

annual report 2009



Bellarine Peninsula
Community Branch Limited
ABN 33 089 107 657

Bellarine Peninsula and Drysdale
Community Bank[®] branches of Bendigo Bank

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Chairman's report

For year ending 30 June 2009

I am pleased to present this Chairman's report for the tenth annual report of Bellarine Peninsula Community Branch Ltd. We have had a busy year.

After receiving the consent of our shareholders we successfully opened a second branch at Drysdale, formally opened on 13 January this year. This allowed us to obtain a broader market and retain our focus within the southern part of the Bellarine Peninsula. The new branch has received strong support from the Drysdale/Clifton Springs communities and the amount of business obtained is pleasing.

To assist with the cost of establishing the new branch \$1.00 shares were offered to local residents. An additional 398,571 shares were taken up. To ensure equity for all shareholders a formal valuation of our existing shares was undertaken. The result of this valuation was that existing shareholders were issued with an additional two shares for each share held. This demonstrates one of the benefits of having the **Community Bank**[®] branches in the towns.

Like many others in the world, the global financial crisis impacted on our business.

In May this year we announced to the BSX that as a result of economic circumstances it was anticipated there would be a reduction in the forecasted position of the Company for the year ending 2009.

Shortage of retail funds caused very firm demand and strong competition in the market place and margins obtained on funds were reduced. A large portion of our income comes from this source and this was a major cause of the subsequent reduction in our income, despite the continued growth in our business levels.

It is comforting to note that since the end of the fiscal year margins have shown improvement.

The opening of Drysdale **Community Bank**[®] Branch also reduced profitability due to increased running costs which are not yet offset by an increase in income.

Because of our reduced profit we are not in a position to issue a dividend to shareholders this financial year, however despite the tough financial climate we have still been able to continue our commitment to Youth Foundations Victoria with a contribution of \$37,000 and \$18,900 contributed to local community projects.

Allowing for the above and income tax there was a loss of \$18,914.

As we come out of the global financial crisis we anticipate that margins will return to some form of normality, this combined with increased business levels and our solid financial position ensure we are in a position to move ahead with confidence.

We said goodbye to Director Justine Finlay and welcomed Bryan Cumming to the Board of Directors this year. On behalf of the Board of Directors, I would like to thank Justine for her leadership and valued contribution as Chairman prior to my taking over the helm. Since joining the Board in May, Bryan has made a positive contribution to the Board of Bellarine Peninsula Community Branch Ltd.

Chairman's report continued

During April this year, our Board Support Officer, Drysdale Branch Manager, and two Directors attended the Regional Conference in Hobart. These conferences are a chance for Directors to learn about what is happening in **Community Bank**[®] branches across Australia. It is also a chance to showcase how branches are benefiting their communities and for Directors to get ideas and inspiration of how we could do similar things in our community.

Bellarine Peninsula Community Branch Ltd. has continued to contribute to the North Bellarine Youth Foundations Victoria this year. The North Bellarine Youth Foundations Victoria celebrated their year's achievements at a grant presentation night on 25 June at Springdale Neighbourhood House. The Youth Foundation Board received numerous local youth-led applications addressing the Board's local priorities of transport, entertainment, social connections and recreation. Seven of the applications were approved.

The successful applications will provide young people with opportunities such as a drug and alcohol-free entertainment event to be held in Portarlington to support and educate young people around mental health issues; "YouthFest", a day run by youth for youth at Bellarine Secondary College which will bring various community groups and youth focused service organisations together to share information about what they do; a Debutante Ball will be held at Parkes Hall in Portarlington; Kids Fest which will offer young people in St. Leonards the chance to try sports that are not offered in the community and give older school council students the opportunity to organise some of the workshops and activities; and transport to a youth drop-in service.

We are very proud of the work that has been done to date by the youth of the Bellarine Peninsula and the benefits that the projects they have selected will provide.

We are continually working hard to promote the **Community Bank**[®] branches within the community and are very keen to support local events and activities, with our focus being to support those who work with us. Over the past 12 months we have provided numerous sponsorships to various community organisations totalling \$18,842.

In the 2008/09 financial year, we have provided sponsorships for local clubs and schools including:

- Portarlington Golf Club
- Portarlington Pony Club
- Portarlington Tennis Club
- St Leonards Golf Club
- St Leonards Bowling Club
- Drysdale Tennis Club
- Drysdale Football Club
- Clifton Springs Primary School
- Curlewis Golf Club
- St Thomas Primary school
- St Leonards Yacht Club and Motor Squadron

Chairman's report continued

- Rotary Club of Drysdale inc
- Uniting Care Geelong
- Portarlinton Musos
- Royal Freemasons Limited
- Drysdale Leopold Pony Club

We have also supported local festivals including:

- Portarlinton Community Expo 2009
- Portarlinton Community Dance

As the business continues to grow, so does the capacity of our **Community Bank**[®] branches to assist our communities in their development and growth. I thank you for your on-going support of our branches, and encourage you all to continue to spread the word about the beneficial work we do in your community.

