

2007
annualreport

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Chairman's report

For year ending 30 June 2007

It is with great pleasure I present the inaugural Annual Report to shareholders of Harden Murrumburrah **Community Bank**[®] Branch.

It has been a big year for "Our Bank". Aside from engaging you and 350 other individuals and organisations within your community as shareholders in this venture, and the long awaited opening of your Harden Murrumburrah **Community Bank**[®] branch, your Board continues to work tirelessly towards making the operation a success for the benefit of the entire community. I would like to thank them for their continued efforts. The Company, as well as the community, is very fortunate to secure professional and talented individuals such as these.

Business levels and support are, and continue to move in a strong positive direction, with the Board confident of achieving, or close to achieving, the figures it set out in its original forecasts for the first 12 months of operation. In light of the current economic conditions faced by the region, this is very encouraging to say the least and can be attributed to Ralph Hawkins and his wonderful staff, who are more than happy to assist you in all your banking requirements.

I thank all shareholders who have helped make the **Community Bank**[®] branch a possibility, to those of you who have brought all or part of their banking business over, a further thank you. For this venture to be an asset for the entire community, it is the entire community that needs to work together to make it a reality. It is only through continued and increasing support that this will happen and we can look forward to making significant contributions to a prosperous, stronger and more vibrant community.



Brenden McKay
Chairman

27 September 2007

Manager's report

For year ending 30 June 2007

Harden Murrumburrah **Community Bank**[®] Branch as at 30 June has been trading all of 12 weeks.

This first 12 weeks was quite hectic for your Customer Service Team - Janelle Slavin, Gale Curtis, Lyn Coddington, Katy Fogg and Ralph Hawkins as we all began to get used to the Bendigo way of banking. All of the team have found this period exciting and very different to our previous banking industry experiences.

Business levels have exceeded \$6 million with 376 accounts open as at 30 June 2007. The ATM is being used more and more each month and is expected to be financially positive for our business and a great asset for the community.

It is confidently anticipated that our business levels at the end of the new financial year will be in excess of \$20 million with approximately 1000 accounts operating.

These results reflect the dedication of the Harden Murrumburrah **Community Bank**[®] Company Board, your Customer Service Team and the continuing support of each shareholder.

If, as a shareholder, you have not had the opportunity yet to commence your banking relationship with your **Community Bank**[®] branch please do not hesitate to call into the branch to see how we can assist you.



Ralph Hawkins
Manager

Bendigo Bank Ltd report

For year ending 30 June 2007

As we approach the 10th anniversary of the **Community Bank**[®] network it is timely to reflect on what has been achieved. The opening of the first **Community Bank**[®] branches in Victoria's Wimmera in 1998 changed the Australian banking landscape – how significant this change has been is only now starting to become obvious.

Today, the **Community Bank**[®] brand is represented in every State and Territory of Australia, with the final frontier, the Northern Territory, falling with the opening of Coolalinga **Community Bank**[®] Branch in September 2006. Nine months later we were celebrating the opening of our 200th **Community Bank**[®] Branch in the Victorian seaside community of Dromana.

When you take the time to list them, the official statistics are impressive:

- \$10 billion in combined banking business
- \$10 million in grants to community groups and projects
- \$7 million in dividends paid to shareholders
- 1000 **Community Bank**[®] branch staff

But perhaps what has been most significant during 2007 have been merger talks. Bendigo rejected a merger proposal from Bank of Queensland in April. Less than four months later, Bendigo Bank's Board unanimously supported a merger proposal with Adelaide Bank. The merger will be voted on by Adelaide Bank shareholders in late-2007.

Under the merged group, our unique **Community Bank**[®] model will continue to grow and prosper, and new Company-owned and **Community Bank**[®] branches will continue to open.

The Bendigo Bank brand will be retained, customers' accounts will not change and the same friendly faces will be at your local branch to provide for your banking needs. As a **Community Bank**[®] shareholder, you will notice no changes – you remain a shareholder of your local community Company.

Nationally, the merger will increase Bendigo Bank's network, delivering our customers access to 24 branches in South Australia and 90 ATMs. Over time, new products and services will follow.

Bendigo Bank participates in the development of community banking with an enormous sense of pride. We are indeed fortunate to be your partner and look forward to celebrating 10 years of community banking in 2008.



Chris Bone
Regional Manager

Directors' report

For year ending 30 June 2007

Your Directors submit their report of the Company for the financial year ended 30 June 2007.

