

ABN 62 152 289 391

Western Riverina Community Financial Services Partnership

ABN 52 086 241 509

Coleambally Finance Group Limited

annual report 2013



Coleambally Community Bank® Branch
 Darlington Point Agency
 Jerilderie Agency

Coleambally Finance Group Limited
ABN 52 086 241 509

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the fifteenth ANNUAL GENERAL MEETING of COLEAMBALLY FINANCE GROUP LIMITED will be held at the Coleambally Community Club on Thursday, 28 November 2013 at 7:00 pm.

AGENDA

1. Minutes of Annual General Meeting dated 23 April 2013

2. Ordinary Business

Chairman's Report
The Chairman, Mr A J Howe will present his report on the operations of the Company for the year ended 30 June 2013.

Adoption of Accounts
To receive and consider the financial statements and reports to the contributors comprising:
1. The Profit and Loss accounts for the year ended 30 June 2013 and Balance Sheet of the Company as at 30 June 2013.
2. The Directors' Declaration and Report by auditors for the financial year ended 30 June 2013.
3. The Directors' Report for the financial year ended 30 June 2013.

Election of Directors

To elect three (3) Directors:

Mr R M Brain, Mrs S E Sutherland and Mrs K Pound retire in accordance with the provisions of the constitution and being eligible, may offer to re-elect. Mr R M Brain and Mrs K Pound are retiring and they do not seek re-election.

3. **General Business**

To transact any business that may be lawfully brought forward.

By Order of the Board

Tony Howe

Chairman

28 October 2013

Notes:

1. Mrs S E Sutherland will retire under Section 45 of the Constitution of Coleambally Finance Group Ltd and has indicated she will seek re-election.
2. As per the company constitution any two members of the company shall be at liberty to nominate any other member to serve as an office-bearer or other Director.
3. Nomination and Consent to Act forms may be collected from the Coleambally Community Bank Branch, 1 Broilga Place, Coleambally or the Secretary.
4. Nomination and Consent to Act forms must be lodged with the Secretary by 5:00 pm, 14 November 2013.
5. A list of candidates' names in alphabetical order with the nominators' and seconders' names shall be posted in the registered office for at least seven days immediately preceding the Annual General Meeting.
A member entitled to attend and vote is entitled to appoint a proxy to attend and vote in his/her stead. That person need not be a member of the company but should be a natural person over the age of 18 years. Proxy forms will be available once nominations close from the Coleambally Community Bank Branch, 1 Broilga Place, Coleambally or the Secretary and must be lodged at the registered office of the company not less than 48 hours before the timing of the meeting.

Minutes of the Annual General Meeting
Held at Coleambally Community Club 23rd April, 2013

Meeting Opened: Mr A Howe opened the meeting at 7.25pm.
Attendance: Directors and members as per signatures in the Attendance Book.
Apologies: Mrs M Payne, Messrs T Butt & R Twaddle.
In Attendance: Mr G Durham & Mrs L Lucas from Catalyst Accountants.
Minutes of the Previous Meeting: The minutes of the Annual General Meeting of 2011 were tabled.

RESOLVED: That the minutes be accepted.

Chairman's Report: Mr Howe tabled the Chairman's Report.

RESOLVED: That the Chairman's Report be accepted.

Treasurers Report: The Treasurer tabled the Financial Report and the Auditors Report

RESOLVED: That the Treasurers Report be accepted.

Financial Statements: The Financial Report and Auditor's Report of the company in respect of the year ended 30 June 2012 and the Report of Directors in relation thereto were tabled. Mr Durham was able to answer questions regarding the Auditor's Report.

RESOLVED: That the Financial Report and Auditors Report and the Report of Directors be accepted.

Manager's Report: The manager, Mr Noack, presented his Annual Report.

RESOLVED: That the Manager's Report be accepted.

Election of Directors: Messrs Howe, Boyle and Hayes have re-nominated and were re-elected.

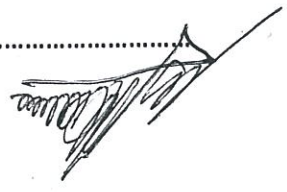
Bendigo Bank: Messrs J McFadyen and R Kerr were nominated and duly elected.

Bendigo Bank: Mr Butt and Mr Twaddle were not able to attend. No

representative in attendance.

General Business: None to report.

Meeting Close: There being no further business, the Chairman closed the meeting at 7.40pm and thanked everyone for their attendance.

Signed as a true record (Chairman).....
1/11/13. (Dated)

CHAIRMAN'S REPORT

I am pleased to be able to present this report on behalf of the Western Riverina Community Financial Services Pty Ltd representing both the Coleambally **Community Bank**® Branch and Hillston & District **Community Bank**® Branch. After some time settling in the operation has finally taken shape and things are on the way up.

Coleambally **Community Bank**® Branch is still operating a very successful branch with community contributions totalling \$970,096. The dividend to our contributors has once again been paid at a 10% rate and by any standard that that is a very attractive rate to reward our loyal contributors.

At present the Hillston & District **Community Bank**® Branch is progressing positively and rewards to their contributors and community grants are not too far away. Community contributions total \$61,672.

The two branches have successfully opened agencies in the past 12 months. Coleambally has now established an agency at Jerilderie and the results are very encouraging. The branch has sponsored both the Jerilderie Races Gold Cup and the Jerilderie Demons Football Club in the last 12 months. Hillston has established an agency at Lake Cargelligo and the future looks very promising.

My thanks go to the combined Board of Directors as well as the Board of Directors at both branches and look forward to sustained and improved input in the upcoming year.

Thanks are extended to Coleambally **Community Bank**® Branch staff – Chris, Mary, Kate, Katie, Hayley, Elissa and Jess as well as Hillston **Community Bank**® Branch staff – Paul, Julie, Vicki, Kylie, Charone and Monique for a job well done and I'm sure that all our customers appreciate their courteous and friendly service.

Thanks are also extended to the Bendigo and Adelaide Bank for their input particularly Peter English, Tim Butt, Carla Byrne, John Walton and Ralph Twaddell for their input to our business.

Just to update you on some exciting developments concerning the Bendigo and Adelaide Bank, I am pleased to advise you that \$100 million has been returned to the communities that support **Community Bank**® branches over the 15 years that **Community Bank**® network has been in operation in Australia. Well done and remember our \$1.032 million part of that total.

