

2005 annual report

Browns Plains

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Phone: (07) 3806 9777 Fax: (07) 3806 9500

Loganholme

Logan Hyperdome, Bryants Road, Loganholme, QLD 4129
Phone: (07) 3801 3600 Fax: (07) 3801 4997

Marsden

Shop 21, Marsden Park Shopping Centre, 55-77 Chambers Flat Road, Marsden, QLD 4132
Phone: (07) 3299 7740 Fax: (07) 3299 7870

Springwood

Shop 40/41 Centro Springwood, 34 Fitzgerald Avenue, Springwood, QLD 4127
Phone: (07) 3208 2611 Fax: (07) 3208 3611

Franchisee: Logan Community Financial Services Limited

11 Vanessa Boulevard, Springwood, QLD 4217
Phone: 1300 366 636 Fax: (07) 3808 1392
ABN 88 101 148 430

www.bendigobank.com.au Bendigo Bank Ltd, Fountain Court,
Bendigo, VIC 3550 ABN 11 068 049 178. AFSL 237879 (BMPAR2003) (07/05)

Logan
Community Bank® Branch **Bendigo Bank**



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chairman's report

For year ending 30 June 2005

Vision, mission and values

Logan Community Financial Services Limited's vision is to provide the Logan community with a level of community involvement that directly benefits customers and the wider community through the purchase of everyday services.'

This states clearly and simply why we are in business, and I am very pleased to be able to report to you, our Shareholders, that we are continuing to see the benefits of this focus. Major events, key initiatives and critical staff decisions discussed in this report are leading us further in the direction of our vision.

The triple bottom line

People

During this financial year we have concentrated on improving the performance and opportunities of our staff, and I am pleased to report that this focus has seen us appoint two existing staff members – Wendy Truter at Springwood and Lisa Simmons at Marsden, into the higher roles of Customer Relationship Officer. These roles are our first point of contact with our customers, and provide the welcome and Community Bank® 'feel' that sets us apart from other institutions. Together with Rachel Lintern at Browns Plains and Leanne Daw at Loganholme, the Customer Relationship Officers are crucial to our business objectives, and are doing a great job on the front line.

Additionally, we have secured two on-site Business Banking Managers to provide services to our customers across Logan to ensure that the full range of products and services is available for our business clients.

Our focus on attracting and training young people of Logan is paying off handsomely, with staff at Marsden arranging and managing key sponsorship and business relationships with the Logan Youth Council, and Kingston College. These two initiatives will provide not only business for the Community Bank® branch, but long term opportunities for the young people involved, and for the Company's growth.

Unfortunately we lost two Managers this year - Steve McCormick from Springwood and Simon Reeves from Marsden. While Simon is still with Bendigo Bank in Victoria, Steve has obtained a role with another organisation. We thank these committed people for their contribution and dedication. Steve



chairman's report continued

has been replaced by Heather Scofield, who is already building great relationships with our existing and new customers, and Drue Hutchinson has joined Marsden from Bendigo in Victoria. We are confident that these two people will contribute positively to our goals and results.

The year has seen some Director changes as well, with Terry Skene retiring at the last Annual General Meeting. Terry is a great business person who has made an enormous contribution to the establishment and growth of the Logan Community Bank® Company. I would like to take this opportunity to personally thank Terry for his time and contribution. In March, Richard Saad, from Exigent and Café Mezzo in the Hyperdome, joined the Board during the year. Richard's expertise in marketing and business is proving to be extremely valuable for the Company. David Manfield was appointed from the AGM last year, but unfortunately resigned in July this year and we are pleased to announce that Jenny Townend, who is well known and respected in Logan and the 'Not for Profit' sector, joined us in August. The addition of new Directors is exciting and refreshing for the Board, and ensures that the Company is continually focusing on the community and its objectives.

Our Company Secretary and founding Director Cathleen Wallis has been appointed to the National Advisory Committee for the Community Enterprise Foundation – a not for profit organisation set up to help communities donate and provide funds for both major and minor projects and assist in management, tax issues and distribution of funds into communities. The Foundation was a key supporter and facilitator of assistance during the Tsunami tragedy over Christmas and New Year and the Eyre Peninsula bushfire appeal. Cathleen's role is to provide a community voice within the Foundation, and help guide it towards community friendly activities and policies that produce 'best practice' results for all concerned.

Profit

The property market this financial year has experienced a slowing, especially in the housing market, with new home approvals falling across the Board this financial year. This has, naturally, affected the business and can be seen in the slowing of the total book growth, up 19% from last year. Whilst this is of concern, the book has still grown by \$23,600,000 during the year (See the Treasurers report for full explanation of results). Our book size puts us as one of the largest Community Bank® Companies in Australia.

Our account base has grown from just over 12,000 accounts to 14,577 accounts during the year, a clear indication of the confidence that the Logan community has in Bendigo Bank's ability to provide for their banking needs. We have also seen some growth in the participation of Shareholders as customers, a key step in improving performance.

I call for all Shareholders to assist to improve results, and contribute to the profits and payment of dividends through transferring their banking to the Community Bank® branch and encouraging their

chairman's report continued

family and friends to do the same. It makes sense to support the Company you own shares in and the business generated from Shareholders accounts is vital to ensure a good result for the community as well as for individuals.

