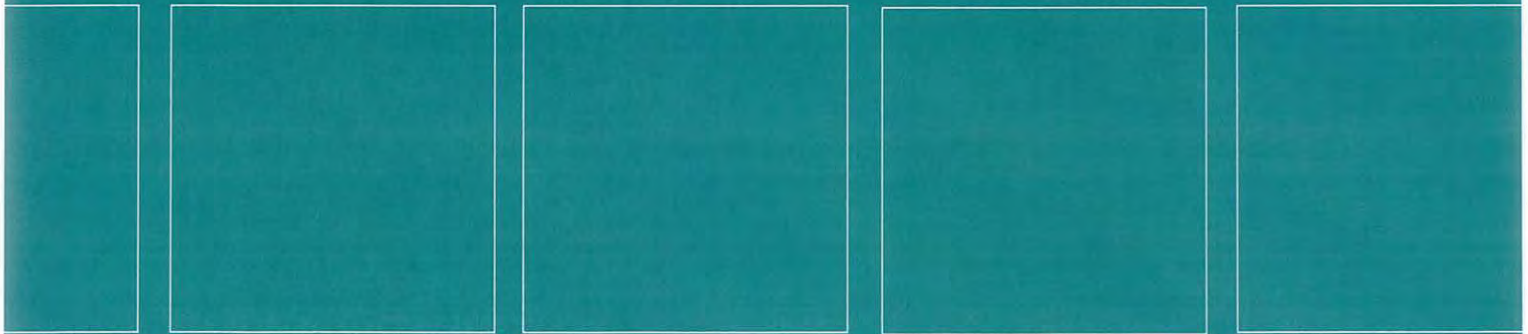


Paradise Point
Financial Services Ltd
ACN 095 686 936

2008
annual report



CHAIRMAN'S REPORT

FINANCIAL PROGRESS

It is with great pleasure that I am able to write a very positive report. We are fortunate to be partnering with Bendigo Bank who has not been directly exposed to the current market volatility.

Our newest **Community Bank**[®] at Ormeau opened on 4 August 2008 and with our very experienced manager and staff, we have commenced trading comfortably.

Upper Coomera **Community Bank**[®] Branch is trading in line with their projected budget and continues to show positive growth. Our manager and staff have been involved in a number of community projects in the area and the results have shown in increased business.

Paradise Point **Community Bank**[®] Branch continues to post regular increases in banking and lending business. All credit goes to our Senior Manager, Ian Johnston, who has been committed to the positive expansion of Paradise Point Financial Services.

Thank you to the staff at Paradise Point **Community Bank**[®] Branch for taking to the role of "mentor" to new staff members who are then moving into positions in our other **Community Bank**[®] branches.

DIVIDEND ON SHARES

The dividend in 2007 was 11.33 cents per share fully franked.

For 2008, I am pleased to announce a fully franked dividend of 16.17cents per share.

COMMUNITY ACTIVITY

Our commitment to supporting worthy causes continues and this year we chose our major beneficiary as Paradise Kids. Requests by other charities has seen a total of \$110,825 distributed.

The Popera in the Park proved a very successful event and Paradise Point **Community Bank**[®] Branch was the major sponsor.

Since 2004, we have distributed a total of \$482, 000 back into our communities, a figure made up of both share dividends and grants.

All shareholders are invited to input in the distribution of funds.

Thank you to all staff for their support.

To all directors, thank you for your commitment of time and expertise to your community, it's much appreciated.

Ann Robilotta
Chairman
30 September 2008

MANAGER'S REPORT

The past financial year has again been very solid for our **Community Bank**[®] Company. Our two branches at Paradise Point and Upper Coomera grew by \$24.8 million in lending and deposit funds. Paradise Point held business as at 30 June 2008 of \$138.8 million and Upper Coomera held business of \$45.6 million. Our combined business book as at 30 June 2008 was \$184.4 million.

Over the past seven years, since Paradise Point **Community Bank**[®] Branch opened in 2001 and Upper Coomera Branch opened in 2005, our **Community Bank**[®] Company has seen consistent business growth as follows:-

June 2002	\$19,768,018
June 2003	\$30,798,018
June 2004	\$25,403,964
June 2005	\$22,125,000
June 2006	\$24,596,000
June 2007	\$37,001,000
June 2008	<u>\$24,757,000</u>
	\$184,449,000

In March 2008, we continued with the enhancement of our customer service and convenience, with the installation of a fourth ATM in the Runaway Bay Shopping Village. This ATM compliments the services provided to new and existing Paradise Point **Community Bank**[®] Branch customers. Likewise, the ATM installed at Gallery Walk, Mount Tamborine in May 2007, compliments the services provided to new and existing Upper Coomera Branch customers.

In this new financial year we have opened a new Sub Branch at Ormeau. The branch was opened on 4 August 2008 and is located at Shop 2, Ormeau Town Centre, 19-21 Peachey Road, Ormeau. This full service branch was opened to service the strong population growth of the northern end of the Gold Coast City Council area. This branch will service new and existing Bendigo and Adelaide Bank customers from Coomera to Logan Hyperdome.

