



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 LTD

Name of entity

33089107657

Half yearly (tick)

30/06/2011

ABN

Annual (tick)

Half year/financial year ended ('Current period')

Summary

Sales revenue or operating revenue

up

21%

to

1,658

Profit (loss) before abnormal items and after tax

up

88%

to

223

Abnormal items before tax

gain (loss) of

(21)

Profit (loss) after tax but before outside equity interests

up

70%

to

201

Extraordinary items after tax attributable to members

gain (loss) of

0

Profit (loss) for the period attributable to members

up

70%

to

201

Dividends (distributions)

Franking rate applicable

30%

Current period

Final

8¢

Interim

0¢

Previous corresponding period

Final

4¢

Interim

0¢

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

N/A

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:

N/A

Consolidated profit and loss account

	Current period \$A'000	Previous corresponding period \$A'000
Sales revenue or operating revenue	1658	1370
Expenses from ordinary activities	1343	1204
Borrowing costs	-	-
Share of net profit (loss) of associates and joint venture entities	-	-
Profit (loss) from ordinary activities before tax	315	166
Income tax on ordinary activities	92	48
Profit (loss) from ordinary activities after tax	223	118
Outside equity interests	-	-
Profit (loss) from ordinary activities after tax attributable to members	223	118
Profit (loss) from extraordinary activities after tax attributable to members	-	-
Profit (loss) for the period attributable to members	223	118
Retained profits (accumulated losses) at the beginning of the financial period	146	28
Net transfers to and from reserves	-	-
Net effect of changes in accounting policies	-	-
Dividends paid or payable	64	-
Retained profits (accumulated losses) at end of financial period	305	146

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	223	118
Less (plus) outside equity interests	-	-
Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members	223	118

Revenue and expenses from operating activities

	Current period \$A'000	Previous corresponding period \$A'000
Details of revenue and expenses		
Revenue from ordinary activities	1658	1370
Employee Benefits	(757)	(672)
Depreciation & Amortisation	(34)	(28)
Community grants & donations	(165)	(158)
Other expenses	(387)	(346)

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	(15)		(14)
Total amortisation of intangibles	(15)	-	(14)
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	160	65
Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	63	53

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	723	541	689
Receivable	120	117	123
Investments	-	-	-
Inventories	-	-	-
Other (provide details if material)	-	2	1
Total current assets	843	660	813
Non-current assets			
Receivables	30	28	28
Investments	19	40	40
Inventories	-	-	-
Other property, plant and equipment (net)	225	216	235
Intangibles (net)	139	154	147
Other (provide details if material)	-	-	-
Total non-current assets	413	438	449
Total assets	1256	1098	1263
Current liabilities			
Accounts payable	35	28	38
Borrowings	-	-	-
Provisions	86	83	83
Other (Income tax payable)	54	45	104

Annexure 3A
Half Yearly/Yearly Disclosure

Total current liabilities	176	157	225
Non-current liabilities			
Accounts payable	-	-	-
Borrowings	-	-	-
Provisions	8	7	7
Other (provide details if material)	-	-	-
Total non-current liabilities	8	7	7
Total liabilities	184	164	232
Net assets	1072	934	1031
Equity			
Capital	788	788	788
Reserves	(21)	-	-
Retained profits (accumulated losses)	305	146	243
Equity attributable to members of the parent entity	-	-	-
Outside equity interests in controlled entities	-	-	-
Total equity	1072	934	1031
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	1625	1322
Payments to suppliers and employees	(1361)	(1098)
Dividends received	-	-
Interest and other items of similar nature received	30	16
Interest and other costs of finance paid	-	-
Income taxes paid	(85)	(7)
Other (provide details if material)	-	-
Net operating cash flows	274	179
Cash flows related to investing activities		

Annexure 3A
Half Yearly/Yearly Disclosure

Payments for purchases of property, plant and equipment	(28)	(1)
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 (Purchase of franchise)	-	-
Net investing cash flows	(28)	(1)
Cash flows related to financing activities		
Proceeds from issues of securities (shares, options, etc.)	-	-
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Dividends paid	(64)	-
Other (provide details if material)	-	-
Net financing cash flows	(64)	-
Net increase (decrease) in cash held	182	178
Cash at beginning of period (see Reconciliation of cash)	541	362
Exchange rate adjustments		
Cash at end of period (see Reconciliation of cash)	723	541

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.