I'd like to thank our team of hardworking staff at both Portarlinton and Drysdale. Our Managers, Ian Faulkner at Portarlinton and Craig Taylor at Drysdale are ably supported by Leeanne, Sheena, Melanie, Kerry, Mandy, Wendy and Tonia, and we welcome new staff this fiscal year - Ann, Susan, Silvana and Heather.

Their dedication and commitment is very much appreciated.

I want to acknowledge and thank our Regional Manager Pat Murnane and his team of staff of Bendigo and Adelaide Bank Ltd in Geelong - Vicki, Elizabeth, Gaylene and Melissa - for their continued invaluable support this year.

Thank you also to Bill den Hartog, Senior Community Enterprise Manager, and his team of Adam Rimington and Di Hine, for their invaluable support to us over the year. In particular, the support and assistance they provided us when working through the complex process of opening Drysdale **Community Bank**[®] Branch is greatly appreciated.

It is also important that I acknowledge the work and commitment of the members of the Drysdale Committee during the process of opening Drysdale **Community Bank**[®] Branch, and their continued work with the branch. We look forward to their ongoing support as we continue to grow our business.

I also thank and congratulate the Board of Directors and the Board Support Officer for their input and effort during the year. Their commitment to Board and Sub-committee meetings, as well as attendance at conferences, workshops and other meetings this year is very much appreciated.

We are very fortunate to have such a committed team that make up the network of people working for Bellarine Peninsula Community Branch Ltd.



Russell Enders
Chairman

Manager's report

For year ending 30 June 2009

It has been an eventful year with the global financial crisis, which has had a huge impact on banking. This has seen some large international finance companies disappear. In spite of that we were able to successfully convert Drysdale to a full **Community Bank**[®] branch on 13 January.

The launch was successful due to the hard work of everyone concerned. We had the Steering Committee who gave a huge amount of their time to raise the funds firstly through pledges and then with the launch of the Prospectus. The new branch premises have provided excellent working conditions for the staff.

Business growth for the year was excellent with total business of \$134.9 million, which was an increase of \$35.5 million (+35.6%). Total number of accounts increased by 793 to a total of 7,240 (+ 12.3%).

Breakup of business was:

	Drysdale	Portarlinton
Deposits	\$32.3 m	\$68.4 m
Lending	\$13.0 m	\$21.2 m
Total	\$45.3 m (up 100%)	\$89.6 m (up 16.7%)
Number of accounts	2,764	4,476

Despite the excellent growth, the global financial crisis impacted on our income and we had a net loss of \$18,900. With the turmoil in the economy our margin income was greatly reduced. In July 2008 our margin income for the month was \$51,900 but this reduced to \$21,200 in February 2009. However by May and June 2009 margin income was back up to \$46,000 each month and total income for each month was \$98,000. Margin income continued to improve in July to \$49,000. With the outlook now that the economy is performing better than expected we are confident the trend upwards in margin income will continue.

Notwithstanding the difficult times we were still able to contribute \$55,900 to the community with sponsorships of \$18,900 and another contribution to Youth Foundations Victoria of \$37,000. This was after the additional costs associated with the upgrade of Drysdale. These costs included franchise, premises, staff and legal costs etc.

With the upgrading of Drysdale to a full **Community Bank**[®] branch we reassessed our staffing requirements at both branches and now have a total of thirteen staff. The new staff members are Silvana, Sue and Heather. Ann has returned to us after working with Bendigo and Adelaide Bank Ltd in Geelong. I thank all staff for their hard work and support during the year.

Manager's report continued

I take this opportunity to thank the Board for their ongoing support throughout the year. They continue to give their time on a voluntary basis to ensure the success of our Company. They have given even more time over the last year working with the Drysdale Steering Committee to ensure the branch's successful launch.

I must acknowledge the support received from our partner Bendigo and Adelaide Bank Ltd during the year especially in relation to the development of our Drysdale branch.

I also would like to thank our shareholders and customers for your continued support. It is this support that enables us to contribute funds to community clubs and projects.



Ian Faulkner

Branch Manager

Bendigo and Adelaide Bank Ltd report

For year ending 30 June 2009

2008/09 will go down as one of the most tumultuous financial years in history. The global financial crisis and its aftermath wiped trillions of dollars off the world's net wealth. Some of the biggest names in international banking disappeared; many other banks – vastly bigger than Bendigo and Adelaide Bank Ltd – turned to governments to bail them out. Not surprisingly, confidence sagged, reflected in rising unemployment and stock markets falling by around half their former valuations.