As all Coleambally **Community Bank**® Branch customers have noticed the Post Office has relocated to the other end of the Main Street and I am pleased to be able to report that the **Community Bank**® Branch owns our new Post Office as we are running out of room at the branch and require the old Post Office to renovate and upgrade in the upcoming months. I am pleased to report that our Postmaster, Guy is happy and content.

The Bendigo and Adelaide Bank has been one of the few Banks to be awarded an upgraded credit rating since the Global Financial Crisis. Standard & Poor's, Moody's & Finch have rated the Bank at A-

As part of Bendigo and Adelaide Bank, deposits of all **Community Bank**® branches are guaranteed by the Federal Government under the 'government guarantee' effective from 1 February 2012.

Finally, thank you as contributors and customers for your continued and loyal support and for any of your banking needs please contact one of our friendly and dedicated staff members to be guided in the right direction.

~~Tony Howe~~

Chairman

Coleambally Finance Group Ltd

Western Riverina Community Financial Services Pty Ltd

Managers Report 2013

The merger of Coleambally Finance Group Ltd and Hillston & Districts Financial Services Ltd took effect 1 October 2011, and saw the creation of Western Riverina Community Financial Services Pty Ltd (WRCFSL). This company is responsible for the partnership that was created. The assets and liabilities of Coleambally and Hillston and the rights to operate the two branches and the agencies at Darlington Point and Lake Cargelligo were transferred to the new partnership. The staff remained employed by Coleambally Finance Group Ltd and Hillston & Districts Financial Services Ltd, respectively.


This partnership sees the assets, liabilities, income and expenses of the combined entity split between the two partners with 60 per cent going to Coleambally and Hillston receiving 40 per cent. The staff of Coleambally **Community Bank** Branch and Hillston & District **Community Bank** Branch were transferred to Western Riverina Community Financial Services Pty Ltd 1 January 2013.

This background is provided to assist your understanding of the comparative figures. The 2013 figures show the full effect of the merger whilst 2012 figures are a combination of before and after the merger.

During the year the Coleambally **Community Bank** Branch grew by \$4.490 million to have total banking business of \$110 million. This growth was less than budgeted. The return of good seasons saw a lot of borrowers take the opportunity to reduce debt. Total revenue increased slightly to \$771,094. While any growth in income is welcomed, the level of growth was below previous results. This was due in part to the reduction in interest margins. The current low interest rate environment is fantastic for borrowers, but not so good if you need the interest income to live on. Expenses were held to \$714,455. This is a reduction of \$63,323 or 8% on the previous year. The result of this is a profit before tax of \$56,639. This compares favourably with the tax loss of \$13,324 the previous year.

The highlights of the financial year can be summarised as:-

Business Growth \$'000		Business Size \$ mill	
30/6/13	30/9/13	30/6/13	30/9/12
Actual	Actual	Coleambally	Coleambally
Budget	Budget	Hillston	Hillston
		WRCFS	WRCFS
\$10,000	-\$6,039	\$110	\$106.6
\$4,490	\$1,625	\$50.0	\$41.3
\$9,070	\$2,253	\$160	\$147.9
\$20,075	-\$5,345	\$146.4	\$154.6
\$10,075	\$694		
\$13,560	-\$3,878		


 Chris Noack
 Manager

In addition to the agencies at Darlington Point, Lake Cargelligo and Jerilderie continue to grow and are contributing to the growth and success of the group. The business in Coleambally has grown to a point that we need more space. The only practical solution was to relocate the Post Office to new premises which freed up the space behind the branch to grow into. If all goes to plan the renovations should commence in March 2014.

I say this every year and every year it becomes more important. I would like to thank my staff, Mary Thompson, Kate Jones, Hayley Chitts, Katie Miles and Jessica Walsh for their hard work and professionalism, without them these results would not be possible. I would also like to welcome Elissa Edwards. Together, the staff are the face of the **Community Bank**® branch and their dedication ensures that Coleambally **Community Bank**® has and will continue to be a success.

I would again like to thank the Board of Directors, capably lead by Tony Howe, for their continued support of me and our company.

I say this every year too and it is more important than ever. I must again thank our customers for their support and patronage, because without customers supporting us we would not be able to support the community to the extent that we have.

Customer Numbers	30/6/12	30/9/12	30/6/13	30/9/13
Coleambally	1,417	1,415	1,439	1,437
Hillston	1,020	1,010	1,074	1,089
Products Per Customer				
Coleambally	2.170	2.167	2.155	2.148
Hillston	1.873	1.882	1.940	1.965
Average Loan Size \$'000				
Coleambally	\$71.3	\$70.7	\$74.2	\$74.6
Hillston	\$63.8	\$64.5	\$61.7	\$65.1
Average Deposit Size \$'000				
Coleambally	\$19.6	\$18.5	\$22.1	\$25.6
Hillston	\$13.0	\$13.0	\$13.0	\$16.9

Your directors submit their report of the company for the financial year ended 30 June 2013.

Directors

The names and details of the company's directors who held office during or since the end of the financial year are:

Name and position held	Qualifications	Experience and Other Directorships
Al Howe Chairman Board member since 1999		Electrical appliance repairer
SE Sutherland Director Board member since 2002		Farmer
KR Boyle Director Board member since 1999		Retired Post Master
JC Smith Secretary Board member since 2005 Resigned 01/01/2013		Retired school teacher
RM Brain Director Board member since 1999		Farmer
K Pound Director Board member since 2011	B.Bus (Accounting) Chartered Accountant	Accountant
AJ Hayes Director Board member since 2005		Farm manager
RJ Kerr Director Board member since 2012		Farmer
J McFadyen Director Board member since 2012	Bachelor Economics Diploma of Education Bachelor Information Technology	School principal

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

No directors have material interests in contracts or proposed contracts with the company.

Principal activities

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

Significant changes in the state of affairs

During the 2012 financial year Coleambally Finance Group Limited joined partnership with the Hillston and District Financial Services Limited under the jointly controlled entity Western Riverina Financial Services Ltd. The Coleambally Finance Group Limited interest in Western Riverina Financial Services Ltd is 60%, the interest is incorporated into the financial statements using the proportionate consolidation method.

Review of operations

The profit of the company for the financial year after income tax was \$35,876 (2012 loss: (\$27,728)). The net assets of the company have increased to \$166,262 (2012: \$123,231).