I would like to thank the Board of Directors, shareholders and our customers for their continued support.

I would also like to acknowledge our staff teams: -

Paradise Point

Yvonne Watts (Customer Service Manager), Margaret Egarr, Kristine Rasmussen, Alana McGowan and Jenny Morgan (Customer Service Officers).

Upper Coomera

Mark Macgregor (Manager), Carol Wood (Customer Service Manager), Christopher Wilshire and Suzanne Garrett (Customer Service Officers).

Ormeau

Dean Campbell (Manager), Jade Pippin (Senior Customer Supervisor) and Christopher Anderson (Customer Service Officer).

Continued over

PARADISE POINT FINANCIAL SERVICES LIMITED

Financial Statements

as at

30 June 2008

Paradise Point Financial Services Limited
ABN 33 095 686 936
Directors' Report

Dividends

A dividend of 11.3315c per share (total \$70,793.55) was declared and paid for the previous year. No interim dividends have been declared or paid for the current year. The directors recommend that a dividend of 16.17c per share (total \$101,022.08) be paid out of profits for the year ended 30 June 2008.

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 or the financial 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, Officers 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, Officers or Managers of the company except where the liability arises out of conduct involving the lack of good faith. The premium paid in respect to this policy is \$3,271.

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.

Paradise Point Financial Services Limited
 ABN 33 095 686 936
 Statement of Financial Performance
 For the year ended 30 June 2008

	<u>Notes</u>	2008 \$	2007 \$
Revenues from ordinary activities	2	1,604,321	1,266,413
Salaries & employee benefits expense		584,159	531,141
Depreciation and amortisation expense	3	49,687	54,846
Borrowing costs expense	3	2,566	196
Other expenses from ordinary activities		<u>640,606</u>	<u>512,432</u>
Profit/(Loss) from ordinary activities before income tax expense		327,303	167,798
Income tax expense relating to ordinary activities	4	<u>102,297</u>	<u>17,497</u>
Profit/(Loss) from ordinary activities after income tax expense		<u>225,006</u>	<u>150,301</u>
Provision for Dividend		101,022	70,794
Total changes in equity other than those resulting from transactions with owners as owners		<u>123,984</u>	<u>79,507</u>

Paradise Point Financial Services Limited
 ABN 33 095 686 936
 Statement of Cash Flows
 As at 30 June 2008

	<u>Notes</u>	2008 \$	2007 \$
Cash Flows From Operating Activities			
Cash receipts in the course of operations		1,559,759	1,252,550
Cash payments in the course of operations		(1,209,235)	(1,013,658)
Interest paid		(2,566)	(2,696)
Interest received		32,160	13,863
Income tax paid		(20,558)	(26,364)
Net cash flows from/(used in) operating activities	15b	359,560	223,694
Cash Flows From Investing Activities			
Payment for Intangible assets		11,000	110,000
Payments for Property, Plant and Equipment		10,900	46,776
Net cash flows from/(used in) investing activities		(21,900)	(156,776)
Cash Flows From Financing Activities			
Proceeds from issue of shares		0	0
Increase in Payables		37,612	46,919
Increase in Receivables		(12,923)	(65,503)
Dividends paid		(70,794)	(67,973)
Net cash flows from/(used in) financing activities		(46,105)	(86,557)
Net increase/(decrease) in cash held		291,555	(19,639)
Cash at the beginning of the financial year		335,633	355,272
Cash at the end of the financial year	15a	627,188	335,633

Paradise Point Financial Services Limited
ABN 33 095 686 936
Notes to the Financial Statements
As at 30 June 2008

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

Property, Plant and Equipment

Property, plant and equipment are brought to account at cost or at independent directors' valuation, less, where applicable, any accumulated depreciation or amortisation. Items of property, plant and equipment, including buildings but excluding freehold land, are depreciated over their useful life to the entity commencing from the date of acquisition/revaluation. All property, plant and equipment is depreciated using the diminishing value method.

Intangibles

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

Cash

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

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

Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform to 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).

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

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

Paradise Point Financial Services Limited
 ABN 33 095 686 936
 Notes to the Financial Statements
 As at 30 June 2008

	2008	2007
	\$	\$
Income tax losses		
Future income tax benefits arising from tax losses are not recognised at reporting date as realisation of the benefits not regarded as virtually certain. Future income tax benefit carried forward is:	<u>0</u>	<u>0</u>
5. Auditors' Remuneration		
Amounts received or due and receivable by Sheila Ponting CPA for:		
- Audit or review of the financial report of the company	2,086	2,550
- Other services in relation to the company	<u>0</u>	<u>0</u>
	<u>2,086</u>	<u>2,550</u>
6. Cash Assets		
Cash at bank and on hand	<u>627,188</u>	<u>335,634</u>
7. Receivables		
Receivables	63,596	42,517
Trade debtors	<u>133,870</u>	<u>121,467</u>
	<u>197,466</u>	<u>163,984</u>
8. Property, Plant and Equipment		
<i>Land</i>		
Freehold land at cost	<u>0</u>	<u>0</u>
<i>Buildings</i>		
At cost	0	0
Less accumulated depreciation	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
<i>Plant and equipment</i>		
At cost	402,276	391,376
Less accumulated depreciation	<u>(155,969)</u>	<u>(129,337)</u>
	<u>246,307</u>	<u>262,039</u>
<i>Motor Vehicles</i>		
At Cost	39,463	39,463
Less accumulated depreciation	<u>(12,357)</u>	<u>(6,102)</u>
	<u>27,106</u>	<u>33,361</u>
Total written down amount	<u>273,413</u>	<u>295,400</u>

