

BELLARINE PENINSULA COMMUNITY BRANCH LIMITED
ABN: 33 089 107 657

**DIRECTOR'S REPORT
FOR THE YEAR ENDING 30 JUNE 2008**

Your committee presents their report on the financials statements of the Company for the year ended June 30, 2008.

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 (resigned 14/11/2007)
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 \$73,919.

Dividends

Dividends paid are as follows:

- Final ordinary dividend of \$0.09 per share paid on December 14, 2007, compared with the previous dividend of \$0.09 per share paid on December 06, 2006.

Review of Operations

The Company continues to grow with assets under management now exceeding \$558 thousand. As a result the Company was able to achieve a profit in the current period.

BELLARINE PENINSULA COMMUNITY BRANCH LIMITED
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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.

Remuneration Report

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

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
Solicitor in local practise
Ocean Grove Resident

Russell Enders

Managerial and Marketing
Extensive Banking experience
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
Executive Member of Region 2, Division 2,
Neighbourhood Watch
Portarlington resident

Stephen Thew

Certificate of Engineering,
Certificate of Local Government Administration
Engineering Design Management
Newtown 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	8
R. Hynes	12	9
S. Wight	12	9
S. Thew	12	9
G. Irving	12	8
R. Enders	12	8
F. Kelloway	12	5
J. Finlay	8	7
T. Hockley	9	0

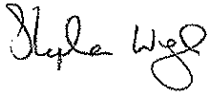
BELLARINE PENINSULA COMMUNITY BRANCH LIMITED
ABN: 33 089 107 657

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 attached.

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



Director

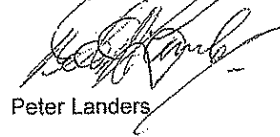
Dated this 1st day of September, 2008

**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 2008 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

26 August 2008

PARTNERS

Michael
Batts FCA

Richard
Bull FCA

Simon
Flowers CPA
Affiliate ICCA

Nicholas
Klein CA

Peter
Landers FCA

Sripathy
Sarma CA

Andrew
Wierzbowski CA

Geoff
Williams CA



Chartered Accountants



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Liability limited by a scheme approved under Professional Standards Legislation.

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107

INCOME STATEMENT FOR THE YEAR ENDING 30 JUNE 2008

	Notes	2008 \$	2007 \$
REVENUE FROM ORDINARY ACTIVITIES			
Revenue from Ordinary Activities	2	945,357	697,632
EXPENSES FROM ORDINARY ACTIVITIES			
Employee Benefits		444,207	306,493
Information Technology Expenses		51,054	29,965
Depreciation and Amortisation		5,752	6,445
Property Expenses		70,107	48,203
Donations and Sponsorship		82,408	84,198
Professional Fees		27,036	39,107
Insurance		19,317	16,626
Administration Expenses		98,960	49,626
Other expenses From Ordinary Activities		40,081	46,604
TOTAL EXPENSES FROM ORDINARY ACTIVITIES		838,922	627,267
PROFIT BEFORE INCOME TAX		106,435	70,365
Income Tax Expense	3	32,516	27,317
PROFIT FOR THE YEAR		73,919	43,048

This statement should be read in conjunction with the accompanying notes

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107

BALANCE SHEET
AS AT 30 JUNE 2008

	Note	2008 \$	2007 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	292,440	271,419
Receivables	5	79,753	55,595
Prepayments		6,000	8,000
Total Current Assets		<u>378,193</u>	<u>335,014</u>
Non-Current Assets			
Other Financial Assets	6	40,000	40,000
Deferred Tax Assets	7	12,279	10,462
Property, Plant, Equipment	8	19,328	5,191
Intangible Assets	9	109,156	111,156
Total Non-Current Assets		<u>180,763</u>	<u>166,809</u>
TOTAL ASSETS		<u>558,956</u>	<u>501,823</u>
LIABILITIES			
Current Liabilities			
Payables	10	17,659	18,480
Short-term provisions	11	41,639	38,789
Current Tax Liabilities	12	11,690	(4,772)
Total Current Liabilities		<u>70,988</u>	<u>52,497</u>
Non-Current Liabilities			
Long-term provisions	11	5,000	4,277
Total Non-Current Liabilities		<u>5,000</u>	<u>4,277</u>
TOTAL LIABILITIES		<u>75,988</u>	<u>56,774</u>
NET ASSETS		<u>482,968</u>	<u>445,049</u>
EQUITY			
Issued Capital	13	400,000	400,000
Retained Earnings		82,968	45,049
TOTAL EQUITY		<u>482,968</u>	<u>445,049</u>