We have received a number of enquiries from Shareholders about the Company's results and growth and when dividends may be paid. The corporations' law only allows dividends to be paid out of the Company's profits. Thus if the Company does not make a profit a dividend cannot legally be paid.

Our shares have traded on the BSX in increasing numbers this year, with both buyers and sellers active in the market. This activity clearly shows the market working as it should, independent of the Directors and the Bendigo Bank. Whilst shares have fluctuated in price, it is encouraging to see some major Shareholders increase their stake in the Company.

Planet

The community of Logan has benefited from the operations of the Company in a number of ways this year, from:

- Local sponsorships of sporting teams, and
- Provision of funds for disadvantaged youth, to
- Support of schools and youth groups.

Over \$2,000 has been spent from retained capital towards sponsorship and funding in the Logan community during the year, and more than \$10,000 will be allocated in the next financial year towards sponsorships and community needs.

We have moved our Company office to Vanessa Boulevard in Springwood this year, to provide improved facilities for the Company, Director meetings, and business opportunities.

In the next year, you will see the Company look to expand its operations and provide services to a wider geographic area. We are currently in the process of establishing an ATM at Logan Central, and are looking for new sites at Loganholme, Park Ridge and other areas of Logan to ensure our services remain relevant to our customers and our community. As a Company engaged in the provision of services considered essential in today's world, we believe that to maximise the value for our stakeholders requires sufficient distribution sites to enable the greatest number of customer access points in our area. Additionally, we will investigate other sites close to Logan as they arise, to see if these can be incorporated into the umbrella of branches and further grow our value.

In the next year we are focused on major community needs. In our Edition 4 – January 2005 newsletter we asked for your comment on a number of items, including how you would like to see community support distributed across Logan and across the many areas of youth, the aged, disadvantaged etc.

chairman's report continued

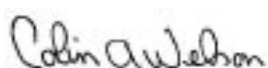
Your feedback in these areas has directed our energies towards a major annual fundraising project for Logan, to be announced later in the year. This project will help support most of the areas identified as critical through your feedback and involve and engage the whole community of Logan.

Logan became the 94th branch to open as a Community Bank® branch of Bendigo Bank across Australia. There are now in excess of 162 Community Bank® branches of Bendigo Bank in the network, across most states and territories, providing a growing partnership between Bendigo Bank and the communities of Australia.

As a partner with Logan Community Financial Services Limited, Bendigo Bank is a key component and active supporter of the aims for our community. With a philosophy of – “successful customers and successful communities create successful banks – in that order”, we feel confident in going forward with Bendigo Bank as a partner for the long term.

The Logan City Council, Albert and Logan News, and local business owners are other entities who have helped wherever and in whatever capacity they could. I extend the thanks of all our Directors, managers and staff to them.

Finally, I would like to thank you, our Shareholders, who have encouraged, supported and banked with us during the year to help us achieve our goals for our branches and for the community. Your vision, commitment and enthusiasm help us all. I look forward to a long and rewarding association with you.



Colin Nelson

Chairman

Bendigo Bank Ltd report

Today, more than 150 communities are running their own Community Bank® branch. The Community Bank® brand is represented in a diverse range of communities. From your own community here in Logan, to communities such as Queenstown in Tasmania, Paradise Point on the Gold Coast, the Perth suburb of Gosnells, the NSW town of Narrandera and the Melbourne suburb of Flemington. All of these communities have one thing in common – a commitment to not only ensuring access to banking services, but a focus on sharing the profits of their business to the wider community.

When we first launched this banking model in 1998, it was to fill a gap in rural communities, where banks were withdrawing their services.

In 2005, you will very rarely read a media story about a community up in arms about a bank branch closure. The closures have literally dried up.

However, you will continue to read about communities undertaking a Community Bank® campaign, and more often than not, in a metropolitan suburb. At least once a fortnight, somewhere in Australia a community is celebrating the opening of the doors to their Community Bank® branch. There is no indication that this growth is slowing.

We are proud to be able to say that these communities are now returning more than simply banking services. Some of the statistics are very impressive.

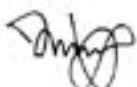
- Communities have received \$159 million in revenue paid to them by Bendigo Bank, \$61 million of this in the past 12 months.
- More than 11,000 community shareholders have received dividends totalling almost \$3 million.
- Local boards have paid out more than \$3 million in sponsorships, donations and contributions.
- In 2004/2005, communities spent \$27.3 million in their communities on wages, rent, accounting, cleaning and so on. Given a multiplier effect of three, this means branches inject nearly \$82 million into their communities every year.

These are significant numbers. They represent the hard work and dedication of communities like yours to help themselves. It also reinforces the commitment of Bendigo Bank to partner and work with communities.

You will often hear us say, “successful customers and successful communities create a successful bank, and in that order”. The figures above, which are impressive in themselves but which continue to grow, are proof that this strategy is working for communities across Australia, as well as for our Company.

That's not to say this is an easy journey for Bendigo Bank, or for your community. It's not. However, while we continue to follow through with our promises of providing a superior customer service experience and distributing profits to communities, both in dividends to shareholders and community projects and organisations, we will all continue to be successful.

