

Doncaster East Community Financial Services Limited

2003
**Annual
Report**

Doncaster East Community Bank® Branch
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www.bendigobank.com.au Bendigo Bank Ltd, Fountain Court,
Bendigo Vic 3550 ABN 11 068 049 178 (S2719) (25/02/03)

Doncaster East
Community Bank® Branch  **Bendigo Bank**

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Chairman's Report

For year ending 30 June, 2003

On behalf of the Directors I am delighted to have the privilege of bringing to you the first annual report of Doncaster East Community Financial Services Limited. (The Company)

While the Company was incorporated on 28 June, 2002 the Doncaster East Community Bank® Branch of Bendigo Bank did not open until 18 March, 2003. It follows that while this report covers a 12 month period it only covers three months of operation by the branch.

In accordance with established practice for the formation of Community Bank® Companies, the inaugural directors of the Company were drawn from members of the former Steering Committee. The Directors would like to pay tribute to the many people who served on the Steering Committee at various times in that formative stage. These community-spirited individuals were the people who had the vision and took the initiative to take the first tentative steps toward creation of the branch. Without their hard work and perseverance over many months the project would never have progressed.

The Steering Committee and subsequently the Company's Board of Directors were greatly encouraged in their efforts by the amazing community support that was evident from the beginning and never wavered. That support manifested itself when the Company Prospectus was launched and the share issue was fully subscribed in just 11 business days. Very few communities have supported the establishment of their Community Bank® Branch with such enthusiasm and confidence.

Bendigo Bank and the Bendigo Stock Exchange (BSX) also showed great confidence in the project by inviting the Company to be the first new site to have its shares listed on the BSX. After receiving a thorough briefing from the Bank and the BSX your Directors voted unanimously to participate in the pilot listing believing it to be in the best interests of shareholders.

Like any business venture the project has presented challenges. The most significant have revolved around the identification of and the securing of suitable premises for the Branch. There were subsequent difficulties with fit out which included major structural work and the removal of asbestos. These factors delayed the planned opening of the branch by several months. However, your Directors are delighted with the site we secured at 900 Doncaster Road, which is both prominent and highly functional providing an excellent environment for both customers and staff.

In any service industry and particularly banking, one of the critical success factors is to attract, recruit, train and retain a team of people who are not only pleasant and efficient but also committed to the ideals of the business. In this regard your Directors and the Bendigo Bank Executive involved in the process, have been extremely impressed with the number of high quality applicants we received for every position advertised. The Branch Manager, Paul Thompson, is a very experienced banking executive with a sound understanding of the needs of both personal and business customers. He has quickly won the respect of Directors and we are confident that in conjunction with the Board he will steer the Company effectively and efficiently toward its business objectives. Equally importantly we believe that he has the skills and competencies to be able to develop an effective team committed to the development of a customer service ethos of which we will all be proud.

Chairman's Report Continued

After just three months of operation your Directors are pleased with the progress of the branch. Business volumes and account numbers are in line with our expectations, which tends to indicate that the community is going to support the venture in the manner indicated by the earlier feasibility study.

On all the information available to us at this time your Directors remain confident that the Company will continue to grow largely in line with our original forecasts.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jim Christie', with a stylized, flowing script.

Jim Christie
Chairman

Manager's Report 30 June, 2003

I am very pleased to report on a significant performance in our initial period of operation, having officially “opened the doors” on Wednesday 19 March, 2003.

As at 30 June, 2003, we experienced exciting growth with our business in excess of budget projections.

The level of support from local community customers who require both personal and business banking facilities has been most encouraging. Support has also come from well outside the local Doncaster area, with accounts and facilities being opened for customers living in Templestowe, Warrandyte, Bulleen, Donvale, Mitcham, Blackburn and many other areas.

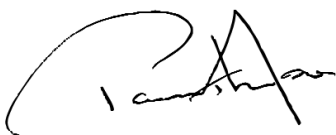
For the 2003 financial year, we have seen business growth of \$12.797 million, which for the corresponding period of trading, was ranked within the top ten for new Community Bank® Branches in Australia. We had a total of 996 accounts. Our combined balance was made up of deposits of \$11.108 million and lending of \$1.689 million. (Actual lending approvals totalled \$4.286 million).

Our growth is due in part to people recognising the advantage of being able to speak directly with their Manager instead of some faceless person in a remote office. We continue to receive enquires from new customers who have been referred by friends and associates who have moved their banking to our branch, recommending our professional and personal service.

