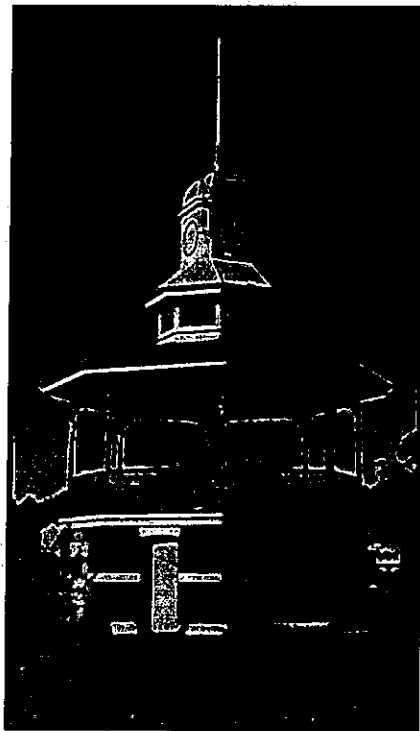


**Beaufort  
Community Financial Services  
Limited**



**FINANCIAL STATEMENTS**

**For the year ended**

**30<sup>th</sup> June 2006**

**Independence**

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

**Audit Opinion**

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

- (a) the Corporations Act 2001, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2006 and of its performance for the year ended on that date; and
  - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
  
- (b) other mandatory financial reporting requirements in Australia.



.....  
Bruce R Judkins,  
**EVANS & METCALFE**

Dated this 1<sup>st</sup> day of September 2006

**Beaufort Community Financial Services Ltd**  
**ABN 53 097 961 058**  
**Directors' Report**

Your Directors submit their report of the company for the financial year ended 30 June 2006.

**Directors**

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

David Robert Wood Chairman	Thomas Peter Oddie Company Secretary
Victor Francis Roy Abdilla Director	Robert John Byrne Director
John Thomas Roxburgh Director	Jeffrey Alan Torney Director
Ernest Edward Mitchell Welsh Director	Jillian Jean Franc Director
Gregory Lofts Director (Appointed 25/10/2005)	John Robert Cuthbertson Director (Resigned 25/10/05)

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 has 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 of the company for the financial year after provision for income tax was \$132,910 (2005: \$134,401).

	<b>Year Ended 30 June 2006</b>	
<b>Dividends</b>	<b>Cents</b>	<b>\$</b>
Final dividends recommended:	5	21,522
Dividends paid in the year:		
- Interim for the year	0	0
- As recommended in the prior year report	0	0

**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.

**Beaufort Community Financial Services Ltd**

**ABN 53 097 961 058**

**Directors' 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 Meetings**

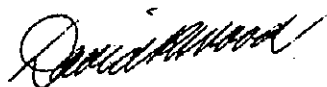
The number of Directors meetings attended by each of the Directors of the company during the year were:

**Number of Meetings Held:** 12

**Number of Meetings Attended:**

David Robert Wood	10
Thomas Peter Oddie	12
Victor Francis Roy Abdilla	10
Robert John Byrne	9
John Thomas Roxburgh	11
Jeffrey Alan Torney	9
Ernest Edward Mitchell Welsh	12
Jillian Jean Franc	11
Gregory Lofts	10
John Robert Cuthbertson	1

Signed in accordance with a resolution of the Board of Directors at Beaufort Community Services on  
*1st day of September*, 2006.



David Robert Wood (Chairman)



Thomas Peter Oddie (Director)

**Partners:**

Robert J. Evans *B.ECON., C.PA. (FRS.)*  
Bryan K. Metcalfe *B.ECON., C.PA.*  
Anthony L. Carmody *B.BUS., C.PA.*  
Bruce R. Judkins *C.PA.*  
Stephen P. Vanderkley *B.BUS., C.PA.*

**Associate:**

Tony R. Ward *B.BUS., C.PA.*



**Main Office:**

PO Box 44, Ballarat, 3353  
7 Lyons Street North, Ballarat, 3350  
Ph: (03) 5331 2911 Fax: (03) 5333 3868  
Email: info@evansmetcalfe.com.au

**Audit & Bookkeeping Office:**

615 Sturt Street, Ballarat, 3350  
Ph: (03) 5332 3155 Fax: (03) 5332 3422  
Email: auditgst@evansmetcalfe.com.au

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## Evans & Metcalfe

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Certified Practising Accountants

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF  
BEAUFORT COMMUNITY FINANCIAL SERVICES LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2006 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 'brudkins'.