Bendigo Bank is proud to partner Logan Community Financial Services Limited and congratulates you on a great year. You are a fabulous example of a community willing to work together to achieve great things and we are proud to continue to work with you.



Robert Musgrove

Chief Manager - Community & Alliance Banking

treasurer's report

For year ending 30 June 2005



I have great pleasure in submitting the Independent Auditors Report and the Statement of Financial Position for the Logan Community Financial Services Limited for the financial year ended 30 June 2005.

Period focus and prospectus projections

For this report, I would draw your attention to the fact that the Company has been trading for two years and one month as at the date of this report. Accordingly, when comparing the financial results to the prospectus projections, it is more appropriate to look at the projections for year two in the prospectus, as these assume two full years of trading, including the addition of Marsden branch. A comparison of projected to actual results is tabled below.

Prospectus projections 80% modified forecast including marsden Year 2	Projection	Actual result	Adjustments for one off or non recurring expenses	Actual adjusted result
Revenue from ordinary activities (before tax)	\$1,797,330	\$1,710,443	The Company was affected by the closure of Loganholme branch for one month (revenue down by approx \$3,000 in February) and the downturn in the housing market for the second half of the year (unable to quantify)	Not adjusted
Expenses (before Tax)	\$1,913,007	\$1,817,177	Refit of Loganholme Branch \$199,147	\$1,618,030
Estimated Profit (Loss)	-\$115,677	-\$106,734		\$92,413

Profit and loss report

The Statement of Financial Position for the year ended 30 June 2005 is a positive result showing some excellent trends for the Company. Sales revenue is up from the previous year, and expected losses and expenses are down, a better result than projected in the prospectus. Additionally, the second half of the year has seen the Company improve its position further when one off expenses for the refit of Loganholme branch are adjusted. The Company has renegotiated its management expenses for the Browns Plains and Loganholme branches from an annual payment in advance to a monthly payment in advance. This provides a truer picture of operating costs on a monthly basis. The Company still enjoys a strong cash position and expects this to be maintained this financial year due to increases in sales revenue and the completion of all current branch fit outs – costs for which have impacted results last year.

treasurer's report continued

The Company has increased its non current assets due to refit of Loganholme branch and the establishment of the new Company administration office at Springwood, and decreased its accounts payable liabilities. Payments to suppliers and employees has been carefully managed to achieve a reduction in these payments.

Investment value

The value of Shareholders investment in the Company has improved in line with the increases in revenue and reductions in expenses. As projected the Company will not pay a dividend this financial year due to the financial position. The improvement in the earnings per share is pleasing to note, and we expect this trend to continue as the Company further improves its financial position in the coming period.

Item	Year ended 30 June 2004	Year ended 30 June 2005	% change
Revenue	\$1,418,832	\$1,710,443	21%
Expenses	\$2,133,579	\$1,817,177	-83%

Share pricing and BSX

The share price as listed on the Bendigo Stock Exchange (BSX) is the value at which any individual Shareholder is willing to buy or sell their shares, and is not related to the earnings per share as disclosed in the Statement of Financial Position. The share price as determined by the open market can vary from day to day. Please visit www.bsx.com.au to access share trading information.

Business growth

The value of business under management by the Company has grown by 19% in the reporting period. The growth of the business was affected by the general downturn in new housing approvals, particularly in the second half of the financial year.



Alan Gough

Treasurer

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:

Colin Albert Nelson

Chairman

Age 58

Company Director

Diploma Marketing & Business Practice. Business owner for over 20 years.

Chairman

Cathleen Margaret Wallis

Director and Secretary

Age 47

Management Consultant

Qualified Real Estate Agent and C.dec, Founding Director of LCFSL, previous Company directorship in real estate.

Company Secretary & Chair of Governance & Audit Committee

Alan Leslie Gough

Director and Treasurer

Age 51

Accountant

B.Bus-Accounting, PNA, NTAA, 30 years accounting experience, own Tax accounting business 14 years.

Treasurer and Governance & Audit committee member.

Drazen Zen Knezevic

Director

Age 37

Business Consultant

Self employed business consultant for over 15 years.

International sportsman and coach and hotel manager.

Governance & Audit committee member

Patrick Simonis

Director

Age 51

IT Specialist/Managing Director

Specialist in Marketing, Management, PR and IT. Past President of Logan Chamber of Commerce.

Chair of Marketing committee

John Joseph McLaughlin

Director

Age 43

Solicitor

LLB, Solicitor in Logan are for over 15 years, specialising in commercial, retail, leasing, conveyancing and franchising.

Vice Chairman and Governance & Audit committee member

Russell Peter Jenkins

Director

Age 43

Bank Executive

Qualified Chemical Engineer, Head of Bendigo Bank Community Banking since 1998.

Stephen John Simpson

Director (*Appointed 12 November 2004*)

Age 47

Bank Executive

Over 20 years banking experience in senior positions with Australian banking institutions.

directors' report continued

Richard Saad

Director (*Appointed 20 February 2005*)

Age 46

Business Owner

Extensive management and sales experience in major organisations. Owns and runs two Logan businesses. Marketing committee member

David Michael Manfield

Director (*Appointed 9 November 2004*)

(*Resigned 7 July 2005*)

Age 58

Real Estate Agent

Former Australian Police force, Real Estate Agent and business owner.

