

Redcliffe Peninsula
Financial Services Limited
ABN 66 109 123 677



2007 annual report

Margate
Community Bank® Branch **Bendigo Bank**



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Chairman's report

For year ended 30 June 2007

It is with a sense of pride and a tinge of sadness that I write this report. Pride, because my fellow Board members saw fit to elect me as their chairman. Sadness, because my elevation only came about because of the loss to illness of our founding Chairman Bill Hoogwaerts. The Margate **Community Bank®** Branch was Bill's baby and without him it may never have been established.

Regretfully, we also had to accept the resignation of two of our Board Members, Lesley Parker and Ian McKay. Both had to resign because of the demands of their businesses. I am a great believer in the saying when one door closes another one opens. To replace these Directors we were fortunate in gaining Rae Frawley and in welcoming back one of our founding Directors Steve Hart.

The branch has grown substantially in the past year and thanks for that must be given to our manager Gavin McNab and his staff. Since joining, Gavin has brought a different way of doing business which has seen not only growth in the domestic business, but also in the commercial side with some very good transactions having occurred and more to come.

During the year, this growth has meant that we as a Board had to revise our business plan. We now have a new five year plan in place. The operation of the branch also had to be reviewed. We have encouraged our staff to be flexible and willing to participate in our growth. Changes were implemented under Gavin's leadership and with the approval of the Board. Change is a part of a growing business, and we as the Board embrace change.

As a **Community Bank®** Company we involved ourselves in the community. Following are some of the organisations we supported;

- Lukemia Foundation – donation of prizes
- Redcliffe Show Society – major sponsor
- Clontarf Beach State High – Assisted year 11 students with business organisation and management marketing plan
- Humpybong State School – Donated prizes for coloring in competition
- Redcliffe Hospital – Active sponsor
- National Day of Thanks Giving – Sponsor
- R.O.P.E – Assisted with planning and sponsorship

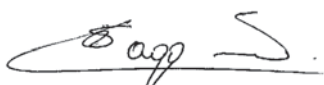


Past Chairman Bill Hoogwaerts talks with members of the public at our "Meet the Directors" display at the Margate Village Shopping Centre

Chairman's report continued

Also, after having been a nominee for the last two years, this year the branch was successful in winning the Professional Services category in the Quest Newspaper Business Achievers Awards. Congratulations must go to staff.

I personally would like to thank each and every Board Member for giving their time, and look to them for direction. We as a Board have plans to grow. We have re-organised our committees, and as I mentioned we have a new five-year plan. With the involvement of the Board, Gavin's leadership, and the cooperation of the staff our only direction is up.

A handwritten signature in black ink, appearing to read 'Serge Paggiaro', with a horizontal line extending from the end of the signature.

Serge Paggiaro

Chairman.

Manager's report

Our third year of trading has been outstanding. In the 2006/07 financial year, our total book grew by \$9.765 million, which is a tremendous result. We remain one of the fastest growing **Community Bank®** branches in Queensland and we are tracking exceptionally well against other **Community Bank®** branches throughout Australia. This is an achievement we should all feel very proud of and promote within our community.

As at the 30 June 2007 we have experienced solid growth in all areas of our business.

We increased our total accounts by 541 to almost 2270, which includes more than 140 loan facilities. Our book balanced at \$35.65 million, which included total deposits of \$16.6 million and total lending of \$19.0 million, maintaining our good book mix of business.

The continued growth we have achieved throughout the 2006/2007 financial year is a reflection of many things, including:-

- People now see the value in the **Community Bank®** model – supporting the branch that supports the local community.
- Word of mouth passed on by existing customers who have experienced our way of banking and recognise our support and commitment to our community.
- Community groups, schools, sporting clubs and volunteer groups who have received support from the branch recommending us to members, family and friends.
- The work of our Board in promoting and supporting the **Community Bank®** model.
- The excellent branch staff, who have developed into a very strong team. They understand that their jobs are more than just working for a bank branch.

I believe, as does our Board that many people on the Peninsula still do not yet understand the **Community Bank®** model and its benefits. If this is the case, our challenge is to inform and educate these people so they too will benefit by moving their banking to our branch. If we can achieve in-roads in this area, I see no reason why our growth won't continue at its current rate.

At the time of writing this report we have opened our first Agency at the Rothwell News located in the Rothwell Convenience Centre (next to Bunnings) on Anzac Avenue. We have also planned to install an ATM facility in this site, hopefully prior to Christmas 2007.

