

Goodwood/Highgate Community Financial Services Ltd
Annual General Meeting - December 16th 2005

Fellow Directors and Shareholders,

It is with pleasure that on behalf of the Board of Directors I present the Chairman's report at the very first AGM of Goodwood/Highgate Community Financial Services Ltd. The Board sees this AGM as an opportunity to meet with our shareholders and celebrate the successful launch of an important community venture. The establishment of the Goodwood Community Bank Branch of Bendigo Bank was the outcome of over two years of meetings, promotions and campaigning by the Steering Committee and the Board, but its success is also due to the support of local residents and business and Unley Council. Ultimately, course, it is you, the shareholders, who are the mainstay of our Community Bank and the breadth of our shareholder base provides an excellent launching pad for community support.

Since our bank branch did not open until 4th August, there is little to report of a business operations nature for the year ending June 30th. However, as can be seen from the Manager's report, the Goodwood Community Bank Branch of Bendigo Bank has achieved a much in the four short months since its launch, with over six million dollars worth of business on the books, and another million more expected in the new year. A strong marketing campaign is now in operation, including visits to local businesses and community organisations, media advertising (press and radio), the distribution of promotional literature and a presence at community events such a the Goodwood fair and Unley Way to Go. We have also been able to contribute directly in a small way to the local community, with the donation of prizes at local school events and donations to a local pensioner's association, community garden and child care centres.

We are aware that the considerable support and shareholder investment from Highgate has been a major factor in the successful establishment of the Goodwood Community Bank – and we are conscious of the expectations that come with that. In that regard I am pleased to announce that Cr. Anthony Lapidge has been nominated to join the Board, making a total of three Directors with a special interest in Highgate operations. Moreover, negotiations are under way regarding the installation of an ATM near the Highgate Pharmacy, and it is planned to set up a banking facility there as soon as is practicable. However it must be understood that this depends on the satisfactory growth of the Goodwood Branch in the first instance.

Our goal is to become profitable within three years, but reaching this goal depends primarily on the level of business generated. This in turn depends on the efforts of the manager and his staff in the first instance, but also on the efforts of its Directors, shareholders and supporters in introducing

new customers. On behalf of the Board, I urge all shareholders and community members to support the Goodwood Community Bank Branch by encouraging friends, family and colleagues to discuss their banking needs with our manager.

In conclusion, I would like to thank the Board of Directors – the volunteers who as members of the Steering Committee of the Community Bank Project gave the time and energy and commitment necessary to set up the Goodwood Community Bank branch. Most of this group of volunteers are now Directors of the Company and are responsible for its operation. This has presented many challenges, both in terms of business strategy decisions but also in terms of legal compliance with ASIC and the BSX. On your behalf I want to thank Directors for their commitment and endeavours.

I also want to thank our manager, Tony Conroy, for his energetic promotion of the bank's business and to thank his staff for its smooth operation. The process of staff selection was jointly managed by us and Bendigo Bank – and I can only say that we are delighted with the outcome. We are fortunate to have recruited a group of people whose considerable banking skills are matched by their remarkable personal qualities.

We appreciate the ongoing support provided by Bendigo Bank, and we are also grateful for the assistance we receive on a daily basis from staff and Directors in other branches. I think we can all be proud of the achievements of the Goodwood Community Bank in its first months of operation, and we look forward to a bright future for our bank and its community.

Ken Bridge

Chairman, Board of Directors

Goodwood/Highgate Community Financial Services Ltd

Tabular representation of Shareholdings

	Number of Holders	Number of Shares
1 – 1,000	245	171,310
1,001 – 5,000	104	351,500
5,001 – 10,000	21	200,000
10,001 – 100,000	2	40,000
100,001 and over		
Total	372	762,810

Directors' report

16 December 2005

The company will report its financial performance when it closes its first full financial year of trading on 30 June 2006.