In short, we have seen the biggest financial meltdown since the Great Depression of nearly 80 years ago.

Amidst all that turmoil, though, our grassroots banking movement marched steadily on. Twenty new **Community Bank**[®] branches joined Bendigo and Adelaide Bank Ltd's national network. Around 120,000 new customers switched to the Bendigo style of banking. And 70 more communities continued their local campaign to open a **Community Bank**[®] branch.

Those statistics are impressive in themselves, but it is the story behind them that is really important.

That's the story of ordinary people – an awful phrase, but you know what I mean – who inherently understand that the role of a bank is to feed into prosperity, rather than profit from it. That lesson was forgotten by many bankers across the globe, with devastating consequences. But it is now well understood by the residents of 237 towns and suburbs that own their own **Community Bank**[®] branch, because every day they see the fruits of their investment in locally owned banking.

Again, the statistics are impressive enough – \$29 million paid out in community projects and nearly \$11 million in local shareholder dividends. But again, the real stories lie behind the numbers – new community centres and fire trucks, more local nurses, new walking tracks and swimming pools, safer young drivers, more trees and fewer wasteful incandescent globes, innovative water-saving projects... the list goes on.

And of course more money retained and spent locally. And more jobs. Fifteen hundred or so just in the branches alone. More because of the flow-on, or multiplier, effect of those wages being spent locally. And yet more because of the extra shopping now done in communities made more prosperous and active by having their own bank branch.

Community Bank[®] branches have not escaped the fallout from the global turmoil. Like Bendigo and Adelaide Bank Ltd, they have received less income than in normal times. But also like Bendigo and Adelaide Bank Ltd, they have not needed anyone's help to get through this crisis. And every day we are reminded that banks that are relevant and connected locally will be valued by their customers and communities. For the better of all.



Russell Jenkins
Chief General Manager

Directors' report

For year ending 30 June 2009

Your Directors submit the financial report of the Company for the financial year ended 30 June 2009.

Directors

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

Russell Enders	Paul Jones (Appointed 18/09/08)
Stephen Wight	Geoffrey Webster (Appointed 18/09/08)
Robert Hynes	Bryan Cumming (Appointed 25/05/09)
Karen Woodhart	Sandra Baldwin (Appointed 18/09/08)
Justine Finlay (Resigned 23/02/09)	Stephen Thew (Resigned 08/09/08)
Gary Irving (Resigned 08/09/08)	Frank Kelloway (Resigned 18/10/08)

Company Secretary

The Company Secretary is Sandra Baldwin. Sandra was appointed the position of Secretary on 19 January 2009.

Principal activities and significant changes in nature of activities

The principal activities of the Company during the course of the financial year were facilitating **Community Bank**[®] services under management rights to operate two franchised branches of Bendigo and Adelaide Bank Ltd.

During the year the Drysdale branch became a **Community Bank**[®] branch under Bellarine Peninsula Community Branch Limited. There were no other 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 loss of \$18,914 (2008: profit of \$73,919).

The major reason for the result was the impact of the global financial crisis on interest rates where margins were significantly reduced with a large amount of deposits also being locked in to higher rates over an extended period where income for the branch is a fixed trail under the franchise agreement. This resulted in significant loss of income early in the calendar year though income and profitability is gradually returning back to normal levels.

The opening of the Drysdale branch also resulted in reduced profitability due to the increase in branch running costs which are yet to be met by an increase in income.

Directors' report continued

Financial position

Despite the global financial crisis assets under management continued to grow during the year. A capital raising of just under \$400,000 was made during the year to assist with the establishment of the Drysdale branch and this has resulted in the Branch being in a strong financial position despite the loss being incurred.

Significant changes in state of affairs

On 1 October 2008 the Company issued 800,000 shares being bonus shares to existing shareholders on the basis of 2 shares for every 1 share held.

On 25 March 2009 the Company issued 398,571 shares as the result of a capital raising arising from a public prospectus.

Dividends

Dividends paid are as follows:

- Final ordinary dividend of \$0.09 per share paid on September 30, 2008, compared with the previous dividend of \$0.09 per share paid on 14 December 2007.

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 acquire shares in the Company have been granted during the financial year and there were no options outstanding at the date of this report.

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 \$70,000 plus superannuation.

In addition each Manager receives a bonus if the Company exceeds the budget estimates established by the Board. During the year a bonus was paid in the range of \$0 to \$10,000.

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

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.

Involvement in public and not for profit organisations.

Geelong resident.

Shares held: Nil

Russell Enders

Managerial and Marketing.