These additions to our network will enhance the access and availability of products and services to our new and existing customers and the additional business generated will go into our Company's banking business and provide additional profits to be channelled back into our local community. Our Board continues to explore further sites that will increase customer access and ultimately complement our business.



The Official opening of our Rothwell Agency was well attended

Manager's report continued

Since my time with the branch I have had the benefit of being able to work very closely with all members of the Board and feel privileged to have the support and trust that is provided to me.

I would like to recognise the dedication, effort, commitment and support given of our late Chairman Mr Bill Hoogwaerts. Bill became more than a work colleague and our weekly coffee meetings are truly missed.

Serge Paggiaro and his Board of Directors have done a great job in keeping the “ship” moving forward and I wish to thank them for their continued support and commitment to the success of the Margate

Community Bank® Branch.

We have many people to thank for our success, Bendigo Bank, shareholders, Board Directors and staff, but the people who have made our success possible are our customers. As we continue to spread the message about the **Community Bank®** model, I know we will continue to grow and the local community will continue to benefit from a branch that cares and supports the local community which it represents.

In conclusion I would like to thank my staff, Roxanne, Julie-Anne, Kelly and Linda; they continue to provide the high level of customer service our customers have come to expect. I also thank them for their professionalism and commitment to our branch's success. As long as our first priority remains the customer, I know our business will continue to grow.

Let your family and friends in on the ‘Bendigo Way’ of banking, I'm sure they'll be pleasantly surprised.



Gavin McNab

Branch Manager

Message from Bendigo Bank

As we approach the 10th anniversary of the **Community Bank®** network it is timely to reflect on what has been achieved. The opening of the first **Community Bank®** branches in Victoria's Wimmera in 1998 changed the Australian banking landscape – how significant this change has been is only now starting to become obvious.

Today, the **Community Bank®** brand is represented in every State and Territory of Australia, with the final frontier, the Northern Territory, falling with the opening of Coolalinga **Community Bank®** Branch in September 2006. Nine months later we were celebrating the opening of our 200th **Community Bank®** Branch in the Victorian seaside community of Dromana.

When you take the time to list them, the official statistics are impressive:

- \$10 billion in combined banking business
- \$10 million in grants to community groups and projects
- \$7 million in dividends paid to shareholders
- 1000 **Community Bank®** branch staff

But perhaps what has been most significant during 2007 have been merger talks. Bendigo rejected a merger proposal from Bank of Queensland in April. Less than four months later, Bendigo Bank's board unanimously supported a merger proposal with Adelaide Bank. The merger will be voted on by Adelaide Bank shareholders in late-2007.

Under the merged group, our unique **Community Bank®** model will continue to grow and prosper, and new company-owned and **Community Bank®** branches will continue to open.

The Bendigo Bank brand will be retained, customers' accounts will not change and the same friendly faces will be at your local branch to provide for your banking needs. As a **Community Bank®** shareholder, you will notice no changes – you remain a shareholder of your local community company.

Nationally, the merger will increase Bendigo Bank's network, delivering our customers access to 24 branches in South Australia and 90 ATMs. Over time, new products and services will follow.

Bendigo Bank participates in the development of community banking with an enormous sense of pride. We are indeed fortunate to be your partner and look forward to celebrating 10 years of community banking in 2008.



Russell Jenkins

Chief General Manager Retail & Distribution

Directors' report

For year ended 30 June 2007

Your Directors submit the financial report of the Company for the financial year ended 30 June 2007.

Directors

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

William Pierre Hoogwaerts (Deceased 29 July 2007)

Chairman

Age: 68

Occupation: Self Employed - Business Promotions

Experience and expertise: Bill had been in business for 23 years, principally in fund raising activities. He was Chairman of the Company since it was formed, until he passed away. Special responsibilities: Chairman of the Board, Marketing Committee (Chairman); and Corporate Governance & Audit Committee (Member). Interests in shares: 5,501 Ordinary Shares

William Reginald Fraser

Director

Age: 54

Occupation: Self Employed Managing Director

Experience and expertise: Director of Will Fraser & Co Pty Ltd, Certified Practising Accountants and Financial Planners. Founding Director. Special responsibilities: Company Treasurer and Chair of the Corporate Governance & Audit Committee. Interests in shares: 1,501 Ordinary Shares