Terry James Skene

Director (*Resigned 9 November 2004*)

Age 48

Recreational Owner/Operator

Fellow Australian Institute Company Directors, past President of Logan Chamber of Commerce.

Scott Francis Elkington

Director (*Resigned 12 November 2004*)

Age 40

Bank executive

Bachelor of Business and Economics, working in the Banking industry in senior positions since 1995

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

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

Company secretary

The Company secretary is Cathleen Wallis. Cathleen was appointed to the position of secretary on 30 July 2004. Cathleen is a founding Director of LCFSL, Chairman of the Governance and Audit committee, Secretary to the Queensland Polo Association, a member of the Community Enterprise Foundation National Advisory Committee, and a member of Women on Boards and a Qualified Real Estate Agent. She has many years experience as a Company Director and secretary.

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 franchised branches of Bendigo Bank Limited

Remuneration report

(a) Remuneration of Directors

All Directors of the Company are on a voluntary basis, therefore no remuneration guidelines have been prepared.

(b) Remuneration of Executives

The Company secretary is paid for Company secretarial duties at the rate of \$50 p.h. plus GST. External quotes for Company secretarial work were obtained by the Company prior to accepting the rate. General administrative work is remunerated by the Company at the rate of \$25 p.h. plus GST, and is performed by the Company secretary. There were no added incentives in place as at 30 June 2005. The payments made to the Company Secretary in the reporting period total : \$49,050.25.

directors' report continued

(c) Remuneration of Area and Branch Managers

The Company aims to provide market competitive compensation by offering a package of fixed pay and benefits. All staff are seconded from Bendigo Bank. As such, the Company is guided by Bendigo Bank in determining the remuneration payable. All staff have the opportunity to participate in a bonus scheme operated by Bendigo Bank, where:

- a) the amount of any bonus payment is tied to the outcome of annual performance reviews, such reviews measuring performance against defined objectives noted in the position description, and
- b) the amount of any bonus payment is not directly tied to the Company's performance, and
- c) the annual review process has been provided by Bendigo Bank, and
- d) the annual review process does not involve a comparison with factors external to the Company

The Company has in place a further bonus scheme for the area manager that is:

- a) policy developed by the Governance committee and approved by the Board, and
- b) tied to the Company's performance such that the maximum bonus achievable is 15% of salary p.a. subject to the Company reaching and/or exceeding its profit KPI's, and
- c) driven by the triple bottom line of 'People, Profit and Planet', such focus being adopted by the Board as appropriate for a business focused on customers and community, and
- d) measured by KPI's derived from the position description for the role.

There were no payments made to the Area Manager under this scheme as at 30 June 2005.

The payments made to Area and Branch Managers in the reporting period total:

Name	Title	Within a range of	Bonus paid
Darren Cahill - Loganholme:	Area/Branch Manager	\$65,000 - \$75,000	\$4,128
Gavin Pingel - Browns Plains:	Branch Manager	\$50,000 - \$60,000	nil
Simon Reeves - Marsden	Branch Manager	\$50,000 - \$60,000	\$1,560
Steve McCormick - Springwood	Branch Manager	\$40,000 - \$50,000	nil
Heather Scofield - Springwood	Branch Manager	\$0,000 - \$10,000	nil

(note: Heather Scofield commenced at Springwood 1st June 2005.)

Operating results

Operations have continued to perform in line with expectations. The loss of the Company for the financial year was:

Year ended 30 June 2005	Year ended 30 June 2004
\$	\$
(89,368)	(513,826)

directors' report continued

Dividends

No dividends were declared or paid for the previous year 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

Ms Jennifer Elizabeth Townend has been appointed as a Director of the Company on 11 August 2005.

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.

The Company intends to increase its distribution points through the placement of an additional ATM in Woodridge, and is considering other possible ATM and / or Agency sites.

Environmental regulations

The Company is not subject to any significant environmental regulations.

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 of, 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 other than interests and benefits disclosed at Note 15 to the Financial Report.

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 continued

Directors meetings

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

	Number of Board meetings eligible to attend	Meetings attended
Colin Albert Nelson (<i>Chairman</i>)	16	14
Cathleen Margaret Wallis (<i>Secretary</i>)	16	16
Alan Leslie Gough (<i>Treasurer</i>)	16	9
Drazen Zen Knezevic	12	4
Scott Francis Elkington (<i>Resigned 12 November 2004</i>)	11	1
John Joseph McLaughlin	16	14
Patrick Simonis	16	11
Russell Peter Jenkins	16	4
Stephen John Simpson (<i>Appointed 12 November 2004</i>)	16	8
Richard Saad (<i>Appointed 20 February 2005</i>)	4	4
David Michael Manfield (<i>Appointed 9 November 2004, Resigned 7 July 2005</i>)	5	5
John Chandler (<i>Alternate for Russell Jenkins</i>)	16	3
Tamara Gae White (<i>Alternate for Russell Jenkins</i>)	16	8
Terry James Skene (<i>Resigned 9 November 2004</i>)	10	9

Signed in accordance with a resolution of the Board of Directors at Logan on the 22nd of August 2005.