Directors

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

Kennedy James Bridge

Chairman

University researcher

Ian Robert Telfer

Treasurer

Building contractor

Richard Everitt Thorne

Deputy Chairman

Retired Businessman

Pamela Anne Dale

Company Secretary

Community Centre Coordinator

Pantaleo (Leo) Amato

Director

Pharmacist

Robert Anthony Barnden

Director

Owner/manager liquor store

Leslie Ronald Birch

Director

Union official

Graham Ralph Pitman

Director

Retired banker

Susan Patricia Straschko

Director

Pharmacy co-owner

Kathleen Mary Truran

Director

University teacher

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

Principal activities

The principal activities of the Company since incorporation have been establishing and providing community banking services under management rights to operate a franchised branch of Bendigo Bank Limited.

There has been no significant changes in the nature of these activities during the year.

Operation results

Operations have performed in line with expectations.

Dividends

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

Directors' report

16 December 2005 continued

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 since incorporation not otherwise disclosed in this report.

Likely developments

The Company will continue its policy of providing banking services to the community.

Directors' benefits

Other than detailed below no Director has received or become entitled to receive, during the period since incorporation, 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 financial records, or the fixed salary of a full-time employee of the Company, controlled entity or related body corporate.

Indemnification and Insurance of Directors and Officers

The Company has indemnified all Directors and the Manager in respect of liabilities to other persons (other than the Company or related body corporate) that may arise from their position as Directors or Managers of the Company except where the liability arises out of conduct involving the lack of good faith.

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

Share Options

No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Environmental Regulation

The Company's operations are not regulated by any significant environmental regulation under a Law of the Commonwealth or of a State or Territory.

Directors' report

16 December 2005 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:	17
Number of Meetings Attended:	

Kennedy Bridge	17
Richard Thorne	17
Ian Telfer	17
Pamela Dale	13
Pantaleo Amato	15
Robert Barnden	10
Leslie Birch	11
Graham Pitman	15
Susan Straschko	15
Kathleen Truran	12

Company Secretary

Pamela Dale has been the Company Secretary of Goodwood/Highgate Community Financial Services Limited since incorporation. Pamela has worked for Goodwood Community Services for the past 21 years, the last 16 as Coordinator and since 2003 as a staff member of the City of Unley. Prior to that, she was co-publisher of a weekly newspaper in Darwin and Manager of a Tourism Resort in the Territory. She has been a member of various local, state and national committees and in 2003 was awarded the Centenary Medal for her work in the community. She recently completed a Diploma in Community Service Management.

Signed in accordance with a resolution of the Board of Directors at Goodwood, SA on 17 November 2005.

Kennedy James Bridge
Chairman

Ian Robert Telfer
Treasurer

Directors' declaration

In accordance with a resolution of the Directors of the Goodwood/Highgate Community Financial Services Limited, we state that:

In the opinion of the Directors:

- (a) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Kennedy James Bridge
Chairman

Ian Robert Telfer
Treasurer

Signed on 17 November 2005.

Manager's Report:

Goodwood/Highgate Community Financial Services Ltd Annual General Meeting – December, 2005

I am pleased to present this report on the operations of the Goodwood Community Bank Branch of Bendigo Bank.

Since my report dated 6th November we now have 510 accounts totaling \$5,822,173 in funds under management, with a further 2 loans for \$ 426,000 settling by the 16th December. This has increased our total business to just over \$6,200,000, made up from \$3,428,575 in credit funds and \$2,819,597 in loan facilities.

We will be marketing strongly in 2006 for new accounts by street banners and promotions in shopping centres, and we will be participating in the Unley Way to Go fair in March.

We believe we have a lot to offer our customers: full banking facilities, friendly personal service and full business hours (9-5) five and a half days a week.

We are looking for all shareholders to support us by transferring all banking if not already done so, as we still have a long way to go. I am more than happy to call in to your home or place of business to arrange transfer, which is a simple and easy procedure. I would also encourage you to tell family friends and relatives about our Bank. The sooner we can build up the business the earlier we can pay dividends and provide sponsorships and donations to the community.

We also have a limited number of shares still available; applications from \$500 to \$3,000 are currently being accepted. Some prospectuses are available here and at the Bank.

I must thank all Directors for their continued support and I encourage every one to be a roving ambassador for our Bank. Thanks go to the staff at Adelaide, West Beach and Virginia for support but in particular Maria Fritz for her ongoing patience and expertise. Last but of course not least I express my appreciation and thanks to my staff, here at Goodwood.

Tony Conroy
Branch Manager
Goodwood Community Bank