Norman John Bowles

Director

Age: 62

Occupation: Self Employed

Experience and expertise: Engineer in lighting and later as a Quality Assurance Consultant. Founding Director. Special responsibilities: Company Secretary and member of the Marketing and Corporate Governance and Audit Committees. Interests in shares: 1 Ordinary Share

Robert James Orr

Director

Age: 56

Occupation: Self Employed Director

Experience and expertise: Owner of a retail stationery business for 16 years. Founding Director. Special responsibilities: Chair of the Human Resources Committee. Interests in shares: 6,501 Shares

Serge Paggiaro

Director (Appointed Chairman 7 August 2007)

Age: 57

Occupation: Company Director

Experience and expertise: Partner in a tour wholesale Company, running golf tours to Asia and the Pacific region. Founding Director. Special responsibilities: Member of the Human Resources Committee and Chair of the Public Relations Committee. Interests in shares: 1 Ordinary Share

Noel George Little (Resigned 28 November 2006)

Director

Age: 60

Occupation: Self Employed Manager

Experience and expertise: Proprietor of a caravan and camping equipment retail store. Founding Director. Special responsibilities: Member of the Marketing Committee (to date of resignation). Interests in shares: 3,501 Ordinary Shares

Directors' report continued

Eva Joan Costello

Director

Age: 76

Occupation: Self Employed Accountant

Experience and expertise: Accountant for the past 15 years. Employed as a bank Auditor and with accounting firms for previous 45 years. Special responsibilities: Member of the Policy and Corporate Governance and Audit Committees.

Interests in shares: 1,000 Ordinary Shares

Lesley Frances Parker (Resigned 27 February 2007)

Director

Age: 63

Occupation: Self Employed

Experience and expertise: Proprietor of a health food retail business. Registered Naturopath. Special responsibilities: Member of the Policy Committee (to date of resignation).

Interests in shares: 2,500 Ordinary Shares

Christine Julia Standfast (Appointed 23 January 2007)

Director

Age: 44

Occupation: Self employed; general manager

Experience and expertise: Owner of own business for 21 years. Consulted in marketing and communication. General manager of firm with 70 employees. Special responsibilities: Member of the Marketing Committee. Interests in shares: Nil

Rae Amelda Frawley (Appointed 26 June 2007)

Director (Appointed 26 June 2007)

Age: 58

Occupation: Elected Local Government Representative

Experience and expertise: Banking, public hospital, Department of Education, Science & Training, Local Government. Special responsibilities: Member of the Corporate Governance & Audit Committee. Interests in shares: Nil.

Christopher Robin O'Dare (Resigned 26 September 2006)

Director

Age: 50

Occupation: Self Employed Director

Experience and expertise:

Chris is a qualified Carpenter and Licensed Builder. He is the Managing Director of Cavalier Homes (Aust) Pty Ltd. Founding Director. Special responsibilities: Member of the Marketing and Corporate Governance & Audit Committees (to date of resignation).

Interests in shares: 1 Ordinary Share

Ian McKay (Appointed 22 August 2006, Resigned 26 June 2007)

Director

Age: 46

Occupation: Self Employed Director

Experience and expertise: Over 20 years experience in leadership and management, having been a school principal, chief executive officer, small business owner and a Company Director for a number of years.

Interests in shares: Nil

Stephen John Hart (Appointed 24 July 2007)

Director

Age: 55

Occupation: CEO Redcliffe Hospital Foundation

Experience and expertise: Owner of a publishing Company for 15 years. Newspaper Manager for 7 years. 25 years managerial experience. Founding Director (Resigned 28 February 2005). Special responsibilities: Member of the Marketing Committee (from date of re-appointment).

Interests in shares: 1,001 Ordinary Shares

Directors' report continued

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

Except for William Fraser, no Director has material interests in contracts or proposed contracts with the Company.

William Fraser is the Managing Director of Will Fraser & Co Pty Ltd, a Margate based CPA accounting practice.

Will Fraser & Co Pty Ltd provides accounting services to the Company, based on discounted charge rates.

Total fees charged during the 2006/07 year amounted to \$8,856.27 (2005/06: \$6,374.23)

Company Secretary

The Company Secretary is Norman John Bowles. Norm was appointed to the position of Secretary on 28 February 2005. Norm is a founding Director. He is a Director of Deneg Pty Ltd and is a former Lighting Engineer and Quality Assurance Consultant.

Principal activities

The principal activities of the Company during the course of the financial year were in facilitating community banking services under management rights to operate a franchised branch of Bendigo Bank Limited.

