S REPORT
FOR THE YEAR ENDING 30 JUNE 2006

Your committee presents their report on the financials statements of the Company for the year ended June 30, 2006.

Directors

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

F Kelloway
S Thew
K A Woodhart
J P Finlay
R Enders
J Farrell

R Hynes
S Schultz (Resigned Oct 05)
S Wight (Appointed Feb 06)
G Irving (Appointed Mar 06)
T Hockley (Appointed Mar 06)

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 if these activities occurred during the year.

Operating Result

The net profit of the Company after providing for income tax was \$84,286

Dividends

Dividends paid are as follows:

- Final ordinary dividend of \$0.08 per share paid on December 12, 2005, compared with the previous dividend of \$0.07 per share paid on November 30, 2004.

Review of Operations

The Company continues to grow with assets under management now exceeding \$509 thousand. As a result the Company was able to achieve a profit in the current period.

Bellarine Peninsula Community Branch Limited remains listed on the Bendigo Stock Exchange after initially listing in February 2006.

BELLARINE PENINSULA COMMUNITY BRANCH LIMITED
ABN: 33 089 107 657

DIRECTOR'S REPORT CONTINUED

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.

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 was 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.

BELLARINE PENINSULA COMMUNITY BRANCH LIMITED
ABN: 33 089 107 657

DIRECTOR'S REPORT CONTINUED

Information on Directors

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

Justine P. Finlay LLB

Deputy Chairperson Board of Directors
 Past President Business & Professional Woman Geelong
 Disability Rights & Advocacy Service Board Member
 Ocean Grove Resident

Russell Enders

Managerial and Marketing
 Extensive Banking experience
 Chairperson Buckleys Entertainment Centre
 Ocean Grove resident

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

Manages 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. Leonards

Karen A. Woodhart

Retail Bakery Operator
 Involvement in local community organisations
 Portarlington resident

Stephen Thew

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

James Farrell

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

Stephen J. Wight

Chartered Accountant
 Registered Company Auditor
 Involvement in public and not for profit
 organisations

Gary L. Irving

Registered Electrical Contractor.
 A Grade Electrician
 Certificate III in telecommunications
 3 years in the building industry

Trevor R. Hockley

Strong Involvement in local community
 Retired
 St Leonard's resident

General Board Attendance

	No. Board Meetings Eligible to attend	No. Attended
F. Kelloway	11	7
S. Thew	11	11
K. A. Woodhart	11	11
J. P. Finlay	11	9
R. Enders	11	10
J. Farrell	11	8
S. Schultz	3	0
R. Hynes	11	9
S. Wight	5	5
G. Irving	4	4
T. Hockley	4	3

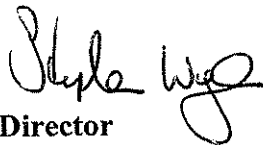
BELLARINE PENINSULA COMMUNITY BRANCH LIMITED
ABN: 33 089 107 657

DIRECTOR'S REPORT CONTINUED

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 17

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


Director

Dated this 8th day of September, 2006

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 2006 as set out on the attached pages. 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 2006 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: 31st August 2006

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF
BELLARINE PENINSULA COMMUNITY BRANCH LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2006 there have been:

- (i) no contraventions of the auditor's 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.

LBW CHARTERED ACCOUNTANTS



Peter Landers

Partner

31st August 2006

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