N/A

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	118	163
Deposits at call	605	378
Bank overdraft	-	-
Other (provide details)	-	-
Total cash at end of period	723	541

Ratios

	Current period	Previous corresponding period
Profit before tax/sales		
Consolidated profit (loss) from ordinary activities before tax as a percentage of sales revenue	18.98%	12.12%
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	13.42%	8.61%

Earnings per security (EPS)

	Current period	Previous corresponding period
Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per Share		
(a) Basic EPS	0.139	0.074
(b) Diluted EPS (if materially different from (a))	0.139	0.074

NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	0.584	0.48

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	33	16
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)	-	-
Depreciation (excluding amortisation of intangibles)	(19)	(14)
Other specific relevant items:		
▪ Community grants / sponsorship	(165)	(157)

Control gained over entities having material effect N/A

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 N/A

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	\$	

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

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)	<i>Comparative data for segment assets should be as at the end of the previous corresponding period</i>
Unallocated assets)	
Total assets)	

Dividends

Date the dividend is payable

01/12/2011

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

18/11/2011

Amount per security

		<i>Franking rate applicable</i>	%	%	%
<i>(annual report only)</i>					
Final dividend:	Current year	8¢	30%	8¢	30%
	Previous year	4¢	30%	4¢	30%
<i>(Half yearly and annual statements)</i>					
Interim dividend:	Current year	0¢	N/A	0¢	N/A
	Previous year	0¢	N/A	0¢	N/A

Annexure 3A
Half Yearly/Yearly Disclosure

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

	Current year	Previous year
Ordinary securities	8¢	4¢
Preference securities	N/A	N/A

Total dividend (distribution)

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	\$128	\$64
Preference securities	N/A	N/A
Total	\$128	\$64

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	\$128	\$64
Preference securities	N/A	N/A
Total	\$128	\$64

The dividend or distribution plans shown below are in operation.

N/A

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

--

Any other disclosures in relation to dividends (distributions)

N/A

Annexure 3A
Half Yearly/Yearly Disclosure

Equity accounted associated entities and other material interests

Equity accounting information attributable to the 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.

N/A – There are no equity accounted associated entities

	Current period A\$'000	Previous corresponding period A\$'000
Entities share of:		
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. - NONE

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	
	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period \$A'000
Equity accounted associates and joint venture entities				
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	1,598,571	1,598,571	49c	49c
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 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
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

	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

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)

No subsequent events have occurred that will have a material effect on the company's financial statements.

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

A fully franked dividend would be 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.

Nil.

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	Portarlinton Girl Guides Hall Portarlinton
Date	10 November, 2011
Time	7:00 PM
Approximate date the annual report will be available	13 October, 2010

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:

13/9/2011

Print name: Stephen Wight.....

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.

BELLARINE PENINSULA COMMUNITY BRANCH LIMITED
ABN: 33 089 107 657

DIRECTOR'S REPORT
FOR THE YEAR ENDING 30 JUNE 2011

Your directors submit the financial report of the Company for the financial year ended 30 June 2011.

Directors

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

Russell Enders	Paul Jones
Stephen Wight	Geoffrey Webster
Robert Hynes	Karen Woodhart
Sandra Baldwin	Janina Randone
Pam Evans	

Company Secretary

The Company Secretary is Sandra Baldwin.

Principle Activities and Significant Changes in Nature of Activities

The principle activities of the Company during the course of the financial year were facilitating the **Community Bank®** services under management rights to operate two franchised branches of Bendigo & Adelaide Bank Limited.

There were no significant changes in the nature of principal activities during the financial year.

Operating Result and Review of Operations

The net result of the Company for the year after providing for income tax was a profit of \$222,503 (2010: \$118,254).