This statement should be read in conjunction with the accompanying notes

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008

	Note	Issued Capital \$	Retained Earnings \$	Total \$
Balance at 01.07.2006		400,000	38,001	- 438,001
Profit/(loss) for the year		-	43,048	43,048
Dividends paid or provided for		-	(36,000)	(36,000)
Balance at 30.06.2007		400,000	45,049	445,049
Profit for the year		-	73,919	73,919
Dividends paid or provided for		-	(36,000)	(36,000)
Balance at 30.06.2008	13	400,000	82,968	482,968

This statement is to be read in conjunction with the accompanying notes

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from Customers		906,423	668,362
Interest		14,775	21,632
Payments			
Employee Benefits		(440,634)	(303,421)
Tax Paid		(17,871)	(42,869)
Other		(387,783)	(324,789)
NET CASH FLOWS FROM OPERATING ACTIVITIES	14	74,910	18,915
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Plant & Equipment		(17,889)	-
Purchase of Investments		-	(40,000)
Purchase of Intangible Assets		-	(106,478)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(17,889)	(146,478)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends Paid	23	(36,000)	(36,000)
		(36,000)	(36,000)
NET INCREASE/DECREASE IN CASH HELD		21,021	(163,563)
CASH AT 1 JULY		271,419	434,982
CASH AT 30 JUNE	4	292,440	271,419

This statement should be read in conjunction with the accompanying notes

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2008

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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) **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.

(c) **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.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less any accumulated impairment.

(d) **Other Financial Assets**

Other financial assets are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

The company classifies its other financial assets between current and non-current assets based on the purpose for which the assets were acquired at initial recognition.

The company assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Financial assets at fair value through profit or loss

Financial assets held for trading purposes are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 15.

Loans and receivables

Trade receivables, loans and other receivables are recorded at amortised cost, using the effective interest method, less impairment.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Held-to-maturity investments

Where the company has the positive intent and ability to hold investments to maturity, they are stated at amortised cost less impairment losses.

Available-for-sale financial assets

Other financial assets held by the company are classified as being available-for-sale and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in profit or loss for the period. Fair value is determined in the manner described in Note 15.

(e) **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	2008	2007
Furniture & Fittings	18.75-25%	18.75-25%
Plant & Equipment	18.75-25%	18.75-25%
Leasehold Improvements	20-25%	20-25%

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2008

(f) Impairment of Assets

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment (i.e. as to whether their carrying value exceeds their recoverable amount, and so require write-downs) and whenever there is an indication that the asset may be impaired. All other assets are assessed annually for indications of impairment, except for:

- financial instrument assets;
- investment property that is measured at fair value; and
- non-current assets held for sale.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written-off by a charge to the operating statement except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

(g) Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities at date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

(h) Payables

These amounts consist predominantly of liabilities for goods and services. Payables are initially recognised at fair value, then subsequently carried at amortised cost and represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid, and arise when the company becomes obliged to make future payments in respect of the purchase of these goods and services.

The normal credit terms are usually Nett 30 days.

(i) 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 cash flow statement except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(j) Income Tax

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. 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 assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantially enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

(k) 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.

(l) 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. 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. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

(m) 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.