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.

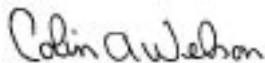
The Board of directors has considered the position and, in accordance with the advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

directors' report continued

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 Audit committee to ensure they do not impact on the impartiality and objectivity of the auditor;
- 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 34.



Colin Nelson
Chairman



Cathleen Wallis
Director / Secretary

financial statements

Statement of financial performance

For year ending 30 June 2005

	Note	2005 \$	2004 \$
Revenues from ordinary activities	2	1,710,443	1,418,832
General administration		(317,811)	(351,394)
Start up & training costs expenses		-	(60,000)
Salaries and employee benefits expense		(1,031,541)	(947,149)
Management advisory fee		-	(300,000)
Advertising and promotion		(12,112)	(3,970)
Occupancy and associated costs		(271,881)	(284,686)
Systems costs		(107,993)	(127,505)
Depreciation and amortisation expense	3	(75,839)	(58,875)
Borrowing cost expense	3	-	(5)
Loss from ordinary activities before income tax credit		(106,734)	(714,752)
Income tax credit relating to ordinary activities	4	17,366	200,926
Loss from ordinary activities after income tax credit		(89,368)	(513,826)
Total changes in equity other than those resulting from transactions with owners as owners		(89,368)	(513,826)

financial statements continued

Statement of financial position

As at 30 June 2005

	Note	2005 \$	2004 \$
CURRENT ASSETS			
Cash assets	5	625,430	1,183,161
Receivables	6	65,380	46,078
Total Current Assets		690,810	1,229,239
NON-CURRENT ASSETS			
Property, plant and equipment	7	751,132	319,570
Intangibles	8	145,225	193,225
Deferred tax assets	9	408,801	391,436
Total Non-Current Assets		1,305,158	904,231
Total Assets		1,995,968	2,133,470
CURRENT LIABILITIES			
Payables	10	3,247	51,381
Total Current Liabilities		3,247	51,381
Total Liabilities		3,247	51,381
Net Assets		1,992,721	2,082,089
EQUITY			
Contributed equity	11	3,042,211	3,042,211
Accumulated losses	12	(1,049,490)	(960,122)
Total Equity		1,992,721	2,082,089

financial statements continued

Statement of cash flows

For the year ending 30 June 2005

	Note	2005 \$	2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		1,657,259	1,460,201
Cash payments in the course of operations		(1,801,187)	(2,122,920)
Interest received		45,598	91,375
Interest paid		-	(5)
Net cash used in operating activities	13 (b)	(98,330)	(571,349)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(459,401)	(333,445)
Payment for franchise agreement		-	(60,000)
Net cash used in investing activities		(459,401)	(393,445)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of share issues		-	336,023
Net cash provided by financing activities		-	336,023
Net decrease in cash held		(557,731)	(628,771)
Cash at the beginning of the financial year		1,183,161	1,811,932
Cash at the end of the financial year	13 (a)	625,430	1,183,161

notes to the financial statements

For year ending 30 June 2005

Note 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.

notes to the financial statements continued

Note 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.

No employee entitlements were recorded as at 30 June 2005 as the branch staff are seconded by Logan CFSL from Bendigo Bank Ltd. As per the secondment agreement employee entitlements are paid each month.

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 (%)
Leasehold improvements	2.5 - 15
Plant and equipment	2.5 - 25

notes to the financial statements continued

Note 1: Summary of significant accounting policies continued

Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Revenue

Interest and commission fees 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 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.

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.

notes to the financial statements continued

	2005	2004
	\$	\$

Note 2: Revenue from ordinary activities

OPERATING ACTIVITIES:

- services commissions	1,662,587	1,327,457
- other revenue	2,258	-

NON-OPERATING ACTIVITIES:

- interest received	45,598	91,375
Total revenues from ordinary activities	1,710,443	91,375

Note 3: Expenses

DEPRECIATION OF NON-CURRENT ASSETS:

- leasehold improvements	11,453	5,843
- plant & equipment	16,386	8,032

AMORTISATION OF NON-CURRENT ASSETS:

- intangibles	48,000	45,000
	75,839	58,875

BORROWING EXPENSES:

- interest paid	-	5
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Note 4: Income tax credit

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

Operating Loss	(106,734)	(714,752)
Prima facie tax on loss from ordinary activities at 30%	(32,020)	(214,426)

Add tax effect of:

- non-deductible expenses	14,654	13,500
Income tax credit on operating loss	(17,366)	(200,926)

notes to the financial statements continued

	2005 \$	2004 \$
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Note 5: Cash assets

Cash at bank and on hand	625,430	1,183,161
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Note 6: Receivables

Trade receivables	65,380	46,078
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Note 7: Property, plant and equipment

LEASEHOLD IMPROVEMENTS @ COST

At cost	527,228	191,059
Less: accumulated depreciation	(17,296)	(5,843)
Total written down amount	509,932	185,216