There was no significant change in operations during the period with the asset base of both branches continuing to grow and thereby improving profitability.

Financial Position

The company's net assets have grown to \$1,072,249 at the end of the financial year compared to \$934,489 for the previous year. The company's current asset ratio is 4.80, indicating a sound financial position.

BELLARINE PENINSULA COMMUNITY BRANCH LIMITED
ABN: 33 089 107 657

DIRECTOR'S REPORT CONTINUED

Significant Changes in State of Affairs

There were no significant changes in the company's State of Affairs during the year.

Dividends

Dividends paid or declared for payment during the financial year are as follows:

Ordinary dividend of \$0.04 cents per share paid on 1 December, 2010
Final ordinary dividend of \$0.08 cents per share recommended by the directors to be paid on 1 December, 2011 out of retained profits at 30 June 2011.

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

The Company has indemnified all Directors and Auditors in respect of liabilities to other persons (other than the Company or related body corporate) that may arise from their position as Directors of the Company except where the liability arises out of conduct involving lack of good faith.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance.

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.

BELLARINE PENINSULA COMMUNITY BRANCH LIMITED
ABN: 33 089 107 657

DIRECTORS' REPORT CONTINUED

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

The Board is responsible for the determination of remuneration packages and policies applicable to the manager of each branch and all the staff. The managers are invited to the Board meeting as required to discuss performance and remuneration packages. The managers are paid a base salary, which is between \$60,000 and \$80,000 plus superannuation.

In addition each manager receives a bonus if the Company exceeds the performance criteria established by the Board.

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, special responsibilities and shareholdings are:

Robert Hynes

Councillor with Rural City of Marong for six years,
including one year Mayor.
Secretary St Leonards Progress Association
Member St Leonards Street Festival Committee
St Leonards resident
Shares Held: Nil

Stephen J. Wight

Chartered Accountant
Registered Company Auditor
Board Member of Barwon Health
Involvement in public and not for profit organisations
Geelong resident
Shares Held: Nil

Sandra Baldwin

Company Secretary
Member of the Steering committee of the Drysdale
branch for the Bellarine Peninsula Community Branch
Previous Business Owner in local area
Clifton Springs resident
Shares Held: 500

Geoffrey Webster

Salesman
Member of the Steering committee of the Drysdale
branch for the Bellarine Peninsula Community Branch
Drysdale resident
Shares Held: 1,000

Pam Evans

Portarlington Resident
Board Member
District Leader and Leader, Portarlington Girl Guides
Shares Held – Nil

Russell Enders

Managerial and Marketing
Extensive Banking experience
Ocean Grove resident
Shares Held: Nil

Karen A. Woodhart

Involvement in local community organisations
Executive Member of Region 2, Division 2,
Neighbourhood Watch
Portarlington resident
Shares Held: 9,003

Paul Jones

Trade Teacher
Involved in community organisations
Member of the Steering committee of the Drysdale
branch for the Bellarine Peninsula Community
Branch
Drysdale resident
Shares Held: 2,500

Janina Randone

Self funded retiree and farmer
Involved in community organisations.
Member of the Steering committee of the Drysdale
branch for the Bellarine Peninsula Community
Bank Branch
Drysdale resident
Shares Held: 2,000

BELLARINE PENINSULA COMMUNITY BRANCH LIMITED
ABN: 33 089 107 657

DIRECTOR'S REPORT CONTINUED

Meeting attendance July 2010 to June 2011

	Committee Meetings Attended									
	Board Meetings		Audit & Governance		Marketing Community Investment		Grants		Drysdale	
	A	B	A	B	A	B	A	B	A	B
Russell Enders	10	9			4	3	1	1	-	-
Sandra Baldwin	10	10	3	3	4	3	3	3	2	0
Stephen Wight	10	9	3	3						
Paul Jones	10	8			4	4	2	1	2	2
Geoff Webster	10	8			4	3	1	0	2	1
Pam Evans	10	7					3	2		
Karen Woodhart	10	6			4	1	2	1		
Bob Hynes	6	4					2	2		

A - eligible to attend

B - Number attended

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 6th day of September, 2011

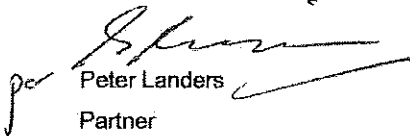
**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF
BELLARINE PENINSULA COMMUNITY BRANCH LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 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.

