

COMMUNITY FINANCIAL SERVICES VICTORIA LIMITED

A.C.N. 092 756 351

29 Westernport Road

Lang Lang VIC 3984

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2004**

COMMUNITY FINANCIAL SERVICES VICTORIA LIMITED
A.C.N. 092 756 351

DIRECTOR'S REPORT

Your directors submit the financial report of Community Financial Services Victoria Limited for the financial year ended 30 June 2004.

COMMITTEE MEMBERS

The names of the directors throughout the year and at the date of this report are:

Michael John Duff	John Munro Lyle
Douglas Hugh Hamilton	Glenister Malcolm McGregor
Tania Lyn Hansen	Maxwell William Papley (Chairman)
Russell Peter Jenkins (See Alternate)	Gordon Lovell Sampson
Maxwell Arthur John Kneebone	Ronald James Witney

Wilhelmus Antonius Den Hartog is currently appointed as the alternate Director for Russell Peter Jenkins.

PRINCIPAL ACTIVITIES

The principal activities of the association during the financial year were:

- to manage and operate community branches of Bendigo Bank in the Lang Lang, Pearcedale, Koo Wee Rup and Narre Warren South communities.

SIGNIFICANT CHANGES

A new branch was established in Narre Warren South during the period pursuant to a franchise agreement.

The Bunyip sub-agency agreement has ceased.
No other significant changes have occurred during the year.

OPERATING RESULT

The profit from ordinary activities after providing for income tax amounted to \$1,296.

FUTURE DEVELOPMENTS

The company expects to maintain the present status and level of operations with a focus of developing the existing agencies into efficient business ventures.

DIVIDENDS

No dividends of the Company have been paid, declared or recommended.

RETURN OF CAPITAL

The directors propose a five cents per share return of capital which will need to be passed at the upcoming Annual General Meeting.

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 ISSUES

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

SIGNIFICANT EVENTS AFTER YEAR END

There are no events occurring since year end which would significantly impact the financial report.

DIRECTORS REMUNERATION

No directors received remuneration for their services as board members.

AUDITORS REMUNERATION

Audit fees charged in the accounts for the 2004 year are \$3,830.

EMPLOYEES

The number of employees of the Company at 30 June 2004 is 16, with 2 employees on secondment from Bendigo Bank Limited.

COMMUNITY SUPPORT

We are pleased to announce the Company made several contributions to local community activities totalling \$22,098, which include:

Lang Lang branch:

- \$2,550 in scholarships to students at Lang Lang Primary School.
- \$7,500 to the Lang Lang Community Medical Centre.
- \$4,246 to other community organisations and projects.


Pearcedale branch:

- \$3,616 to community organisations and projects.

Koo Wee Rup:

- \$3,159 in scholarships to students at Koo Wee Rup Secondary College.
- \$ 300 to the Koo Wee Rup scout group.
- \$ 456 to the Koo Wee Rup peer support program.
- \$ 271 to other community organisations and projects.

Signed in accordance with a resolution of the Board of Directors.



DOUGLAS H. HAMILTON - DIRECTOR



MAXWELL W. PAPLEY - DIRECTOR

Dated this 20th day of September 2004

COMMUNITY FINANCIAL SERVICES VICTORIA LIMITED
A.C.N. 092 756 351

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$	2003 \$
REVENUES AND EXPENSES			
Operating Revenue	2	1,091,231	858,360
Interest Received		6,407	7,718
Other Income		6,500	7,352
Employee expenses		(612,687)	(443,659)
Depreciation expenses	2	(25,332)	(25,857)
Amortisation expense	2	(35,469)	(50,683)
Other expenses from ordinary activities		(429,354)	(315,819)
Profit/(loss) from ordinary activities before income tax expense		1,296	37,412
Income tax expense relating to ordinary Activities	3	-	-
Net profit/(loss) from ordinary activities after income tax expense		1,296	37,412
Net Profit/(Loss)	15	1,296	37,412
Total changes in equity of the Company		1,296	37,412

The accompanying notes form part of this financial report.