Directors

The names and details of the Company's Directors who held office during or since the end of the financial year are:

Brenden Robert Mckay

Chairman
Businessman

Tony Campbell

Director
Agriculture Business

James Cusack

Director
Stock & Station Agent

Dr Yusufali Khalfan

Director
Medical Practitioner

Susan McCarthy

Treasurer
Farm Office Manager

Catherine Sanderson

Company Secretary
Retired

Andrew Kennett

Director
Agriculture Commodities Trader

Barbara Sargent

Director
Retired School Teacher

Directors were in office for this entire year unless otherwise stated.

No Directors have material interests in contracts or proposed contracts with the Company.

Principal activities

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

There have been no significant changes in the nature of these activities during the year.

Operating results

Operations have continued to perform in line with expectations. The profit (loss) of the Company for the financial year after provision for income tax was (169,799).

Dividends

No recommendation has been made for the payment of a dividend.

Directors' report continued

Significant changes in the state of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report.

Significant events after the balance date

There are no matters or circumstances that have arisen since the end of the financial year 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, in future years.

Likely developments

The Company will continue its policy of providing banking services to the community.

Directors' benefits

No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Company, controlled entity or related body corporate with a Director, a firm which a Director is a member or an entity in which a Director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the Company's accounts, or the fixed salary of a full-time employee of the Company, controlled entity or related body corporate.

Indemnification and insurance of Directors and Officers

The Company has indemnified all Directors and the Manager in respect of liabilities to other persons (other than the Company or related body corporate) that may arise from their position as Directors or Managers of the Company except where the liability arises out of conduct involving the 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. The Company has not provided any insurance for an Auditor of the Company or a related body corporate.

Directors' report continued

Directors meetings

The number of Directors meetings attended by each of the Directors of the Company during the year were:

Number of meetings held:	36
<hr/>	
Number of meetings attended:	
<hr/>	
Brenden Robert Mckay	32
<hr/>	
Susan McCarthy	36
<hr/>	
Tony Campbell	30
<hr/>	
Catherine Sanderson	36
<hr/>	
James Cusack	30
<hr/>	
Andrew Kennett	25
<hr/>	
Dr Yusufali Khalfan	26
<hr/>	
Barbara Sargent	31
<hr/>	

Company Secretary

Catherine Sanderson has been the Company Secretary of Murrumboola Financial Services Ltd for one year.

Corporate governance

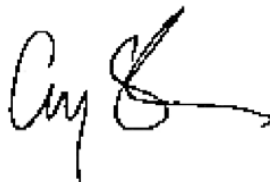
The Company has implemented various corporate governance practices, which include:

- (a) The establishment of an audit committee. Members of the audit committee are Susan McCarthy
Catherine Sanderson, Brenden McKay, Ralph Hawkins
- (b) Director approval of operating budgets and monitoring of progress against these budgets;
- (c) Ongoing Director training; and
- (d) Monthly Director meetings to discuss performance and strategic plans.

Signed in accordance with a resolution of the Board of Directors at Harden on 27 September 2007.



Brenden McKay
Director



Cathy Sanderson
Director

Directors' declaration

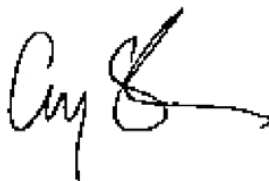
The Directors of the Company declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations; and
 - (b) give a true and fair view of the Company's financial position as at 30 June 2007 and of its performance for the year ended on that date;
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.



Brenden McKay
Director



Cathy Sanderson
Director

Dated: 27 September 2007

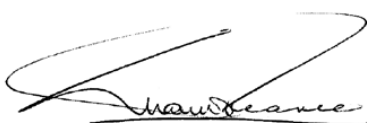
Auditor's independence declaration

Under Section 307C of the Corporations Act 2001

To the Directors of: Murrumbolla Financial Services Limited

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

- (i) no contraventions of the Auditor 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

A handwritten signature in black ink, appearing to read 'Grant Pearce', written over a horizontal line.

Grant Pearce, FCA

35 Montague St, Goulburn

22.08.2007

Financial statements

Income statement

For year ending 30 June 2007

	Note	2007 \$	2006 \$
Classification of expenses by nature			
Revenues from ordinary activities	2	26,980	2
Borrowing costs expense	3	(164)	(2)
Amortisation expenses	3	(5,750)	
Depreciation expenses	3	(14,132)	
Employee benefits expenses	3	(79,202)	
Other expenses from ordinary activities		(170,301)	(590)
Profit (loss) from ordinary activities before income tax	2	(242,570)	(590)
Income tax revenue relating to ordinary activities	4	72,771	177
Net profit (loss) attributable to members of the Company		(169,799)	(413)
Earnings per share (cents per share)			
	20		
- Basic for profit/(loss) for the year		(24.67)	

The accompanying notes form part of these financial statements.