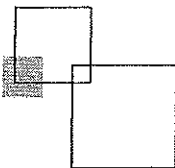

LBW CHARTERED ACCOUNTANTS


per Peter Landers
Partner

6 September 2011



Chartered Accountants



GEE LONG
35-37 Gordon Avenue
Geelong West 3218
T: 5221 6111
F: 5223 1966

MELBOURNE
Level 3,
365 Lt Collins Street
Melbourne 3000
T: 9670 4444
F: 9670 3344

COLAC
7 Bromfield Street
Colac 3250
T: 5231 5999
F: 5232 1400

EMAIL
lbw@lbwaccountants.com.au
WEB
www.lbwaccountants.com.au

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107 657

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDING 30 JUNE 2011

	Notes	2011 \$	2010 \$
REVENUE			
Revenue from Continuing Operations	2	1,658,134	1,370,448
EXPENSES			
Employee Benefits		756,521	672,167
Information Technology Expenses		48,112	50,650
Depreciation and Amortisation	3	33,731	28,749
Property Expenses		84,656	80,902
Donations and Sponsorship		165,261	157,784
Professional Fees		35,715	30,350
Insurance		28,172	23,762
Administration Expenses		153,616	126,435
Other expenses From Ordinary Activities		37,579	33,296
TOTAL EXPENSES FROM ORDINARY ACTIVITIES		1,343,363	1,204,095
NET RESULT BEFORE INCOME TAX		314,771	166,353
Income Tax Expense	4	92,268	47,829
NET RESULT AFTER INCOME TAX		222,503	118,524
OTHER COMPREHENSIVE INCOME			
Net fair value loss on Available for Sale Financial Instruments		20,800	-
COMPREHENSIVE RESULT FOR THE YEAR		201,703	118,524
Earnings per Share (cents per share)			
Basic Earnings per share	23	13.9	7.4
Diluted Earnings per share	23	13.9	7.4

This statement should be read in conjunction with the accompanying notes

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107 657

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	2011 \$	2010 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	5	723,079	541,354
Receivables	6	119,664	117,275
Prepayments		-	2,000
Total Current Assets		842,743	660,629
Non-Current Assets			
Other Financial Assets	7	19,200	40,000
Deferred Tax Assets	8	29,516	27,709
Property, Plant, Equipment	9	225,432	216,565
Intangible Assets	10	139,180	153,836
Total Non-Current Assets		413,328	438,110
TOTAL ASSETS		1,256,071	1,098,739
LIABILITIES			
Current Liabilities			
Payables	11	35,462	28,141
Short-term provisions	12	85,792	83,315
Current Tax Liabilities	13	54,474	45,547
Total Current Liabilities		175,728	157,003
Non-Current Liabilities			
Long-term provisions	12	8,094	7,247
Total Non-Current Liabilities		8,094	7,247
TOTAL LIABILITIES		183,822	164,250
NET ASSETS		1,072,249	934,489
EQUITY			
Issued Capital	14	787,911	787,911
Financial Assets Reserve		(20,800)	-
Retained Earnings		305,138	146,578
TOTAL EQUITY		1,072,249	934,489

This statement should be read in conjunction with the accompanying notes

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107 657

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	Note	Issued Capital \$	Financial Assets Reserve \$	Retained Earnings \$	Total \$
Balance at 1 July 2009		787,911	-	28,054	815,965
Comprehensive Income					
Net Result for the year		-	-	118,524	118,524
Balance at 30 June 2010		787,911	-	146,578	934,489
Comprehensive Income					
Net Result for the year		-	-	222,503	222,503
Other Comprehensive Income for the year		-	(20,800)	-	(20,800)
Total Comprehensive Income for the year		-	(20,800)	222,503	201,703
Transactions with Owners in their Capacity as Owners					
Dividends recognised for the year	24	-	-	(63,943)	(63,943)
Balance at 30 June 2011		787,911	(20,800)	305,138	1,072,249