COMMUNITY FINANCIAL SERVICES VICTORIA LIMITED
A.C.N. 092 756 351

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2004

	Note	2004 \$	2003 \$
CURRENT ASSETS			
Cash assets	18	238,334	255,779
Receivables	5	109,860	86,096
Other assets	6	55,418	29,144
TOTAL CURRENT ASSETS		403,612	371,019
NON-CURRENT ASSETS			
Property, plant and equipment	7	248,038	138,331
Goodwill	8	159,040	176,080
TOTAL NON-CURRENT ASSETS		407,078	314,411
TOTAL ASSETS		810,690	685,430
CURRENT LIABILITIES			
Payables	9	74,111	53,817
Interest Bearing Liabilities	10	8,689	9,756
Tax liabilities	11	8,415	19,681
Provisions	12	40,634	24,353
TOTAL CURRENT LIABILITIES		131,849	107,607
NON CURRENT LIABILITIES			
Interest bearing liabilities	10	-	8,689
Other liabilities	13	145,030	8,689
TOTAL NON-CURRENT LIABILITIES		145,030	8,689
TOTAL LIABILITIES		276,879	116,296
NET ASSETS		533,811	569,134
EQUITY			
Contributed Equity	14	695,756	732,375
Retained profits/(accumulated losses)	15	(161,945)	(163,241)
TOTAL EQUITY		533,811	569,134

The accompanying notes form part of this financial report.

COMMUNITY FINANCIAL SERVICES VICTORIA LIMITED
A.C.N. 092 756 351

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$	2003 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from operations		1,081,165	838,990
Other receipts		6,500	7,352
Payments to suppliers and employees		(1,063,612)	(735,509)
Interest received		7,158	5,241
Net GST Collected		(11,266)	611
Net cash provided by (used in) operating activities	18b	19,945	116,685
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds From Sale of Fixed Assets		-	22,045
Payment for property, plant and equipment	7	(135,040)	(33,311)
Payment for Business		-	-
Start up costs associated with acquisition of Business		-	-
Net cash provided (used) by investing activities		(135,040)	(11,266)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		-	-
Capital Return: 5c/share	14	(36,619)	-
Repayment of borrowings	16a	(10,761)	(49,915)
Proceeds from borrowings	13	145,030	20,000
Net cash used in financing activities		97,650	(29,915)
Net increase in cash held		(17,445)	75,504
Cash at the beginning of the financial year		255,779	180,275
Cash at the end of the financial year	18a	238,334	255,779

The accompanying notes form part of this financial report.

COMMUNITY FINANCIAL SERVICES VICTORIA LIMITED
A.C.N. 092 756 351

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

Note 1: Statement of Significant Accounting Policies

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporations Act, 1981.

The financial report is 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 following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(c) Income Tax

The Company adopts the liability method of tax-effect accounting whereby the income tax expense shown in the statement of financial performance is based on the profit from ordinary activities before income tax adjusted for any permanent differences.

(d) Property, Plant and Equipment

Each class of property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and Equipment

The carrying amount of plant and equipment is reviewed annually by the Company to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected cash inflows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

COMMUNITY FINANCIAL SERVICES VICTORIA LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

Note 1: Statement of Significant Accounting Policies (cont'd)

Depreciation

The depreciable amount of all property, plant and equipment is depreciated on a straight line or diminishing value basis over the useful lives of the assets to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are:

Class of Property, Plant & Equipment	Depreciation Rate
Motor Vehicles	22.5%
Plant and equipment	10%-50%

(e) Leases

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

(f) Employee Entitlements

Provision is made for the Company's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave, long service leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the Company to an employee superannuation fund and are recognised as expenses when incurred.

(g) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit.

(h) Revenue

Revenue from the sale of goods and services is recognised upon the delivery of goods and/or provision of service to members and customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST)

COMMUNITY FINANCIAL SERVICES VICTORIA LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

Note 1: Statement of Significant Accounting Policies (cont'd)

(i) Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business exceeds the fair value attributed to its net assets at the date of acquisition. Purchased goodwill is amortised on a straight line basis over the period of 13 years based on the options for continued support via franchise agreements from Bendigo Bank. The balance is reviewed annually and any balance representing future benefits for which the realisation is considered to be no longer probable is written off.

(j) Financial Reporting Period

The reporting period is the twelve month period from 1 July 2003 to 30 June 2004.