Financial statements continued

Balance sheet

As at 30 June 2007

	Note	2007 \$	2006 \$
Current assets			
Cash assets	5	232,591	323,575
Receivables	6	6,974	
Current tax assets	7	21,663	63
Other	8	2,147	230
Total current assets		263,375	323,868
Non-current assets			
Property, plant and equipment	9	242,664	
Intangible assets	10	35,231	
Total non-current assets		277,896	
Total assets		541,271	323,868
Current liabilities			
Payables	11	83,727	
Interest-bearing liabilities			324,450
Current tax liabilities	12	(70,432)	(177)
Provisions	13	10,080	
Total current liabilities		23,376	324,273
Total liabilities		23,376	324,273
Net assets		517,895	(405)
Equity			
Contributed equity	14	688,108	8
Retained profits / (accumulated losses)		(170,213)	(413)
Total equity		517,895	(405)

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of changes in equity

As at 30 June 2007

	Notes	Retained profits	Issued & paid up capital	Total
Balance at 30/06/2006		(413.25)	8.00	
Profit attributable to the members		(169,799.46)		(169,799.46)
Shares issued during the year			688,100.00	688,100.00
Subtotal		(170,212.71)	688,108.00	
Balance at 30/06/2007		(170,212.71)	688,108.00	

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of cash flows

As at 30 June 2007

	Note	2007 \$	2006 \$
Cash flow from operating activities			
Receipts from customers		4,849	
Payments to suppliers and employees		(176,728)	(883)
Interest received		15,156	2
Interest and other costs of finance		(164)	(2)
Net cash provided by (used in) operating activities (note 2)		(156,887)	(883)
Cash flow from investing activities			
Payment for:			
Payments for property, plant and equipment		(256,796)	
Payments for intangibles		(40,951)	
Net cash provided by (used in) investing activities		(297,747)	
Cash flow from financing activities			
Proceeds of issue of shares		688,100	8
Proceeds of borrowings			323,600
Repayment of borrowings		(323,600)	
Net cash provided by (used in) financing activities		364,500	323,608
Net increase (decrease) in cash held		(90,134)	322,725
Cash at the beginning of the year		322,725	
Cash at the end of the year (note 1)		232,591	322,725

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of cash flows

As at 30 June 2007

	Note	2007 \$	2006 \$
Note 1. Reconciliation of cash			
For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.			
Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:			
Bendigo cheque account		20,412	(850)
Trust account-share applications		3,179	323,567
Term deposit		209,000	
Cash on hand			8
		232,591	322,725

Note 2. Reconciliation of net cash provided by/used in operating activities to operating profit after income tax

Operating profit after income tax		(169,799)	(413)
Depreciation		14,132	
Amortisation		5,720	
Increase/(decrease) in provision for income tax		(70,671)	(1 77)
Changes in assets and liabilities net of effects of purchases and disposals of control led entities:			
(Increase) decrease in trade and term debtors		(6,974)	
(Increase) decrease in prepayments		(1 ,9 1 7)	(230)
Increase (decrease) in trade creditors and accruals		81,627	
Increase (decrease) in employee entitlements		3,799	
Increase (decrease) in sundry provisions		(12,802)	(63)
Net cash provided by (used in) operating activities		(156,887)	(883)

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ending 30 June 2007

Note 1. Statement of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with the requirements of the Corporations Act 2001 and applicable Australian Accounting Standards and other mandatory professional reporting requirements.

The financial report covers Murrumbula Financial Services Limited as an individual entity. Murrumbula Financial Services Limited is a Company limited by shares, incorporated and domiciled in Australia.

(A) Basis of preparation

The financial report of Murrumbula Financial Services Limited complies with Australian equivalents to International Financial Reporting Standards (IFRS).

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(B) Accounting policies

Income tax

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding 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 tax 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.

Notes to financial statements continued

Note 1. Statement of significant accounting policies (continued)

Property, plant and equipment

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

a) Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arms length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

b) Plant and equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from those 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 not been discounted to present values in determining the recoverable amounts.