I also receive regular compliments from the wide variety of customers we now have on the friendly and relaxed atmosphere within our branch. From the youngest to the oldest customer they enjoy being able to do their banking, without feeling pressured or having to wait for long periods in queues. With the support of the Board, I am committed to ensuring our staffing levels remain sufficient to provide the highest level of service and customers enjoy doing their banking at our branch.

The growth that we have achieved would not have occurred without a dedicated, professional and totally committed team. The original staff of Sam Pearce, Susan Scroop, Aleksandra Taylor and Lisa Jones worked extremely well together and have enjoyed every moment of our success. With the high volume of growth they have often been called on to complete tasks outside their normal duties.

I would like to thank the Directors for their ongoing support and encouragement. On many occasions I have asked for and suggested things related to banking that were totally new to them, which they have listened too and considered in a professional manner. It is most beneficial that we have such a close relationship, which makes my job easier when I feel I have the total support of the Board. Their commitment to continue to “spread the word” about the Community Bank® concept makes potential customers who have not already moved their banking ask themselves - “Why not?”



Paul Thompson
Manager

Directors Report 30 June, 2003

Your Directors submit the financial report of the company for the financial year ended 30 June, 2003.

Directors

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

James Douglas Christie

Chairman

Age: 59

Occupation: Investor

Raymond Thomas Lord

Secretary

Age: 56

Occupation: Media Liaison Officer

William Howard Larkin

Director

Age: 69

Occupation: Retired

Kevin Matthew Madden

Director

Age: 68

Occupation: Clothing Retailer

Olga Vasilopoulos

Director

Age: 35

Occupation: Professional Interpreter
and Research Assistant

Erica Janice Mounter

Director

Age: 59

Occupation: Accountant

Raymond Bruce Barrington

Director

Age: 55

Occupation: Retail Florist

Irene Kornienko

Director

Age: 52

Occupation: Financial Controller

Peter McLaughlin

Director

Age: 61

Occupation: Journalist

Trevor Leigh Waring

Director

Age: 54

Occupation: Property Manager/ Plantation Developer

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

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

Principal activities

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

Directors Report continued

Operating results

The loss of the Company for the financial year was:

Year ended
30 June, 2003
\$
(176,227)

Dividends

No dividends were declared or paid and the Directors recommend that no dividend be paid for the current year.

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 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. The premium paid in respect to this policy is \$2,860.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The company has not provided any insurance for an auditor of the company or a related body corporate.

Directors Report continued

Directors meetings

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

Number of meetings held: 22

Number of meetings attended:

James Douglas Christie	21
Raymond Thomas Lord	16
William Howard Larkin	19
Kevin Matthew Madden	22
Erica Janice Mounter	16
Olga Vasilopoulos	14
Raymond Bruce Barrington	22
Irene Kornienko	22
Peter McLaughlin	16
Trevor Leigh Waring	16

Signed in accordance with a resolution of the Board of Directors at East Doncaster on the 3rd day of September, 2003.



Chairman – James Douglas Christie



Director – Erica Janice Mounter

Financial Statements

Statement of Financial Performance

For year ending 30 June, 2003

	Note	2003 \$
Revenues from ordinary activities	2	28,608
General Administration		(24,401)
Salaries and employee benefits expense		(156,306)
Advertising and promotion		(4,425)
Occupancy and associated Costs		(76,686)
Systems costs		(2,284)
Depreciation and amortisation expense	3	(13,030)
Borrowing cost expense	3	(80)
Loss from ordinary activities before income tax credit		(248,604)
Income tax credit relating to ordinary activities	4	72,377
Loss from ordinary activities after income tax credit		(176,227)
Total changes in equity other than those resulting from transactions with owners as owners		(176,227)

The accompanying notes form part of these financial statement.

Financial Statements continued

Statement of Financial Position

For year ending 30 June, 2003

	Note	2003 \$
Current Assets		
Cash assets	5	139,499
Receivables	6	2,067
Total Current Assets		141,566
Non-Current Assets		
Property, plant and equipment	7	198,864
Intangibles	8	52,652
Deferred tax assets	9	72,377
Total Non-Current Assets		323,893
Total Assets		465,459
Current Liabilities		
Payables	10	3,453
Provisions	11	6,322
Total Current Liabilities		9,775
Total Liabilities		9,775
Net Assets		455,684
Equity		
Contributed equity	12	631,912
Accumulated losses	13	(176,227)
Total Equity		455,684

The accompanying notes form part of these financial statement.