Dividends

There were no dividends paid or provided for during the period.

Significant changes in the state of affairs

No significant changes in the company's state of affairs occurred during the financial year.

Events subsequent to reporting date

No matters or circumstances have arisen since the end of the financial year that significantly affect or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company, in future financial years.

Remuneration report

Remuneration policy

The remuneration policy of Coleambally Finance Group Limited has been designed to align key management personnel (KMP) objectives with shareholder and business objectives. The Board believe the remuneration policy to be appropriate and effective.

Remuneration benefits and payments

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

Remuneration report (continued)

Executive Remuneration	Primary	Post	Total
Branch Manager	Benefits	Employment	
	Salary & Fees	Supernannuation	
	\$	\$	\$
Christopher Noack	87,925	11,553	99,478
	99,864	12,627	112,491
2013			
2012			

The Coleambally Finance Group Limited has accepted the Bendigo & Adelaide Bank Limited's Community Bank® Directors Privileges package. The package is available to all directors who can elect to avail themselves of the benefits based on their personal banking with the branch. There is no requirement to own Bendigo & Adelaide Bank Ltd shares and there is no qualification period to qualify to utilize the benefits. The package mirrors the benefits currently available to Bendigo and Adelaide Bank Limited shareholders. The Directors have estimated the total benefits received from the Directors Privilege Package to be \$NIL for the year ended 30 June 2013.

Indemnifying officers or auditor

The company has agreed to indemnify each Officer (director, secretary or employee) out of assets of the company to the relevant extent against any liability incurred by that person arising out of the discharge of their duties, except where the liability arises out of conduct involving dishonesty, negligence, breach of duty or the lack of good faith. The company also has Officers insurance for the benefit of Officers of the company against any liability incurred by the Officer, which includes the Officer's liability for legal costs, in or arising out of the conduct of the business of the company or in or arising out of the discharge of the Officer's duties.

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.

Directors meetings

The number of directors meetings held during the year were 12. Attendances by each director during the year were as follows:

Director	Board Meetings #
AJ Howe	10 (11)
SE Sutherland	7 (11)
KR Boyle	8 (11)
JC Smith	2 (11)
RM Brain	9 (11)
K Pound	2 (11)
AJ Hayes	6 (11)
RJ Kerr	11 (11)
J McFadyen	8 (11)

The first number is the meetings attended while in brackets is the number of meetings eligible to attend. N/A - not a member of that Committee.

Likely developments

The company will continue its policy of providing banking services to the community.

Environmental regulations

The company is not subject to any significant environmental regulation. However, the board believes that the company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of these environmental requirements as they apply to the company.

Proceedings on behalf of company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Company secretary

John Smith has been the company secretary of Coleambally Finance Group since 15 December 2005. He was head science teacher at Coleambally for 23 years and is now retired. John Smith resigned as company secretary 01/01/2013.

Non audit services

The directors in accordance with advice from the audit committee, are satisfied that the provision of non audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed in Note 5 did not compromise the external auditor's independence for the following reasons:

- all non audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110 "Code of Ethics for Professional Accountants" set by the Accounting Professional and Ethical Standards Board.

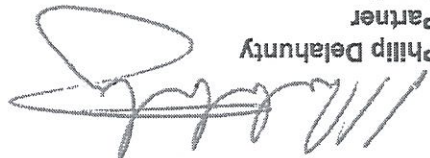
Auditor independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set at page 5 of this financial report. No officer of the company is or has been a partner of the auditor of the company.

Signed in accordance with a resolution of the Board of directors at Coleambally, New South Wales on
31 October 2013.

A. Howe
Director



RICHMOND SINNOTT & DELAHUNTY
Chartered Accountants

Phillip Delahunty
Partner
Bendigo
Dated at Bendigo, 31 October 2013

Auditor's Independence Declaration under section 307C of the Corporations Act 2001 to the
Directors of Coleambally Finance Group Limited
I declare that, to the best of my knowledge and belief, during the year ended 30 June 2013
there has been no contraventions of:

- (i) the auditor independence requirements as set out in the
Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to
the audit.

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Chartered Accountants



Coleambally Finance Group Limited
ABN 52 086 241 509

Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2013

	2013	2012
	\$	\$
Revenue	771,095	764,454
Employee benefits expense	(389,945)	(336,337)
Depreciation and amortisation expense	(24,226)	(25,188)
Finance costs	(36,341)	(37,083)
Impairment of non-financial asset	-	(34,828)
Rental expense	(9,060)	(6,592)
Other expenses	(218,160)	(209,456)
Operating profit/(loss) before charitable donations & sponsorships	93,363	114,970
Charitable donations and sponsorships	(38,379)	(128,294)
Profit/(loss) before income tax expense	54,984	(13,324)
Tax expense / (benefit)	19,108	14,404
Profit/(loss) for the year	35,876	(27,728)
Other comprehensive income	-	-
Total comprehensive income	35,876	(27,728)

Notes

The accompanying notes form part of these financial statements

Coleambally Finance Group Limited
 ABN 52 086 241 509
 Statement of Financial Position
 As at 30 June 2013

	2013	2012	
Assets			
Current Assets			
Cash and cash equivalents	140,601	198,862	6
Current tax receivable	2,320	13,563	4
Receivables	68,586	66,787	7
Other assets	3,197	37,858	8
Total Current Assets	<u>214,704</u>	<u>317,070</u>	
Non-Current Assets			
Cash and cash equivalents	327,362	327,362	6
Property, plant and equipment	201,345	180,714	9
Investments	27,854	19,118	10
Intangible assets	23,831	29,416	11
Other assets: assets held in trust	165,976	180,126	15
Total Non-Current Assets	<u>746,368</u>	<u>736,736</u>	
Total Assets	<u>961,072</u>	<u>1,053,806</u>	
Liabilities			
Current Liabilities			
Payables	56,695	119,244	12
Loans and borrowings	186,459	375,186	13
Provisions	61,666	76,490	14
Total Current Liabilities	<u>304,820</u>	<u>570,920</u>	
Non Current Liabilities			
Loans and borrowings	156,199	25,865	13
Restricted funds - pledges	333,790	333,790	16
Total Non Current Liabilities	<u>489,989</u>	<u>359,655</u>	
Total Liabilities	<u>794,809</u>	<u>930,575</u>	
Net Assets / (Liabilities)	<u>166,263</u>	<u>123,231</u>	
Equity			
Retained earnings	169,341	133,465	17
Asset revaluation reserve	(3,078)	(10,234)	17
Total Equity	<u>166,263</u>	<u>123,231</u>	