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107 657

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from Customers		1,625,256	1,322,747
Interest		30,489	16,356
Payments			
Employee Benefits		(752,227)	(658,209)
Income Tax Paid		(85,148)	(7,082)
Other		(544,760)	(493,990)
NET CASH FLOWS FROM OPERATING ACTIVITIES	15	273,610	179,822
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Plant & Equipment		(27,942)	(1,144)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(27,942)	(1,144)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends Paid	24	(63,943)	-
		(63,943)	-
NET INCREASE/(DECREASE) IN CASH HELD		181,725	178,678
CASH AT 1 JULY		541,354	362,676
CASH AT 30 JUNE	5	723,079	541,354

This statement should be read in conjunction with the accompanying notes

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107 657

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2011
NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**Basis of preparation**

Bellarine Peninsula Community Branch Limited (the Company) is domiciled in Australia. The financial statements for the year ending 30 June 2011 are presented in Australian dollars. The Company was incorporated in Australia and the principal operations involve providing Community Bank@ services.

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

The financial statements require judgements, estimates and assumptions to be made that affect the application of accounting policies. Actual results may differ from these estimates.

The financial statements were authorised for issue by the Directors on the 22nd of August, 2011.

Statement of compliance

The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board and the Corporations Act 2001. The financial report of the Company complies with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board. Australian Accounting Standards that have been recently issued or amended, but are not yet effective, have not been adopted in the preparation of this financial report. The impact, if any, of the changes to these standards are still being assessed by the Company.

Significant accounting policies

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 2011.

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 16.

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 16.

(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 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	2011	2010
Furniture & Fittings	10-25%	10-25%
Plant & Equipment	10-25%	10-25%
Leasehold Improvements	10-25%	10-25%
Motor Vehicles	23%	23%

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107 657

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2011

(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) Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

(j) Share capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(k) 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.

(l) 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 substantively 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.

(m) 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.

(n) 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.

(o) 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.

(p) Comparative Information

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

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107 657

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$	2010 \$
NOTE 2: REVENUE		
Revenue from Continuing Operations		
Services Revenue	1,625,134	1,354,092
Interest - Other Persons	33,000	16,356
Total Revenue from Continuing Operations	1,658,134	1,370,448
NOTE 3: DEPRECIATION AND AMORTISATION		
Depreciation of Plant and Equipment	19,075	14,472
Amortisation of Intangibles	14,656	14,277
	33,731	28,749
NOTE 4: INCOME TAX EXPENSE		
a) The components of tax expense comprise:		
Current Tax	94,075	52,881
Deferred Tax	(1,807)	(5,052)
	92,268	47,829
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% (2010: 30%)	94,431	49,906
Add		
Tax effect of:		
other non-allowable items	(2,163)	(2,077)
	92,268	47,829
Weighted Average Tax Effective Rate	29.31%	28.75%
NOTE 5: CASH AND CASH EQUIVALENTS		
Cash at Bank	117,878	162,904
Short Term Deposits	605,201	378,450
	723,079	541,354
NOTE 6: RECEIVABLES		
CURRENT		
Franchise Income Receivable	113,919	114,441
Accrued Investment Income	5,345	2,834
Other Receivables	400	-
TOTAL	119,664	117,275
(a) Ageing of Receivables		
Please refer to note 16 (c) for the ageing analysis of receivables		
(b) Nature and extent of risk arising from Receivables		
Please refer to note 16 (c) for the nature and extent of credit risk arising from receivables		
NOTE 7: OTHER FINANCIAL ASSETS		
Non-Current		
Available-for-Sale Financial Assets		
Shares - Unlisted Public Company	19,200	40,000
(a) Ageing of Other Financial Assets		
Please refer to note 16 (c) for the ageing analysis of Other Financial Assets		
(b) Nature and extent of risk arising from other financial assets		
Please refer to note 16 (c) for the nature and extent of credit risk arising from Other Financial Assets		
NOTE 8: DEFERRED TAX ASSETS		
Deferred Tax Assets Comprise:		
Provisions	28,166	28,309
Other	1,350	(600)
	29,516	27,709
NOTE 9: PROPERTY, PLANT & EQUIPMENT		
At Cost		
Furniture and Fittings	32,548	26,714
Less Accumulated Depreciation	(26,704)	(22,546)
Total Furniture and Fittings	5,844	4,168
Motor Vehicles	22,108	-
Less Accumulated Depreciation	(3,721)	-
Total Motor Vehicles	18,387	-
Leashold Improvements	232,434	232,434
Less Accumulated Amortisation	(31,233)	(20,037)
Total Leasehold Improvements	201,201	212,397
Total Property, Plant & Equipment	225,432	216,565

