

Bellarine Peninsula Community Branch Ltd
Financial Statements
For The Half Year Ended
31 December 2008

BELLARINE PENINSULA COMMUNITY BRANCH LIMITED
A.B.N. 33 089 107
CONDENSED FINANCIAL STATEMENTS
DIRECTORS' REPORT

Your Directors submit the financial report of the company for the half year ended 31 December 2008.

Directors

The names of directors who held office during the half year and until the date of this report are:

R Enders	R Hynes
S Thew (Resigned 8/11/2008)	K A Woodhart
F Kelloway (Resigned 18/10/2008)	S Wight
J P Finlay (Resigned 23/02/2009)	P Jones (Appointed 17/09/2008)
G Irving (Resigned 8/09/2008)	S Baldwin (Appointed 17/09/2008)
G Webster (Appointed 17/09/2008)	

Principal activities

The principal activities of the company during the course of the financial period were in providing community banking services under management rights to operate a franchised branch of Bendigo Bank Limited.

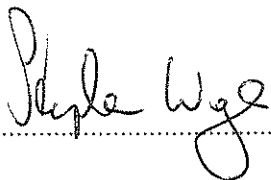
Review and results of operations

Operations have continued to perform in line with expectations. The net profit of the company for the financial period was \$18,478 (2007 \$26,969)

Matters subsequent to the end of the reporting period

There are no matters or circumstances that have arisen since the end of the half year reporting period that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

Signed in accordance with a resolution of the Directors
on the 6th day of March, 2009.


.....

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2008 there have been:

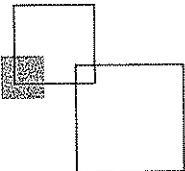
- a. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- b. no contraventions of any applicable code of professional conduct in relation to the review.


LBW Chartered Accountants

SRIPATHY SARMA
06 /03/2009



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Page 3



BELLARINE PENINSULA COMMUNITY BRANCH LIMITED
A.B.N. 33 089 107
CONDENSED INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	31-Dec 2008 \$	31-Dec 2007 \$
Revenue from ordinary activities	506,994	437,831
Employee benefit expense	(276,746)	(228,731)
Depreciation and amortisation expense	(7,079)	(2,613)
Other expenses	<u>(181,819)</u>	<u>(169,728)</u>
Profit (Loss) before income tax	41,350	36,759
Income tax expense	<u>22,872</u>	<u>9,790</u>
Profit/(Loss) for the period	<u>18,478</u>	<u>26,969</u>
 Overall Operations:		
Basic earnings per share (cents per share)	\$0.05	\$0.07

The accompanying notes form part of these financial statements.

BELLARINE PENINSULA COMMUNITY BRANCH LIMITED
A.B.N. 33 089 107
CONDENSED BALANCE SHEET
AS AT 31 DECEMBER 2008

	31-Dec 2008 \$	30-Jun 2008 \$
Current Assets		
Cash & Cash Equivalents	321,041	292,440
Trade & Other Receivables	62,625	79,753
Current Tax Asset	6,707	-
Other Current Assets	6,000	6,000
Total Current Assets	<u>396,373</u>	<u>378,193</u>
Non-Current Assets		
Other Financial Assets	48,528	40,000
Property, plant and equipment	243,370	19,328
Intangible Assets	176,156	109,156
Deferred Tax Assets	-	12,279
Total Non-Current Assets	<u>468,054</u>	<u>180,763</u>
Total Assets	<u>864,427</u>	<u>558,956</u>
Current Liabilities		
Trade & Other Payables	334,292	17,659
Deferred Tax Liability	5,502	-
Short Term Provisions	54,029	41,639
Current Tax Liabilities	1,852	11,690
Total Current Liabilities	<u>395,675</u>	<u>70,988</u>
Current Liabilities		
Long Term Provisions	3,307	5,000
Total Current Liabilities	<u>3,307</u>	<u>5,000</u>
Total Liabilities	<u>398,982</u>	<u>75,988</u>
Net Assets/(Liabilities)	<u>465,446</u>	<u>482,968</u>
Equity		
Issued capital	400,000	400,000
Retained earnings/(Accumulated losses)	65,446	82,968
Total Equity	<u>465,446</u>	<u>482,968</u>

The accompanying notes form part of these financial statements.

BELLARINE PENINSULA COMMUNITY BRANCH LIMITED
A.B.N. 33 089 107
CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	<u>Note</u>	\$ Share Capital Ordinary	\$ Retained Profits	\$ Total
Balance at 01.07.2007		400,000	45,049	445,049
Shares issued during the year		-	-	-
Retained profits (Accumulated losses)		-	26,969	26,969
Sub Total		400,000	72,018	472,018
Dividends Paid or provided for		-	(36,000)	(36,000)
Balance at 31.12.2007		400,000	36,018	436,018
Balance at 01.07.2008		400,000	82,968	482,968
Shares issued during the year		-	-	-
Retained profits (Accumulated losses)		-	18,478	18,478
Sub Total		400,000	101,446	501,446
Dividends Paid or provided for		-	(36,000)	(36,000)
Balance at 31.12.2008		400,000	65,446	465,446

The accompanying notes form part of these financial statements.