2004	2003
\$	\$

Note 2: Statement of Financial Performance Items

Profit/(loss) from ordinary activities is after crediting the following revenues:

- Franchise Income Share	1,091,231	858,360
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Profit/(loss) from ordinary activities is after charging the following expenses:

Depreciation of:

- Motor Vehicles	6,403	8,311
- Plant & Equipment	18,929	17,546

Amortisation of:

- Goodwill	17,040	17,040
- Prospectus Costs	3,646	11,076
- Listing Fees	540	567
- Franchise Fees	10,910	12,000
- Training Costs	3,333	10,000

Other operating expenses:

- Bad Debts Written off	8,060	1,737
- Provision for Employee Entitlements	19,940	(6,539)

COMMUNITY FINANCIAL SERVICES VICTORIA LIMITED
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

Note 3: Income Tax Expense

	2004	2003
	\$	\$
Prima facie tax payable on profit / (loss) from ordinary activities before income tax at 30%	389	11,224
Tax effect of:		
- amortisation of intangible assets	6101	8,075
Income tax liability	6,490	19,299

Income tax liability has not been brought to account as it reduces the prior years income tax benefits not brought to account.

Note 4: Earning Per Share

Basic Earnings Per Share (cents per share)	0.18	5.11
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Note 5: Receivables

Trade debtors	108,134	83,619
Accrued Interest	1,726	2,477
Other debtors	-	-
	109,860	86,096

Note 6: Other Assets

Insurance Claims Outstanding	-	14,449
Prepaid GST	708	1,557
Prepayments	54,710	13,138
	55,418	29,144

Note 7: Property, Plant and Equipment

Motor Vehicles, at cost	29,289	29,289
Less accumulated depreciation	(7,233)	(830)
Total Motor Vehicles	22,056	28,459
Plant and Equipment, at cost	299,329	164,290
Less accumulated depreciation	(73,347)	(54,418)
Total Plant and Equipment	225,982	109,872
Total Property, Plant and Equipment	248,038	138,331

COMMUNITY FINANCIAL SERVICES VICTORIA LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

Note 7: Property, Plant and Equipment (cont'd)

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year	Motor Vehicles \$	Plant and Equipment \$
Balance at the beginning of year	28,459	109,874
Additions	-	135,040
Disposals	-	-
Profit/(Loss) On Disposals	-	-
Depreciation expense current Year	(6,403)	(18,929)
Carrying amount at the end of year	<u>22,056</u>	<u>225,985</u>

Note 8: Intangible Asset

	2004 \$	2003 \$
Goodwill	221,500	221,500
Less: Accumulated Amortisation	(62,480)	(45,440)
	<u>159,040</u>	<u>176,080</u>

Note 9: Payables

Trade creditors and accruals	65,321	45,023
Other creditors	8,790	8,794
	<u>74,111</u>	<u>53,817</u>

Note 10: Interest Bearing Liabilities

CURRENT

Hire purchase liabilities	<u>8,968</u>	<u>9,756</u>
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NON-CURRENT

Hire purchase liabilities	<u>-</u>	<u>8,968</u>
	<u>8,968</u>	<u>18,445</u>

Note 11: Tax Liabilities

Net GST Payable	<u>8,415</u>	<u>19,681</u>
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Note 12: Provisions

Provision for employee entitlements	<u>40,634</u>	<u>24,353</u>
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COMMUNITY FINANCIAL SERVICES VICTORIA LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

	2004	2003
	\$	\$
Note 13: Other Liabilities		
Unsecured loan	145,030	-
Repayable over 10 year term		

Note 14: Contributed Equity

Ordinary shares issued beginning of year	732,375	732,375
Ordinary shares issued during the year	-	-
Ordinary shares capital returned during the year	36,619	-
Ordinary shares issues end of year	<u>695,756</u>	<u>732,375</u>

Note 15: Retained Profits

Retained profits/(losses) at the beginning of the financial year	(163,241)	(200,653)
Net profit/(loss)	<u>1,296</u>	<u>37,412</u>
Retained profits/(losses) at the end of the Financial year	<u>(161,945)</u>	<u>(163,241)</u>

Note 16: Capital Commitments

(a) Hire Purchase liabilities payable		
- not later than one year	8,968	10,761
- later than one year but not later than 5 years	<u>-</u>	<u>8,968</u>
Less future finance charges	<u>(279)</u>	<u>(1,284)</u>
Total Hire Purchase liability	<u>8,689</u>	<u>18,445</u>