PLANT & EQUIPMENT @ COST

At cost	265,618	142,386
Less: accumulated depreciation	(24,418)	(8,032)
Total written down amount	241,200	134,354
	751,132	319,570

MOVEMENTS IN CARRYING AMOUNTS:

LEASEHOLD IMPROVEMENTS @ COST

Carrying amount at beginning	185,216	-
Additions	336,169	191,059
Disposals	-	-
Less: depreciation expense	(11,453)	(5,843)
Carrying amount at end	509,932	185,216

notes to the financial statements continued

	2005	2004
	\$	\$

Note 7: Property, plant and equipment continued

PLANT & EQUIPMENT @ COST

Carrying amount at beginning	134,354	-
Additions	123,232	142,386
Disposals	-	-
Less: depreciation expense	(16,386)	(8,032)
Carrying amount at end	241,200	134,354
	751,132	319,570

Note 8: Intangible assets

FRANCHISE FEE

At cost	240,000	240,000
Less: accumulated amortisation	(94,775)	(46,775)
	145,225	193,225

Note 9: Deferred tax benefit

Future income tax benefit

Tax losses - revenue	408,801	391,436
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Note 10: Payables

Trade creditors	3,247	51,381
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Note 11: Contributed equity

Balance at beginning of the year	3,042,211	2,706,188
Fully paid ordinary shares issued	-	336,023
Balance at end of the financial year	3,042,211	3,042,211

notes to the financial statements continued

	2005 \$	2004 \$
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Note 12: Accumulated losses

Balance at the beginning of the financial year	(960,122)	(446,296)
Net losses from ordinary activities after income tax credit	(89,368)	(513,826)
Balance at the end of the financial year	(1,049,490)	(960,122)

Note 13: Statement of cash flows

(A) RECONCILIATION OF CASH

Cash at bank and on hand	625,430	483,161
Term Deposit	-	700,000
	625,430	1,183,161

(B) RECONCILIATION OF PROFIT FROM ORDINARY ACTIVITIES AFTER TAX TO NET CASH USED IN OPERATING ACTIVITIES

Loss from ordinary activities after income tax	(89,368)	(513,826)
Non cash items:		
- amortisation	48,000	45,000
- depreciation	27,839	13,875
Changes in assets and liabilities:		
- (increase)/decrease in receivables	(19,302)	35,098
- increase in other assets	(17,365)	(200,926)
- increase/(decrease) in payables	(48,134)	49,430
Net cashflows used in operating activities	(98,330)	(571,349)

Note 14: Auditors' remuneration

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

- audit & review services	3,300	2,700
- other services in relation to the entity	460	650
	3,760	3,350

Note 15: Director and related party disclosures

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

Colin Albert Nelson (*Chairman*)

Cathleen Margaret Wallis (*Secretary*)

Alan Leslie Gough (*Treasurer*)

Drazen Zen Knezevic

Scott Francis Elkington

John Joseph McLaughlin

Patrick Simonis

Russell Peter Jenkins

Richard Saad

Stephen John Simpson (*Appointed 29 November 2004*)

Terry James Skene (*Resigned 9 November 2004*)

David Michael Manfield (*Resigned 7 July 2005*)

No Directors' remuneration has been paid as the positions are held on a voluntary basis.

Logan Community Financial Services Limited was entered into an rolling lease agreement with Simcom Enterprises for Unit D/7 Curban Street Underwood. This has now ceased. The entity is majority owned by Director - Patrick Simonis.

Logan Community Financial Services Limited is using Simcom Enterprises for computer systems, maintenance and repairs. The entity is majority owned by Director - Patrick Simonis.

During the financial year management consulting services were provided by Director - Cathleen Wallis. Logan Community Financial Services Limited has entered into a lease agreement with Lawgold Pty Ltd for the use of 11 Vanessa Boulevard, Springwood. The entity is a Company owned by Director - John McLaughlin.

McLaughlin & Associates Lawyers are used as professional legal advisors for the entity when and where required. McLaughlin & Associates Lawyers is a Company owned by Director - John McLaughlin.

notes to the financial statements continued

Directors shareholdings	2005	2004
Colin Albert Nelson (<i>Chairman</i>)	29,001	49,001
Cathleen Margaret Wallis (<i>Secretary</i>)	4,001	4,001
Alan Leslie Gough (<i>Treasurer</i>)	5,001	5,001
Drazen Zen Knezevic	4,001	4,001
Scott Francis Elkington (<i>Resigned 12 November 2004</i>)	-	-
John Joseph McLaughlin	7,501	7,501
Patrick Simonis	20,001	20,001
Russell Peter Jenkins	-	-
Richard Saad (<i>Appointed 20 February 2005</i>)	-	-
Stephen John Simpson (<i>Appointed 12 November 2004</i>)	-	-
Terry James Skene (<i>Resigned 9 November 2004</i>)	25,001	25,001
David Michael Manfield (<i>Appointed 9 November 2004, Resigned 7 July 2005</i>)	2,500	-

Colin Nelson sold 20,000 shares in five separate parcels during the year. There was no other movement in directors shareholding during the year. Each share held is valued at \$1 and is fully paid.

Note 16: 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.

16 (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.

notes to the financial statements continued

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.

