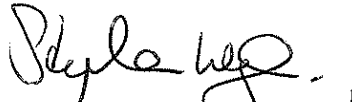


This is annexure B of 1 to 20 pages referred to in Annexure 3A Half Yearly/Yearly Disclosure.

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 Wright
Date: 12-09-2007

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107

INCOME STATEMENT FOR THE YEAR ENDING 30 JUNE 2007

	Notes	2007 \$	2006 \$
REVENUE FROM ORDINARY ACTIVITIES			
Revenue from Ordinary Activities	2	697,632	585,476
EXPENSES FROM ORDINARY ACTIVITIES			
Employee Benefits		306,493	232,371
Information Technology Expenses		29,965	22,036
Depreciation and Amortisation		6,445	4,279
Property Expenses		48,203	33,658
Donations and Sponsorship		84,198	71,595
Professional Fees		39,107	22,127
Insurance		16,626	13,846
Administration Expenses		49,626	36,209
Other expenses From Ordinary Activities		46,604	29,514
TOTAL EXPENSES FROM ORDINARY ACTIVITIES		627,267	465,636
PROFIT BEFORE INCOME TAX		70,365	119,840
Income Tax Expense	3	27,317	35,555
PROFIT/LOSS FOR THE YEAR		43,048	84,285

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107

BALANCE SHEET
AS AT 30 JUNE 2007

	Note	2007 \$	2006 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	271,419	434,982
Receivables	5	55,595	47,957
Prepayments		8,000	-
Total Current Assets		<u>335,014</u>	<u>482,939</u>
Non-Current Assets			
Other Financial Assets	6	40,000	-
Deferred Tax Assets	7	10,462	10,360
Property, Plant, Equipment & Other Assets	8	5,191	9,641
Intangible Assets	9	111,156	6,673
Total Non-Current Assets		<u>166,809</u>	<u>26,674</u>
TOTAL ASSETS		<u>501,823</u>	<u>509,613</u>
LIABILITIES			
Current Liabilities			
Payables	10	18,480	24,419
Short-term provisions	11	38,789	32,786
Current Tax Liabilities	12	(4,772)	10,678
Total Current Liabilities		<u>52,497</u>	<u>67,883</u>
Non-Current Liabilities			
Long-term provisions	11	4,277	3,729
Total Non-Current Liabilities		<u>4,277</u>	<u>3,729</u>
TOTAL LIABILITIES		<u>56,774</u>	<u>71,612</u>
NET ASSETS		<u>445,049</u>	<u>438,001</u>
EQUITY			
Contributed Equity	13	400,000	400,000
Retained Earnings		45,049	38,001
TOTAL EQUITY		<u>445,049</u>	<u>438,001</u>

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BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2007

	Note	Contributed Capital \$	Retained Earnings \$	Total \$
Balance at 01.07.2005		400,000	(14,284)	- 385,716
Profit/(loss) for the year		-	84,285	84,285
Dividends paid or provided for		-	(32,000)	(32,000)
Balance at 30.06.2006		400,000	38,001	- 438,001
Profit for the year		-	43,048	43,048
Dividends paid or provided for		-	(36,000)	(36,000)
Balance at 30.06.2007	13	400,000	45,049	445,049

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from Customers		668,362	557,965
Interest		21,632	21,880
Payments			
Employee Benefits		(303,421)	(225,136)
Tax Paid		(42,869)	(38,936)
Other		(324,789)	(223,308)
NET CASH FLOWS FROM OPERATING ACTIVITIES		<u>18,915</u>	<u>92,465</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Plant & Equipment		-	(7,686)
Purchase of Investments		(40,000)	-
Purchase of Intangible Assets		(106,478)	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>(146,478)</u>	<u>(7,686)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends Paid	23	(36,000)	(32,000)
		<u>(36,000)</u>	<u>(32,000)</u>
NET INCREASE/DECREASE IN CASH HELD		(163,563)	52,779
CASH AT 1 JULY		434,982	382,203
CASH AT 30 JUNE	4	<u>271,419</u>	<u>434,982</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 2007

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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 2007

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 have been made at 30 June 2007.

(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 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	2007	2006
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.

(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.

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 2007

(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.

