

ASIC registered agent number 9984

388 1/2 18 March 2002

lodging party or agent name AFS & ASSOCIATES PTY LTD
office, level, building name or PO Box no.

street number & name 61 - 65 BULL STREET

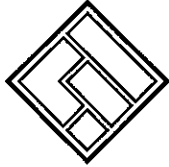
suburb/city BENDIGO state/territory postcode

telephone (03) 5443 0344

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DX number suburb/city

ASS. ☐ REQ-A ☐
CASH. ☐ REQ-P ☐
PROC. ☐



Australian Securities & Investments Commission

copy of financial statements and reports

form 388

Corporations Act 2001

294, 295, 298-300, 307, 308, 319, 321, 322

Corporations Regulations

1.0.08

Name Balmain Rozelle Financial Services Limited

ACN / ARBN / ARSN/PIN 95 112 711 654

Reason for lodgement of statements and reports

- tick the appropriate box ☒ A public company or a disclosing entity which is not a registered scheme or prescribed interest undertaking (A)
☐ A registered scheme* (B)
☐ Amendment of financial statements or directors' report (company) (C)
☐ Amendment of financial statements or directors' report (registered scheme)* (D)
☐ A large proprietary company that is not a disclosing entity (H)
☐ A small proprietary company that is controlled by a foreign company for all or part of the period and where the company's profit or loss for the period is not covered by the statements lodged with ASIC by a registered foreign company, company, registered scheme, or disclosing entity (I)
☐ A small proprietary company that is requested by ASIC to prepare and lodge statements and reports (J)
☐ A prescribed interest undertaking that is a disclosing entity (K)

Dates on which financial year begins 1 / 7 / 2004 and ends 30 / 6 / 2005 (d/m/y)

Date of Annual General Meeting (if applicable) 28 / 11 / 2005

Details of large proprietary company

If the company is a large proprietary company that is not a disclosing entity, please complete the following information as at the end of the financial year for which the financial statements relate:

- A What is the consolidated gross operating revenue of the large proprietary company and the entities that it controls?

 B What is the value of the consolidated gross assets of the large proprietary company and the entities that it controls?

 C How many employees are employed by the large proprietary company and the entities that it controls?

 D How many members does the large proprietary company have?.....

Auditor report

Were the financial statements audited? Yes ☒ No ☐

If yes: Does the auditor's report (section 308) for the financial year contain a statement of:

* reasons for the auditor not being satisfied as to the matters referred to in section 307? Yes ☐ No ☒

* details of the deficiency, failure or shortcoming concerning any matter referred to in section 307? Yes ☐ No ☒

If no: Is there a class order exemption current for audit relief? Yes ☐ No ☐

* NOTE: Where a new auditor has been appointed to a Registered Scheme, Form 5137 - Appointment of Scheme Auditor must be lodged

Details of current auditor*

The auditor can be a person or a firm.

If a person

name (family & given names)

Auditor Registration no:

office

level

building name

street number & name

suburb / city

state / territory

postcode

date of appointment (d/m/y)

/ /

or

If a firm

name of firm

ANDREW FREWIN STEWART

office

level

building name

street number & name

61 - 65 BULL STREET

suburb / city

BENDIGO

state / territory VIC

postcode 3550

Business Registration number

(if applicable)

State / Territory registered in

date of appointment (d/m/y)

/ /

Statements and reports to be attached to this form

Financial statements for the year (as per ss295(2))

*statement of financial performance for the year (profit and loss statement)**statement of financial position as at the end of the year (balance sheet)**statement of cash flows for the year**if required by accounting standards - consolidated profit & loss statement, balance sheet and statement of cash flows*

Notes to financial statements (as per ss295(3))

*disclosures required by the regulations**notes required by the accounting standards**any other information necessary to give a true and fair view (see s297)*

The directors' declaration about the statements and notes (as per ss 295(4))

The directors' report for the year (as per s 298 to 300)

Auditor's report required under sections 308 and 314

Certification

I certify that the attached documents marked () are a true copy of the annual reports required under Section 319.

