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Chairman's report

For year ending 30 June 2005.

My fellow Directors and Shareholders,

The opening of our Community Bank® branch on 27 June 2005 was a great moment for all of us, it was the culmination of all our efforts over the previous two years and I was proud to share the moment with you.

Our Company launched its prospectus in April and from there never looked back, reaching the first target of \$600,000 by 10 June. The Final \$200,000 was reached two weeks later setting a record for others to follow in the future.

The fit out of our premises had a few hiccups due to the age of the building but thanks to the experience and skill of the Bendigo Bank fit out team finished well within time.

Opening day was really special to me and I must admit that beforehand I had doubts that we could carry out the busy programme we had planned. The day was so successful we were hearing remarks from Bendigo Bank staff that it was the best ever. I will settle for second best if we hear differently.

My Board of Directors deserve a huge thank you from me for all their efforts, it was a great team effort from a group of people that are dedicated to the Community Bank® concept. Special thanks should go to our Treasurer Rens Poels for the super human effort he has contributed. Also, our ambassadors who did not take on the role of Directors but contributed so much, my thanks also.

Since our Community Bank® branch opened we have progressed steadily as the growth figures show us today, and I would like to thank the Manager and Staff for a huge effort.

My final thanks go to you the Shareholders, not only for your response to our sale of shares but the numbers who have opened accounts quickly. I appeal to Directors and Shareholders to continue to bring new business to our Community Bank® branch.



Ray Bird

Chair

Manager's report 30 June 2005

The Gympie & District Community Bank® Branch was open for business on 27 June 2005. In the first few months of operation over 550 new accounts were opened with almost \$4 million worth of new business being written.

On behalf of the staff and myself, I would like to thank our Shareholders and customers for their support, patience and understanding during the first few months of our operation. With all our staff being new to the Bendigo Bank group, we were required to attend a number of courses and training sessions to ensure that our competence, knowledge and customer service met with the high standard that the Bendigo Bank require. I firmly believe that our current team meets those standards and together with the ongoing training and support from Bendigo Bank and the dedication of our staff, we will continue on our journey of success.

Of course, for this success to continue to evolve, we require each and every one of our Shareholders to be a roving ambassador for the Community Bank® branch. I simply ask that you encourage your friends and family to come in and open an account with us, or to make an appointment to see myself for their lending needs. Remember, we are open for business 9.00am to 5.00pm Monday to Friday, and 9.00am to 12noon on Saturdays!

I look forward to the day when we can assist the Gympie and district region with much needed revenue to finance their various community projects. This will indeed be an historical day in the history of our Community Bank® branch and the realisation of a dream that I have had the honour of being a part of with many other dedicated supporters over the last few years.



Michael Thornley
Manager

Directors' report 30 June 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:

Raymond John Bird

Chairman

Retired businessman

John Clifford Joyce

Deputy Chairman

Solicitor

Michael Ellis Thornley

Director

Bank Manager

Florence May Dennis

Director

Retired Farmer

Lesley Anne O'Hern

Director

Teacher Librarian

Rens John Poels

Treasurer

Retired Computer Engineer

Vicki Shapcott

Company Secretary

Community Development Worker

Elaine Gwen Thomson

Director

Fabrics Retailer

Beven Roy Webb

Director

Furniture Retailer

Petra Schultz

Director

Business Operator

Resigned - 10/9/05

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.

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

Operating results

Operations have performed in line with expectations.

Dividends

No dividends were declared or paid for 2004/05 financial year and the Directors recommend that no dividend be paid for the current year.

Directors' report 30 June 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 during the financial year under review not otherwise disclosed in this 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

Other than detailed below 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.

Michael Thornley was paid \$6,346.00 for his position as Branch Manager.

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.