Note 17: Segment Reporting

Geographic Segments	Total Revenue	Profit/(loss) from Ordinary Activities after Income Tax	Total Assets
	2004	2004	2004
	\$	\$	\$
Lang Lang Branch			
- External	584,531	142,988	486,738
Pearcedale Branch			
- External	358,773	63,330	146,951
Koo Wee Rup			
- External	134,598	(87,456)	42,233
Narre Warren South			
- External	<u>26,236</u>	<u>(117,566)</u>	<u>134,768</u>
	<u>1,104,138</u>	<u>1,296</u>	<u>810,690</u>

The Company operates solely within the financial services industry in the above geographic segments.

COMMUNITY FINANCIAL SERVICES VICTORIA LIMITED
A.C.N. 092 756 351

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

Note 18: Cash Flow Information

	2004	2003
	\$	\$
(a) Reconciliation of Cash		
Cash at bank	238,334	255,779
(b) Reconciliation of net cash provided		
By operating activities to profit from		
Ordinary activities after income tax		
Profit/(loss) from ordinary activities after		
Income tax	1,296	37,412
<i>Non-cash flows in profit from Ordinary activities:</i>		
- Depreciation	25,332	25,857
- Amortisation of Goodwill	17,040	17,040
- Hire Purchase Charges	1,005	2,714
<i>Changes in assets and liabilities:</i>		
- (Increase)/Decrease in receivables	(9,315)	(20,110)
- (Increase)/Decrease in prepayments	(40,723)	30,916
- Increase/(Decrease) in payables	20,294	20,360
- Increase/(Decrease) in holiday pay provisions	16,282	(6,539)
- Increase/(Decrease) in GST provisions	(11,266)	611
- (Profit)/Loss On Sale Of Fixed Assets	-	8,424
Net cash provided by operating activities	19,945	116,685

Note 19: Financial Instruments

(a) Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate 2004	Floating Interest Rate 2004	Fixed Interest 2004
	%	\$000	\$000
FINANCIAL ASSETS			
Cash at Bank	4.24	4.24	
FINANCIAL LIABILITIES			
Hire purchase liabilities	3.11		3.11

COMMUNITY FINANCIAL SERVICES VICTORIA LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements.

The Company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Company.

(c) Net Fair Values

For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded and the Company intends to hold these to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the notes to and forming part of the financial statements.

Note 20: Related Party Transactions

(i) Directors

1. The company made payments of \$18,192 to Maxwell Arthur John Kneebone for rental of the business premises at Lang Lang. The terms and conditions of this rental arrangement are on a commercial basis.
2. The company made payments of \$2,400 to Tania Hansen for services performed as Treasurer, including but not limited to, bookkeeping, accounts liaison and finance administration duties.
3. In the normal course of business operations, Community Financial Services Victoria Ltd utilised services offered by the respective local community businesses. Some of these transactions included businesses which some directors have a direct or indirect interest. These transactions are not material, are considered to be on arms length basis and on normal commercial terms.

(ii) Share Transactions of Directors

Directors and director-related entities hold directly, indirectly or beneficially as at the reporting date the following equity interests in the Company:

Ordinary Shares

Michael John Duff	30,000
Douglas Hugh Hamilton	9,100
Maxwell Arthur John Kneebone	52,500
John Munro Lyle	15,850
Glenister Malcolm McGregor	56,000
Maxwell William Papley	5,250
Gordon Lovell Sampson	5,700
Ronald James Witney	11,200
Tania Hansen	500

COMMUNITY FINANCIAL SERVICES VICTORIA LIMITED
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DIRECTORS' DECLARATION

In the opinion of the directors the financial report as set out on pages 1 to 13:

1. presents fairly the financial position of Community Financial Services Victoria Limited as at 30 June 2004 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. at the date of this statement, there are reasonable grounds to believe that Community Financial Services Victoria Limited will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of directors and is signed for and on behalf of the Board of Directors by:



DOUGLAS HUGH HAMILTON



MAXWELL WILLIAM PAPLEY

Dated this twentieth day of September 2004.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF COMMUNITY FINANCIAL SERVICES VICTORIA LIMITED

Scope

We have audited the financial report being the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, notes to and forming part of the Financial Statements and the Directors' Declaration of Community Financial Services Victoria Limited as set out on pages 1 to 14 for the year ended 30 June 2004. 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.