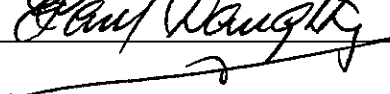
print name

E. Paul Daugherty

capacity

Chair person

sign here



date

25/10/05

* NOTE: Where a new auditor has been appointed to a Registered Scheme, **Form 5137 - Appointment of Scheme Auditor** must be lodged

Small Business (less than 20 employees), please provide an estimate of the time taken to complete this form

Include

- The time actually spent reading the instructions, working on the question and obtaining the information
- The time spent by all employees in collecting and providing this information

hrs

mins

Annual Report

2004 – 2005

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For year ending 30 June 2005

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Chairman's Report

For year ending 30 June 2005

Balmain / Rozelle Financial Services Ltd was incorporated on 31 January 2005.

The Balmain / Rozelle Community Bank Branch of Bendigo Bank opened on 23 August 2005 and, consequently, this Annual Report to 30 June 2005 does not include any trading details. At 30 June 2005, 731,261 shares were subscribed and paid at \$1 per share.

A great deal of time and effort was involved before the Bank opened.

The three main stages of the process were:

1. To obtain indicative pledges of support from the local community. Over \$1 million was pledged which provided the necessary confidence to move to the next stage.
2. A financial Feasibility Study was carried out by an independent consulting company. It quantified the anticipated banking business and confirmed there was sufficient support for a Community Bank to be successful in Balmain / Rozelle.
3. The final stage was the offering to the community of 900,011 shares in Balmain / Rozelle Financial Services Ltd. All of these shares have been fully subscribed and paid by end September.

Our Community Bank is now a reality.

The premises at 1/597 Darling Street, Rozelle were leased and fitted out, and staff appointed and trained for our opening on 23 August, 2005.

The Directors would like to thank the community for their support, particularly our Shareholders without whom the Bank would not exist.

We appreciate the help provided by our partners, Bendigo Bank. We are pleased to be associated with an organisation whose values so closely match our own and demonstrates these values in the way they do business.

I am confident our Bank will grow and in the future make a significant contribution to our local community. We encourage all shareholders to visit the bank and, if they haven't done so already, move their banking business to **their bank**.

Regards

A handwritten signature in black ink, appearing to read 'E. Paul Doughty', with a stylized flourish at the end.

E. Paul Doughty
Chairman

Balmain Rozelle Financial Services Limited
ABN 95 112 711 654
Directors' Report

Your Directors submit the financial report of the company for the financial year ended 30 June 2005.

Directors

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

Kevin James Boundy

Position: Director and member in Audit Sub-Committee & Marketing and Sponsorship Sub-Committee

Occupation/Experience : a Balmain based importer and reseller of stone flooring, paving and roofing. He has been a resident in the Balmain area for ten years. He is active in the Balmain & Rozelle Chamber of Commerce and also in the Balmain branch of Rotary International.

Barry William Bidwell

Position: Director and member in Human Resources Sub-Committee & Governance Sub-Committee

Occupation/Experience : has lived in the area with his wife for 33 years. Barry has wide management experience gained mainly in working for many years for a large multi-national company. Immediately before retiring, he worked as a consultant.

Lars Wladik Brander

Position: Treasurer and member in Audit Sub-Committee & Marketing and Sponsorship Sub-Committee

Occupation/Experience : has been in business of importing and distributing Dr. Hauschka Skin Care and Wala medicines. Prior to this work, Lars was a teacher at Lorient Novalis School for Rudolf Steiner Education for 12 years.

Elio Cacciotti

Position: Director and member in Audit Sub-Committee

Occupation/Experience : has been in business and resided in Balmain for the past 47 years. He owned a food market for 15 years on Darling Street Balmain and has invested in a number of properties in the same area. Elio has been a consistent and major contributor to the community through organisations such as Balmain Rotary (President and Executive), Chamber of Commerce, Innerwheel International, Art and Craft Balmain and the local Hospital.

E. Paul Doughty

Position: Chairman and member in Human Resources Sub-Committee & Governance Sub-Committee

Occupation/Experience : Has a Balmain based photo shop which processes film and sells frames and albums. The shop has been in business for 18 years in the same location. He has been instrumental in gaining support for establishing a community bank in the area and contributed to the Balmain community through his association with Balmain Tourism, Community Rewards program, Balmain Hospital, Chamber of Commerce (Executive), Balmain Rotary (President and Executive), Balmain Water Polo Club, and Balmain Sailing Club.