Paradise Point Financial Services Limited
 ABN 33 095 686 936
 Notes to the Financial Statements
 As at 30 June 2008

	2008	2007
	\$	\$
11. Interest Bearing Liabilities		
<i>Current</i>		
Chattel Mortgage	10,977	10,977
Less unexpired term charges	<u>(1,797)</u>	<u>(3,000)</u>
	<u>9,180</u>	<u>7,976</u>
<i>Non-current</i>		
Chattel Mortgage	20,806	31,783
Less unexpired term charges	<u>(1,161)</u>	<u>(8,406)</u>
	<u>19,645</u>	<u>23,376</u>
12. Provisions		
Final 2008 Dividend	101,022	0
Final 2007 Dividend	0	70,794
Lost Shareholders' Unclaimed Dividends	311	0
Employee benefits	<u>27,411</u>	<u>27,312</u>
	<u>128,744</u>	<u>98,106</u>
Number of employees at year end	<u>10</u>	<u>11</u>
13. Contributed Equity		
624,750 Ordinary Shares fully paid of \$1 each	<u>624,750</u>	<u>624,750</u>
14. Retained Profits/(Accumulated Losses)		
Balance at the beginning of the financial year	94,974	15,466
Net profit/(loss) from ordinary activities after income tax	225,006	150,302
Dividends - Provision Final Dividend	<u>(101,022)</u>	<u>(70,794)</u>
Balance at the end of the financial year	<u>218,958</u>	<u>94,974</u>

Paradise Point Financial Services Limited
 ABN 33 095 686 936
 Notes to the Financial Statements
 As at 30 June 2008

16. Related Party Disclosures

The names of directors who have held office during the financial year and shareholding of those directors and related entities

	2008	2007
Ann Robiotta	25,000	25,000
Anthony John Gallagher	0	0
John Ronald Hooton	6,000	6,000
Ian Roland Johnston	0	0
Ewald Gerhard (Garry) Kuppe	15,000	15,000
Paul Vertullo	28,000	11,500
Frederick William Woodley	0	0
Helen Louise Weissenberger	2,000	2,000

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.

During the year directors were paid an honorarium to reimburse costs incurred in the conduct of their duties. The collective total honorarium was \$17,600.

	<u>Number</u>	<u>Gross Remuneration</u>
Specified Executives	1	\$96,413

17. Subsequent Events

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

18. Contingent Liabilities

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

19. Segment Reporting

The economic entity operates in the financial services sector where it provides banking services to its clients. The economic entity operates in one geographic area being Gold Coast, Queensland.

20. Registered office/Principal place of business

The registered office and principal place of business is:

Shops 3 & 4
 42 Esplanade
 PARADISE POINT
 Queensland

INDEPENDENT AUDIT REPORT

To the members of Paradise Point Financial Services Ltd

Scope

I have audited the financial statement of Paradise Point Financial Services Ltd for the year ended 30 June 2008 comprising of Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Notes to the Financial Accounts and Directors Declaration. The Company's directors are responsible for the financial report. I have conducted an independent audit of these financial statements in order to express an opinion on it to the members of Paradise Point Financial Services Ltd.

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

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

Audit Opinion

In my opinion, the financial report of Paradise Point Financial Services Ltd is in accordance with:

- (a) the Corporations Law including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2008 and of its performance for the period ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements.


Sheila Ponting CPA
455 Oxley Drive
Runaway Bay Q 4216
24 October 2008

Paradise Point **Community Bank**[®] Branch
Shops 3 & 4, 42 The Esplanade, Paradise Point, QLD 4216
Phone: (07) 5577 4199 Fax: (07) 5577 3944

Upper Coomera **Community Bank**[®] Branch
Shop 10, Upper Coomera Shopping Village,
Cnr Reserve and Tamborine Oxenford Rds. Upper Coomera, QLD 4209
Phone: (07) 5500 0496

Ormeau **Community Bank**[®] Sub Branch
Tenancy 6, Ormeau Town Centre,
19-21 Peachey Road, Ormeau, QLD 4208
Phone: (07) 5549 1256

Franchisee: Paradise Point Financial Services Ltd
Shops 3 & 4, 42 The Esplanade, Paradise Point, QLD 4216
Phone: (07) 5577 4199
ACN 095 686 936

www.bendigobank.com.au
Bendigo and Adelaide Bank Limited, The Bendigo Centre, Bendigo VIC 3550
ABN 11 068 049 178. AFSL 237879. (KKQAR8019) (09/08)