The cost of fixed assets constructed within Murrumbolla Financial Services Limited includes the cost of materials, direct labor, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount recognised as a separate asset, as appropriate, only when it is probable that the 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. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the assets original cost is transferred from the revaluation reserve to retained earnings.

c) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to Murrumbolla Financial Services Limited commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Notes to financial statements continued

Note 1. Statement of significant accounting policies (continued)

c) Depreciation (continued)

The depreciation rates used for each class of depreciable asset are:

Class of asset	Depreciation rate %
Leasehold improvements	10
Plant and equipment	10 to 40

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

An assets carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Cash

Cash on hand and in banks are stated at nominal value.

For the purposes of the cashflow statement, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank drafts.

Receivables and payables

Receivables and payables are non interest bearing. Receivables are recognised and carried at the original invoice amount less a provision for bad debts. Liabilities for trade creditors and other amounts are carried at cost, that is the fair value of the consideration to be paid in the future for goods or services received, whether or not billed to the Company.

Interest bearing liabilities

All loans are measured at the principal amount. Interest is recognised as an expense as it accrues.

Impairment of assets

At each reporting date, the Directors review the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the assets fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs.

Notes to financial statements continued

Note 1. Statement of significant accounting policies (continued)

Intangibles

Preliminary and Franchise costs are initially recorded at cost. Preliminary expenses amortised on a straight line basis at the rate of 20% per annum. Franchise fees are amortised on a straight line basis over the term of the agreement.

Employee benefits

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements have been measured at the amount expected to be paid when the liability is settled, plus related on-costs.

The Company contributes to employee superannuation funds. Contributions to these complying funds are charged against income as incurred.

Provisions

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

Revenue

Interest, and fee revenue is recognised when earned. All revenue is stated net of the amount of goods and services tax (GST).

Goods and service 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.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Comparative figures

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

Notes to financial statements continued

	2007	2006
	\$	\$
Note 2: Revenue		
Operating activities:		
Commissions and other sales revenue	3,449	
Other operating revenue:		
- Margin share	5,879	
- Fee income	2,346	
	11,674	
Total amortisation expenses		
Non-operating activities:		
Interest revenue	15,156	2
Other income	150	
Total amortisation expenses	15,306	
	26,980	2

Note 3: Profit from ordinary activities

Profit (loss) from ordinary activities before income tax has been determined after:

Charging as expense:		
Amortisation of non-current assets:		
- Franchise fees	2,625	
- Preliminary expense	3,095	
Total amortisation expenses	5,720	
Borrowing costs:		
- Interest Bendigo Bank	164	2
Total borrowing costs	164	2

Notes to financial statements continued

	2007	2006
	\$	\$
Note 3: Profit from ordinary activities (continued)		
Employee benefits expense		
- Wages and salaries	72,948	
- Superannuation costs	6,255	
Total employee benefit expense	79,202	
Depreciation of non-current assets:		
- Plant & equipment	14,132	
Total depreciation expenses	14,132	

Note 4: Income tax

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

Prima facie income tax payable on operating profit at 30%	(72,771)	(177)
Add:		
Tax effect of:		
- Tax losses carried forward to later years	72,771	177
Current income tax expense		
Tax effect of:		
- Origination & reversal of temporary timing differences	(72,771)	(177)
Deferred income tax expense	(72,771)	(177)
Income tax expense	(72,771)	(177)

Notes to financial statements continued

	2007	2006
	\$	\$

Note 5: Cash assets

Bank accounts:

- Bendigo cheque account	20,412	
- Trust account-share applications	3,179	323,567

Other cash items:

- Term deposit	209,000	
- Cash on hand		8
	232,591	323,575

Reconciliation of cash:

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

- Cash	232,591	323,575
- Bank overdrafts		(850)
	232,591	322,725

Note 6: Receivables

Current

Trade debtors	6,974	
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Note 7: Tax assets

Current

GST payable control account	21,663	63
	21,663	63

Note 8: Other assets

Current

Prepayments	2,147	230
	2,147	230

Notes to financial statements continued

	2007	2006
	\$	\$
Note 9: Property, plant and equipment		
Leasehold improvements:		
- At cost	228,962	
- Less: accumulated depreciation	(7,875)	
	221,087	
Plant and equipment:		
- At cost	27,834	
Less: accumulated depreciation	(6,257)	
	21,577	
	242,664	

Note 10: Intangible assets

Franchise fees		
- At cost	10,000	
- Less: Accumulated amortization	(2,625)	
	7,375	
Preliminary expenses:		
- At cost	30,951	
- Less: accumulated amortization	(3,095)	
	27,856	
	35,231	