Notes

\$
2012

\$
2013

The accompanying notes form part of these financial statements

Coleambally Finance Group Limited
 ABN 52 086 241 509
 Statement of Changes in Equity
 for the year ended 30 June 2013

	Asset Revaluation Reserve \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2011	-	161,193	161,193
Total comprehensive income for the year	-	(27,728)	(27,728)
Asset revaluation increment/ (decrement)	(10,234)	-	(10,234)
Balance at 30 June 2012	(10,234)	133,465	123,231
Balance at 1 July 2012	(10,234)	133,465	123,231
Total comprehensive income for the year	-	35,876	35,876
Asset revaluation increment/ (decrement)	7,150	-	7,150
Balance at 30 June 2013	(3,084)	169,341	166,257

The accompanying notes form part of these financial statements

Coleambally Finance Group Limited
ABN 52 086 241 509
Statement of Cash Flows
For the year ended 30 June 2013

Notes	2013	2012
Cash Flows From Operating Activities		
Receipts from clients	783,402	198,651
Payments to suppliers and employees	(732,917)	(111,414)
Dividend revenue received	2,256	-
Borrowing costs	(36,341)	-
Interest received	7,147	4,252
Income tax paid	(7,865)	-
Net cash flows from/(used in) operating activities	15,682	91,489
Cash Flows From Investing Activities		
Proceeds from sale of property, plant & equipment	11,152	-
Purchase of property, plant & equipment	(39,272)	-
Purchase of investments	(1,580)	-
Net cash transferred to WRCFS	-	9,424
Net cash received from WRCFS (60%)	-	(165,519)
Net cash flows from/(used in) investing activities	(29,700)	(156,095)
Cash Flows From Financing Activities		
Proceeds from borrowings	137,754	(3,687)
Net movement in WRCFS investment	14,150	-
Net cash flows from/(used in) financing activities	151,904	(3,687)
Net increase/(decrease) in cash held	137,886	(68,293)
Cash and cash equivalents at start of year	161,843	230,136
Cash and cash equivalents at end of year	299,729	161,843

Note: Coleambally Finance Group Ltd do not maintain a cash at bank balance. The cash at bank balance relates to Coleambally Finance Group Ltd's interest in the cash balance of Western Riverina Community Financial Services Partnership. The above transactions reported are the company's joint venture interest in the partnership is receipts, payments and balances.

The accompanying notes form part of these financial statements

The financial statements and notes represent those of Coleambally Finance Group Limited.
The financial statements were authorised for issue by the Directors on 9 October 2013.

1. Summary of significant accounting policies

(a) Basis of preparation

The financial statements are general purpose financial statements, that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the Corporations Act 2001. The company is a for profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS). Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

(b) Income tax

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled.

1. Summary of significant accounting policies (continued)

(c) Property, plant and equipment

Property, plant and equipment are brought to account at cost less accumulated depreciation and any impairment in value.

Land and buildings are measured at fair value less accumulated depreciation.

Depreciation is calculated using the diminishing method over the estimated useful life of the asset as follows:

Class of Asset	Depreciation Rate
Furniture & Equipment	10 - 30%
Plant & Equipment	10%
Buildings	2.5%
Motor Vehicle	22.5 - 30%

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Revaluations

Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and accumulated impairment losses.

Fair value is determined by reference to market based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

(d) Impairment of assets

At each reporting date, the company assesses whether there is any indication that an asset is impaired. Where an indicator of impairment exists, the company makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

1. Summary of significant accounting policies (continued)

(e) 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 Australian Taxation Office (ATO). 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 inclusive of the amount of GST receivable or payable.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position. Cash flows are presented on a gross basis.

The GST components of investing and financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(f) Employee benefits

Provision is made for the company's liability for employee benefits arising from the services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy any vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to the employee benefits.

(g) Intangibles

Establishment costs have been initially recorded at cost and amortised on a straight line basis at a rate of 20% per annum. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the Statement of Profit or Loss and Other Comprehensive Income.

(h) Cash

Cash on hand and in banks are stated at nominal value. Bank overdrafts are shown as short term borrowings in current liabilities in the statement of financial position.

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.

(i) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Revenue comprises service commissions and other income received by the company.

Interest and fee revenue is recognised when earned. All revenue is stated net of the amount of goods and services tax (GST).

1. Summary of significant accounting policies (continued)

(j) Receivables and payables

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days. Receivables expected to be collected within 12 months at the end of the reporting period are classified as current assets. Receivables are recognised and carried at original invoice amount less a provision for any uncollected debts. 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 and are recognised as a current liability.

(k) New accounting standards and interpretations not yet adopted

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company.

The company has decided not to early adopt any of the new and amended pronouncements. The company's assessment of the new and amended pronouncements that are relevant to the company but applicable in the future reporting periods is set below:

(i) AASB 9 Financial Instruments (2010), AASB 9 Financial Instruments (2009)

AASB 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. AASB 9 (2010) introduces additions relating to financial liabilities. The AASB currently has an active project that may result in limited amendments to the classification and measurement requirements of AASB 9 and add new requirements to address the impairment of financial assets and hedge accounting.

AASB 9 (2010 and 2009) are effective for annual periods beginning on or after 1 January 2015 with early adoption permitted. The adoption of AASB 9 (2010) is not expected to have an impact on the company's financial assets or financial liabilities.

(ii) AASB 13 Fair Value Measurement (2011)

AASB 13 provides a single source of guidance on how fair value is measured, and replaces the fair value measurement guidance that is currently dispersed throughout Australian Accounting Standards. Subject to limited exceptions, AASB 13 is applied when fair value measurements or disclosures are required or permitted by other AASBs. The company is currently reviewing its methodologies in determining fair values. AASB 13 is effective for annual periods beginning on or after 1 January 2013 with early adoption permitted.

(iii) AASB 119 Employee Benefits (2011)

AASB 119 (2011) changes the definition of short-term and other long-term employee benefits to clarify the distinction between the two. For defined benefit plans, removal of the accounting policy choice for recognition of actuarial gains and losses is not expected to have any impact on the company. However, the company may need to assess the impact of the change in measurement principles of expected return on plan assets. AASB 119 (2011) is effective for annual periods beginning on or after 1 January 2013 with early adoption permitted.