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

Operating results

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

Year ended	Year ended
30 June 2007	30 June 2006
\$	\$
(66,387)	(117,775)

Remuneration report

No Director of the Company receives remuneration for services as a Company Director or Committee member.

The Manager of the bank receives a base salary of \$65,333, plus performance incentives based on agreed business growth targets. The performance incentive component is based on a bonus payment of \$3,500 for every \$5 million of business added to the total book value. This arrangement commenced on 1 October 2006. The Manager also receives employer superannuation support.

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.

Directors' report continued

Matters subsequent to the end of the financial year

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company, in future years.

Likely developments

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

Environmental regulation

The Company is not subject to any significant environmental regulation.

Directors' benefits

Except for William Fraser, no Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Company, controlled entity or related body corporate with a Director, a firm which a Director is a member or an entity in which a Director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the Company's accounts, or the fixed salary of a full-time employee of the Company, controlled entity or related body corporate.

William Fraser's firm, Will Fraser & Co Pty Ltd, provided accounting services to the Company (as disclosed in the Directors' 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 Manager 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:

	No. Board meetings eligible to attend	No. attended
William Pierre Hoogwaerts (Deceased 29 July 2007)	12	11
Norman John Bowles	12	9
William Reginald Fraser	12	10
Serge Paggiaro	12	11
Robert James Orr	12	7
Noel George Little (Resigned 28 November 2006)	5	4
Eva Joan Costello	12	7
Lesley Frances Parker (Resigned 27 February 2007)	8	6
Christine Julia Standfast (Appointed 23 January 2007)	6	4
Rae Amelda Frawley (Appointed 26 June 2007)	1	1
Christopher Robin O'Dare (Resigned 26 September 2006)	4	0
Ian McKay (Appointed 22 August 2006, Resigned 26 June 2007)	12	10
Stephen John Hart (Appointed 24 July 2007)	0	0



New Chairman Serge Paggiaro presents retiring Board Member Lesley Parker with a Certificate of Appreciation

Directors' report continued

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.

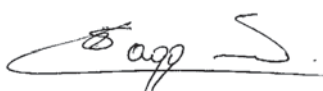
The Board of Directors has considered the position, in accordance with the advice received from the audit committee and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for Auditors imposed by the Corporations Act 2001.

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 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 12.

Signed in accordance with a resolution of the Board of Directors at Redcliffe, Queensland on 7 September 2007.



Serge Paggiaro, Chairman



William Reginald Fraser, Director



John Herman, Lex Bell, Business Banker Terry Ahern & Jan Tunney enjoy a drink and chat at our Networking evening.

Auditor's independence declaration



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Auditor's Independence Declaration

As lead auditor for the audit of the financial statements of Redcliffe Peninsula Financial Services Limited the year ended 30 June 2007, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

David Hutchings
Auditor
Andrew Frewin & Stewart

Bendigo
7 September 2007

Financial statements

Income statement

For year ended 30 June 2007

	Note	2007 \$	2006 \$
Revenues from ordinary activities	3	327,395	217,818
Salaries and employee benefits expense		(246,080)	(220,479)
Advertising and promotion expenses		(5,881)	(3,108)
Occupancy and associated costs		(40,568)	(32,480)
Systems costs		(19,185)	-
Depreciation and amortisation expense	4	(25,350)	(28,271)
General administration expenses		(81,890)	(98,558)
Loss before income tax credit		(91,560)	(165,078)
Income tax credit	5	25,173	47,303
Loss for the period		(66,387)	(117,775)
Loss attributable to members of the entity		(66,387)	(117,775)
Earnings per share (cents per share)		c	c
- basic for profit for the year	18	(9.96)	(17.67)

The accompanying notes form part of these financial statements.