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107 657

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 9: PROPERTY, PLANT & EQUIPMENT (Continued)

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.

	Leasehold Improvements \$	Motor Vehicles	Furniture & Fittings \$	Total \$
Balance at 1 July 2009	224,140	-	5,752	229,892
Additions	-	-	1,145	1,145
Depreciation expense	(11,743)	-	(2,729)	(14,472)
Balance at 30 June 2010	212,397	-	4,168	216,565
Additions	-	22,108	5,834	27,942
Depreciation expense	(11,196)	(3,721)	(4,158)	(19,075)
Balance at 30 June 2011	201,201	18,387	5,844	225,432

NOTE 10: INTANGIBLE ASSETS

NON-CURRENT

Franchise Licence Fee

less accumulated amortisation

Goodwill - Drysdale Branch at cost

2011

\$

78,000

(45,298)

32,702

106,478

139,180

2010

\$

78,000

(30,642)

47,358

106,478

153,836

NOTE 11: PAYABLES

CURRENT

Trade Creditors

Accrued Expenses

23,593

21,841

11,869

6,300

35,462

28,141

NOTE 12: PROVISIONS

CURRENT

Long Service Leave

Annual Leave

TOTAL

34,811

25,956

50,981

57,360

85,792

83,315

NON-CURRENT

Long Service Leave

8,094

7,247

TOTAL PROVISIONS

93,886

90,562

NOTE 13: TAX LIABILITIES

CURRENT

Income Tax

54,474

45,547

NOTE 14: ISSUED CAPITAL

(a) Ordinary Shares

1,598,571 (2010: 1,598,571) ordinary shares fully paid

787,911

787,911

NOTE 15: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES

Result after income tax	222,503	118,524
Non-Cash Flows In Profit		
Depreciation and amortisation	33,731	28,750
Changes in Assets and Liabilities		
Increase/(Decrease) in Provisions	10,444	69,726
Increase/(Decrease) in Payables	7,321	(7,833)
Increase/(Decrease) in Prepaid Expenses	2,000	2,000
Decrease/(Increase) in Receivables	(2,389)	(31,345)
Net Cash From Operating Activities	273,610	179,822

NOTE 16: FINANCIAL RISK MANAGEMENT

(a) Financial Risk Management Objectives and Policies

The Company has exposure to credit risk, liquidity risk and market risk from their use of financial instruments.

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established an Audit and Governance committee which reports regularly to the Board.

The company's principal financial instruments comprise of:

- Cash Assets
- Term Deposits
- Receivables (excluding statutory receivables)
- Payables (excluding statutory payables)

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, with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107 657

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 16: FINANCIAL RISK MANAGEMENT (Continued)

(b) Categorisation of Financial Instruments

	Note	Category	Carrying Amount 2011 \$	2010 \$
Financial Assets				
Cash and Cash Equivalents	4	N/A	723,079	541,354
Receivables	5	Loans and Receivables	119,664	117,275
Other Financial Assets	6	Available for sale of Financial Assets (at fair value)	19,200	40,000
Financial Liabilities				
Payables	10	Financial Liabilities measured at Amortised Cost	35,462	28,141

(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's exposure to credit risk is limited to Australia by geographic area. The entire balance of receivables is due from Bendigo and Adelaide Bank Ltd.