(n) Comparative Information

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

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 2008

NOTE 2: REVENUE

	2008	2007
	\$	\$
Revenue from Operating Activities		
Services Revenue	929,634	676,000
Interest-Other Persons	15,723	21,632
Total Revenue from Ordinary Activities	945,357	697,632

NOTE 3: INCOME TAX EXPENSE

a) The components of tax expense comprise:		
Current Tax	33,977	27,419
Deferred Tax	(1,817)	(5,074)
Over provision in respect of prior years	356	4,972
	32,516	27,317
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% (2007: 30%)	31,930	21,110
Add		
Tax effect of:		
non-deductible depreciation and amortisation	600	1,235
other non-allowable items	342	-
	32,872	22,345
Less		
Tax effect of:		
over provision of tax in prior years	356	(4,972)
INCOME TAX EXPENSE	32,516	27,317
Weighted Average Tax Effective Rate	30.55%	29.67%

NOTE 4: CASH AND CASH EQUIVALENTS

Cash at Bank	98,573	49,907
Short Term Deposits	193,867	221,511
	292,440	271,418

NOTE 5: RECEIVABLES

CURRENT		
Franchise Income Receivable	78,805	55,595
Accrued Investment Income	948	-
TOTAL	79,753	55,595

(a) Ageing of Receivables

Please refer to note 15 (c) for the ageing analysis of receivables

(b) Nature and extent of risk arising from Receivables

Please refer to note 15 (c) for the nature and extent of credit risk arising from receivables

NOTE 6: OTHER FINANCIAL ASSETS

Non-Current

<i>Available-for-Sale Financial Assets</i>		
Shares - Unlisted Public Company	40,000	40,000

(a) Ageing of Other Financial Assets

Please refer to note 15 (c) for the ageing analysis of Other Financial Assets

(b) Nature and extent of risk arising from other financial assets

Please refer to note 15 (c) for the nature and extent of credit risk arising from Other Financial Assets

NOTE 7: DEFERRED TAX ASSETS

Deferred Tax Assets Comprise:		
Provisions	13,621	10,360
Other	(1,342)	102
	12,279	10,462

BELLARINE PENINSULA COMMUNITY BRANCH LTD

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NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2008

NOTE 8: PROPERTY, PLANT & EQUIPMENT

	2008 \$	2007 \$
At Cost		
Furniture and Fittings	24,853	14,964
Less Accumulated Depreciation	(12,762)	(9,773)
Total Plant & Equipment	12,091	5,191
Leashold Improvements	8,000	-
Less Accumulated Amortisation	(763)	-
	7,237	-
Total Property, Plant & Equipment	19,328	5,191

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.

	Leashold Improvements \$	Furniture & Fittings \$	Total \$
Balance at 1 July 2006	-	9,641	9,641
Additions	-	-	-
Disposals at WDV	-	-	-
Depreciation expense	-	(4,450)	(4,450)
Balance at 30 June 2007	-	5,191	5,191
Additions	8,000	9,889	17,889
Disposals at WDV	-	-	-
Depreciation expense	(763)	(2,989)	(3,752)
Balance at 30 June 2008	7,237	12,091	19,328

NOTE 9: INTANGIBLE ASSETS

	2008 \$	2007 \$
NON-CURRENT		
Franchise Licence Fee	10,000	10,000
less accumulated amortisation	(7,322)	(5,322)
	2,678	4,678
Goodwill - Drysdale Branch at cost	106,478	106,478
	109,156	111,156

NOTE 10: PAYABLES

CURRENT		
Trade Creditors	-	2,250
Accrued Expenses	17,659	16,230
	17,659	18,480

NOTE 11: PROVISIONS

CURRENT		
Long Service Leave	10,766	6,802
Annual Leave	30,873	31,987
TOTAL	41,639	38,789
NON-CURRENT		
Long Service Leave	5,000	4,277
TOTAL PROVISIONS	46,639	43,066

NOTE 12: TAX LIABILITIES

CURRENT		
Income Tax	11,690	(4,772)

NOTE 13: ISSUED CAPITAL

(a) Issued Capital		
400,000 (2007: 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 2008

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

	2008	2007
	\$	\$
Profit after income tax	73,919	43,048
Non-Cash Flows in Profit		
Depreciation and amortisation	5,752	6,445
Changes in Assets and Liabilities		
Increase/(Decrease) in Employee Entitlements	18,218	(9,001)
Increase/(Decrease) in Payables	(821)	(5,939)
Increase/(Decrease) in Prepaid Expenses	2,000	-
Decrease/(Increase) in Receivables	(24,158)	(15,638)
Net Cash From Operating Activities	74,910	18,915

NOTE 15: FINANCIAL INSTRUMENTS

(a) Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

(b) Categorisation of Financial Instruments

	Note	Category	Carrying Amount	
			2008	2007
			\$	\$
Financial Assets				
Cash and Cash Equivalents	4	N/A	292,440	271,418
Receivables	5	Loans and Receivables	79,753	55,595
Other Financial Assets	6	Available for sale of Financial Assets (at fair value)	40,000	40,000
Financial Liabilities				
Payables	10	Financial Liabilities measured at Amortised Cost	17,659	18,480

(c) 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 impairment of those assets, 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 receivable or group of receivables under financial instruments entered into by the entity.