(l) Loans and borrowings

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

1. Summary of significant accounting policies (continued)

(m) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that the outflow of economic benefits will result and the outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

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.

(n) Comparative figures

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

(o) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company. Estimates and judgements are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The estimates and judgements that have a significant risk of causing material adjustments to the carrying values of assets and liabilities are as follows:

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and intangible assets. The depreciation and amortisation charge will increase where useful lives are less than previously estimated lives.

Income tax

The company is subject to income tax. Significant judgement is required in determining the deferred tax asset or the provision for income tax liability. Deferred tax assets are recognised only when it is considered sufficient future profits will be generated. The assumptions made regarding future profits is based on the company's assessment of future cash flows.

Impairment

The company assesses impairment at the end of each reporting period by calculating conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value in use calculations which incorporate various assumptions.

1. Summary of significant accounting policies (continued)

(p) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to the profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method or cost.

Fair value represents the amount for which an asset would be exchanged or a liability settled, between knowledgeable willing parties. Where available quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are applied to determine the fair value. Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less repayments and any reduction for impairment and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

(i) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) Financial liabilities

Non derivative financial liabilities are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset is deemed to be impaired if and only if, there is objective evidence of impairment as a result of one or more events (a loss event) having occurred, which has an impact on the estimated future cash flows of the financial asset. In the case of financial assets carried at amortised cost, loss events may include indications that the debtor is experiencing significant financial difficulty, default or delinquency in payments, indications that they will enter bankruptcy or other financial reorganisation and changes in arrears or economic conditions that correlate with defaults.

Derecognition of financial instruments

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

	2013	2012
2. Revenue and other income		
Revenue	395,308	398,612
- services commissions	354,369	349,652
- other revenue	749,677	748,264
Other revenue	7,147	12,510
- interest received	14,271	3,680
- other revenue	21,418	16,190
Total Revenue	771,095	764,454
3. Expenses		
Employee benefits expense	348,681	304,646
- wages and salaries	41,264	31,691
- superannuation costs	-	-
- other costs	389,945	336,337
Depreciation of non-current assets:		
- plant and equipment	8,424	10,896
- buildings	1,650	1,034
- motor vehicles	7,933	7,673
- property improvements	634	-
Amortisation of non-current assets:		
- intangible assets	5,585	5,585
Finance Costs:		
- Interest paid	36,341	37,083
Bad debts	-	-
4. Tax Expense		
The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on profit/(loss) before income tax at 30% (2012: 30%)	16,495	(3,997)
Add tax effect of:		
- Adjustments in respect of current income tax of previous year	-	-
- Utilisation of previously unrecognised carried forward tax losses	2,613	-
- Non-deductible expenses	18,401	-
Current income tax expense	19,108	14,404
Income tax attributable to the entity	19,108	14,404

	2013	2012
	\$	\$

4. Tax Expense (continued)

	(2,320)	(13,563)
Tax liabilities	<u>4,150</u>	<u>3,480</u>
Current tax payable/(receivable)	<u>4,150</u>	<u>3,480</u>

5. Auditors' remuneration

Remuneration of the auditor for:

- Audit or review of the financial report

	4,150	3,480
	<u>4,150</u>	<u>3,480</u>

6. Cash and cash equivalents

Current
 Cash at bank and on hand 60% interest in WRGFS

	140,601	198,862
	<u>327,362</u>	<u>327,362</u>

Non Current
 Cash at bank and on hand

	467,963	526,224
	<u>467,963</u>	<u>526,224</u>

The Company has received pledges (Note 16). A condition of the pledge is the funds must be held separately. As these funds will not be available for the Company's use, they are disclosed as a non-current asset.

7. Trade and other receivables

	68,586	66,787
Current	<u>68,586</u>	<u>66,787</u>
Trade debtors - 60% interest in WRGFS	<u>68,586</u>	<u>66,787</u>

Credit risk

The company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

The following table details the company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company. The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be high credit quality.

7. Trade and other receivables (continued)

Credit risk (continued)

2013	Gross Amount and impaired	Past Due	< 30 days	31-60 days	> 60 days	Not Past Due	2012	
							Total	Trade debtors - 60% interest in WRCFS
	68,586	-	-	-	-	68,586	68,586	68,586
	66,787	-	-	-	-	66,787	66,787	66,787
Total	66,787	-	-	-	-	66,787	66,787	66,787

8. Other assets

Sundry debtors	28,856	-	-	-	28,856
Sundry debtors - 60% interest in WRCFS	-	-	-	-	1,589
Rental bond - 60% interest in WRCFS	528	-	-	-	528
Prepayments - 60% interest in WRCFS	2,669	-	-	-	6,885
	3,197	-	-	-	37,858
	\$	\$	\$	\$	\$
	2013	2012			

9. Property, plant and equipment

Land - 1 Broilga Place	-	24,000	24,000	-	24,000
At cost	-	24,000	24,000	-	24,000
At valuation in 2012	-	24,000	24,000	-	24,000
Buildings	-	-	66,000	-	-
At cost	-	66,000	66,000	-	66,000
At valuation in 2012	-	66,000	(1,650)	-	64,350
Less accumulated depreciation	-	-	66,000	-	66,000
Property Improvements	28,189	28,189	(3,452)	24,737	25,371
At cost	28,189	28,189	(3,452)	24,737	25,371
Less accumulated depreciation	-	-	66,000	-	-
Plant and equipment	132,853	132,853	(88,852)	44,001	50,660
At cost	132,853	132,853	(88,852)	44,001	50,660
Less accumulated depreciation	-	-	66,000	-	-

9. Property, plant and equipment (continued)

	2013	2012
Motor Vehicles	89,257	51,750
At cost		
Less accumulated depreciation	(45,000)	(37,067)
	44,257	14,683
Total written down amount	201,345	180,714

Movements in carrying amounts

	2013	2012
Land - 1 Broilga Place	24,000	40,000
Carrying amount at beginning of year		
Contributions to WRCFS	-	(40,000)
Interest in WRCFS (60%)	-	24,000
Carrying amount at end of year	24,000	24,000