**BRUCE RONALD JUDKINS  
EVANS & METCALFE  
615 STURT STREET  
BALLARAT 3350**

Dated this 1st day of September 2006

**Beaufort Community Financial Services Ltd**  
**ABN 53 097 961 058**  
**Income Statement**  
**for the year ended 30 June 2006**

	<u>Notes</u>	2006 \$	2005 \$
Revenue	2	470,618	420,842
Employee benefits expense	3	(186,738)	(168,395)
Depreciation and amortisation expense	3	(18,574)	(20,491)
Finance costs	3	-	-
Other expenses		<u>(106,125)</u>	<u>(97,555)</u>
<b>Profit/(loss) before income tax expense</b>		159,181	134,401
Income tax expense	4	<u>26,271</u>	<u>-</u>
<b>Profit/(loss) after income tax expense</b>		<u><u>132,910</u></u>	<u><u>134,401</u></u>
<b>Earnings per share (cents per share)</b>			
- basic for profit / (loss) for the year	21	30.90	31.20
- diluted for profit / (loss) for the year	21	30.90	31.20
- dividends paid per share	20	-	-

The accompanying notes form part of these financial statements

**Beaufort Community Financial Services Ltd**  
**ABN 53 097 961 058**  
**Balance Sheet**  
**As at 30 June 2006**

	<u>Notes</u>	<b>2006</b> <b>\$</b>	<b>2005</b> <b>\$</b>
<b>Current Assets</b>			
Cash and Cash Equivalents	6	508,483	341,194
Receivables	7	46,216	40,243
Other		5,767	5,418
<b>Total Current Assets</b>		<u>560,466</u>	<u>386,855</u>
<b>Non-Current Assets</b>			
Property, plant and equipment	8	43,412	51,533
Deferred income tax asset	4	-	-
Intangible assets	9	6,250	16,250
<b>Total Non-Current Assets</b>		<u>49,662</u>	<u>67,783</u>
<b>Total Assets</b>		<u>610,128</u>	<u>454,638</u>
<b>Current Liabilities</b>			
Payables	10	36,598	27,835
Interest bearing liabilities	11	-	-
Current tax payable	4	26,271	-
Provisions	12	22,376	16,490
Lease Liability	11	-	18,340
<b>Total Current Liabilities</b>		<u>85,245</u>	<u>62,665</u>
<b>Non-Current Liabilities</b>			
Interest bearing liabilities	11	-	-
<b>Total Non-Current Liabilities</b>		<u>-</u>	<u>-</u>
<b>Total Liabilities</b>		<u>85,245</u>	<u>62,665</u>
<b>Net Assets/(Liabilities)</b>		<u>524,883</u>	<u>391,973</u>
<b>Equity</b>			
Share capital	13	430,440	430,440
Retained earnings / (accumulated losses)		94,443	(38,467)
<b>Total Equity</b>		<u>524,883</u>	<u>391,973</u>

The accompanying notes form part of these financial statements

**Beaufort Community Financial Services Ltd**  
**ABN 53 097 961 058**  
**Cash Flow Statement**  
**For the year ended 30 June 2006**

	<u>Notes</u>	2006 \$	2005 \$
<b>Cash Flows From Operating Activities</b>			
Cash receipts in the course of operations		444,117.00	405,148.00
Cash payments in the course of operations		-278,214.00	-258,447.00
Interest paid		-	-
Interest received		20,179.00	11,192.00
Income tax paid		-	-
<b>Net cash flows from/(used in) operating activities</b>	14b	<u>186,082.00</u>	<u>157,893.00</u>
<b>Cash Flows From Investing Activities</b>			
Payment for intangible assets		-	-
Payments for property, plant and equipment		- 453.00	-
<b>Net cash flows from/(used in) investing activities</b>		<u>- 453.00</u>	<u>-</u>
<b>Cash Flows From Financing Activities</b>			
Proceeds from issue of shares		-	-
Proceeds from borrowings		-	-
Repayment of borrowings		- 18,340.00	- 4,315.00
Finance lease payments		-	-
Dividends paid		-	-
<b>Net cash flows from/(used in) financing activities</b>		<u>- 18,340.00</u>	<u>- 4,315.00</u>
<b>Net increase/(decrease) in cash held</b>		167,289.00	153,578.00
Add opening cash brought forward		341,194.00	187,616.00
<b>Closing cash carried forward</b>	14a	<u>508,483.00</u>	<u>341,194.00</u>