Financial statements continued

Balance sheet

For year ended 30 June 2007

	Note	2007 \$	2006 \$
Current assets			
Cash assets	6	1,237	42,396
Trade and other receivables	7	25,449	23,362
Total current assets		26,686	65,758
Non-current assets			
Property, plant and equipment	8	175,341	188,691
Intangible assets	9	30,466	42,465
Deferred tax assets	10	127,986	102,813
Total non-current assets		333,793	333,969
Total assets		360,479	399,727
Current liabilities			
Trade and other payables	11	13,650	7,954
Borrowings	12	21,441	-
Total current liabilities		35,091	7,954
Total liabilities		35,091	7,954
Net assets		325,388	391,773
Equity			
Contributed equity	13	645,843	645,843
Accumulated losses	14	(320,457)	(254,070)
Total equity		325,386	391,773

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of changes in equity

For year ended 30 June 2007

	Note	2007 \$	2006 \$
Total equity at the beginning of the financial year		391,773	474,098
Net income/expense recognised directly in equity		-	-
Net loss for the year		(66,387)	(117,775)
Total recognised income & expenses for the year		325,386	356,323
Shares issued during period		-	35,450
Costs of issuing shares		-	-
Dividends provided for or paid		-	-
Total equity at the end of the financial year		325,386	391,773

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of cash flows

For year ended 30 June 2007

	Note	2007 \$	2006 \$
Cash flows from operating activities			
Receipts from customers		359,137	231,055
Payments to suppliers and employees		(421,966)	(374,479)
Interest received		566	10,512
Interest paid		(337)	(654)
Net cash outflow from operating activities	15	(62,600)	(133,566)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(8,345)
Net cash outflow from investing activities		-	(8,345)
Cash flows from financing activities			
Proceeds from issue of shares		-	16,450
Net cash inflow from financing activities		-	16,450
Net decrease in cash held		(62,600)	(125,461)
Cash at the beginning of the financial year		42,396	167,857
Cash at the end of the financial year	6(a)	(20,204)	42,396

The accompanying notes form part of these financial statements.

Notes to the financial statements

Note 1: Statement of significant accounting policies

Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS). These financial statements and notes comply with IFRS.

Historical cost convention

The financial report has been prepared under the historical cost conventions on an accruals basis as modified by the revaluation of financial assets and liabilities at fair value through profit or loss and where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Revenue

Interest and fee revenue is recognised when earned. All revenue is stated net of the amount of Goods and Services Tax (GST). The gain or loss on disposal of property, plant and equipment is recognised on a net basis and is classified as income rather than revenue.

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 balance sheet. 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 operation cash flows.

Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Notes to the financial statements continued

Note 1: Statement of significant accounting policies continued

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax and when the balances relate to taxes levied by the same taxation authority and the Company/consolidated entity intends to settle its tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Employee entitlements

As all staff engaged by the Company are employed by Bendigo Bank Ltd (BBL), the Company does not have any direct liabilities for employee benefits to wages, salaries and annual leave entitlements. BBL invoices the Company monthly for all staff employment costs, including accrued leave entitlements and superannuation.

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. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Notes to the financial statements continued

Note 1: Statement 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.

Property, plant and equipment

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land.

Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated at the rate equivalent to the available building allowance using the straight line method. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

- leasehold improvements	40 years
- plant and equipment	2.5 - 40 years
- furniture and fittings	4 - 40 years

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

There are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Payment terms

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days.

Trade 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.

Borrowings

All loans are initially measured at the principal amount. Interest is recognised as an expense as it accrues.

Notes to the financial statements continued

Note 1: Statement of significant accounting policies continued

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 equity

Ordinary shares are 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.

Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Note 2: Financial risk management

The Company's activities expose it to a limited variety of financial risks: market risk (including currency risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity. The entity does not use derivative instruments.

Risk management is carried out directly by the Board of Directors.

(i) Market risk

The Company has no exposure to any transactions denominated in a currency other than Australian dollars.

(ii) Price risk

The Company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. The Company is not exposed to commodity price risk.

(iii) Credit risk

The Company has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The Company's franchise agreement limits the Company's credit exposure to one financial institution, being Bendigo Bank Limited.

Notes to the financial statements continued

Note 2: Financial risk management continued

(iv) Liquidity risk

Prudent liquidity management implies maintaining sufficient cash and marketable securities and the availability of funding from credit facilities. The Company believes that its sound relationship with Bendigo Bank Limited mitigates this risk significantly.

(v) Cash flow and fair value interest rate risk

Interest-bearing assets are held with Bendigo Bank Limited and subject to movements in market interest. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest-rate risk. The Company believes that its sound relationship with Bendigo Bank Limited mitigates this risk significantly.