The Company limits its exposure to credit risk by only investing in liquid securities with Bendigo and Adelaide Bank Ltd.

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 2011

	Weighted Average Interest Rates %	Consolidated Carrying Amount \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$	Not Past Due And Not Impaired \$
2011						
Financial Assets						
Cash and Cash Equivalents	5.11	723,079	605,201	117,518	360	723,079
Receivables	0.00	119,664	-	-	119,664	119,664
Other Financial Assets	0.00	19,200	-	-	19,200	19,200
Total Financial Assets		861,943	605,201	117,518	139,224	861,943
2010						
Financial Assets						
Cash and Cash Equivalents	4.02	541,354	373,977	167,017	360	541,354
Receivables	0.00	117,275	-	-	117,275	117,275
Other Financial Assets	0.00	40,000	-	-	40,000	40,000
Total Financial Assets		698,629	373,977	167,017	157,635	698,629

(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 \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$	Contractual Cash Flows \$	Maturity Dates Less than 1 Month \$
2011							
Trade Creditors and Accruals	0.00	35,462	-	-	35,462	35,462	35,462
Total Financial Liabilities		35,462	-	-	35,462	35,462	35,462
2010							
Trade Creditors and Accruals	0.00	28,141	-	-	28,141	28,141	28,141
Total Financial Liabilities		28,141	-	-	28,141	28,141	28,141

(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 Reserve 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 3%

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107 657

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 16: FINANCIAL RISK MANAGEMENT (Continued)

(e) Market Risk (Continued)

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			
		-1% Profit \$	Equity \$	+1% Profit \$	Equity \$
2011					
Financial Assets					
Cash and Cash Equivalents	723,079	(1,175)	(1,175)	1,175	1,175
Receivables	119,664	-	-	-	-
Other Financial Assets	19,200	-	-	-	-
Financial Liabilities					
Trade Creditors and Accruals	35,462	-	-	-	-
2010					
Financial Assets					
Cash and Cash Equivalents	541,354	(5,414)	(5,414)	5,414	5,414
Receivables	117,275	-	-	-	-
Other Financial Assets	40,000	-	-	-	-
Financial Liabilities					
Trade Creditors and Accruals	28,141	-	-	-	-

(f) Net fair values

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the Statement of financial position. The Company does not have any unrecognised financial instruments at year end.

(g) Capital management

The Board's policy is to maintain a strong capital base so as to sustain future development of the Company. The Board of Directors monitor the return on capital and the level of dividends to shareholders. Capital is represented by total equity as recorded in the Statement of financial position.

In accordance with the franchise agreement, in any 12 month period, the funds distributed to shareholders shall not exceed the Distribution Limit.

The Distribution Limit is the greater of:

- 20% of the profit or funds of the Franchisee otherwise available for distribution to shareholders in that 12 month period; and
- subject to the availability of distributable profits, the Relevant Rate of Return multiplied by the average level of share capital of the Franchisee over that 12 month period.

The Relevant Rate of Return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The Board is managing the growth of the business in line with this requirement. There were no changes in the Company's approach to capital management during the year.

NOTE 17: CAPITAL AND LEASING COMMITMENTS

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

NOTE 18: 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 on the Bellarine Peninsula, Victoria. More than 90% revenue, net surplus from ordinary activities and segment assets relate to operations on the peninsula.

NOTE 19: DIRECTOR AND RELATED PARTY DISCLOSURES

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

R Enders	SJ Baldwin
R Hynes	PC Jones
KA Woodhart	GD Webster
S Wight	J Randone (appointed 27/06/11)
P Evans (appointed 10/08/10)	

b) Income paid or payable to all directors

2011	2010
\$	\$

c) Transactions with directors and/or related parties

S. Wight is a director of Davidsons Pty Ltd which provides accounting services to the company. The amount paid to Davidsons Pty Ltd for these services amounted to \$30,215 (2010 \$24,850).