The accompanying notes form part of these financial statements



**Beaufort Community Financial Services Ltd**  
**ABN 53 097 961 058**  
**Statement of Changes in Equity**  
**for the year ended 30 June 2006**

	Ordinary Shares	Retained Earnings	Total
Balance at 1 July 2004	430,440	-172,868	257,572
Profit after income tax	0	134,401	134,401
Balance at 30 June 2005	430,440	-38,467	391,973
Profit after income tax	0	132,910	132,910
Balance at 30 June 2006	430,440	94,443	524,883

The accompanying notes form part of these financial statements

**Beaufort Community Financial Services Ltd**

**ABN 53 097 961 058**

**Notes to the Financial Statements  
for the year ended 30 June 2006**

**1. Basis of preparation of the Financial Report**

**Basis of accounting preparation**

The financial report is a general purpose financial report, which 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 has been prepared on an accruals basis and is based on historical costs (except for land and buildings and available-for-sale financial assets that have been measured at fair value) and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The accounting policies are consistent with the previous year.

**Income tax**

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled.

**Plant and equipment**

Plant and equipment are brought to account at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on the diminishing value basis over the estimated useful life of the asset as follows:

<i>Class of Asset</i>	<i>Depreciation Rate</i>
Fixtures & Fittings	15.00%
Plant & Equipment	25.00%
Motor Vehicle	18.75%

**Beaufort Community Financial Services Ltd**  
**ABN 53 097 961 058**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2006**

**1. Basis of preparation of the Financial Report (continued)**

**Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis.

The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

**Employee Benefits**

The provision for employee benefits to wages, salaries and annual leave represents the amount which the company has a present obligation to pay resulting from employees' services provided up to the balance date. The provision has been calculated on undiscounted amounts based on wage and salary rates expected to be paid and includes related on-costs.

The company contributes to a defined contribution plan. Contributions to employee superannuation funds are charged against income as incurred.

**Intangibles**

Establishment costs have been initially recorded at cost and amortised on a straight line basis at a rate of 20% per annum.

**Cash and Cash Equivalents**

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

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

**Comparative Figures**

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

**Revenue**

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

**Beaufort Community Financial Services Ltd**  
**ABN 53 097 961 058**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2006**

**1. Basis of preparation of the Financial Report (continued)**

**Receivables and Payables**

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days. Receivables are recognised and carried at original invoice amount less a provision for any uncollected 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 and 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.

**Provisions**

Provisions are recognised when the company 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.

**Contributed 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.

**2. Revenue**

	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
Operating activities		
- services commissions	450,439	409,650
- other revenue	-	-
Total revenue from operating activities	<u>450,439</u>	<u>409,650</u>
Non-operating activities:		
- interest received	20,179	11,192
- other revenue	-	-
Total revenue from non-operating activities	<u>20,179</u>	<u>11,192</u>
Total revenue	<u>470,618</u>	<u>420,842</u>

**Beaufort Community Financial Services Ltd**  
**ABN 53 097 961 058**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2006**

**3. Expenses**

	2006	2005
	\$	\$
Employee benefits expense		
- wages and salaries	159,250	144,343
- superannuation costs	14,768	13,290
- post-employment benefits (other than superannuation)	-	-
- workers' compensation costs	728	561
- other costs	11,992	10,201
	<u>186,738</u>	<u>168,395</u>
 Depreciation of non-current assets:		
- plant and equipment	8,574	10,491
- buildings	-	-
 Amortisation of non-current assets:		
- intangibles	10,000	10,000
	<u>18,574</u>	<u>20,491</u>
 Finance Costs:		
- Interest paid	-	-
 Bad debts	-	-

**4. Income Tax Expense**

The prima facie tax on profit/(loss) before income tax is reconciled to the income tax expense as follows:

Prima facie tax on profit/(loss) before income tax at 30%	47,755	-
Add tax effect of:		
- Non-deductible expenses	1,032	-
- Prior year tax losses not previously brought to account	(22,516)	-
- Future income tax benefit not brought to account	-	-
<i>Current income tax expense</i>	<u>26,271</u>	<u>-</u>
 Origination and reversal of temporary differences		
<i>Deferred income tax expense</i>	<u>-</u>	<u>-</u>
 Income tax expense	<u>26,271</u>	<u>-</u>
 <b>Tax liabilities</b>		
Current tax payable	<u>26,271</u>	<u>-</u>
 <b>Deferred income tax asset</b>		
Future income tax benefits arising from tax losses are recognised at reporting date as realisation of the benefit is regarded as probable.	<u>-</u>	<u>-</u>