	2007 \$	2006 \$
--	------------	------------

Note 3: Revenue from ordinary activities

Operating activities:

- services commissions	326,829	207,306
Total revenue from operating activities	326,829	207,306

Non-operating activities:

- interest received	566	10,512
Total revenue from non-operating activities	566	10,512
Total revenues from ordinary activities	327,395	217,818

Note 4: Expenses

Depreciation of non-current assets:

- plant and equipment	10,681	13,604
- leasehold improvements	2,669	2,667

Amortisation of non-current assets:

- franchise agreement	12,000	12,000
	25,350	28,271

Finance costs:

- interest paid	337	654
Bad debts	316	-

Notes to the financial statements continued

	2007	2006
	\$	\$

Note 5: Income tax credit

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

Operating loss	(91,560)	(165,078)
Prima facie tax on loss from ordinary activities at 30%	(27,468)	(49,523)

Add tax effect of:

- non-deductible expenses	3,600	2,220
- blackhole expenses	(1,305)	-
Income tax expense on operating loss	(25,173)	(47,303)

Note 6: Cash assets

Cash at bank and on hand	1,237	42,396
	1,237	42,396

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cashflows as follows:

6(a). Reconciliation of cash

Cash at bank and on hand	1,237	42,396
Overdraft	(21,441)	-
	(20,204)	42,396

Note 7: Trade and other receivables

Trade receivables	4,903	2,921
Prepayments	20,546	20,441
	25,449	23,362

Notes to the financial statements continued

	2007 \$	2006 \$
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Note 8: Property, plant and equipment

Plant and equipment

At cost	106,294	106,294
Less accumulated depreciation	(30,830)	(20,149)
	75,464	86,145

Leasehold improvements

At cost	106,719	106,719
Less accumulated depreciation	(6,842)	(4,173)
	99,877	102,546

Total written down amount	175,341	188,691
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Movements in carrying amounts:

Plant and equipment

Carrying amount at beginning	86,145	91,404
Additions	-	8,345
Less: depreciation expense	(10,681)	(13,604)
Carrying amount at end	75,464	86,145

Leasehold improvements

Carrying amount at beginning	102,546	105,213
Less: depreciation expense	(2,669)	(2,667)
Carrying amount at end	99,877	102,546
Total written down amount	175,341	188,691

Note 9: Intangible assests

Company formation	1,238	1,238
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Franchise fee

At cost	60,000	60,000
Less: accumulated amortisation	(30,772)	(18,773)
	30,466	42,465

Notes to the financial statements continued

	2007 \$	2006 \$
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Note 10: Deferred tax

Deferred tax asset

Tax losses - revenue	127,986	102,813
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Note 11: Trade and other payables

Trade creditors	8,500	2,554
Other creditors & accruals	5,150	5,400
	13,650	7,954

Note 12: Borrowings

Bank overdraft	21,441	-
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Note 13: Contributed equity

666,359 Ordinary shares fully paid of \$1 each (2006: 666,359)	666,359	666,359
Less: equity raising expenses	(20,516)	(20,516)
	645,843	645,843

Note 14: Accumulated losses

Balance at the beginning of the financial year	(254,070)	(136,295)
Net loss from ordinary activities after income tax	(66,387)	(117,775)
Balance at the end of the financial year	(320,457)	(254,070)

Notes to the financial statements continued

	2007 \$	2007 \$
--	------------	------------

Note 15: Statement of cash flows

Reconciliation of loss from ordinary activities after tax
to net cash used in operating activities

Profit/(Loss) from ordinary activities after income tax	(66,387)	(117,775)
Non cash items:		
- depreciation	13,350	16,271
- amortisation	12,000	12,000
Changes in assets and liabilities:		
- (increase)/decrease in receivables	(2,087)	
- (increase)/decrease in other assets	(25,173)	(31,802)
- increase/(decrease) in payables	5,697	(12,260)
Net cashflows provided by operating activities	(62,600)	(133,566)

Note 16: Auditors' remuneration

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

- audit & review services	4,000	3,300
- non audit services	450	-
	4,450	3,300

Notes to the financial statements continued

Note 17: Director and related party disclosures

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

William Pierre Hoogwaerts (Deceased 29 July 2007)

Norman John Bowles

William Reginald Fraser

Serge Paggiaro

Robert James Orr

Noel George Little (Resigned 28 November 2006)

Eva Joan Costello

Lesley Frances Parker (Resigned 27 February 2007)

Christine Julia Standfast (Appointed 23 January 2007)

Rae Amelda Frawley (Appointed 26 June 2007)

Christopher Robin O'Dare (Resigned 26 September 2006)

Ian McKay (Appointed 22 August 2006, Resigned 26 June 2007)

Stephen John Hart (Appointed 24 July 2007)

Except for William Fraser, who provided accounting services to the Company (as disclosed in the Directors' Report), no Director or related entity has entered into a material contract with the Company. No Director's fees have been paid as the positions are held on a voluntary basis.