	2013	2012
Buildings	66,000	145,867
Carrying amount at beginning of year		
Depreciation expense	(1,650)	(1,039)
Revaluation decrement	-	(34,828)
Contributions to WRCFS	-	(110,000)
Addition Interest in WRCFS (60%)	-	66,000
Carrying amount at end of year	64,350	66,000

	2013	2012
Property improvements	25,371	-
Carrying amount at beginning of year		
Addition Interest in WRCFS (60%)	-	28,189
Depreciation expense WRCFS	(634)	(2,818)
Carrying amount at end of year	24,737	25,371

	2013	2012
Plant and equipment	50,660	49,961
Carrying amount at beginning of year		
Additions	-	(2,419)
Depreciation expense	-	(47,542)
Contributions to WRCFS	-	131,089
Addition Interest in WRCFS (60%)	1,765	(80,429)
Depreciation expense WRCFS	(8,424)	50,660
Carrying amount at end of year	44,001	50,660

	2013	2012
Motor Vehicles	14,683	35,694
Carrying amount at beginning of year		
Depreciation expense	-	(2,383)
Contributions to WRCFS	-	(33,311)
Addition Interest in WRCFS (60%)	37,507	51,750
Depreciation expense WRCFS	(7,933)	(37,067)
Carrying amount at end of year	44,257	14,683

The company's land and buildings were revalued by the Directors prior to the

10. Investments

Listed shares at market value - 60% interest in WRCFS

27,854	19,118
27,854	19,118

10. Investments (continued)

	2013	2012
Movements in carrying amounts		
Listed shares at market value		
Balance at Beginning of the reporting period	19,118	-
Additions / Purchases - interest in WRCFS (at cost)	1,580	-
Revaluation to market - increment / (decrement)	7,156	19,118
Balance at the end of the reporting period	27,854	19,118

11. Intangible assets

Franchise Fee and establishment costs		
At cost	141,700	141,700
Less accumulated amortisation	(117,869)	(112,284)
Movements in carrying amounts		
Balance at the beginning of the reporting period	29,416	35,002
Additions	-	-
Disposals	-	-
Amortisation expense	(5,585)	(5,586)
Balance at the end of the reporting period	23,831	29,416

12. Trade and other payables

Current		
Unsecured liabilities:		
Trade creditors - 60% interest in WRCFS	26,984	31,075
GST payable	-	26,014
GST payable - 60% interest in WRCFS	8,292	(13,193)
Other creditors and accruals - 60% interest in WRCFS	21,419	75,348
13. Loans and borrowings		
56,695	119,244	

Current

Chattel mortgage - 60% interest in WRCFS	20,861	2,394
Less: Unexpired charges	(2,636)	(56)
18,225	2,338	
Bank overdraft - 60% interest in WRCFS	168,234	364,381
Bank loan - 60% interest in WRCFS	-	8,467
186,459	375,186	

Non Current

Bank loan - 60% interest in WRCFS	156,199	25,865
25,865	25,865	
Restricted funds - pledges	333,790	333,790

The Motor Vehicle Finance is a portion of Western Riverina Community Financial Service which is secured by a charge over the motor vehicle and a company guarantee.
 The Term Loan is currently an interest only loan at a rate of 4.597% and is unsecured.

	2013	2012
14. Provisions		
Employee benefits	61,666	76,490
Movement in employee benefits		
Opening balance	76,490	55,565
Additional provisions recognised	5,179	38,752
Amounts utilised during the year	(20,003)	(17,827)
Closing balance	61,666	76,490
Current		
Annual Leave	26,513	30,410
Non-current		
Long-service leave	35,153	46,080
Total provisions	<u>61,666</u>	<u>76,490</u>
Provision for employee benefits		
Provision for employee benefits represents amounts accrued for annual leave and long service leave.		
The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.		
The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.		
15. Other assets: Investment in partnership		
Shared Net assets of the WRCFS Joint Venture	165,976	180,126
This balance represents the company's share of the net amount of assets and liabilities of Western Riverina Community Financial Services Partnership.	165,976	180,126
16. Restricted Funds		
Pledges	333,790	333,790

Coleambally Finance Group Limited is limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the Company.

17. Equity

	2013	2012
<i>Retained earnings/accumulated losses</i>	133,465	161,193
Balance at the beginning of the financial year	133,465	161,193
Net profit/(loss) from ordinary activities after income tax	35,876	(27,728)
Balance at the end of the financial year	169,341	133,465
<i>Asset revaluation reserve</i>	(10,234)	-
Balance at the beginning of the financial year	(10,234)	-
Decrement/Increment of listed shares held WRCFS 60%	7,156	(10,234)
Balance at the end of the financial year	(3,078)	(10,234)
Total Equity	166,263	123,231

18. Statement of cash flows

(a) Cash and cash equivalents balances as shown in the statement of financial position can be reconciled to that shown in the statement of cash flows as follows

	2013	2012
As per the statement of financial position	467,963	526,224
less Bank overdraft	(168,234)	(364,381)
As per the statement of cash flow	299,729	161,843

(b) Reconciliation of profit / (loss) after tax to net cash provided from/(used in) operating activities

	2013	2012
Profit / (loss) after income tax	35,876	(27,728)
Non cash items	18,641	19,603
- Depreciation	5,585	5,585
- Impairment of non financial asset	-	34,828
- Net (profit/loss) from sale of plant & equipment	(11,152)	-
Changes in assets and liabilities	32,862	(22,487)
- (Increase) decrease in receivables and other assets	11,243	(13,052)
- (Increase) (decrease) in payables	(62,549)	73,815
- Increase (decrease) in provisions	(14,824)	20,925
Net cash flows from/(used in) operating activities	15,682	91,489

(c) Credit standby arrangement and loan facilities

The company has a bank overdraft and term loan facility amounting to \$196,051 (2012: \$426 650). This may be terminated at any time at the option of the bank. At 30 June 2013, \$168,234 of this facility was used (2012: \$364,381). Variable interest rates apply to these overdraft and bill facilities.

19. Related party transactions

The company's main related parties are as follows:

- (a) Key management personnel
 Any person(s) having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any director (whether executive or otherwise) of that company is considered key management personnel.
- (b) Other related parties
 Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.
- (c) Transactions with key management personnel and related parties
 Other than detailed below, no key management personnel or related party has entered into any contracts with the company. No director fees have been paid as the positions are held on a voluntary basis.