Extensive Banking experience.

Government Board for drafting legislation for

Responsible Gaming.

Chairman, Gaming Industry Association.

Ocean Grove resident.

Shares held: Nil

Karen A. Woodhart

Retail Bakery Operator.

Involvement in local community organisations.

Executive Member of Region 2, Division 2,

Neighbourhood Watch.

Portarlinton resident.

Shares held: 9,003

Directors' report continued

Sandra Baldwin

Company Secretary.

Member of the Steering committee of the Drysdale

Community Bank[®] Branch for the Bellarine

Peninsula **Community Bank**[®] Branch.

Director, Casey Services.

Clifton Springs resident.

Shares held: 500

Paul Jones

Trade Teacher.

Involved in community organisations.

Member of the Steering committee of the Drysdale

Community Bank[®] Branch for the Bellarine

Peninsula **Community Bank**[®] Branch.

Clifton Springs resident.

Shares held: 2,500

Geoffrey Webster

Salesman.

President of the Lions Club of Portarlington/

Drysdale.

Member of the Steering committee of the Drysdale

Community Bank[®] Branch for the Bellarine

Peninsula **Community Bank**[®] Branch.

Drysdale resident.

Shares held: 1,000

Bryan Cumming

Solicitor.

Member of the Committee of the Portarlington

Business Development Association Inc.

Member of the Indented Head Community

Association.

Indented Head Resident.

Shares held: Nil

General Board attendance

	No. Board meetings	
	eligible to attend	No. attended
K. Woodhart	11	9
R. Hynes	11	7
S. Wight	11	8
S. Baldwin	9	8
P. Jones	9	8
R. Enders	11	10
B. Cumming	2	2
G. Irving	2	2
F. Kelloway	3	2
J. Finlay	7	2
G. Webster	9	8
S. Thew	2	1

Directors' report continued

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is attached.

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

A handwritten signature in black ink, appearing to read 'Stephen Wight', written in a cursive style.

Stephen Wight

Director

Dated 4 September 2009.

Auditor's independence declaration

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 4 September 2009, 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 2009 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 4th day of September 2009



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Financial statements

Income statement For year ending 30 June 2009

	Note	2009 \$	2008 \$
Revenue from ordinary activities			
Revenue from ordinary activities	2	998,376	945,357
Expenses from ordinary activities			
Employee benefits		606,539	444,207
Information technology expenses		47,977	51,054
Depreciation and amortisation		23,628	5,752
Property expenses		67,268	70,107
Donations and sponsorship		55,900	82,408
Professional fees		32,744	27,036
Insurance		18,111	19,317
Administration expenses		130,357	98,960
Other expenses from ordinary activities		42,479	40,081
Total expenses from ordinary activities		1,025,003	838,922
Profit before income tax		(26,627)	106,435
Income tax expense/(benefit)	3	(7,713)	32,516
Profit for the year		(18,914)	73,919

The accompanying notes form part of these financial statements.

Financial statements continued

Balance sheet As at 30 June 2009

	Note	2009 \$	2008 \$
Assets			
Current assets			
Cash and cash equivalents	4	362,676	292,440
Receivables	5	101,501	79,753
Prepayments		4,000	6,000
Total current assets		468,177	378,193
Non-current assets			
Other financial assets	6	40,000	40,000
Deferred tax assets	7	22,657	12,279
Property, plant, equipment	8	229,892	19,328
Intangible assets	9	168,114	109,156
Total non-current assets		460,663	180,763
Total assets		928,840	558,956
Liabilities			
Current liabilities			
Payables	10	35,974	17,659
Short-term provisions	11	71,172	41,639
Current tax liabilities	12	-	11,690
Total current liabilities		107,146	70,988
Non-current liabilities			
Long-term provisions	11	5,729	5,000
Total non-current liabilities		5,729	5,000
Total liabilities		112,875	75,988
Net assets		815,965	482,968
Equity			
Issued capital	13	787,911	400,000
Retained earnings		28,054	82,968
Total equity		815,965	482,968

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of cash flows As at 30 June 2009

	Note	2009 \$	2008 \$
Cash flows from operating activities			
Receipts			
Receipts from customers		978,505	906,423
Interest		13,694	14,775
Payments			
Employee benefits		(569,899)	(440,634)
Tax paid		(29,926)	(17,871)
Other		(380,899)	(387,783)
Net cash flows from operating activities	14	11,475	74,910
Cash flows from investing activities			
Purchase of plant & equipment		(225,150)	(17,889)
Purchase of intangible assets		(68,000)	-
Net cash flows from investing activities		(293,150)	(17,889)
Cash flows from financing activities			
Proceeds from issue of shares		387,911	-
Dividends paid	23	(36,000)	(36,000)
		351,911	(36,000)
Net increase/(decrease) in cash held		70,236	21,021
Cash at 1 July		292,440	271,419
Cash at 30 June	4	362,676	292,440