**Beaufort Community Financial Services Ltd**  
**ABN 53 097 961 058**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2006**

**5. Auditor's Remuneration**

	2006	2005
	\$	\$
Amounts received or due and receivable by Evans & Metcalfe for:		
- Audit or review of the financial report of the company	1,500	1,500
- Other services in relation to the company	-	-
	<u>1,500</u>	<u>1,500</u>

**6. Cash and Cash Equivalents**

Cash at bank	<u>508,483</u>	<u>341,194</u>
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**7. Receivables**

GST receivable	-	-
Trade debtors	46,216	40,243
	<u>46,216</u>	<u>40,243</u>

**8. Property, Plant and Equipment**

<i>Plant and equipment</i>		
At cost	90,801	90,348
Less accumulated depreciation	(47,389)	(38,815)
	<u>43,412</u>	<u>51,533</u>
 Total written down amount	<u>43,412</u>	<u>51,533</u>

**Movements in carrying amounts**

<i>Plant &amp; Equipment</i>		
Carrying amount at beginning of year	51,533	62,024
Additions	453	-
Disposals	-	-
Depreciation expense	(8,574)	(10,491)
Carrying amount at end of year	<u>43,412</u>	<u>51,533</u>

**Beaufort Community Financial Services Ltd**  
**ABN 53 097 961 058**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2006**

**9. Intangible Assets**

	2006	2005
	\$	\$
<i>Franchise Fee</i>		
At cost	50,000	50,000
Less accumulated amortisation	<u>(43,750)</u>	<u>(33,750)</u>
	<u>6,250</u>	<u>16,250</u>
<i>Preliminary Expenses</i>		
At cost	-	-
Less accumulated amortisation	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
	<u>6,250</u>	<u>16,250</u>

**10. Payables**

Trade creditors	9,891	4,530
Other creditors and accruals	<u>26,707</u>	<u>23,305</u>
	<u>36,598</u>	<u>27,835</u>

**11. Interest Bearing Liabilities**

Bank overdraft	-	-
Bank Loan - secured	<u>-</u>	<u>18,340</u>
	<u>-</u>	<u>18,340</u>

**12. Provisions**

Employee benefits	<u>22,376</u>	<u>16,490</u>
Number of employees at year end	<u>6</u>	<u>5</u>

**13. Share Capital**

430,440 Ordinary Shares fully paid of \$1 each	<u>430,440</u>	<u>430,440</u>
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**Beaufort Community Financial Services Ltd**  
**ABN 53 097 961 058**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2006**

**14. Cash Flow Statement**

	2006	2005
	\$	\$
<b>(a) Reconciliation of cash</b>		
Cash assets	508,483	341,194
Bank overdraft	-	-
	<u>508,483</u>	<u>341,194</u>
<b>(b) Reconciliation of profit / (loss) after tax to net cash provided from/(used in) operating activities</b>		
Profit / (loss) after income tax	132,910	134,401
Non cash items		
- Depreciation	8,574	10,491
- Amortisation	10,000	10,000
Changes in assets and liabilities		
- (Increase) decrease in receivables	(6,322)	(4,502)
- Increase (decrease) in payables	8,763	2,489
- Increase (decrease) in provisions	32,157	5,014
Net cashflows from/(used in) operating activities	<u>186,082</u>	<u>157,893</u>

**15. Director and Related Party Disclosures**

The names of directors who have held office during the financial year are:

David Robert Wood  
Thomas Peter Oddie  
Victor Francis Roy Abdilla  
Robert John Byrne  
John Thomas Roxburgh  
Jeffrey Alan Torney  
Ernest Edward Mitchell Welsh  
Jillian Jean Franc  
Gregory Lofts  
John Robert Cuthbertson

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.



**Beaufort Community Financial Services Ltd**  
**ABN 53 097 961 058**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2006**

**16. Subsequent Events**

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

**17. Contingent Liabilities**

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

**18. Segment Reporting**

The company operates in the financial services sector where it provides banking services to its clients. The company operates in one geographic area being Beaufort, Victoria.

**19. Corporate Information**

Beaufort Community Financial Services Ltd is a company limited by shares incorporated in Australia.