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 so as to present a view which is consistent with our understanding of the association's financial position, 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 presents fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements the financial position of Community Financial Services Victoria Limited as at 30 June 2004, and the results of its operations and cash flows for the year then ended.



DUNCAN F. SMITH
Partner

15th September 2004

BSX ADDITIONAL INFORMATION

Additional information required by the Bendigo Stock Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 15 September, 2004.

(a) Distribution of equity securities

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

			Ordinary Shares	
			Number of holders	Number of shares
1	–	1,000	98	60,888
1,001	–	5,000	87	197,387
5,001	–	10,000	40	253,675
10,001	–	100,000	10	220,425
100,001 and over			-	-
Total			235	732,375

There are 13 shareholders holding 3640 shares which we consider to be less than a marketable parcel of shares (value of \$500), when using a value of \$1.00 per share.

(b) Ten largest shareholders

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

		Listed Ordinary Shares	
		Number of shares	Number of ordinary shares
1	McGregor Sands Pty Ltd	45,000	6.1%
2	Henry Mosley	30,000	4.1%
3	M & L Duff Pty Ltd	30,000	4.1%
4	Seventy Second Colro Pty Ltd	25,000	3.4%
5	Maureen Dwyer	25,000	3.4%
6.	John & Jennifer Lyle	15,850	2.2%
7.	Heather Mosley	15,000	2.0%
8.	Max Kneebone	13,125	1.8%
9.	Ron Whitney	11,200	1.5%
10.	Colin Fell	10,250	1.4%
		220,425	30.0%

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 by whom they are elected and to whom they are accountable.

The board recognises the importance of a strong corporate governance focus and methodology. The Board is currently working towards adopting policies and procedures that will govern our company into the future. We believe that building a policy framework will assist to clarify the future direction of our local company, provide accountability and transparency and ensure there are guiding principles in place for future decision making.

To ensure the board is well equipped to discharge its responsibilities it has established guidelines for the nomination and selection of directors and for the operation of the board.

Composition of the Board

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

- The board should comprise at least three directors and a maximum of 10;
- The board 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
Michael John Duff	Director
Douglas Hugh Hamilton	Director
Tania Lyn Hansen	Director, Secretary
Russell Peter Jenkins	Director (Alternate)
Wilhelmus Antonius Den Hartog	Alternate
Maxwell Arthur John Kneebone	Director
John Munro Lyle	Director
Glenister Malcolm McGregor	Director
Maxwell William Papley	Director
Gordon Lovell Sampson	Director
Ronald James Witney	Director

Board Responsibilities

As a board acts on behalf of and is accountable to the shareholders, the board seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations. In addition, the board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks. The board seeks to discharge these responsibilities in a number of ways.

The board is responsible for ensuring that management's objective and activities are aligned with the expectations and risks identified by the board. The board has a number of mechanisms in place to ensure this is achieved. These mechanisms include the following:

- Board approval of a business plan, which encompasses the entity's vision, mission and strategy statements, designed to meet stakeholders' needs and manage business risk;
- The business plan is a dynamic document and the board is actively involved in developing and approving initiatives and strategies designed to ensure the continued growth and success of the entity;
- Implementation of operating plans and budgets by management and board monitoring of progress against budget – this includes the establishment and monitoring of key performance indicators (both financial and non-financial) for all significant business processes;
- Procedures to allow directors, in the furtherance of their duties, to seek independent professional advice at the company's expense.

Monitoring of the Board's Performance and Communication to Shareholders

In order to ensure that the board continues to discharge its responsibilities in an appropriate manner, the performance of all directors is reviewed annually by the chairperson. Directors whose performance is unsatisfactory are asked to retire.

The board of directors aims to ensure that the shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of the directors. Information is communicated to the shareholders through:

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

(e) Name of Company Secretary

Tania Lyn Hansen

(f) Address and telephone number of Registered Office

29 Westernport Road, LANG LANG, VIC, 3984

Phone: 03 5997 5019

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

29 Westernport Road, LANG LANG, VIC, 3984