The company's exposure to credit risk and effective weighted average interest rate by ageing periods is set out in the following table. For interest rates applicable to each class of asset refer to individual notes to the financial statements.

Interest Rate Exposure and ageing analysis of financial assets as at 30 June 2008

	Weighted Average Interest Rates	Consolidated Carrying Amount	Interest Rate Exposure			Not Past Due And Not Impaired
			Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing	
	%	\$	\$	\$	\$	\$
2008						
Financial Assets						
Cash and Cash Equivalents	6.25	292,440	193,867	98,213	360	292,440
Receivables	0.00	79,753	-	-	79,753	79,753
Other Financial Assets	0.00	40,000	-	-	40,000	40,000
Total Financial Assets		412,193	193,867	98,213	120,113	412,193
2007						
Financial Assets						
Cash and Cash Equivalents	4.99	271,418	221,511	49,547	360	271,418
Receivables	0.00	55,595	-	-	55,595	55,595
Other Financial Assets	0.00	40,000	-	-	40,000	40,000
Total Financial Assets		367,013	221,511	49,547	95,955	367,013

(d) Liquidity Risk

The company manages liquidity risk by monitoring forecast cash flows and ensuring that liquid assets are available.

The following table discloses the contractual maturity analysis for the company's financial liabilities.

	Weighted Average Interest Rates	Consolidated Carrying Amount	Interest Rate Exposure			Contractual Cash Flows	Maturity Dates Less than 1 Month
			Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing		
	%	\$	\$	\$	\$	\$	
2008							
Trade Creditors and Accruals	-	17,659	-	-	17,659	17,659	
Total Financial Liabilities		17,659	-	-	17,659	17,659	
2007							
Trade Creditors and Accruals	-	18,480	-	-	18,480	18,480	
Total Financial Liabilities		18,480	-	-	18,480	18,480	

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 2008

NOTE 15: FINANCIAL INSTRUMENTS (Continued)

(e) Market Risk

Currency Risk

The company has no exposure to foreign currency risk.

Interest Rate Risk

Exposure to interest rate risk might arise primarily through the company's interest bearing liabilities. The company currently has no interest bearing liabilities.

Other Price Risk

The company is exposed to insignificant other price risk

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the company believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from the Federal Bank of Australia)

- A parallel shift of +1% and -1% in market interest rates (AUD) from year-end rates of 6%;
- A parallel shift of +1% and -1% in inflation rate from year-end rates of 2%

The following table discloses the impact on net operating result and equity for each category of financial instrument held by the company at year end if changes in the relevant risk occur:

	Carrying Amount	Interest Rate Risk			
		Profit	-1% Equity	Profit	+1% Equity
	\$	\$	\$	\$	\$
2008					
Financial Assets					
Cash and Cash Equivalents	292,440	(982)	(982)	982	982
Receivables	79,753	-	-	-	-
Other Financial Assets	40,000	-	-	-	-
Financial Liabilities					
Trade Creditors and Accruals	17,659	-	-	-	-
2007					
Financial Assets					
Cash and Cash Equivalents	271,418	(495)	(495)	495	495
Receivables	55,585	-	-	-	-
Other Financial Assets	40,000	-	-	-	-
Financial Liabilities					
Trade Creditors and Accruals	18,480	-	-	-	-

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

	2008	2007
	\$	\$
Not Later than 1 year	22,800	22,800
Later than 1 year and not later than 5 years	68,400	91,200
Later than 5 years	-	-
	<u>91,200</u>	<u>114,000</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
- S Thew
- KA Woodhart
- G Irving
- T Hockley (resigned 14/11/2007)
- R Hynes
- JP Finlay
- R Enders
- S Wight