Directors' report 30 June 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: | 9 |
| Number of Meetings Attended: | |
| Raymond John Bird | 9 |
| Rens John Poels | 9 |
| John Clifford Joyce | 6 |
| Vicki Shapcott | 6 |
| Michael Ellis Thornley | 8 |
| Elaine Gwen Thomson | 9 |
| Florence May Dennis | 9 |
| Beven Roy Webb | 5 |
| Lesley Anne O'Hern | 9 |
| Petra Schultz | 0 |

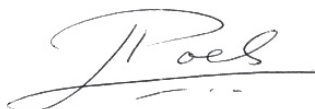
Company Secretary

Vicki Shapcott has been the Company Secretary of Gympie & District Financial Services Ltd for ten months. Her qualifications include a BA in Australian and Comparative Studies/Grad.Dip in Library Science. Her experience includes four years in banking, small business ownership, ten years in local government and two years in community development.

Signed in accordance with a resolution of the Board of Directors at Gympie, Qld on 12 October 2005.



Raymond John Bird
Chairman



Rens John Poels
Treasurer

Directors' declaration

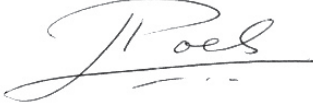
In accordance with a resolution of the Directors of the Gympie & District Financial Services Limited, we state that:

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.



Raymond John Bird
Chairman



Rens John Poels
Treasurer

Signed on the 12 of October 2005.

BSX report

Additional information required by the Bendigo Stock Exchange Limited and not shown elsewhere in this report is as follows:

(a) Distribution of equity securities

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

| | Number of holders | Number of Shares |
|------------------|-------------------|------------------|
| 1 - 1000 | 225 | |
| 1,001 - 5,000 | 101 | |
| 5001 - 10,000 | 18 | |
| 10,001 - 100,000 | 5 | |
| 100,001 and over | 0 | |
| Total | 349 | 800,010 |

BSX report continued

(b) Ten largest shareholders

The Names of the ten largest shareholders of quoted shares are:

| | Listed ordinary shares | |
|---|------------------------|---------------------------|
| | Number of shares | Number of ordinary shares |
| 1. Mr Ralph & Mrs Paula Kelly | 60,000 | 60,000 |
| 2. Mr Kurt & Mrs Ruth Steinscherer | 50,000 | 50,000 |
| 3. Mr Christopher O'Hare | 40,000 | 40,000 |
| 4. Skill Centred Queensland Inc | 20,000 | 20,000 |
| 5. Mr Gavin & Mrs Lynette Burls | 12,000 | 12,000 |
| 6. Mrs Mary Finselbach | 10,000 | 10,000 |
| 7. Mr Rodney Holzapfel | 10,000 | 10,000 |
| 8. Mrs Betty Holzapfel | 10,000 | 10,000 |
| 9. Mr Brian & Mrs Carmel Reason | 10,000 | 10,000 |
| 10. Mr Roger & Mrs Lorraine Broadley | 10,000 | 10,000 |
| 11. Mr David & Mrs Gail Harris | 10,000 | 10,000 |
| 12. Mrs Daphne & Mr Henry Corbet | 10,000 | 10,000 |
| 13. Mr Wayne & Mrs Susan Sachs | 10,000 | 10,000 |
| 14. Mr Grahame Evans & Jalplan Super Fund | 10,000 | 10,000 |
| 15. Ms Pamela Corbet | 10,000 | 10,000 |
| 16. Mr Thomas & Mrs Leda Madill | 10,000 | 10,000 |
| 17. Mr Peter & Mrs Priscilla Groves | 10,000 | 10,000 |
| 18. Mrs Anne Lamb & Urimbirra Super Fund | 10,000 | 10,000 |
| 19. Mr Peter Jepson | 10,000 | 10,000 |

(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.

BSX report continued

The Board recognizes the importance of a strong corporate governance focus and methodology. The Board is currently working toward 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 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 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 |
|----------------------------------|-----------------|
| Raymond John Bird | Chairman |
| Vicki Shapcott | Secretary |
| Rens John Poels | Treasurer |
| Michael Ellis Thornley | Director |
| John Clifford Joyce | Director |
| Elaine Gwen Thompson | Director |
| Florence May Dennis | Director |
| Lesley Anne O'Hern | Director |
| Beven Roy Webb | Director |
| Petra Schulz (resigned 10/09/05) | Director |