Peter Kenney

Position: Director and member in Audit Sub-Committee & Marketing and Sponsorship Sub-Committee

Occupation/Experience : since 1980 Peter has established two franchise real estate businesses in Balmain Rozelle. From 1985 to 1999, Peter was a Director and Proprietor of timber manufacturing and retailing businesses in Balmain, Drummoyne and Botany. He also has agricultural interests incorporating cattle stud and commercial cattle breeding. For most of his life he has resided locally and was a past member of the Balmain & Rozelle Chamber of Commerce.

Balmain Rozelle Financial Services Limited

ABN 95 112 711 654

Directors' Report

Pauline Keitha McAlinden

Position: Director and member in Business Development Sub-Committee & Governance Sub-Committee

Occupation/Experience : Pauline provides advice re training, marketing, sales, human resource, location etc to small businesses primarily in the Balmain area. She owns of Maid and Balmain - a cleaning and maintenance company. She has been in business and lived in Balmain for the past 30 years and has been associated one way or another with most of the local organisations including the Chamber of Commerce, the Arts and Crafts Festival, Balmain Historical Society, and the Film Festival. As a consultant to Pin Point, she was instrumental in getting the Community Rewards program established in Balmain Rozelle which is the first community rewards program in Australia.

Cynthia Marica Nadai

Position: Secretary and member in Governance Sub-Committee & Marketing and Sponsorship Sub-Committee

Occupation/Experience : Staff Consultant with St James Ethics Centre – a not-for-profit organisation that provides a forum for the promotion and exploration of ethics.

Cynthia is also a Director of Charities Aid Foundation (CAF) Australia, a not-for-profit organisation working to increase the flow of funds to the community. Cynthia has also worked with the local community to permanently protect Callan Park from development. She has lived in Lilyfield for 8 years. Prior to coming to Sydney, Cynthia served as Vice President of Trust Services and Manager of Customer Service for a Boston bank.

Frederick John Nicholson

Position: Director and member in Marketing and Sponsorship Sub-Committee

Occupation/Experience : prior to owning a newsagency in Balmain, Rick had his own Sales and Marketing Company, worked for Fairfax as the National Sales Director for BRW and Personnel Investment and Shares magazines and worked at News Limited as the National Advertising Manager of the Daily Telegraph and Sunday Telegraph.

Robert John Passier

Position: Director and member in Business Development Sub-Committee

Occupation/Experience : Bob has been a resident of Balmain for over 25 years. He is currently employed in the Pharmaceutical Industry. Bob has a strong background in community activity in the area as evidenced by his prior activity within the Balmain & Rozelle Chamber of Commerce in the capacities of both member and president.

Michelle Anne Ronan

Position: Director and member in Business Development Sub-Committee & Marketing and Sponsorship Sub-Committee

Occupation/Experience : Michelle has a background in retail management and function styling. She has successfully run her function decorating company and retail store in Rozelle since 2000. Since her arrival five years ago she has been actively involved in promoting local business through the Balmain & Rozelle Chamber of Commerce and the Inner West Networking Group.

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

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

Balmain Rozelle Financial Services Limited
ABN 95 112 711 654
Directors' Report

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.

Operating Results

The loss of the company for the financial year was:

Year ended 30-Jun-05	Year ended 30-Jun-04
\$ (48,115)	\$ -

The Directors were unable to declare a dividend for the financial year ended 30 June 2005.

Remuneration Report

No Director of the company receives payment for services as a Director or committee member. There are no employees who are directly accountable and have responsibility for the strategic direction and operational management of the entity.

There are therefore no specified executives whose remuneration requires disclosure.

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 or the financial report.

Significant events after the balance date

There are no other 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.

Balmain Rozelle Financial Services Limited
ABN 95 112 711 654
Directors' Report

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: 9

Number of Meetings Attended:

Kevin James Boundy	6
Barry William Bidwell	7
Lars Wladik Brander	7
Elio Cacciotti	6
E. Paul Doughty	9
Peter Kenney	7
Pauline Keitha McAlinden	7
Cynthia Marica Nadai	8
Frederick John Nicholson	5
Robert John Passier	3
Michelle Anne Ronan	8

Non Audit Services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the Auditor (Andrew Frewin & Stewart) for audit and non audit services provided during the year are set out in the notes to the accounts.