	2008	2007
	\$	\$
	-	-

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

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 2008

NOTE 20: EVENTS OCCURRING AFTER REPORTING DATE

Since 30 June 2008 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

2008	2007
\$ 5,300	\$ 4,800
<u>5,300</u>	<u>4,800</u>

NOTE 22: EARNINGS/ (LOSS) PER SHARE

a)Basic earnings per share (cents per share)

0.185 0.108

b)Diluted earnings per share (cents per share)

0.185 0.108

NOTE 23: DIVIDENDS

2007 Final dividend Franked at 9 cents per share
2008 Final Dividend Franked at 9 cents per share

36,000 36,000

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107

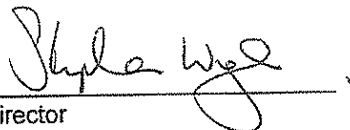
DECLARATION BY DIRECTORS

The directors of the company declare that:

1. The financial statements of the company comprising the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to and forming part of the accounts
 - (a) give a true and fair view of the company's financial position as at 30 June 2008 and its performance and cash flows for the year ended on that date; and
 - (b) comply with the Corporations Act 2001, Accounting Standards and the Corporations Regulations 2001.
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 16th day of August 2008



Director

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 2008, 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.

PARTNERS

**Michael
Betts** FCA

**Richard
Gull** FCA

**Simon
Flowers** CPA
Affiliate ICCA

**Nicholas
Klein** CA

**Peter
Landers** FCA

**Snipathy
Sarma** CA

**Andrew
Wierzbowski** CA

**Geoff
Williams** CA



Chartered Accountants



LBW
Chartered Accountants

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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 26 August 2008, would be in the same terms if provided to the directors as at the date of this auditor's report.

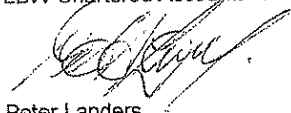
Auditor's opinion

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 2008 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 26th day of August 2008

PARTNERS

Michael
Betts FCA

Richard
Bull FCA

Simon
Flowers CPA
Affiliate IJCCA

Nicholas
Klein CA

Peter
Landers FCA

Sripathy
Sarma CA

Andrew
Wierzbowski CA

Geoff
Williams CA



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LBW
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Annexure 3A

BSX Listing Rules

Half yearly/Yearly Disclosure

References Version 1, Operative 23/8/2000

Chapter 3, BSX Listing Rules

BELLARINE PENINSULA COMMUNITY BRANCH LIMITED

Name of entity

089 107 657
ABN (ACN or ARBN)

Half yearly (tick)
Annual (tick)

Form with a checked box

30/06/08.
Half year/financial year ended ('Current period')

Summary

Table with 3 columns: Description, up/down, and \$A,000. Rows include Sales revenue, Profit before abnormal items, Abnormal items, Profit after tax, Extraordinary items, and Profit for the period.

Dividends (distributions) Franking rate applicable 30%

Current period Final Interim

Previous corresponding period Final Interim

Record date for determining entitlements to the dividend, (in the case of a trust distribution)

Annexure 3A
Half Yearly/Yearly Disclosure

Short details of any bonus or cash issue or other items(s) of importance not previously released to BSX:

--

Consolidated profit and loss account

	Current period \$A'000	Previous corresponding period \$A'000
Sales revenue or operating revenue	945	678
Expenses from ordinary activities	(839)	(627)
Borrowing costs	-	-
Share of net profit (loss) of associates and joint venture entities	-	-
Profit (loss) from ordinary activities before tax	106	70
Income tax on ordinary activities	(32)	(27)
Profit (loss) from ordinary activities after tax	74	43
Outside equity interests	-	-
Profit (loss) from ordinary activities after tax attributable to members	74	43
Profit (loss) from extraordinary activities after tax attributable to members	-	-
Profit (loss) for the period attributable to members	74	43
Retained profits (accumulated losses) at the beginning of the financial period	45	38
Net transfers to and from reserves	-	-
Net effect of changes in accounting policies	-	-
Dividends paid or payable	(36)	(36)
Retained profits (accumulated losses) at end of financial period	83	45