Note 17: Subsequent events

There are other 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.

Note 18: Contingent liabilities

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

	2005	2004
	¢	¢

Note 19: Earnings per Share

Losses per share for the financial year were:	(3)	(17)
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Note 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 Logan, Queensland.

Note 21: Registered office/principal place of business

The registered office and principal place of business is:

Registered office	Principal place of business
61 Bull Street	11 Vanessa Boulevard
Bendigo, VIC 3550	Springwood, QLD 412

notes to the financial statements continued

Note 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	
	2005 \$	2004 \$	2005 \$	2004 \$	2005 \$	2004 \$	2005 \$	2004 \$	2005 \$	2004 \$	2005 %	2004 %
FINANCIAL ASSETS												
Cash assets	625,430	483,161	-	-	-	-	-	-	-	-	.05	.05
Investment	-	-	-	700,000	-	-	-	-	-	-	N/A	4.4
Receivables	-	-	-	-	-	-	-	-	65,381	46,078	N/A	N/A
FINANCIAL LIABILITIES												
Payables	-	-	-	-	-	-	-	-	3,247	48,793	N/A	N/A

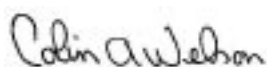
directors' declaration

In accordance with a resolution of the directors of Logan 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) complying with Accounting Standards and Corporations Regulations 2001, and other mandatory reporting requirements; and
 - (ii) giving a true and fair view of the Company's financial position as at 30 June 2005 of its performance as represented by the results of its operations and its cashflows for the financial year ended on that date; 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:



Colin Nelson
Chairman



Cathleen Wallis
Director / Secretary

Signed at Logan on the 22nd day of August 2005.

independent audit report



INDEPENDENT AUDIT REPORT

PO Box 454
Bendigo VIC 3552
61-65 Bull Street
Bendigo VIC 3550
Phone (03) 5443 0344
Fax (03) 5443 5304
afs@afsbendigo.com.au
www.afsbendigo.com.au
ABN 51 061 793 337

To the members of Logan Community Financial Services Limited

Scope

We have audited the financial report of Logan Community Financial Services Ltd 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 Logan 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 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 this 19th day of September 2005



Logan Community Financial Services Limited
ABN 88 101 148 430
Auditors' Declaration

PO Box 454
Bendigo VIC 3552
61-65 Ball Street
Bendigo VIC 3550
Phone (03) 5443 0344
Fax (03) 5443 5304
afs@afsbendigo.com.au
www.afsbendigo.com.au
ABN 51 064 707 537

19 September 2005

Auditor's Independence Declaration

As lead auditor for the audit of Logan Community 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 Logan Community Financial Services Limited.

David Hutchings
Auditor

Andrew Frewin & Stewart
Bendigo VIC 3550

independent assurance report

INDEPENDENT ASSURANCE REPORT

To

The Franchisees of the Community Banks of the Bendigo Bank, and
The Board of Management of the Bendigo Bank

COMMUNITY BANK PROFIT SHARE FOR THE YEAR ENDED 30 JUNE 2005

Scope

As independent professional accountants we have conducted a review to evaluate and report upon the Community Bank profit share calculations for the year ended 30th June 2005, with the objective of providing a conclusion as to whether a high level of assurance can be expressed to the Bendigo Bank and Community Bank Franchisees.

The Board of Management of the Bendigo Bank is responsible for the profit share financial reports and has determined that the accounting policies used are consistent with the financial reporting requirements of the Franchise Agreement and are appropriate to meet the needs of the Bendigo Bank and the Franchisees. We have conducted an independent review of the Profit Share Statement financial reports in order to reach a conclusion on them as to whether the review objective was met in all material respects. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the Bendigo Bank and the Franchisees.

The Profit Share Statement financial reports have been prepared for distribution to the Bendigo Bank and the Franchisees for the purpose of fulfilling the Bendigo Bank Board of Management's reporting requirements under the Franchise Agreement. We disclaim any assumption of responsibility for any reliance on this report or on the financial reports to which it relates to any person other than the Bendigo Bank and the Franchisees, or for any purpose other than that for which it was prepared.

Our review was conducted in accordance with the Australian Assurance Engagements Standard AUS108, to express a conclusion that conveys a high level of assurance about the subject matter of the review, based on the results of the work performed. Our procedures included examination, on a test basis, of the controls and procedures employed by the Bendigo Bank in the calculation and payment of the profit share arrangement and evidence supporting the amounts included in the Profit Share Statement financial reports. These procedures have been undertaken to reach a conclusion about whether a high level of assurance can be expressed, in all material respects, that the Profit Share Statement financial reports are prepared in accordance with the Franchise Agreement between Franchisees of the Bendigo Bank and the Bendigo Bank. (These policies do not require the application of Accounting Standards and UIG Consensus Views).