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 2007

	2007	2006
	\$	\$
NOTE 2: REVENUE		
Revenue from Operating Activities		
Services Revenue	676,000	563,596
Interest-Other Persons	21,632	21,880
	<u>697,632</u>	<u>585,476</u>
Total Revenue from Ordinary Activities		
 NOTE 3: INCOME TAX EXPENSE		
a) The components of tax expense comprise:		
Current Tax	27,419	40,117
Deferred Tax	(5,074)	(1,562)
Over provision in respect of prior years	4,972	(3,000)
	<u>27,317</u>	<u>35,555</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%)	21,110	35,952
Add		
Tax effect of:		
non-deductible depreciation and amortisation	1,235	598
other non-allowable items	-	2,005
	<u>22,345</u>	<u>38,555</u>
Less		
Tax effect of:		
over provision of tax in prior years	(4,972)	3,000
INCOME TAX EXPENSE	<u>27,317</u>	<u>35,555</u>
Weighted Average Tax Effective Rate	<u>29.67%</u>	<u>29.67%</u>
 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	49,907	53,843
Short Term Deposits	221,511	381,139
	<u>271,418</u>	<u>434,982</u>
 NOTE 5: RECEIVABLES		
CURRENT		
Franchise Income Receivable	55,595	47,261
Accrued Investment Income	-	696
TOTAL	<u>55,595</u>	<u>47,957</u>
 NOTE 6: OTHER FINANCIAL ASSETS		
Shares - Public Company	<u>40,000</u>	-
	<u>40,000</u>	-
 NOTE 7: DEFERRED TAX ASSETS		
Deferred Tax Assets Comprise:		
Provisions	10,360	10,955
Other	102	(595)
	<u>10,462</u>	<u>10,360</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 2007

NOTE 8: PROPERTY, PLANT & EQUIPMENT

	2007	2006
	\$	\$
At Cost		
Furniture and Fittings	14,964	14,964
Less Accumulated Depreciation	(9,773)	(5,323)
Total Plant & Equipment	5,191	9,641

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.

	Furniture & Fittings	Total
	\$	\$
Balance at 1 July 2005	-	-
Additions	7,686	7,686
Disposals at WDV	-	-
Depreciation expense	(2,285)	(2,285)
Balance at 30 June 2006	5,401	5,401
Additions	-	-
Disposals at WDV	-	-
Depreciation expense	(4,450)	(4,450)
Balance at 30 June 2007	951	951

NOTE 9: INTANGIBLE ASSETS

	2007	2006
NON-CURRENT		
Franchise Licence Fee	10,000	10,000
less accumulated amortisation	(5,322)	(3,327)
	4,678	6,673
Goodwill - Drysdale Branch at cost	106,478	-
	111,156	6,673

NOTE 10: PAYABLES

	2007	2006
CURRENT		
Trade Creditors	2,250	4,050
Accrued Expenses	16,230	20,369
	18,480	24,419

NOTE 11: PROVISIONS

	2007	2006
CURRENT		
Long Service Leave	6,803	3,764
Annual Leave	31,987	29,022
TOTAL	38,790	32,786
NON-CURRENT		
Long Service Leave	4,277	3,729
TOTAL PROVISIONS	43,067	36,515

NOTE 12: TAX LIABILITIES

	2007	2006
CURRENT		
Income Tax	(9,744)	10,678

NOTE 13: CONTRIBUTED EQUITY

	2007	2006
(a) Contributed Equity		
400,000 (2005: 400,000) ordinary shares fully paid	400,000	400,000

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 2007

NOTE 14: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2007 \$	2006 \$
Profit after income tax	48,327	84,285
Non-Cash Flows in Profit		
Depreciation and amortisation	6,445	4,279
Changes in Assets and Liabilities		
Increase/(Decrease) in Employee Entitlements	(12,807)	7,235
Increase/(Decrease) in Payables	(11,119)	5,678
Increase/(Decrease) in Income Tax Payable		(3,381)
Decrease/(Increase) in Receivables	(15,638)	(5,631)
Net Cash From Operating Activities	15,208	92,465

NOTE 15: 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 2007 \$	Total 2006 \$
		1 year or less \$	1 to 2 years \$	Over 6 years \$			
Financial Assets							
Cash	271,419	-	-	-	-	271,419	434,982
Receivables	-	-	-	-	55,595	55,595	47,957
Total Financial Assets	271,419	-	-	-	55,595	327,014	482,939
Financial Liabilities							
Payables	-	-	-	-	18,480	18,480	24,419
Tax Liabilities	-	-	-	-	(4,772)	(4,772)	10,678
Total Financial Liabilities	-	-	-	-	13,708	13,708	35,097
Net Financial Asset/Liabilities	271,419	-	-	-	41,887	313,306	447,842

Weighted Average Interest Rate

	2007	2006
Financial Assets		
Cash	4.55%	4.10%
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 2007

NOTE 16: CAPITAL AND LEASING COMMITMENTS

Non-cancellable Operating Leases

Operating lease commitments in respect of computers, photocopiers and property payable as follows:

Not Later than 1 year
Later than 1 year and not later than 5 years
Later than 5 years

	2007	2006
	\$	\$
Not Later than 1 year	22,800	-
Later than 1 year and not later than 5 years	91,200	-
Later than 5 years	-	-
	<u>114,000</u>	<u>-</u>