BELLARINE PENINSULA COMMUNITY BRANCH LIMITED
A.B.N. 33 089 107
CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	31-Dec 2008 \$	31-Dec 2007 \$
Cash Flows From Operating Activities		
Receipts from customers	510,551	404,244
Payments to suppliers & employees	(468,798)	(389,730)
Interest received	<u>6,863</u>	<u>7,321</u>
Net cash provided by operating activities	<u>48,616</u>	<u>21,835</u>
Cash Flows From Investing Activities		
Purchase of non-current assets	(230,155)	(9,329)
Purchase of intangible assets	<u>(78,660)</u>	<u>-</u>
Net cash provided by (used in) investing activities	(308,815)	(9,329)
Cash Flows From Financing Activities		
Proceeds from share applications	324,800	-
Dividends Paid	<u>(36,000)</u>	<u>(36,000)</u>
Net cash provided by (used in) financing activities	<u>288,800</u>	<u>(36,000)</u>
Net increase in cash held	28,601	(23,494)
Cash at 1 July	<u>292,440</u>	<u>271,419</u>
Cash at 31 December	<u><u>321,041</u></u>	<u><u>247,925</u></u>

The accompanying notes for part of these financial statements.

Page 7

BELLARINE PENINSULA COMMUNITY BRANCH LIMITED
A.B.N. 33 089 107
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

NOTE 1. BASIS OF PREPARATION

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards AASB 134: Interim Financial Reporting, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 31 December 2008 and any public announcements made by the Company during the half-year in accordance with continuous disclosure requirements under the Corporations Act 2001.

The accounting policies have been consistently applied and are consistent with those applied in the 30 June 2008 financial statements.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

(a) Income Tax

The economic entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any non-assessable or disallowed items.

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 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 LIMITED
A.B.N. 33 089 107
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

NOTE 1. BASIS OF PREPARATION CONTINUED.

(b) Property, Plant and Equipment

Each class of property, plant & equipment is carried at cost of fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant & Equipment are measured on the cost basis less depreciation and impairment losses.

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 that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement.

(c) Depreciation

The depreciation amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line or diminishing value basis, written off over the useful lives to the economic entity commencing from the time the asset is held ready of use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	5-33%
Furniture and Fittings	5-33%
Leasehold Improvements	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

(d) Intangibles

Goodwill

Goodwill is initially recorded at the amount by which the purchase price paid for leasehold premises exceeded the fair value of the premises.

BELLARINE PENINSULA COMMUNITY BRANCH LIMITED
A.B.N. 33 089 107
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

NOTE 1. BASIS OF PREPARATION CONTINUED.

(e) 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.

(f) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(g) Cash & Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-borrowings in current liabilities on the balance sheet.

(h) Goods & Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown exclusive of GST.

(i) Comparative Figures

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

BELLARINE PENINSULA COMMUNITY BRANCH LIMITED
A.B.N. 33 089 107
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

NOTE 2. EVENTS SUBSEQUENT TO REPORTING DATE

There have been no events subsequent to reporting date that would materially effect the financial statements at the reporting date.

NOTE 3. CONTINGENT ASSETS AND LIABILITIES

Since the last annual reporting date there has been no material change of any contingent assets or liabilities at the date of this report to affect the financial statements.

NOTE 4. SEGMENT REPORTING

The economic entity operates in the financial services sector where it provides banking services to its clients. The economic entity operates in one geographic area being the Bellarine Peninsula.

NOTE 5. DIVIDENDS PAID

There has been a Franked Dividend of 5 cents per share paid in November 2008.

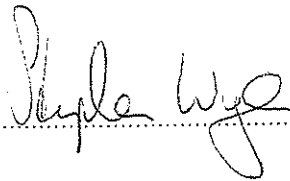
BELLARINE PENINSULA COMMUNITY BRANCH LIMITED
A.B.N. 33 089 107
CONDENSED FINANCIAL STATEMENTS
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Bellarine Peninsula Community Branch Ltd, we state that:

In the opinion of the directors:

- (1) the financial statements and notes of the company:
 - (i) give a true and fair view of the company's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and
 - (ii) comply with Accounting Standard AASB 134, "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (2) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board


.....

Dated this 6th day of March, 2009

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

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of the Bellarine Peninsula Community Branch Limited which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards AASB 134 and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Bellarine Peninsula Community Branch Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

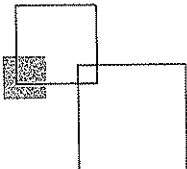
A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



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Page 13

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Bellarine Peninsula Community Branch Limited is not in accordance with the *Corporations Act 2001* including:

- A. giving a true and fair view of the entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- B. complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

LBW

LBW CHARTERED ACCOUNTANTS

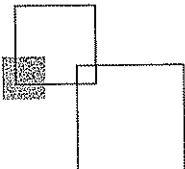
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SRIPATHY SARMA

Dated this *06th* day of March 2009



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PAGE 14

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OVER
25 YEARS
IN BUSINESS