The board of Directors has considered the position and is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are satisfied that the provision of non-audit services by the auditor, as set out in the notes, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Board to ensure they do not impact on the impartiality and objectivity of the auditor;

Balmain Rozelle Financial Services Limited

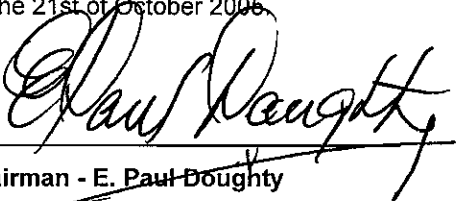
ABN 95 112 711 654

Directors' Report

- none of the services undermine the general principles relating to auditor independence as set out in Professional Statement F1, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risk and rewards.

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4

Signed in accordance with a resolution of the Board of Directors at Balmain Rozelle
on the 21st of October 2005.



Chairman - E. Paul Doughty



Director - Barry William Bidwell

25 October 2005

Auditor's Independence Declaration

As lead auditor for the audit of Balmain Rozelle Financial Services Limited for the year ended 30 June 2005, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Balmain Rozelle Financial Services Limited.



David Hutchings
Auditor

Andrew Frewin & Stewart
Bendigo VIC 3550

Balmain Rozelle Financial Services Limited
ABN 95 112 711 654
Statement of Financial Performance
for the year ended 30 June 2005

	Notes	2005 \$	2004 \$
Revenues from ordinary activities	2	-	-
General administration		(37,793)	-
Salaries and employee benefits expense		(30,172)	-
Advertising and promotion		-	-
Occupancy and associated Costs		-	-
Depreciation and amortisation expense	3	-	-
		<hr/>	<hr/>
Profit (Loss) from ordinary activities before income tax credit		(67,964)	-
Income tax credit (charge) relating to ordinary activities	4	<hr/> 19,849	<hr/> -
Loss from ordinary activities after income tax charge / credit		<hr/> (48,115)	<hr/> -
Total changes in equity other than those resulting from transactions with owners as owners		<hr/> (48,115) <hr/>	<hr/> - <hr/>

The accompanying notes form part of these financial statements

Balmain Rozelle Financial Services Limited
ABN 95 112 711 654
Statement of Financial Position
as at 30 June 2005

	Notes	2005 \$	2004 \$
Current Assets			
Cash assets	5	575,285	-
Receivables	6	13,042	-
Total Current Assets		588,326	-
Non-Current Assets			
Property, plant and equipment	7	1,402	-
Intangibles	8	60,000	-
Deferred tax assets	9	19,849	-
Total Non-Current Assets		81,251	-
Total Assets		669,578	-
Current Liabilities			
Payables	10	17,626	-
Provisions	11	1,800	-
Total Current Liabilities		19,426	-
Total Liabilities		19,426	-
Net Assets		650,152	-
Equity			
Contributed equity	12	698,267	-
Accumulated losses	13	(48,115)	-
Total Equity		650,152	-

The accompanying notes form part of these financial statements

Balmain Rozelle Financial Services Limited
ABN 95 112 711 654
Statement of Cashflows
for the year ended 30 June 2005

	Notes	2005 \$	2004 \$
Cash Flows From Operating Activities			
Cash received from customers		-	-
Cash paid to suppliers and employees		(67,542)	-
Interest received			-
Interest paid			
Net cash provided by (used in) operating activities	14(b)	<u>(67,542)</u>	<u>-</u>
Cash Flows From Investing Activities			
Payment of franchise fee		(60,000)	-
Purchase of plant and equipment		-	-
Payment for leasehold improvements		(1,402)	-
Net cash used in investing activities		<u>(61,402)</u>	<u>-</u>
Cash Flows From Financing Activities			
Proceeds of share issues		731,261	-
payment of share issue costs		(27,032)	-
Net cash provided by financing activities		<u>704,229</u>	<u>-</u>
Net decrease in cash held		575,285	-
Cash at the beginning of the financial year		-	-
Cash at the end of the financial year	14(a)	<u><u>575,285</u></u>	<u><u>-</u></u>

The accompanying notes form part of these financial statements

Balmain Rozelle Financial Services Limited
ABN 95 112 711 654
Notes to the Financial Statements
for the year ended 30 June 2005

1. Summary of significant accounting policies

Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 including applicable Accounting Standards. Other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) have also been complied with.

The financial report has been prepared on an accruals basis and is based on historical costs 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

Income tax has been brought to account using the liability method of tax effect accounting whereby income tax expense is based on the profit from ordinary activities adjusted for any permanent differences.