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of changes in equity As at 30 June 2009

	Note	Issued capital \$	Retained earnings \$	Total \$
Balance at 30.06.2007		400,000	45,049	445,049
Profit for the year		-	73,919	73,919
Dividends paid or provided for		-	(36,000)	(36,000)
Balance at 30.06.2008		400,000	82,968	482,968
Shares Issued during the year		387,911	-	387,911
Profit for the year		-	(18,914)	(18,914)
Dividends paid or provided for		-	(36,000)	(36,000)
Balance at 30.06.2009	13	787,911	28,054	815,965

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ending 30 June 2009

Note 1. Statement of significant accounting policies

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

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

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

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

(a) Rounding

All amounts shown in the Financial Statements are expressed to the nearest dollar.

(b) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(c) Receivables

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis. The Directors believe that the full amount of debt is recoverable, and no doubtful debt provision have been made at 30 June 2009.

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

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

(d) Other financial assets

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

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

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

Financial assets at fair value through profit or loss

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

Loans and receivables

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

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

Held-to-maturity investments

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

Available-for-sale financial assets

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

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

(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	2009	2008
Furniture & fittings	18.75 - 25%	18.75 - 25%
Plant & equipment	18.75 - 25%	18.75 - 25%
Leasehold improvements	20 - 25%	20 - 25%

(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.

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

(g) Goodwill

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

(h) Payables

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

The normal credit terms are usually Nett 30 days.

(i) Goods and Services Tax

Revenues, expenses and assets are recognised net of GST except for receivables and payables which are stated with the amount of GST included and except where the amount of GST incurred is not recoverable, in which case GST is recognised as part of the cost of acquisition of an asset or part of an item of expense or revenue. GST receivable from and payable to the Australian Taxation Office (ATO) is included in the statement of financial position. The GST component of a receipt or payment is recognised on a gross basis in the cash flow statement except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(j) Income tax

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

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

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

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

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

(j) Income tax (continued)

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.

(k) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are classified as finance leases. Finance leases are capitalised, recording as asset value of the minimum lease payments, including any guaranteed residual values. Leased assets are amortised over their estimated useful lives where it is likely that the entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability. Lease payments received reduce the liability.

(l) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

(m) Revenue recognition

Revenue is recognised in accordance with AASB 118. Income is recognised as revenue to the extent it is earned. Unearned income at reporting date is reported as income received in advance.

(n) Comparative information

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

Notes to the financial statements continued

	2009 \$	2008 \$
Note 2. Revenue		
Revenue from operating activities		
Services revenue	985,523	929,634
Interest-other persons	12,853	15,723
Total revenue from ordinary activities	998,376	945,357

Note 3. Income tax expense

a) The components of tax expense comprise:

Current tax	2,665	33,977
Deferred tax	(10,378)	(1,817)
Over provision in respect of prior years	-	356
	(7,713)	32,516

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

Prima facie tax payable on profit from ordinary activities before income tax at 30% (2007: 30%)	(7,988)	31,930
Add		
Tax effect of:		
non-deductible depreciation and amortisation	-	600
other non-allowable items	20,510	342
	12,522	32,872
Less		
Tax effect of:		
over provision of tax in prior years	-	356
Income tax expense	12,522	32,516
Weighted average tax effective rate	28.97%	30.55%

Notes to the financial statements continued

	2009 \$	2008 \$
Note 4. Cash and cash equivalents		
Cash at bank	106,204	98,573
Short term deposits	256,472	193,867
	362,676	292,440

Note 5. Receivables

Current

Franchise income receivable	85,823	78,805
Accrued investment income	107	948
Income tax refundable	15,571	-
Total	101,501	79,753

(a) Ageing of receivables

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

(b) Nature and extent of risk arising from receivables

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

Note 6. Other financial assets

Non-current

Available-for-sale financial assets

Shares - unlisted public Company	40,000	40,000
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(a) Ageing of other financial assets

Please refer to note 15 (c) for the ageing analysis of other financial assets.

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

Please refer to note 15 (c) for the nature and extent of credit risk arising from other financial assets.