Profit restated to exclude amortisation of goodwill

**Annexure 3A
Half Yearly/Yearly Disclosure**

	Current period \$A'000	Previous corresponding period \$A'000
Profit (loss) from ordinary activities after tax before outside equity interests and amortisation of goodwill	74	43
Less (plus) outside equity interests	-	-
Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members	74	43

Revenue and expenses from operating activities

	Current period \$A'000	Previous corresponding period \$A'000
Details of revenue and expenses		
Revenue from Ordinary Activities	945	698
Employee Benefits	(444)	(306)
Depreciation and Amortisation	(6)	(6)
Occupancy	(70)	(48)
Other Expenses	(319)	(267)

Intangible and extraordinary items

	Consolidated - current period		
	Before tax \$A'000	Related tax \$A'000	After tax \$A'000
Amortisation of goodwill	-	-	-
Amortisation of other intangibles	2	-	2
Total amortisation of intangibles	2	-	2
Extraordinary items (details)	-	-	-
Total extraordinary items	-	-	-

Annexure 3A
Half Yearly/Yearly Disclosure

Comparison of half year profits
(Annual statement only)

	Current year - \$A'000	Previous year - \$A'000
Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the 1st half year	27	82
Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	47	(39)

Consolidated balance sheet

Current assets	At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly statement \$A'000
Cash	292	272	248
Receivable	80	56	82
Investments	-	-	-
Inventories	-	-	-
Other (provide details if material)	6	8	7
Total current assets	378	336	337
Non-current assets			
Receivables	-	-	-
Investments	-	-	-
Inventories	-	-	-
Other property, plant and equipment (net)	19	5	13
Intangibles (net)	109	111	110
Other (provide details if material)	52	50	53
Total non-current assets	180	166	176
Total assets	558	502	513
Current liabilities			
Accounts payable	17	18	25
Borrowings	-	-	-
Provisions	53	35	48
Other (provide details if material)	-	-	-
Total current liabilities	70	53	73

Annexure 3A
Half Yearly/Yearly Disclosure

Non-current liabilities			
Accounts payable	-	-	-
Borrowings	-	-	-
Provisions	5	4	4
Other (provide details if material)	-	-	-
Total non-current liabilities	5	4	4
Total liabilities	75	57	77
Net assets	483	445	436
Equity			
Capital	400	400	400
Reserves		-	-
Retained profits (accumulated losses)	83	45	36
Equity attributable to members of the parent entity	-	-	-
Outside equity interests in controlled entities	-	-	-
Total equity	483	445	436
Preference capital and related premium included	-	-	-

Consolidated statement of cash flows

Cash flows related to operating activities	Current period \$A'000	Previous corresponding period \$A'000
Receipts from customers	906	668
Payments to suppliers and employees	(828)	(671)
Dividends received	-	-
Interest and other items of similar nature received	15	22
Interest and other costs of finance paid	-	-
Income taxes paid	(18)	-
Other (provide details if material)	-	-
Net operating cash flows	75	19
Cash flows related to investing activities		
Payments for purchases of property, plant and equipment	(18)	(146)

Annexure 3A
Half Yearly/Yearly Disclosure

Proceeds from sale of property, plant and equipment	-	-
Payment for purchases of equity investments	-	-
Proceeds from sale of equity investments	-	-
Loans to other entities	-	-
Loans repaid by other entities	-	-
Other (provide details if material)	-	-
Net investing cash flows	(18)	(146)
Cash flows related to financing activities		
Proceeds from issues of securities (shares, options, etc.)	-	-
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Dividends paid	(36)	(36)
Other (provide details if material)	-	-
Net financing cash flows	(36)	(36)
Net increase (decrease) in cash held	21	(164)
Cash at beginning of period (see Reconciliation of cash)	272	435
Exchange rate adjustments	-	-
Cash at end of period (see Reconciliation of cash)	293	272

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

NIL

Annexure 3A
Half Yearly/Yearly Disclosure

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current period \$A'000	Previous corresponding period \$A'000
Cash on hand and at bank	293	272
Deposits at call	-	-
Bank overdraft	-	-
Other (provide details)	-	-
Total cash at end of period	293	272