The transactions were made on an arms length basis and on normal terms and conditions.

NOTE 20: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107 657

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 21: EVENTS OCCURRING AFTER REPORTING DATE

Since 30 June 2011 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 22: AUDITORS REMUNERATION

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

	2011	2010
	\$	\$
	5,500	5,500
	<u>5,500</u>	<u>5,500</u>

NOTE 23: EARNINGS/ (LOSS) PER SHARE

Basic earnings per share amounts are calculated by dividing profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of any dilutive options or preference shares).

The following reflects the income and share data used in the basic and diluted earnings per share computations:

Profit/(loss) after income tax expense	222,503	118,524
Weighted average number of ordinary shares for basic and diluted earnings per share	<u>1,598,571</u>	<u>1,598,571</u>
a) Basic earnings per share (cents per share)	0.139	0.074
b) Diluted earnings per share (cents per share)	0.139	0.074

NOTE 24: DIVIDENDS

(a) Dividends paid during the year

Previous year final Franked dividends - 4 cents per share (2010: nil cents per share)

63,943 -

(b) Dividends proposed and not recognised as a liability

Franked dividends - 8 cents per share (2010: 4 cents per share)

127,866 63,943

(c) Franking credit balance

The amount of franking credits available for the subsequent financial year are:
Franking account balance as at the end of the financial year

104,457 46,054

Subsequent to year-end, the franking account would be reduced by the proposed dividend reflected per (b) as follows:

54,799 27,404

The tax rate at which dividends have been franked is 30% (2010: 30%).

Dividends proposed will be franked at a rate of 30% (2010: 30%).

NOTE 25: CORPORATE INFORMATION

Bellarine Peninsula Community Branch Limited is a Company limited by shares incorporated in Australia whose shares are publicly traded on the Bendigo Stock Exchange.

The registered office is:

44 Newcombe Street
Portarlington 3223

The principal places of business are:

Portarlington

44 Newcombe Street
Portarlington 3223

Drysdale

11 Clifton Springs Road
Drysdale 3222

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107

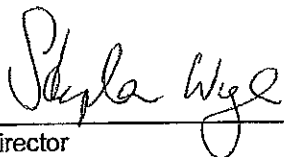
DECLARATION BY DIRECTORS

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 2011 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 6th day of September, 2011



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 statement of financial position as at 30 June 2011, and the statement of comprehensive income, 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.

Auditor's responsibility

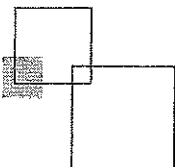
Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit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



Chartered Accountants



GEE LONG
35-37 Gordon Avenue
Geelong West 3218
T: 5221 6111
F: 5223 1966

MELBOURNE
Level 3,
365 Lt Collins Street
Melbourne 3000
T: 9670 4444
F: 9670 3344

COLAC
7 Bromfield Street
Colac 3250
T: 5231 5999
F: 5232 1400

EMAIL
lbw@lbwaccountants.com.au
WEB
www.lbwaccountants.com.au

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

Independence

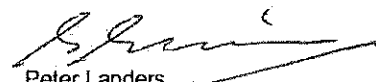
In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Bellarine Peninsula Community Branch Limited, on 6 September 2011, would be in 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 2011 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.

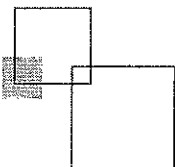

LBW Chartered Accountants


Peter Landers

Dated this 6th day of September 2011



Chartered Accountants



GEE LONG
35-37 Gordon Avenue
Geelong West 3218
T: 5221 6111
F: 5223 1966

MELBOURNE
Level 3,
365 Lt Collins Street
Melbourne 3000
T: 9670 4444
F: 9670 3344

COLAC
7 Bromfield Street
Colac 3250
T: 5231 5999
F: 5232 1400

EMAIL
lbw@lbwaccountants.com.au
WEB
www.lbwaccountants.com.au