Directors

Peter J Mulqueen CPA
Stephen J Griffin CPA
Hugh M Rogers CPA
Alex A Walker CPA

Consultants

Mark E Lennnox CPA
Steven J Hall CPA

Associates

Robert W Black CPA
Kerryn J Hamilton CA
Leigh-Jon Eddy CPA
Melanie Eddy CPA
Cathy Ginkoff CPA
David W Tyness CPA
Anthony J Copey CPA

Mulqueen Griffin Rogers Pty Ltd, A.C.N. 079 048 061
A.B.N. 97 725 004 261

Head Office 1 Somerville St. (PO Box 293) Bendigo, Victoria 3552
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24 Percy St. Echuca, Victoria 3564, Tel (03) 5482 6700
56 Hervey St. Elmore 3558, Tel (03) 5432 6013
36 Cumming Ave. Birchlip 3483, Tel (03) 5492 2288
email: mgr@mgr.com.au website: www.mgr.com.au

auditor's independence declaration

As lead auditor for the audit of Logan Community 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 Logan Community Financial Services Limited.



David Hutchings
Auditor

Andrew Frewin & Stewart
Bendigo, VIC 3550

audit committee

The Company has formed an Audit committee to review and manage the Audit Process.

The members of the committee for Governance, Audit, and Human resources for the year ended 30 June 2005 were:

Committee Chairman	Cathleen Wallis - Company Secretary
Committee Member	Colin Nelson - Chairman of the Board of Directors
Committee Member	Alan Gough - Treasurer
Committee Member	John McLaughlin - Vice Chairman

The committee is satisfied that the Audit process has been completed in accordance with regulatory requirements.



Cathleen Wallis

Chairman - Governance, Audit, and Human Resources Committee

section 295A

Section 295A - Declaration in relation to listed entity's financial statements by chief executive officer

In my opinion:

- (a) the financial records of the Company and disclosing entity for the financial year have been properly maintained in accordance with section 286; and
- (b) the financial statements, and the notes referred to in paragraph 295(3)(b), for the financial year comply with the accounting standards; and
- (c) the financial statements and notes for the financial year give a true and fair view (see section 297); and
- (d) any other matters that are prescribed by the regulations for the purposes of this paragraph in relation to the financial statements and the notes for the financial year are satisfied.



Cathleen Wallis

Company Secretary

BSX additional information

For year ended 30 June 2005

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 2005

(a) Distribution of equity securities

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

	Number of holders	Number of shares
1 - 1,000	785	549,765
1,001 - 5,000	355	1,045,635
5,001 - 10,000	54	493,600
10,001 - 100,000	33	761,000
100,001 and over	2	350,000
Total	1,243	3,200,000

There are currently 3 holders of parcels less than the minimum 500. Their holdings total 600 shares.

(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 Bendigo Bank Limited	247,500	247,500
2 Central Plumbing Supplies	102,500	102,500
3 Mr Peter McErlane	70,000	70,000
4 The Miles Super Fund	50,000	50,000
5 Astonlee Pty Ltd	50,000	50,000
6 Mr Colin Nelson	29,001	29,001
7 Mr Richard & Mrs Haydee Campbell	45,000	45,000
8 Mr Conor O'Brien	30,000	30,000
9 The Ignacio & Theresa Kim Family Trust	30,000	30,000
10 The Skene Super Fund	25,000	25,000
11 Corneo & Co Super Fund	25,000	25,000

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 recognizes the importance of a strong corporate governance focus and methodology. The Board has completed a comprehensive set of 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 12:
- 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
Colin Albert Nelson	Chairman
John Joseph McLaughlin	Vice Chairman
Cathleen Margaret Wallis	Secretary
Alan Leslie Gough	Treasurer
Drazen Zen Knezevic	Director
Patrick Simonis	Director
Russell Peter Jenkins	Director
Stephen John Simpson	Director
Richard Saad	Director
Jennifer Elizabeth Townend	Director
Tamara Gae White	Alternate Director – Russell Jenkins
John Chandler	Alternate Director – Russell Jenkins

BSX additional information continued

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;
- Implementation of a comprehensive Policy and Procedures manual that provides guidance for Directors in all aspects of management and compliance.

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 Board. 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.
- Regular Shareholder newsletters.

BSX additional information continued

(e) Name of Company Secretary:

Cathleen Margaret Wallis

(f) Address and telephone number of registered office:

11 Vanessa Boulevard, Springwood QLD 4127 Phone (07) 3808 1011

Fax (07) 3808 1392

(g) Address and telephone number of office at which securities register is kept.

Bendigo Bank Limited, Share Registry Office, Fountain Court, Bendigo VIC 3552. Phone: (03) 54339339

(h) Trading history

The trading history for the year ended 30 June 2004 for the Logan Community Financial services Limited is available on the BSX website at www.bsx.com.au

vision, mission and values

VISION STATEMENT

Our vision is to provide the Logan community with a level of community involvement that directly benefits customers and the wider community through the purchase of everyday services.

MISSION STATEMENT

Our mission is to focus on developing a sustainable, community-owned business that provides services to Logan residents in a manner that satisfies their needs today, and the broader community's needs in the future.

VALUES STATEMENT

We place a high value on doing business in an ethical manner.

We place a high value on providing opportunities for youth in our business.

We place a high value on involving the community in business ventures.

We place a high value on developing staff both personally and professionally.

We place a high value on providing accurate and timely information to stakeholders.

We place a high value on treating our customers fairly and with respect.

We place a high value on growing the business beyond banking.

It's about community.