Directors shareholdings	2007	2006
William Pierre Hoogwaerts (Deceased 29 July 2007)	5,501	5,501
Norman John Bowles	1	1
William Reginald Fraser	1	1
Serge Paggiaro	1	1
Robert James Orr	6,501	6,501
Noel George Little (Resigned 28 November 2006)	3,501	3,501
Eva Joan Costello	1,000	1,000
Lesley Frances Parker (Resigned 27 February 2007)	500	500
Christine Julia Standfast (Appointed 23 January 2007)	-	-
Rae Amelda Frawley (Appointed 26 June 2007)	-	-
Christopher Robin O'Dare (Resigned 26 September 2006)	1	1
Ian McKay (Appointed 22 August 2006, Resigned 26 June 2007)	-	-
Stephen John Hart (Appointed 24 July 2007)	1	1

There was no movement in Directors shareholdings during the year. Each share held is valued at \$1.

Notes to the financial statements continued

Note 18: Earnings per share

	2007 c	2006 c
(a) Profit attributable to the ordinary equity holders of the Company used in calculating earnings per share	(66,387)	(117,775)
	Number	Number
(b) Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	666,359	666,359

Note 19: Events occurring after the balance sheet date

There have been no events after the end of the financial year that would materially affect the financial statements.

Note 20: Contingent liabilities

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

Note 21: Segment reporting

The economic entity operates in the service sector where it facilitates community banking services pursuant to a franchise agreement with Bendigo Bank Limited. The economic entity operates in one geographic area being Redcliffe Peninsula and district, Queensland.

Note 22: Registered office/Principal place of business

The registered office and principal place of business is:

<u>Registered office</u>	<u>Principal place of business</u>
Shop 1A, 300 Oxley Avenue Margate, QLD 4019	Shop 1A, 300 Oxley Avenue Margate, QLD 4019

Notes to the financial statements continued

Note 23: 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	
	2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$	2007 %	2006 \$
Financial assets												
Cash assets	1,237	42,396	-	-	-	-	-	-	-	-	0.05	4.5
Receivables	-	-	-	-	-	-	-	-	4,903	23,362	N/A	N/A
Financial liabilities												
Overdraft	21,441	-	-	-	-	-	-	-	-	-	Nil	N/A
Payables	-	-	-	-	-	-	-	-	13,647	7,954	N/A	N/A

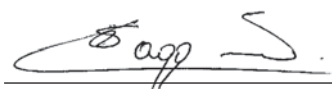
Director's declaration

In accordance with a resolution of the Directors of Redcliffe Peninsula 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) giving a true and fair view of the Company's financial position as at 30 June 2007 and of its performance for the financial year ended on that date; and
 - (II) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; 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.
- (c) the audited remuneration disclosures set out in the remuneration report section of the Directors' report comply with Accounting Standard AASB174 Related Party Disclosures and the Corporations Regulations 2001.

This declaration is made in accordance with a resolution of the Board of Directors.



Serge Paggiaro, Chairman



William Reginald Fraser, Director

Signed on 7 September 2007.



Customer Service Manager, Roxanne Belcher pictured assisting our Community through the Bank's commitment to Meals on Wheels

Auditor's independent report



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www.afsbendigo.com.au
ABN 51 061 795 337

INDEPENDENT AUDITOR'S REPORT

To the members of Redcliffe Peninsula Financial Services Limited

We have audited the accompanying financial report of Redcliffe Peninsula Financial Services Limited which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes and the Directors' Declaration.

Directors Responsibility for the Financial Report

The Directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report so that that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

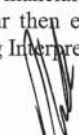
Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Opinion

In our opinion, the financial report of Redcliffe Peninsula Financial Services Limited is in accordance with the Corporations Act 2001 including giving a true and fair view of the financial position of Redcliffe Peninsula Financial Services Limited as of 30 June 2007, and of its financial performance and its cash flows for the year then ended and Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.


DAVID HUTCHINGS
ANDREW FREWIN & STEWART
61-65 Bull Street, Bendigo, 3550

Dated this 7th day of September 2007

BSX report

Additional information required by the Bendigo Bank Stock Exchange and not shown elsewhere in this report is as follows. The information is current as at 28 September 2007.