Financial Statements continued

Statement of Cash Flows

For year ending 30 June, 2003

	Note	2003 \$
Cash Flows From Operating Activities		
Cash payments in the course of operations		(292,322)
Cash receipts in the course of operations		59,884
Interest received		4,651
Interest paid		(80)
Net cash used in operating activities	14(a)	(227,867)
Cash Flows From Investing Activities		
Purchase of Property, Plant and Equipment		(204,546)
Payment for Franchise Agreement		(60,000)
Net cash used in investing activities		(264,546)
Cash Flows From Financing Activities		
Proceeds from issue of shares		650,011
Payment of share issue costs		(18,099)
Net cash provided by financing activities		631,912
Net increase/(decrease) in cash held		139,499
Cash at the beginning of the financial year		
Cash at the end of the financial year	14(b)	139,499

The accompanying notes form part of these financial statement.

Notes to and forming part of the accounts

For year ending 30 June, 2003

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 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.

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.

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 are 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 is 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, are 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:

Class of fixed assets	Depreciation rate (%)
Plant and equipment	2.5 - 25

Comparative figures

Comparatives have not been provided as the Company commenced operations in November, 2002

Revenue

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

Payment terms

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

Receivables

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.

2. REVENUE FROM ORDINARY ACTIVITIES

2003

\$

Operating activities

– Commissions

23,124

– other revenue

833

Non-operating activities:

– interest received

4,651

28,608

3. EXPENSES

Depreciation of non-current assets:

– leasehold improvements

5,682

Amortisation of non-current assets:

– intangibles

7,348

13,030

Borrowing expenses:

– Interest paid

80

4. INCOME TAX EXPENSE

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

Operating Loss

(248,604)

Prima facie tax on loss from ordinary activities at 30%

(74,581)

Add tax effect of:

– Non-deductible expenses

2,204

Income tax expense on operating profit/loss

(72,377)

5: CASH ASSETS

Cash at bank and on hand

139,499

6. RECEIVABLES

2003

\$

Trade receivables

2068

7. PROPERTY, PLANT AND EQUIPMENT

Leasehold improvements

At cost

204,546

Less accumulated depreciation

(5,682)

Total written down amount

198,864

Movements in carrying amounts

Leasehold improvements

Carrying amount at beginning

Additions

204,546

Disposals

Less depreciation expense

(5,682)

Carrying amount at end

198,864

8. INTANGIBLE ASSETS

Franchise fee

At cost

60,000

Less accumulated amortisation

(7,348)

52,652

9. DEFERRED TAX BENEFIT

Future income tax benefit

Tax losses – revenue

72,377

10. PAYABLES

Sundry creditors

3,453

11. PROVISIONS

Employee provisions

6,322

Number of employees at year end

4

12. CONTRIBUTED EQUITY

2003

\$

Balance at beginning of the year	–
Fully paid ordinary shares issued	650,011
Less: Equity raising costs	(18,099)
Balance at end of the financial year	631,912

13. RETAINED LOSSES

Balance at the beginning of the financial year	–
Net profit/(loss) from ordinary activities after income tax	(176,227)
Balance at the end of the financial year	(176,227)

14. STATEMENT OF CASHFLOWS

(a) Reconciliation of cash

Cash at bank and on hand	121,624
Security Deposit (not available for use by the entity)	17,875
	139,499

(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	176,227)
Non cash items:	
– depreciation	5682
– amortisation	7,348
Changes in assets and liabilities:	
– decrease in receivables	(2,068)
– decrease in other assets	(72,377)
Increase in liabilities:	
– payables	9,775
Net cashflows provided by/(used in) operating activities	(227,867)

15. AUDITORS' REMUNERATION

Amounts received or due and receivable by the auditor of the company for:

– audit & review services	2,200
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16. RELATED PARTY DISCLOSURES

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

James Douglas Christie

Raymond Thomas Lord

William Howard Larkin

Kevin Matthew Madden

Erica Janice Mounter

Olga Vasilopoulos

Raymond Bruce Barrington

Irene Kornienko

Peter McLaughlin

Trevor Leigh Waring

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.

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. EARNINGS PER SHARE

The company was incorporated on 28 June, 2002 and issued 650,000 ordinary shares on 20 November, 2002. It commenced trading on 18 March, 2003. Earnings (losses) per share have not therefore been calculated for this reporting period.

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 Doncaster East, Victoria.