19. Related party transactions (continued)

Key management personnel remuneration:

Branch Manager	Primary Benefits	Salary & Fees	Employment Superannuation	Total
Christopher Noack				
2013	87,925	99,864	11,553	99,478
2012			12,627	112,491

The Coleambally Finance Group Limited has accepted the Bendigo & Adelaide Bank Limited's Community Bank@ Directors Privileges package. The package is available to all directors who can elect to avail themselves of the benefits based on their personal banking with the branch. There is no requirement to own Bendigo & Adelaide Bank Ltd shares and there is no qualification period to qualify to utilize the benefits. The package mirrors the benefits currently available to Bendigo and Adelaide Bank Limited shareholders. The Directors have estimated the total benefits received from the Directors Privilege Package to be \$NIL for the year ended 30 June 2013.

(d) Key management personnel shareholdings
 The amount of pledged funds held in Coleambally Finance Group Limited held by each key management personnel of the company during the financial year is as follows:

2013	
\$	
1,500	AJ Howe
1,250	SE Sutherland
1,350	KR Boyle
5,000	JC Smith
-	RM Brain
-	K Pound
5,000	AJ Hayes
-	RJ Kerr
-	J McFadyen

There was no movement in key management personnel shareholdings during the year.

(e) Other key management transactions

There has been no other transactions involving equity instruments other than those described above.

20. Events after the reporting period

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

21. Contingent liabilities and assets

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

22. Operating segments

The company operates in the financial services sector where it provides banking services to its clients. The company operates in one geographic area being Coleambally, New South Wales. The company has a franchise agreement in place with Bendigo & Adelaide Bank Limited who account for 100% of the revenue (2012: 100%).

24. Company details

The registered office & principle place of business is:

1 Broilga Place
Coleambally NSW 2707

25. Financial risk management

The company's financial instruments consist mainly of deposits with banks, account receivables and payables, bank overdraft and loans. The totals for each category of financial instruments measured in accordance with AASB 139 as detailed in the accounting policies are as follows:

	2013	2012
Financial Assets		
Cash & cash equivalents	467,963	526,224
Trade and other receivables	68,586	66,787
Total Financial Assets	536,549	593,011
Financial Liabilities		
Trade and other payables	56,695	119,244
Loans & Borrowings	342,658	401,051
Total Financial Liabilities	399,353	520,295

Financial Risk Management Policies

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established an Audit Committee which reports regularly to the Board. The Audit Committee is assisted in the area of risk management by an internal audit function.

Specific Financial Risk Exposure and Management

The company has exposure to credit risk, liquidity risk and market risk from their use of financial instruments. There have been no substantive changes in the types of risks the company is exposed to, how the risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. For the company it arises from receivables and cash assets.

Credit risk is managed through maintaining procedures that ensure, to the extent possible, that clients and counterparties to transactions are of sound credit worthiness and their financial stability is monitored and assessed on a regular basis. Such monitoring is used in assessing receivables for impairment. Credit terms for normal fee income are generally 30 days from the date of invoice. For fees with longer settlements, terms are specified in the individual client contracts. In the case of loans advanced, the terms are specific to each loan.

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets as presented in the statement of financial position.

The company's exposure to credit risk is limited to Australia by geographic area. The majority of receivables are due from Bendigo and Adelaide Bank Limited.

None of the assets of the company are past due (2012: nil past due) and based on historic default rates, the company believes that no impairment allowance is necessary in respect of assets not past due.

The company limits its exposure to credit risk by only investing in liquid securities with Bendigo and Adelaide Bank Limited and therefore credit risk is considered minimal.

(a) Credit Risk (continued)

Cash and cash equivalents:

	2013	2012
A rated	\$ 467,963	\$ 526,224

(b) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company ensures it will have enough liquidity to meet its liabilities when due under both normal and stressed conditions. Liquidity management is carried out within the guidelines set by the Board.

Typically, the company maintains sufficient cash on hand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Financial liability and financial asset maturity analysis:

	30 June 2013				30 June 2012				
	Note	Total	Within 1 year	1 to 5 years	Over 5 years	Total	Within 1 year	1 to 5 years	Over 5 years
Financial Liabilities due	12	56,695	56,695	-	-	137,196	293,395	-	(156,199)
Trade and other payables		56,695	56,695	-	-	137,196	293,395	-	(156,199)
Loans and borrowings	13	342,658 *	186,459	-	-	467,963	467,963	-	-
Total expected outflows		399,353	243,154	-	-	467,963	467,963	-	-
Financial Assets - realisable	6	467,963	467,963	-	-	68,586	68,586	-	-
Cash & cash equivalents		467,963	467,963	-	-	68,586	68,586	-	-
Trade and other receivables	7	536,549	536,549	-	-	520,295	520,295	-	-
Total anticipated inflows		536,549	536,549	-	-	520,295	520,295	-	-
Net (Outflow)/Inflow on financial instruments		137,196	293,395	-	-	72,716	72,716	-	-
Financial Liabilities due	12	119,244	119,244	-	-	526,224	526,224	-	-
Trade and other payables		119,244	119,244	-	-	526,224	526,224	-	-
Loans and borrowings	13	401,051 *	401,051	-	-	66,787	66,787	-	-
Total expected outflows		520,295	520,295	-	-	593,011	593,011	-	-
Financial Assets - realisable	6	526,224	526,224	-	-	66,787	66,787	-	-
Cash & cash equivalents		526,224	526,224	-	-	66,787	66,787	-	-
Trade and other receivables	7	593,011	593,011	-	-	72,716	72,716	-	-
Total anticipated inflows		593,011	593,011	-	-	72,716	72,716	-	-
Net (Outflow)/Inflow on financial instruments		72,716	72,716	-	-	-	-	-	-

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company reviews the exposure to interest rate risk as part of the regular board meetings.

The weighted average interest rates of the company's interest-bearing financial assets are as follows:

Financial assets	2013	2012
Cash and cash equivalents (net of bank overdrafts)	(20.81%)	35.39%
	\$	\$

Sensitivity analysis

The following table illustrates sensitivities to the company's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Year ended 30 June 2013		Year ended 30 June 2012	
	Profit	Equity	Profit	Equity
	\$	\$	\$	\$
+/- 1% in interest rates (interest income)	1,253	1,253	1,252	1,252
+/- 1% in interest rates (interest income)	1,252	1,252	1,253	1,253

The company has no exposure to fluctuations in foreign currency.