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

NOTE 17: 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 18: RELATED PARTY TRANSACTIONS

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

F Kelloway	R Hynes
S Thew	JP Finlay
KA Woodhart	R Enders
J Farrell	S Wight
G Irving	T Hockley

	2007	2006
	\$	\$
	-	-

b) Income paid or payable to all directors

NOTE 19: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

NOTE 20: EVENTS OCCURRING AFTER REPORTING DATE

Since 30 June 2007 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 21: AUDITORS REMUNERATION

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

	1,800	6,700
	<u>1,800</u>	<u>6,700</u>

NOTE 22: EARNINGS/ (LOSS) PER SHARE

a)Basic earnings per share (cents per share)

0.108 0.21

b)Diluted earnings per share (cents per share)

0.108 0.21

NOTE 23: DIVIDENDS

2006 Final dividend Franked at 8 cents per share
2007 Final Dividend Franked at 9 cents per share

	36,000	32,000
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BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107

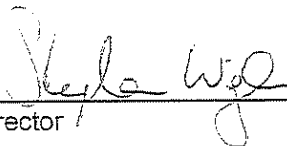
DECLARATION BY DIRECTORS

The directors of the company declare that:

1. The financial statements and notes of the company set out on pages 1 to 10:
 - (a) present fairly the company's financial position as at 30 June 2007 and its performance and cash flows for the year ended on that date in accordance with Australian Accounting Standards; and
 - (b) comply with the Corporations Law.
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 and is signed on behalf of the directors by:

Dated this ^{12th} day of *September* 2007



Director

BELLARINE PENINSULA COMMUNITY BRANCH LIMITED
ABN: 33 089 107 657

DIRECTOR'S REPORT
FOR THE YEAR ENDING 30 JUNE 2007

Your committee presents their report on the financials statements of the Company for the year ended June 30, 2007.

Directors

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

F Kelloway	R Hynes
S Thew	S Wight
K A Woodhart	G Irving
J P Finlay	T Hockley
R Enders	

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 \$43,048.

Dividends

Dividends paid are as follows:

- Final ordinary dividend of \$0.09 per share paid on December 06, 2006, compared with the previous dividend of \$0.08 per share paid on December 12, 2005.

Review of Operations

The Company continues to grow with assets under management now exceeding \$501 thousand. As a result the Company was able to achieve a profit in the current period.

During the year the Company acquired the Drysdale agency of the Bendigo Bank with the expectation that this will become a full community bank branch within the next eighteen months. This had some impact on profitability whilst the branch becomes established.

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 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.

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
Portarlinton resident

Stephen Thew

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

Gary L. Irving

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

Stephen J. Wight

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

Trevor R. Hockley

Strong involvement in local community
Retired
St Leonard's resident

General Board Attendance

	No. Board Meetings Eligible to attend	No. Attended
K. Woodhart	12	12
R. Hynes	11	11
S. Wight	11	11
S. Thew	11	11
G. Irving	11	11
R. Enders	11	10
F. Kelloway	10	9
J. Finlay	8	8
T. Hockley	8	8

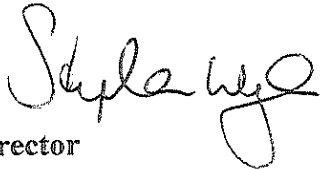
BELLARINE PENINSULA COMMUNITY BRANCH LIMITED
ABN: 33 089 107 657

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:

A handwritten signature in black ink, appearing to read 'Stylus', written over the printed name 'Director'.

Director


Dated this 12th day of September, 2007

**DIRECTOR'S DECLARATION
FOR THE YEAR ENDING 30 JUNE 2007**

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, 2007 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 12th day of September, 2007

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BELLARINE PENINSULA COMMUNITY BRANCH LIMITED**

Report on the financial report

We have audited the accompanying financial report of Bellarine Peninsula Community Branch Limited, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: 'Presentation of Financial Statements', that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's responsibility

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

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

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

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BELLARINE PENINSULA COMMUNITY BRANCH LIMITED**

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Bellarine Peninsula Community Branch Limited, on 11 September 2007, would be in the same terms if provided to the directors as at the date of this auditor's report.

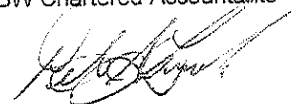
Auditor's opinion

In our opinion:

- a. the financial report of Bellarine Peninsula Community Branch Limited, is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2007 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- b. The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.



LBW Chartered Accountants



Peter Landers

Dated this 11th day of September 2007

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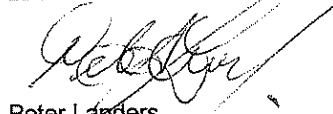
**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF
BELLARINE PENINSULA COMMUNITY BRANCH LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2007 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

11th September 2007

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