Ratios

Profit before tax/sales

Consolidated profit (loss) from ordinary activities before tax as a percentage of sales revenue

Current period	Previous corresponding period
11.3%	10%

Profit after tax/equity interests

Consolidated profit (loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period

11.3%	10%
-------	-----

Earnings per security (EPS)

Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per Share

- (a) Basic EPS
(b) Diluted EPS (if materially different from (a))

Current period	Previous corresponding period
18.5¢	10.8¢

NTA backing

Net tangible asset backing per ordinary security

Current period	Previous corresponding period
93.5¢	83.47¢

**Annexure 3A
Half Yearly/Yearly Disclosure**

Details of specific receipts/outlays, revenues/expenses

	Current period A\$'000	Previous corresponding period \$A'000
Interest revenue included	15	22
Interest revenue included but not yet received (if material)	-	-
Interest costs excluded from borrowing costs capitalised in asset values	-	-
Outlays (excepts those arising from the acquisition of an existing business) capitalised in intangibles (if material)	-	(106)
Depreciation (excluding amortisation of intangibles)	4	4
Other specific relevant items	-	-

Control gained over entities having material effect

Name of entity

N/A

Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity since the date in the current period on which control was acquired

\$

Date from which such profit has been calculated

Profit (loss) from ordinary activities and extraordinary items after tax of the entity for the whole of the previous corresponding period

\$

Loss of control of entities having material effect

Name of entity

N/A

Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity for the current period to the date of loss of control

\$

Date from which the profit (loss) has been calculated

Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity while controlled during the whole of the previous corresponding period

\$

Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control

\$

Reports for industry and geographical segments

N/A - Operates in one industry and one geographical segment.

Segments

Operating Revenue

Sales to customers outside the economic entity

Inter-segment sales

Unallocated revenue

Total revenue

Segment result

Unallocated expenses

Consolidated profit from ordinary activities after tax (before equity accounting)

Segment assets

Unallocated assets

Total assets

) Comparative data for segment assets should be as at the
) end of the previous corresponding period
)

Dividends

Date the dividend is payable

--

Record date to determine entitlements to the dividend (ie. on the basis of registrable transfers received up to 5.00 pm)

--

Amount per security

		<i>Franking rate applicable</i>	%	%	%
<i>(annual report only)</i>					
Final dividend:	Current year	¢	N/A	¢	N/A
	Previous year	¢	¢	¢	¢
<i>(Half yearly and annual statements)</i>					
Interim dividend:	Current year	¢	N/A	¢	N/A
	Previous year	¢	¢	¢	¢

**Annexure 3A
Half Yearly/Yearly Disclosure**

Total annual dividend (distribution) per security
(Annual statement only)

	Current year	Previous year
Ordinary securities	9 ¢	9 ¢
Preference securities	— ¢	— ¢

Total dividend (distribution)

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	\$ 36	\$ 36
Preference securities	\$ —	\$ —
Total	\$ 36	\$ 36

Half yearly report – interim dividend (distribution) on all securities or Annual report – final dividend (distribution) on all securities

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	\$ —	\$ —
Preference securities	\$ —	\$ —
Total	\$ —	\$ —

The dividend or distribution plans shown below are in operation.

NIL

The last date(s) for receipt of election notices to the dividend or distribution plans

N/A

Any other disclosures in relation to dividends (distributions)

NIL

Annexure 3A
Half Yearly/Yearly Disclosure

Equity accounted associated entities and other material interests

Equity accounting information attributable to the economic entity's share of investments in associated entities must be disclosed in a separate notice. See AASB 1016: Disclosure of Information about Investments in Associated Companies.

Entities share of:	Current period A\$'000	Previous corresponding period A\$'000
Profit (loss) from ordinary activities before tax.	—	—
Income tax	—	—
Profit (loss) from ordinary activities after tax	—	—
Extraordinary items net of tax	—	—
Net profit (loss)	—	—
Outside equity interests	—	—
Net profit (loss) attributable to members	—	—

Material interests in entities which are not controlled entities

The entity has an interest (that is material to it) in the following entities.