(a) Distribution of equity securities

	Number of Shares Held	Number of Shareholders
	1 to 1,000	144
	1,001 to 5,000	70
	5,001 to 10,000	18
	10,001 to 100,000	9
	100,001 and over	nil
	Total shareholders	241

There are currently 99 holders of parcels less than the minimum of 589, based on the current share price of \$0.85. Their holdings total 38,308 shares.

(b) Ten largest shareholders

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

Shareholder	Number of Shares	Percentage of Capital
Emerald Constructions Australia Pty Ltd	50,000	7.34%
Cleaver Holdings (Qld) Pty Ltd <Superannuation Fund A/C>	20,000	2.94%
Dave's Electrical Service Pty Ltd	20,000	2.94%
Mr Clive T Kitchen & Mrs Yvonne M Kitchen<Clive Kitchen S/Fund A/C>	20,000	2.94%
Mr Leonard Montes & Mrs Emily Montes	20,000	2.94%
Ron Jelic Professional Planning Pty Ltd<Jelic Super Fund A/C>	20,000	2.94%
Mr Edward Trevarthen & Mrs Elaine Trevarthen <Trevarthen Super Fund A/C>	20,000	2.94%
Mr Gregory Willock McGilvery & Mrs Pauline Morris McGilvery <Gw & Ja McGilvery S/F A/C>	15,000	2.20%
Redcliffe City Council	15,000	2.20%
Analytical Instruments Pty Ltd <Superannuation Fund A/C>	10,000	1.47%

BSX report 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 recognises the importance of a strong corporate governance focus and methodology. The Board has adopted an extensive set of policies and procedures, that are the primary reference for the governance of our Company. This policy framework assists in clarifying the future direction of our local Company and provides accountability and transparency for decision making.

The Board has a formally constituted Corporate Governance and Audit Committee.

(e) Name of Company Secretary

Norman John Bowles

(f) Address and telephone number of registered office and principal place of business

Shop 1A, 300 Oxley Avenue
Margate, QLD 4019
Phone: (07) 3883 2399
Fax: (07) 3883 4377

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

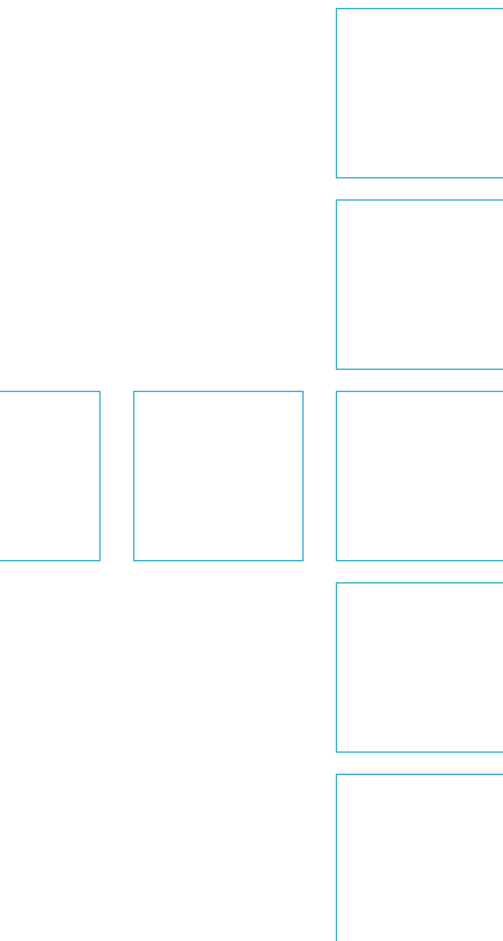
Computershare Investor Services Pty Ltd
Yarra Falls, 452 Johnston Street
Abbotsford, VIC 3067
(Telephone 1300 850 505)

(h) Number of restricted and unquoted securities

There are no restricted securities on issue, nor are there any unquoted securities.



Rothwell News and agency Manager Michelle Geaney with Bank Manager Gavin McNab presenting Vivienne Waller (Centre) with her new television won in the Rothwell Agency account opening promotion



Margate **Community Bank**[®] Branch
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Franchisee: Redcliffe Peninsula Financial Services Limited
300 Oxley Avenue, Margate, QLD 4019
ABN 66 109 123 677

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Bendigo Bank Limited, Fountain Court, Bendigo, VIC 3550
ABN 11 068 049 178. AFSL 237879 (KKQAR7005) (09/07)