

Annual Report – Additional Information

- Information included in the 2006 Annual report regarding Listing rule 3.17 was current as at 30th September 2006.
- Provided in relation to the 2006 Annual Report in accordance with Listing rule 3.17 as at 30th September 2006 are Logan Community Financial Services Ltd's Corporate Governance practices.

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 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.

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 2006 were:

Committee Chairman	Alan Gough - Treasurer
Committee Member	John McLaughlin – Vice Chairman
Committee Member	Colin Nelson – Chairman of the Board of Directors
Committee Member	Ian Pynor – Company Secretary
Committee Member	Darren Cahill - Director

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.

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.

Trading History

The trading history for the year ended 30 June 2006 for the Logan Community Financial services Limited is available on the BSX website at www.bsx.com.au



Colin Nelson
Chairman of the Board of Directors