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to profit (loss) from ordinary activities and extraordinary items after tax	
Equity accounted associates and joint venture entities	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period \$A'000
N/A.				
Total				
Other material interests				

Annexure 3A
Half Yearly/Yearly Disclosure

Total	-	-	-	-

Issued and listed securities

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

Category of securities	Number issued	Number listed	Issue Price (cents)	Paid-up value (cents)
Preference securities <i>(description)</i>	-	-	-	-
Changes during current period	-	-	-	-
Ordinary securities	400,000	400,000	100	100.
Changes during current period	-	-	-	-
Convertible debt securities <i>(description and conversion factor)</i>	-	-	-	-
Changes during current period	-	-	-	-

			Exercise price	Expiry date
Options <i>(description and conversion factor)</i>	-	-	-	-
Changes during current period	-	-	-	-
Exercised during current period	-	-	-	-
Expired during current period	-	-	-	-

Annexure 3A
Half Yearly/Yearly Disclosure

Debentures	-	-
Unsecured Notes	-	-

Discontinuing Operations *N/A.*

Consolidated profit and loss account

	Continuing operations		Discontinuing operations		Total entity	
	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000
Sales revenue or operation revenue	-					
Other revenue						
Expenses from ordinary activities						
Profit (loss) before tax						
Less tax						
Profit (loss) from ordinary activities after tax						

Consolidated statement of cash flows *N/A*

	Continuing operations		Discontinuing operations		Total entity	
	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000
Net operating cash flows						
Net investing cash flows						

**Annexure 3A
Half Yearly/Yearly Disclosure**

Net financing cash flows	-	-	-	-	-	-
--------------------------	---	---	---	---	---	---

Other disclosures

	Current period A\$'000	Previous corresponding period A\$'000
Carrying amount of items to be disposed of:		
- total assets	-	-
- total liabilities	-	-
Profit (loss) on disposal of assets or settlement of liabilities	-	-
Related tax	-	-
Net profit (loss) on discontinuance	-	-

Description of disposals

N/A

Comments by directors

Basis of accounts preparation

If this statement is a half yearly statement it should be read in conjunction with the last annual report and any announcements to the market made by the entity during the period.

Material factors affecting the revenues and expenses of the entity for the current period including seasonal or cyclical factors

NIL

Annexure 3A
Half Yearly/Yearly Disclosure

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

NONE

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

A fully franked dividend is expected to be paid in the next financial year.

Changes in accounting policies since the last annual report and estimates of amounts reported in prior years are disclosed as follows.

NONE

Changes in the amounts of contingent liabilities or assets since the last annual report are disclosed as follows.

NIL

Additional disclosure for trusts

Number of units held by the management company or responsible entity to their related parties.

N/A

A statement of the fees and commissions payable to the management company or responsible entity.

Identify:

- Initial service charges
- Management fees
- Other fees

N/A

Annexure 3A
Half Yearly/Yearly Disclosure

Annual meeting

(Annual statement only)

The annual meeting will be held as follows:

Place	PORTARLINGTON
Date	12/11/08
Time	7.00 PM.
Approximate date the annual report will be available	30/9/08.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law.
- 2 This statement, and the financial statements under the Corporations Law (if separate), use the same accounting policies.
- 3 In the case of a half-yearly report the same accounting standards and methods of computation are/~~are not~~ *(delete one)* followed as compared with the most recent annual accounts.
- 4 This statement does/~~does not~~ *(delete one)* give a true and fair view of the matters disclosed.

- 5 This statement is based on financial statements to which one of the following applies:

(Tick one)

- The financial statements have been audited.
- The financial statements have been subject to review by a registered auditor (or overseas equivalent).
- The financial statements are in the process of being audited or subject to review.
- The financial statements have *not* yet been audited or reviewed.

- 6 If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached/*will follow immediately they are available* *(delete one)*.
- 7 The entity ~~has~~ *does not have* *(delete one)* a formally constituted audit committee.

Sign here:


(Director/Company secretary)

Date:

8/9/08.

Annexure 3A
Half Yearly/Yearly Disclosure

Print name:STEPHEN WILKIN.....

Notes

True and fair view If this statement does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.

Income tax If the amount provided for income tax in this statement differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts.

Additional information An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the financial statements. The information may be an expansion of the material contained in this statement, or contained in a note attached to the statement.