Notes to the financial statements continued

	2009 \$	2008 \$
Note 7. Deferred tax assets		
Deferred tax assets comprise:		
Provisions	23,070	13,621
Other	(413)	(1,342)
	22,657	12,279

Note 8. Property, plant & equipment

At cost

Furniture and Fittings	25,569	24,853
Less accumulated depreciation	(19,817)	(12,762)
Total plant & equipment	5,752	12,091
Leasehold improvements	232,434	8,000
Less accumulated amortisation	(8,294)	(763)
	224,140	7,237
Total property, plant & equipment	229,892	19,328

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 \$	Furniture & fittings \$	Total \$
Balance at 1 July 2007	-	5,191	5,191
Additions	8,000	9,889	17,889
Depreciation expense	(763)	(2,989)	(3,752)
Balance at 30 June 2008	7,237	12,091	19,328
Additions	224,434	716	225,150
Depreciation expense	(7,531)	(7,055)	(14,586)
Balance at 30 June 2009	224,140	5,752	229,892

Notes to the financial statements continued

	2009 \$	2008 \$
Note 9. Intangible assets		
Non-current		
Franchise licence fee	78,000	10,000
less accumulated amortisation	(16,364)	(7,322)
	61,636	2,678
Goodwill - Drysdale Branch at cost	106,478	106,478
	168,114	109,156

Note 10. Payables

Current		
Trade creditors	29,924	-
Accrued expenses	6,050	17,659
	35,974	17,659

Note 11. Provisions

Current		
Long service leave	20,064	10,766
Annual leave	51,108	30,873
Total	71,172	41,639
Non-current		
Long service leave	5,729	5,000
Total provisions	76,901	46,639

Note 12. Tax liabilities

Current		
Income tax	-	11,690

Notes to the financial statements continued

	2009 \$	2008 \$
Note 13. Issued capital		
(a) Ordinary shares		
1,598,571 (2008: 400,000) ordinary shares fully paid	787,911	400,000
Ordinary shares at the beginning of the reporting period	400,000	400,000
Shares issued during the year		
1 October 2008	800,000	-
25 March 2009	398,571	-
Shares held at reporting date	1,598,571	400,000

On 1 October 2008 the Company issued 800,000 bonus ordinary shares to shareholders on the basis of 2 shares for every one held. The shares rank for dividends from 1 October 2008.

On 25 March 2009 the Company issued 398,571 ordinary shares as capital raising arising from a public prospectus. The shares rank for dividends from date of issue.

Note 14. Reconciliation of net result for the year to net cash flows from operating activities

Result after income tax	(18,914)	73,919
Non-cash flows in profit		
Depreciation and amortisation	23,628	5,752
Changes in assets and liabilities		
Increase/(decrease) in provisions	8,194	18,218
Increase/(decrease) in payables	18,315	(821)
Increase/(decrease) in prepaid expenses	2,000	2,000
Decrease/(increase) in receivables	(21,748)	(24,158)
Net cash from operating activities	11,475	74,910

Notes to the financial statements continued

Note 15. Financial instruments

(a) Financial risk management objectives and policies

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.

(b) Categorisation of financial instruments

			Carrying amount	
	Note	Category	2009	2008
			\$	\$
Financial assets				
Cash and cash equivalents	4	N/A	362,676	292,440
Receivables	5	Loans and receivables	101,501	79,753
Other financial assets	6	Available for sale of financial assets (at fair value)	40,000	40,000
Financial liabilities				
Payables	10	Financial liabilities measured at amortised cost	35,974	17,659

(c) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity.

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

Notes to the financial statements continued

Note 15. Financial instruments (continued)

(c) Credit risk (continued)

Interest rate exposure and ageing analysis of financial assets as at 30 June 2009.

	Weighted average interest rates %	Consolidated carrying amount \$	Interest rate exposure			Not past due and not impaired \$
			Fixed interest rate \$	Variable interest rate \$	Non interest bearing \$	
2009						
Financial assets						
Cash and cash equivalents	4.02	362,676		362,676		362,676
Receivables	0.00	101,501	-	-	101,501	101,501
Other financial assets	0.00	40,000	-	-	40,000	40,000
Total financial assets		504,177	-	362,676	141,501	504,177
2008						
Financial assets						
Cash and cash equivalents	6.25	292,440	193,867	98,213	360	292,440
Receivables	0.00	79,753	-	-	79,753	79,753
Other financial assets	0.00	40,000	-	-	40,000	40,000
Total financial assets		412,193	193,867	98,213	120,113	412,193

(d) Liquidity risk

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

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

	Weighted average interest rates %	Consolidated carrying amount \$	Interest rate exposure			Contractual cash flows \$	Maturity dates less than 1 month \$
			Fixed interest rate \$	Variable interest rate \$	Non interest bearing \$		
2009							
Trade creditors and accruals	0.00	35,974	-	-	35,974	35,974	35,974
Total financial liabilities		35,974	-	-	35,974	35,974	35,974
2008							
Trade creditors and accruals	0.00	17,659	-	-	17,659	17,659	17,659
Total financial liabilities		17,659	-	-	17,659	17,659	17,659

Notes to the financial statements continued

Note 15. Financial instruments (continued)

(e) Market risk

Currency risk

The Company has no exposure to foreign currency risk.