Timing differences which arise due to the different accounting periods in which items of revenue and expenses are included in the determination of accounting profit and taxable income are brought to account as either a provision for deferred income tax or as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised.

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.

1. Summary of significant accounting policies (continued)

Employee entitlements

The provision for employee entitlements 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 at nominal amounts based on current wage and salary rates and includes related on-costs.

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

Balmain Rozelle Financial Services Limited
ABN 95 112 711 654
Notes to the Financial Statements
for the year ended 30 June 2005

Intangibles

The cost of the company's franchise fee has been recorded at cost and is amortised on a straight line basis at a rate of 20% per annum.

Cash

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

Property, plant and equipment

Property, plant and equipment will be carried at cost or at independent or directors' valuation, less where applicable any accumulated depreciation or amortisation. The carrying amount of property, plant and equipment will be reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of expected net cash flows that will be received from the assets employment and subsequent disposal.

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, will be depreciated on a straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or estimated useful lives of the improvements.

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

<u>Class of fixed assets</u>	<u>Depreciation rate (%)</u>
Furniture and fittings	5 - 20
Leasehold Improvements	2.5
Plant and equipment	5 - 37.5

Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year. Given the company commenced operation in the later part of the financial year, there are no comparative disclosures.

Revenue

Interest and commission fees revenue is recognised when earned. All revenue is stated net of the amount of Goods and Services Tax (GST).

1. Summary of significant accounting policies (continued)

Payment terms

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days.

Receivables and payables

Receivables are carried at their amounts due. The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts. 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.

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.

Balmain Rozelle Financial Services Limited
ABN 95 112 711 654
Notes to the Financial Statements
for the year ended 30 June 2005

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.

	2005 \$	2004 \$
2. Revenue from ordinary activities		
Operating activities		
- margin income	-	-
- commissions	-	-
- other revenue	-	-
Non-operating activities:		
- interest received	-	-
	<u>-</u>	<u>-</u>
3. Expenses		
Depreciation of non-current assets:		
- plant & equipment	-	-
- leasehold improvements	-	-
Amortisation of non-current assets:		
- intangibles	-	-
	<u>-</u>	<u>-</u>
Borrowing expenses:		
- Interest paid	-	-
	<u>-</u>	<u>-</u>
4. Income tax expense		
The prima facie tax on the loss from ordinary activities before income tax is reconciled to the income tax credit as follows:	2005 \$	2004 \$
Operating Profit (Loss)	(67,964)	-
Prima facie tax on loss from ordinary activities at 30%	(20,389)	-
Add tax effect of:		
- Non-deductible expenses	540	-
Income tax expense on operating profit/loss	<u>(19,849)</u>	<u>-</u>
5. Cash assets		
Cash at bank and on hand	<u>575,285</u> <u>575,285</u>	<u>-</u> <u>-</u>
6. Receivables		
Trade receivables	-	-
GST on acquisitions	<u>13,042</u>	<u>-</u>

Balmain Rozelle Financial Services Limited
ABN 95 112 711 654
Notes to the Financial Statements
for the year ended 30 June 2005

7. Property, plant and equipment

<i>Leasehold improvements</i>		
At cost	1,402	-
Less accumulated depreciation	-	-
Total written down amount	<u>1,402</u>	<u>-</u>
<i>Plant & equipment</i>		
At cost	-	-
Less accumulated depreciation	-	-
Total written down amount	<u>-</u>	<u>-</u>
<i>Office furniture & fittings</i>		
At cost	-	-
Less accumulated depreciation	-	-
Total written down amount	<u>-</u>	<u>-</u>
	<u>1,402</u>	<u>-</u>

Movements in carrying amounts:

<i>Leasehold improvements @ cost</i>		
Carrying amount at beginning	-	-
Additions	1,402	-
Disposals	-	-
Final fit out expense variance	-	-
Less depreciation expense	-	-
Carrying amount at end	<u>1,402</u>	<u>-</u>
<i>Plant & Equipment @ cost</i>		
Carrying amount at beginning	-	-
Additions	-	-
Disposals	-	-
Less depreciation expense	-	-
Carrying amount at end	<u>-</u>	<u>-</u>
<i>Office furniture & fittings</i>		
Carrying amount at beginning	-	-
Additions	-	-
Disposals	-	-
Less depreciation expense	-	-
Carrying amount at end	<u>-</u>	<u>-</u>
	<u>1,402</u>	<u>-</u>