The registered office and principal place of business is: . 15 Lawrence Street, Beaufort Victoria 3373.

**Beaufort Community Financial Services Ltd**  
**ABN 53 097 961 058**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2006**

<b>20. Dividends paid or provided for on ordinary shares</b>	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Dividends proposed and recognised as a liability</b>		
Franked dividends - 0 cents per share (2005: 0 cents)	-	-
<b>(b) Dividends paid during the year</b>		
<b>(i) Current year interim</b>		
Franked dividends - 0 cents per share (2005: 0 cents per share)	-	-
<b>(ii) Previous year final</b>		
Franked dividends - 0 cents per share (2005: 0 cents per share)	-	-
<b>(c) Dividends proposed and not recognised as a liability</b>		
Franked dividends - 0 cents per share (2005: 0 cents per share)	-	-
<b>(d) Franking credit balance</b>		
The amount of franking credits available for the subsequent financial year are:		
- Franking account balance as at the end of the financial year at 30%	-	-
- Franking credits that will arise from the payment of income tax payable as at the end of the financial year	26,271	-
- Franking debits that will arise from the payment of dividends as at the end of the financial year	-	-
- Franking credits that will arise from the payment of dividends recognised as receivables at the reporting date	-	-
- Franking credits that the entity may be prevented from distributing in the subsequent year	-	-
	<u>26,271</u>	<u>-</u>

The tax rate at which dividends have been franked is 30% (2005: 30%).  
Dividends proposed will be franked at a rate of 30% (2005: 30%).

**21. 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.

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	<u>132,910</u>	<u>134,401</u>
Weighted average number of ordinary shares for basic and diluted earnings per share	<u>30.90</u>	<u>31.20</u>

**Beaufort Community Financial Services Ltd**  
**ABN 53 097 961 058**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2006**

**22. Financial Instruments**

**Net Fair Values**

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

**Credit Risk**

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount of those assets as disclosed in the Balance Sheet and notes to the financial statements.

There are no material credit risk exposures to any single debtor or group of debtors under financial instruments entered into by the economic entity.

**Interest Rate Risk**

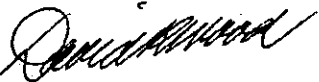
Financial Instrument	Floating Interest Rate		Fixed Interest Rate maturing in						Non Interest Bearing		Weighted average Effective interest rate	
	Rate		1 year or less		Over 1 to 5 years		Over 5 years		2006		2005	
	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$	2006 %	2005 %
<b>Financial Assets</b>												
Cash assets	5.40%	5.40%	463,940	300,000	-	-	-	-	44,543	41,194	-	-
Receivables	-	-	46,216	40,243	-	-	-	-	-	-	-	-
<b>Financial Liabilities</b>												
Payables	-	-	-	-	-	-	-	-	62,869	27,835	-	-
Lease Liabilities	-	-	-	-	-	-	-	-	-	18,340	-	-

**Beaufort Community Financial Services Ltd**  
**ABN 53 097 961 058**  
**Directors' Declaration**


In accordance with a resolution of the directors of Beaufort Community Financial Services Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the company are 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 2006 and of their performance for the year ended on that date; and
  - (ii) complying with Accounting Standards in Australia and Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



\_\_\_\_\_  
David Robert Wood (Chairman)



\_\_\_\_\_  
Thomas Peter Oddie (Director)

Signed on the 1st day of September 2006.

**Partners:**

Robert J. Evans *B.ECON., C.PA. (FRS.)*  
Bryan K. Metcalfe *B.ECON., C.PA.*  
Anthony L. Carmody *B.BUS., C.PA.*  
Bruce R. Judkins *C.PA.*  
Stephen P. Vanderkley *B.BUS., C.PA.*



**Associate:**

Tony R. Ward *B.BUS., C.PA.*

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## Evans & Metcalfe

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Certified Practising Accountants

**INDEPENDENT AUDIT REPORT**

**TO THE MEMBERS OF**

**BEAUFORT COMMUNITY FINANCIAL SERVICES LIMITED**

**ABN 35 058 071 631**

### Scope

The financial report and director's responsibility

The financial report comprises the income statement, balance sheet, statement of changes in equity, cash flow statement, accompanying notes to the financial statements, and the director's declaration for Beaufort Community Financial Services Limited for the year ended 30 June 2006.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, for the accounting policies and accounting estimates inherent in the financial report.

### Audit Approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.