21. REGISTERED OFFICE/PRINCIPAL PLACE OF BUSINESS

The registered office and principal place of business is:

Registered office

6 Jackson Court

Doncaster East VIC 3109

Principal place of business

900 Doncaster Road

Doncaster East VIC 3109

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

		Fixed interest Rate Maturing in									
Financial Instrument	Floating Interest Rate	1 year or less		Over 1 to 5 years		Over 5 years		Non Interest Bearing		Weighted average Effective interest rate	
	2003 \$	2002 \$	2003 \$	2002 \$	2003 \$	2002 \$	2003 \$	2002 \$	2003 %	2002 %	
Financial Assets											
Cash assets	139,764	-	-	-	-	-	-	100	-	4	N/A
Receivables	-	-	-	-	-	-	-	9,243	-	N/A	N/A
Financial Liabilities											
Payables	-	-	-	-	-	-	-	4,962	-	N/A	N/A

Director's Declaration

In accordance with a resolution of the Directors of Doncaster East Community 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, 2003 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.

On behalf of the Board:



Chairman - James Douglas Christie



Director - Erica Janice Mounter

Signed at Doncaster East on the 3 day of September, 2003.

Independent Audit Report

TO THE MEMBERS OF DONCASTER EAST COMMUNITY FINANCIAL SERVICES LIMITED.

SCOPE

We have audited the financial report of Doncaster East Community Financial Services Ltd for the financial year ended 30 June, 2003, as set out on pages 8 to 18, 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 Doncaster East Community Financial Services Ltd 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, 2003 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 this 8 day of September, 2003

BSX ADDITIONAL INFORMATION

Additional information required by the Bendigo Stock Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 30 September, 2003.

(a) Distribution of equity securities

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

			Ordinary Shares	
			Number of holders	Number of shares
1	–	1,000	146	105,208
1,001	–	5,000	135	509,802
5,001	–	10,000	4	35,001
10,001	–	100,000	-	-
100,001 and over			-	-
Total			285	650,011

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

(b) Ten largest shareholders

The names of the ten largest holders of quoted shares are:

		Listed Ordinary Shares	
		Number of shares	Number of ordinary shares
1	Russell Breadmore & Lynne Breadmore <R & L Breadmore Super Fund A/C>	10,000	1.54%
2	Mr. James Douglas Christie & Mrs. Deborah Anne Christie <Christie Super Fund A/C>	10,000	1.54%
3	Judy Anne Tutty & Marcus James Tutty	10,000	1.54%
4	Mr. Trevor Leigh Waring	5,001	7.7%
5	Mrs. Ina Helene Altes	5,000	7.7%
6.	Mr. Frank Bangham	5,000	7.7%
7.	Mrs. Philomena Bangham	5,000	7.7%
8.	Mr. Robert Edward Bohun & Mrs. Rae Leonne Bohun	5,000	7.7%
9.	Mr. Neil Antony Bradshaw	5,000	7.7%
10.	Mr. Norman Charles Bradshaw & Mrs. Valerie Enid Bradshaw	5,000	7.7%
		65001	10%

BSX ADDITIONAL INFORMATION CONTINUED

(c) Voting rights

Each shareholder has one vote.

(d) 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.

Composition of the Board

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

- The board should comprise at least three directors and a maximum of 10;
- The board shall meet at least monthly and follow meeting guidelines set down to ensure all directors are made aware of, and have available all necessary information, to participate in an informed discussion of all agenda items.

The directors in office at the date of this statement are:

Name	Position
James Douglas Christie	Chairman
William Howard Larkin	Vice Chairman
Erica Janice Mounter	Treasurer/Director
Raymond Bruce Barrington	Director
Irene Kornienko	Director
Kevin Matthew Madden	Director
Peter McLaughlin	Director
Olga Vasilopoulos	Director
Trevor Leigh Waring	Director
Raymond Thomas Lord	Company Secretary/Director

Board Responsibilities

As a board acts on behalf of and is accountable to the shareholders, the board seeks to identify the expectations of the 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 objective and activities 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:

- Board approval of a business plan, which encompasses the entity's vision, mission and strategy statements, designed to meet stakeholders' needs and manage business 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;
- Procedures to allow directors, in the furtherance of their duties, to seek independent professional advice at the company's expense.

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 chairperson. Directors whose performance is unsatisfactory are asked to retire.

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 distributed to all shareholders;
- The annual general meeting and other meetings so called to obtain approval for board action as appropriate.

(e) Name of Company Secretary:

Raymond Thomas Lord

(f) Address and telephone number of Registered Office:

6 Jackson Court, Doncaster East

(g) Address and telephone number of Office which securities register is kept:

Bendigo Bank Limited
Share Registry Office
Fountain Court
Bendigo 3552

03 5433 9339