8. Intangible assets

	2005	2004
	\$	\$
<i>Franchise Fee</i>		
At cost	60,000	-
Less accumulated amortisation	-	-
	<u>60,000</u>	<u>-</u>

9. Deferred Tax Benefit

Deferred Tax Asset		
Tax losses - revenue	<u>19,849</u>	<u>-</u>

10. Payables

Trade creditors	<u>17,626</u>	<u>-</u>
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11. Provisions

Audit Fees	<u>1,800</u>	<u>-</u>
Number of employees at year end	<u>0</u>	<u>0</u>

Balmain Rozelle Financial Services Limited
ABN 95 112 711 654
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for the year ended 30 June 2005

12. Contributed equity

Balance at beginning of the year	-	-
Fully paid ordinary shares issued	731,261	-
Less: Equity raising costs	(37,482)	-
Pre incorporation expenditure written off	4,487	-
Balance at end of the financial year	<u>698,267</u>	<u>-</u>

13. Retained Losses

Balance at the beginning of the financial year	-	-
Net loss from ordinary activities after income tax credit	(48,115)	-
Balance at the end of the financial year	<u>(48,115)</u>	<u>-</u>

14. Statement of cashflows

(a) Reconciliation of cash

Cash at bank and on hand	575,285	-
	<u>575,285</u>	<u>-</u>

(b) Reconciliation of profit from ordinary activities after tax to net cash provided by/(used in) operating activities

Loss from ordinary activities after income tax	(48,116)	-
Non cash items:		
- depreciation	-	-
- amortisation	-	-
Changes in assets and liabilities:		
- (increase)/decrease in receivables	-	-
- (increase)/decrease in other assets	-	-
- increase/(decrease) in payables	(19,426)	-
- increase/(decrease) in other liabilities	-	-
Net cashflows used in operating activities	<u>(67,542)</u>	<u>-</u>

15. Auditors' remuneration

	2005	2004
	\$	\$
Amounts received or due and receivable by the auditor of the company for:		
- audit & review services	1,800	-
- other services in relation to the entity	3,081	-
	<u>4,881</u>	<u>-</u>

16. Director and Related party disclosures

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

Kevin James Boundy
Barry William Bidwell
Lars Wladik Brander
Elio Cacciotti
E. Paul Doughty
Peter Kenney
Pauline Keitha McAlinden
Cynthia Marica Nadai
Frederick John Nicholson
Robert John Passier
Michelle Anne Ronan

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.

Balmain Rozelle Financial Services Limited
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Directors Interests	2005	2004
Kevin James Boundy	6,401	0
Barry William Bidwell	3,501	0
Lars Wladik Brander	8,001	0
Elio Cacciotti	10,001	0
E. Paul Doughty	10,901	0
Peter Kenney	2,501	0
Pauline Keitha McAlinden	1,001	0
Cynthia Marica Nadaï	11,201	0
Frederick John Nicholson	501	0
Robert John Passier	1,001	0
Michelle Anne Ronan	6,001	0

17. International Financial Reporting Standards - Impact of adopting Australian equivalents to IFRS

Entities complying with AIFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of AIFRS to that comparative period. Most adjustments required on transition to AIFRS will be made, retrospectively, against opening retained earnings as at 1 July 2004.

The Company has established a project team to manage the transition to AIFRS, including training of staff and internal control changes necessary to gather all the required financial information. The transition is currently on schedule.

In the Company's opinion, no material impacts are expected in relation to the financial report for the year ended 30 June 2005. There are no impacts to be disclosed.

17 (a) Income Tax

Under AASB 112 *Income Taxes*, deferred tax balances are determined using the balance sheet method which calculates temporary differences based on the carrying amounts of an entity's assets and liabilities in the statement of financial position and their associated tax bases. In addition, current and deferred taxes attributable to amounts recognised directly in equity are also recognised directly in equity.

This will result in a change to the current accounting policy, under which deferred tax balances are determined using the income statement method, items are only tax-effected if they are included in the determination of pre-tax accounting profit or loss and/or taxable income or loss and current and deferred taxes cannot be recognised directly in equity.