Note 11: Payables

Unsecured:		
- Trade creditors	83,727	
	83,727	

Notes to financial statements continued

	2007	2006
	\$	\$
Note 12: Tax liabilities		
Current		
Deferred tax (future tax benefit)	(72,948)	(177)
Amounts withheld from salary and wages	2,516	
	(70,432)	(177)

Note 13: Provisions

Current		
Employee superannuation payable	3,799	
Employee leave entitlements	6,282	
	10,080	

There were 5 employees at the end of the year

Provision for employee entitlements

A provision has been recognised for employee entitlements relating to annual and long service leave for employees. In calculating the present value and future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been included in Note]; Statement of significant account policies.

Note 14: Contributed capital

Ordinary shares at \$1.00 each fully paid	688,108	8
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Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Notes to financial statements continued

Note 15: Director and related party disclosures

Directors' remuneration

The names of Directors of the Company who have held office during the financial year and their share holdings are:

	2007	2006
Catherine Sanderson	5,501	1
Andrew Clayton Kennett	15,001	1
Barbara Lillian Sargent	4,001	1
Brenden Robert McKay	3,001	1
Susan Cary McCarthy	12,501	1
James Joseph Cusack	501	1
Tony Reuben Campbell	2,001	1
Yusufali Sheriff Khalfan	3,001	1

No Director or related entity has entered into a material contract with the Company. No Director's fees have been paid as the positions are held on a voluntary basis. In 2008 the Directors participated in the initial public share offer.

Other key management personnel

Ralph G. Hawkins (Manager)

	2007	2006
	\$	\$

Note 16: Auditors' remuneration

Amounts received or due and receivable by Grant L. Pearce for:

- Audit of review of the financial report	3,500
- Other services in relation to the Company	3,500
	7,000

Note 17: Events subsequent to reporting date

There have been no events after the end of the financial year that would materially affect the financial statements.

Notes to financial statements continued

Note 18: Contingent liabilities

There were no contingent liabilities at the date of this report to affect the financial statements.

Note 19: 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, that being the Harden District in NSW.

	2007	2006
	\$	\$

Note 20: Earnings 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.

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

Profit/(loss) after income tax expense	(169,799)
Weighted average number of ordinary shares	688,108

Note 21: Details of differences to Annexure 3A

The loss shown in the accounts differs to the Annexure 3A lodged with the Bendigo Stock Exchange due to the identification of a further creditor. The before tax loss amount has increased by \$ 7000 and the loss after tax by \$4900. The loss after tax disclosed in Annexure 3A was \$165 (thousand)

Notes to financial statements continued

Note 23: Interest rate risk

The entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted market interest rates on classes of financial assets and liabilities is as follows:

	Weighted average interest rate %	Interest bearing		Floating interest rate \$	Non-interest bearing \$	Total \$
		Fixed interest maturing in 1 year or less \$	Fixed interest maturing in 1-5 years \$			
Financial assets						
Cash & cash equivalents	2.2				23,591	23,591
Investments	5.8	209,000				209,000
Receivables	-				9,121	9,121
Total		209,000	0	0	32,712	241,712
Financial liabilities						
Trade creditors	-				83,727	83,727
Total		0	0	0	83,727	83,727

Independent audit report

Scope

We have audited the financial report, being the Statement by Directors, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes to the Financial Statements of Murrumbolla Financial Services Limited for the financial year ended 30 June 2007. The Company's Directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements so as to present a view which is consistent with our understanding of the Company's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

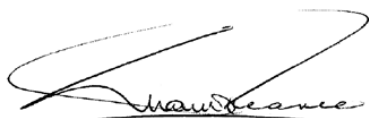
Independence

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the Auditor's independence declaration has not changed as at the date of providing our audit opinion.

Audit opinion

In our opinion, the financial report of Murrumbolla Financial Services Limited is in accordance with:

1. the Corporations Act 2001, including:
 - (a) giving a true and fair view of the Company's financial position as at 30 June 2007 and of its performance for the year ended on that date; and
 - (b) complying with Accounting Standards and the Corporations Regulations; and Grant Pearce, FCA
35 Montague St, Goulburn
2. other mandatory professional reporting requirements.



Grant Pearce, FCA

35 Montague St, Goulburn

22.08.2007

BSX report

Additional information required by the Bendigo Stock Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 27 September 2007.

A. Corporate governance statement

The Board guides and monitors the business and affairs on behalf of the Shareholders to whom they are accountable.