Interest rate risk

Exposure to interest rate risk might arise primarily through the Company's interest bearing liabilities.

The Company currently has no interest bearing liabilities.

Other price risk

The Company is exposed to insignificant other price risk.

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

- A parallel shift of +1% and -1% in market interest rates (AUD) from year-end rates of 5%;
- A parallel shift of +1% and -1% in inflation rate from year-end rates of 2%

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

	Carrying amount \$	Interest rate risk			
		-1% Profit \$	-1% Equity \$	+1% Profit \$	+1% Equity \$
2009					
Financial assets					
Cash and cash equivalents	362,676	(3,627)	(3,627)	3,627	3,627
Receivables	101,501	-	-	-	-
Other financial assets	40,000	-	-	-	-
Financial liabilities					
Trade creditors and accruals	35,974	-	-	-	-
2008					
Financial assets					
Cash and cash equivalents	292,440	(982)	(982)	982	982
Receivables	79,753	-	-	-	-
Other financial assets	40,000	-	-	-	-
Financial liabilities					
Trade creditors and accruals	17,659	-	-	-	-

Notes to the financial statements continued

	2009 \$	2008 \$
Note 16. Capital and leasing commitments		
Non-cancellable operating leases		
Operating lease commitments in respect of computers, photocopiers and property payable as follows:		
Not Later than 1 year	22,800	22,800
Later than 1 year and not later than 5 years	45,600	68,400
Later than 5 years	-	-
	68,400	91,200

There are no known capital commitments for Bellarine Peninsula **Community Bank**[®] Branch.

Note 17. Segment reporting

Industry segments

Bellarine Peninsula Community Branch Ltd's only industry segment is the provision of branch banking services.

Geographical segment

Bellarine Peninsula Community Branch Ltd operates predominantly on the Bellarine Peninsula, Victoria. More than 90% revenue, net surplus from ordinary activities and segment assets relate to operations on the peninsula.

Note 18. Director and related party disclosures

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

R Enders	S Thew (resigned 8/9/08)
R Hynes	G Irving (resigned 8/9/08)
JP Finlay (resigned 23/2/09)	SJ Baldwin (appointed 18/9/08)
KA Woodhart	PC Jones (appointed 18/9/08)
S Wight	GD Webster (appointed 18/9/08)
F Kelloway (resigned 18/10/08)	BD Cumming (appointed 25/5/09)

Notes to the financial statements continued

	2009 \$	2008 \$
Note 18. Director and related party disclosures (continued)		
b) Income paid or payable to all Directors	-	-

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 \$25,715.

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

Note 19. Contingent assets and contingent liabilities

The are no known contingent assets or contingent liabilities for the Company.

Note 20. Events occurring after reporting date

Since 30 June 2009 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.

	2009 \$	2008 \$
Note 21. Auditors remuneration		
Remuneration of the Auditor of the Company for:		
Auditing or reviewing the financial report	5,400	5,300
	5,400	5,300

Note 22. Earnings/(loss) per share

a) Basic earnings per share (cents per share)	-0.017	0.185
b) Diluted earnings per share (cents per share)	-0.017	0.185
c) Weighted average number of ordinary shares outstanding during the year used to calculate earnings per share	1,102,086	400,000

Note 23. Dividends

2008 Final dividend fully franked at 9 cents per share	36,000
2009 Final Dividend fully franked at 9 cents per share	36,000

Directors' declaration

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 2009 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:



Stephen Wight
Director

Dated 4 September 2009.

Independent audit report

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

Report on the financial report

We have audited the accompanying financial report of Bellarine Peninsula Community Branch Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial report

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PARTNERS

Michael
Betts FCA

Richard
Bull FCA

Simon
Flowers CPA
Affiliate ICAA

Nicholas
Klein CA

Peter
Landers FCA
CPA LLB

Sripathy
Sarma CA

Andrew
Wierzbowski CA

Geoff
Williams CA



Chartered Accountants



Chartered Accountants

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**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 2009 there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

LBW CHARTERED ACCOUNTANTS



Peter Landers

Partner

04 September 2009

PARTNERS

Michael
Betts FCA

Richard
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Simon
Flowers CPA
Affiliate ICAA

Nicholas
Klein CA

Peter
Landers FCA
CPA LLB

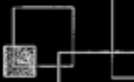
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BSX report

Additional information requested by the Bendigo Stock Exchange Limited and not shown elsewhere in this report is as follows. The information is current as of 12 September 2009.