If the policy required by AASB 112 had been applied during the year ended 30 June 2005, there would have been no impact on the value of deferred tax assets or liabilities.

18. Subsequent events

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

19. Contingent liabilities

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

20. Segment reporting

The economic entity facilitates community banking services under management rights to operate a franchised branch of Bendigo Bank Limited. The economic entity operates in one geographic area being Blackburn and district, Victoria.

21. Registered office/Principal place of business

The registered office and principal place of business are:

Registered office
58 Beattie Street
Balmain NSW 2041

Principal place of business
1/597 Darling Street
Rozelle NSW 2039

Balmain Rozelle Financial Services Limited
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Notes to the Financial Statements
for the year ended 30 June 2005

22. Financial Instruments

Net fair values

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the Statement of Financial Position. The company does not have any unrecognised financial instruments at the 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 Statement of Financial Position 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	
		1 year or less		Over 1 to 5 years		Over 5 years					
		2005 \$	2004 \$	2005 \$	2004 \$	2005 \$	2004 \$	2005 \$	2004 \$	2005 %	2004 %
Financial assets											
Cash assets	575,285	-	-	-	-	-	-	-	-	2.50	-
Term Deposit	-	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	N/A	N/A
Financial liabilities											
Payables	-	-	-	-	-	-	-	-	17,626	N/A	N/A

Balmain Rozelle Financial Services Limited
ABN 95 112 711 654
Directors' Declaration

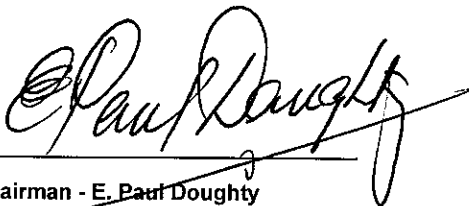
In accordance with a resolution of the Directors of Balmain / Rozelle Financial Services Limited, we state that:

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 2005 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and Corporations Regulations 2001 in Australia; 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.

The directors have been given the declarations by the chief executive officer required by Section 295A of the Corporations Act 2001.

On behalf of the Board:



Chairman - E. Paul Doughty



Director - Barry William Bidwell

Signed on the 25 day of October 2005

Bendigo Stock Exchange (BSX) Report

Additional information required by the Bendigo Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 30 June 2005.

A. Corporate Governance Statement

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

The Board recognises the importance of a strong corporate governance focus and methodology. The Board is currently 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.

The Board has established both Audit and Governance Committees.

B. Substantial Shareholders – Ten Largest Shareholders

Ordinary Shares	Number of Ordinary Shares
Mr Ross Cattan	20,000
Mrs Elizabeth Cureton	20,000
Depofo Pty Ltd	20,000
Mrs Nitaya Morris	20,000
Mr John George Morris	20,000
MNM Pty Ltd	20,000
Dr Anita Zeman	20,000
Ms Roslyn Gray	15,000
Ms Cynthia Nadai	11,201
Ms Jeanne Albrecht	10,000

There are no other classes of equity securities.

C. Voting Rights

Each shareholder has one vote.

D. Distribution of Shareholders

The number of shareholders by size of holding is:

<u>No of shares</u>	<u>No of holders</u>
1 – 1000	174
1001 – 5000	67
5001 – 10,000	27
10,001 – 100,000	11
100,001 and over	nil

There are no shareholders holding less than a marketable parcel of shares.

E. Monitoring of the Board's Performance and Communication to Shareholders

In order to ensure that the Board continues to discharge its responsibilities in an appropriate way the performance of the Chairman and the Directors together with the effectiveness of the Board Meetings will be continually assessed.

F. Address and Telephone Number of the Office Where the Security Register is Kept

Bendigo Bank Ltd
Share Registry Office
Fountain Court
Bendigo
Vic 3552

Telephone (03) 5433 9339

INDEPENDENT AUDIT REPORT

To the members of Balmain Rozelle Financial Services Limited

Scope

We have audited the financial report of Balmain Rozelle Financial Services Limited for the financial year ended 30 June 2005 including the Directors' Declaration. The company's Directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.


Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements 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 presented 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 our opinion the financial report of Balmain Rozelle 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 2005 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements.


DAVID HUTCHINGS
ANDREW FREWIN & STEWART
61-65 Bull Street, Bendigo, 3550

Dated 27th day of October 2005