In recognising the importance of a strong corporate governance and methodology focus the Board has developed and adopted policies and procedures that will govern the Company into the future.

B. Substantial shareholders — ten largest shareholders

	Ordinary shares	Number of ord shares
1. Geoffrey Kruger Pty Ltd	68,000	9.88%
2. Mr John W. & Mrs Pauline M. Stewart	20,000	2.91%
3. Andrew Kennett Super Fund	15,000	2.18%
4. Mrs Brenda Joy McDonald	15,000	2.18%
5. Dr Julia Atkin & Dr John I. Taylor	10,000	1.45%
6. Mr Rodney James Ceeney	10,000	1.45%
7. Cooma Coaches Pty Ltd	10,000	1.45%
8. Mr Wilfred Charles Hall	10,000	1.45%
9. Mrs Merle Pauline Heise	10,000	1.45%
10. Kamilaroi Pty Ltd	10,000	1.45%
Total	272,000	39.48

C. Voting rights

Each Shareholder has one vote regardless of the number of shares held.

BSX report continued

D. Distribution of shareholders

The number of shareholders, by size of holding, is:

	Ordinary shares	
	Number of holders	Number of shares
1 – 1,000	243	143,102
1,001-5,000	88	255,505
5,001 - 10,000	19	171,501
10,001 - 100,000	4	118,000
100,001 - 9,999,999,999	0	0

There are 0 shareholders holding less than a marketable parcel of shares (\$500 in value).

E. Monitoring of the Board's performance and communication to shareholders

In order to ensure that the Board continues to discharge its responsibilities in an appropriate manner, the performance of all Director's will be reviewed annually by the chairperson. The Board and Director's aims to ensure that Shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of the Directors.

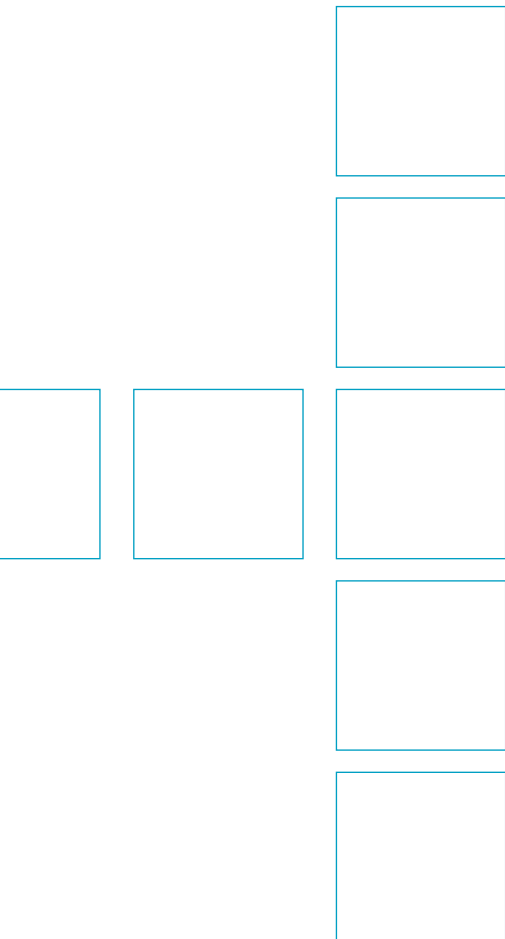
The Board does have an Audit Committee.

F. Address and telephone number of the office which securities register is kept:

Computershare Pty Ltd
Essential Registry Services
Yarra Falls,
452 Johnston Street
Abbotsford, VIC 3067
P + 1300 137 328
M +61 (0)414 138 832
F + 1300 137 341

G. Murrimbooja Financial Services Ltd

Cathy Sanderson
Company Secretary
23 Neill Street
Harden, NSW 2587
Telephone: (02) 6386 5083
Fax: (02) 6386 5110



Harden Murrumburrah **Community Bank**[®] Branch
23 Neil Street, Harden, NSW 2587
Phone: (02) 6386 5083 Fax: (02) 6386 5110

Franchisee: Murrumbidgee Financial Services Limited
23 Neil Street, Harden, NSW 2587
Phone: (02) 6386 5083 Fax: (02) 6386 5110
ABN 12 118 357 467

www.bendigobank.com.au
Bendigo Bank Limited, The Bendigo Centre, Bendigo, VIC 3550
ABN 11 068 049 178. AFSL 237879. (BMPAR7066) (10/07)