1. Distribution of equity securities

The number of shareholders by size of holding are

Number of equity securities	The number of shareholders by size of holding
1 - 1,000	107
1,001 - 5,000	201
5,001 - 10,000	38
10,001 - 50,000	34
50,001 - 60,000	1

2. Twelve largest shareholdings

The names of the twelve largest shareholders of quoted shares are:

Shareholder	Number of shares	Percentage of capital held
Miss Alice Patricia Stroud	60,000	3.75%
David Lewis Investments P/L	60,000	3.75%
Albert Batty	30,000	1.88%
Batty Investments	30,000	1.88%
Margaret Ann Batty	30,000	1.88%
Mrs Annie Carew	30,000	1.88%
Mr John Barry Carew	30,000	1.88%
DEJ Investments Pty Ltd	30,000	1.88%
Mrs Lynette Maree Elliott	30,000	1.88%
Impact Insurance	30,000	1.88%
Mr Peter Wolfenden	30,000	1.88%

There are 2 shareholders holding less than a marketable parcel of shares (\$500 in value).

3. Voting rights

Each shareholder has one vote.

BSX report continued

4. Corporate governance

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

There is an audit committee.

The Board recognizes the importance of a strong corporate governance focus and methodology. The Board is continually working towards adopting policies and procedures that will govern our Company into the future. We believe that building a policy framework will assist to clarify the future direction of our local Company, provide accountability and transparency and ensure there are guiding principles in place for future decision making.

Composition of the Board

The composition of the Board is determined in accordance with the following principles and guidelines:

- The Board shall comprise at least three Directors and a maximum of 10.
- The Board shall meet regularly and follow meeting guidelines set down to ensure all Directors are made aware of and have available all information, to participate in an informed discussion of all agenda items.
- All Directors should attend a minimum of 75% of eligible meetings.

The Directors who held office at the date of this statement are:

Name	Position
Russell Robert Enders	Chairman
Robert John Hynes	Vice-Chairman
Sandra Jean Baldwin	Secretary
Karen Ann Woodhart	Director
Stephen Wight	Director
Paul Cynwyd Jones	Director
Geoffrey David Webster	Director
Bryan Dickson Cumming	Director

Board responsibilities

The Board acts on behalf of and is responsible to the shareholders, the Board seeks to identify the expectations of shareholders, as well as other regulatory and ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks. The Board seeks to discharge these responsibilities in a number of ways.

The Board is responsible for ensuring that management's objectives are aligned with the expectations and risks identified by the Board. The Board has a number of mechanisms in place to ensure this is achieved. These mechanisms include the following:

BSX report continued

4. Corporate governance (continued)

- Board approval of a Business Plan and Marketing Strategy, which encompasses the entity's vision, mission and value statements, designed to meet stakeholders needs and manage risk;
- The Business Plan is a dynamic document and the Board is actively involved in developing and approving initiatives and strategies designed to ensure the continued growth and success of the entity;
- Implementation of operating plans and budgets by management and Board monitoring of progress against budget – this includes the establishment and monitoring of key performance indicators (both financial and non-financial) for all significant business processes.

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 Directors is reviewed annually by the Chairman.

The Board of Directors aims to ensure that the shareholders on behalf of whom they act are informed of all information necessary to assess the performance of the Directors. Information is communicated to the shareholders through:

- The Annual Report which is made available to all shareholders.
- The annual general meeting and other meetings so called to obtain approval for Board action as appropriate.
- Regular Newsletters.

5. Name of Company Secretary

Sandra Jean Baldwin

6. Address and telephone number of registered office

44 Newcombe Street,
Portarlington VIC 3223
Phone: (03) 5259 3266
Fax: (03) 5259 3277

7. Address and telephone number of office at which securities register is kept

AFS & Associates, Chartered Accountants & Business Advisors
61 - 65 Bull Street,
Bendigo VIC 3550

8. Trading history

Trading History for the year ended 30 June 2009 for the Bellarine Peninsula Community Branch Limited is available on the BSX website at www.bsx.com.au.

Bellarine Peninsula **Community Bank**[®] Branch
44 Newcombe Street, Portarlington VIC 3223
Phone: (03) 5259 3266

Drysdale **Community Bank**[®] Branch
11 Clifton Springs Road, Drysdale VIC 3222
Phone: (03) 5253 3192

Franchisee: Bellarine Peninsula Community Branch Limited
44 Newcombe Street, Portarlington VIC 3223
Phone: (03) 5259 3266
ABN: 33 089 107 657

www.bendigobank.com.au/Bellarine
Bendigo and Adelaide Bank Limited,
The Bendigo Centre, Bendigo VIC 3550
ABN 11 068 049 178. AFSL 237879. (BMPAR9028) (08/09)



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