(d) Price risk

The company is not exposed to any material price risk.

Fair values

The fair values of financial assets and liabilities approximate the carrying values as disclosed in the Statement of Financial Position. Fair value is the amount at which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction. The company does not have any unrecognised financial instruments at year end.

Coleambally Finance Group Limited
ABN 52 086 241 509
Directors' Declaration

In accordance with a resolution of the Directors of Coleambally Finance Group Limited, the Directors of the company declare that:

- 1 the financial statements and notes of the company as set out on pages 6 to 27 are in accordance with the Corporations Act 2001 and:
 - (i) comply with Australian Accounting Standards, which as stated in accounting policy Note 1(a) to the financial statements constitutes compliance with International Financial Reporting Standards (IFRS); and
 - (ii) give a true and fair view of the company's financial position as at 30 June 2013 and of the performance for the year ended on that date;
- 2 in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



A. Howe
Director

Signed at Coleambally, New South Wales on 31 October 2013.

31st October 2013

The Directors
Coleambally Finance Group Limited
1 Broilga Place
COLEAMBALLY NSW 2707

Dear Directors

We have now completed our audit of the financial report Coleambally Finance Group Limited for year ended 30 June 2013. Subject to the Board of Directors adopting the financial report, we are in a position to issue an unqualified audit opinion on the company's financial report.

1. Overview of Audit Approach

Our audit was designed in accordance with Australian Auditing Standards (AUS), which provides for reasonable, rather than absolute, assurance that the financial report is free of material misstatement. The nature and scope of the audit work performed was designed to achieve our primary goal of supporting the audit opinion on the financial report.

2. Operations

2.1 Financial Performance

	30 June 2013	30 June 2012
Revenue from ordinary activities	771,095	764,454
Employee benefits expense	(389,945)	(336,337)
Depreciation & amortisation expenses	(24,226)	(25,188)
Finance costs	(36,341)	(37,083)
Impairment of non-financial asset	-	(34,828)
Rental expense	(9,060)	(6,592)
Other expenses	(218,160)	(209,456)
Operating profit/(loss) before charitable donations & sponsorships	93,363	114,970
Charitable donations & sponsorship	(38,379)	(128,294)
Profit/(loss) before income tax expense	54,984	(13,324)
Income tax expense	19,108	14,404
Profit/(loss) for the year	35,876	(27,728)

2.2 Financial Position

	30 June 2013	30 June 2012
Current assets	214,704	317,070
Non-current assets	746,368	736,736
Total assets	961,072	1,053,806
Current liabilities	304,820	570,920
Non-current liabilities	489,989	359,655
Total liabilities	794,809	930,575
Equity	166,263	123,231

3. Auditing/Accounting Issues

During our audit we noted the following matters that we recommend the directors continue to monitor before future audits are completed.

3.1 Coleambally Community Bank Trust Account

Coleambally Finance Group Limited has a Trust Account that is related to the pledged funds. This account is held solely by Coleambally and has not been contributed to the merger. Audit has obtained the bank statement of this account and noted the closing balance at 30 June 2013 differs to the general ledger by \$73,71. Discussions with the accountant indicate this accounts is managed by the branch and there is no regular reconciliation of this account.

We recommend Coleambally Finance Group Limited identify the variance between the statement and the ledger and rectify this immediately, as well as completing regular (monthly) reconciliations of the account.

3.2 Pledged funds asset and liability

Through the audit of the financial accounts it was noted that the asset held as a bank account for the pledged funds doesn't equal the liability held for the pledged funds. The variance between these two general ledger accounts is not material and has not been adjusted for in the financial accounts for the year ended 30 June 2013.

We recommend Coleambally Finance Group Limited investigate the variance and rectify for future periods.

3.3 Share in Western Riverina

It was identified through the audits of Western Riverina Community Financial Services Partnership, Hillston & District Financial Services Limited and Coleambally Finance Group Limited that the amounts per the Western Riverina Partner's Profit Distribution Summary differ to the respective asset or liability in the Coleambally and Hillston accounts. The differences identified are not material and have not been adjusted in the financial accounts for any of the three entities for 30 June 2013.

We recommend these variances be investigated and rectified for future periods.

4. Summary of Audit Differences

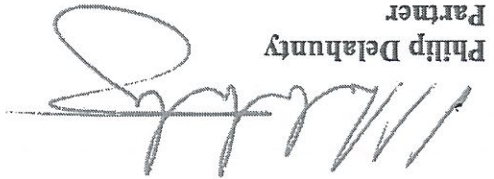
There are no material audit differences that have not been included in the financial report for
Coleambally Finance Group Limited.

5. Other Matters

Our work is not primarily directed towards the discovery of weaknesses or the detection of
fraud or other irregularities, other than those that would influence us in forming our audit
opinion.

Should you have any queries in relation to the above or any other matters please do not
hesitate to contact either Chloe Jarratt or myself.

Yours sincerely



Phillip Delahunty

Partner

Richmond Sinnott & Delahunty

31st October 2013

The Directors
Coleambally Finance Group Limited
1 Broiga Place
COLEAMBALLY NSW 2707

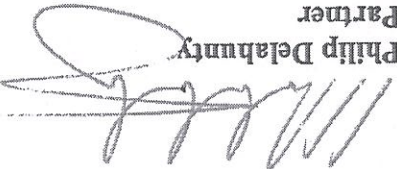
Dear Directors

To the Directors of Coleambally Finance Group Limited

Auditor's Independence Declaration under section 307C of the Corporations Act 2001

I declare that to the best of my knowledge and belief, during the year ended 30 June 2013 there has been:

- (i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.


Phillip Delahunty
Partner
Richmond Sinnott & Delahunty

Report on the Financial Report

We have audited the accompanying financial report of Coleambally Finance Group Limited, which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company at the year's end.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 company's preparation 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 company'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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Coleambally Finance Group Limited, would be in the same terms if provided to the directors as at the time of this auditor's report.

Auditor's Opinion

In our opinion:

(a) the financial report of Coleambally Finance Group Limited is 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 2013 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the financial report also complies with the International Financial Reporting Standards as disclosed in Note 1.

RICHMOND SINNOTT & DELAHUNTY
Chartered Accountants


Phillip Delahunty
Partner

Dated at Bendigo, 31st October 2013

