

Dancoor
Community Finances Limited

ABN 32 121 053 129

annual report 2011

Dandaragan Coorow **Community Bank**[®] Branch

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Chairman's report

For year ending 30 June 2011

Our Dandaragan Coorow **Community Bank**[®] Branch is into its fourth year of providing banking services to the community living in the Dandaragan & Coorow Shires. The last twelve months has seen staff changes both in our Jurien Bay branch and also in our WA State Support office for Bendigo and Adelaide Bank Ltd.

The period from last September 2010 to February 2011, was a challenging time for the directors of Dancoor Community Finances Limited. Thankfully things have now turned around and as most shareholders would be aware, we have a new Branch Manager in Jim Watson. Jim has a wealth of knowledge and experience in the banking and finance industry and has settled into the branch well, working hard and steadily growing the business in the short time he has been with us to the point that we heading towards \$45 million of business on the books at the branch, which is very encouraging.

As I indicated earlier we have a new Regional Manager in Janet Giacomini, who has been very helpful & supportive of the board, Jim & myself in the last twelve months.

At the beginning of the year Dancoor Community Finances Limited was able to take on the processing of licenses and other related services for the Department of Transport in our Jurien Bay branch. The Dancoor Company is paid a commission for the services that it does for the Department which in turn helps our bottom line.

The boards Marketing Committee which is ably led by Mike Sheppard, along with Robin Randell & Hadley Shearn, have been very busy during the year with allocating the monetary support to the various local clubs and associations within the shires from the **Community Bank**[®] branch's allocated Market Development Fund from Bendigo and Adelaide Bank.

I personally would like to thank Mike Sheppard very much for his role as Vice Chairman. His time and effort, especially over the last six months has helped me a great deal.

A big thank you to my fellow directors and our branch staff, Debbie, Sue & Andrea for the time and effort spent during the year in promoting the Dandaragan Coorow **Community Bank**[®] Branch.



John Stacy
Chairman

Manager's report

For year ending 30 June 2011

I am pleased to provide this annual report, my first since being appointed as Branch Manager last November.

This past year has seen some healthy growth within our business with our balance sheet footings increasing by 27%. The majority of this growth has come from new lending which saw our loan book grow by some 60% over this period.

The transactional side of the business has also seen good growth with customer numbers up 14% and our ATM activity is up 66%.

It has been pleasing to see this growth translate to the bottom line with our overall income up 47% while expenses were contained to 9%, which included one-off expenses that were incurred due to structural changes within the Company. This is an excellent trend and we will endeavour to keep this momentum in the coming year.

While overall economic conditions have remained relatively flat in our region, the growth we have seen this year and the positive aspects within our business pipeline give encouragement for continuous improvement as we strive for sustainable profitability. We have been well supported by the community and I am confident that our ongoing contributions by way of sponsorships and donations will be rewarded with more people bringing their business to our bank.

I thank our staff, Debbie, Sue and Andrea for their commitment and contribution to our results. They provide a friendly environment for our customers and they are active in promoting our products and services.

I would like to acknowledge the strong support of the board and I look forward to building the business with them over the coming years. I also recognise the excellent support we receive from the administrative areas of Bendigo and Adelaide Bank Ltd.



Jim Watson

Branch Manager

Bendigo and Adelaide Bank Ltd report

For year ending 30 June 2011

As **Community Bank**[®] shareholders you are part of something special, a unique banking movement which has evolved into a whole new way of thinking about organising and strengthening community.

Together, we have reached new heights and achieved many great successes, all of which has been underpinned by our commitment and dedication to the communities we're a part of.

Together we're making extraordinary progress, with more than \$58.25 million returned to support community groups and endeavours since the network was established in 1998.

The returns grow exponentially each year, with \$469 thousand returned within the first five years, \$8.15 million within the first eight and \$22.58 million by the end of the first decade of operation. Based on this, we can predict the community returns should top \$100 million within the next three years, which equates to new community facilities, better health care, increased transport services and generally speaking, more prosperous communities.

Together, we haven't just returned \$58.25 million; there is also the flow on economic impact to consider. Bendigo and Adelaide Bank is in the process of establishing an evidential basis that captures the complete picture and the economic outcomes these initiatives generate. However, the tangible outcomes are obvious. We see it in tenanted shops, increased consumer traffic, retained local capital and new jobs but we know that there are broader elements of community strength beyond the economic indicators, which demonstrate the power of our community models.

It is now evident that branches go through a clear maturity phase, building customer support, generating surpluses and establishing a sustainable income stream. This enables Boards to focus less on generating business and more on the community's aspirations. Bendigo is facilitating this through Director engagement and education, community consultations and other community solutions (Community Enterprise Foundation[™], Community Sector Banking, Community Telco, Generation Green[™] and Community Enterprises) that will provide Boards with further development options.

In Bendigo, your **Community Bank**[®] Board has a committed and successful partner. Our past efforts and continued commitment to be Australia's leading customer-connected bank, that is relevant, connected and valued, is starting to attract attention and reap rewards.

In January, a Roy Morgan survey into customer satisfaction saw Bendigo Bank achieve an industry leading score among Australian retail banks. This was the first time Bendigo Bank has led the overall results since August 2009.

In May, Fitch Ratings upgraded Bendigo and Adelaide Banks Long-Term Issuer Default Rating (IDR) to A- from BBB+. This announcement saw us become the first Australian bank – and one of the very few banks globally – to receive an upgrade since the Global Financial Crisis.

Standard & Poor's revised credit rating soon followed seeing Bendigo and Adelaide Bank shift from BBB+ stable, to BBB+ positive. These announcements reflect the hard and diligent work by all our staff, our sound risk management practices, low-risk funding and balance sheet structure, sound capital ratios and a sustained improvement in profitability.

The strength of our business model – based on our commitment to our customers and the communities that we operate in – is being recognised by all three ratings agencies.

Bendigo and Adelaide Bank Ltd report continued

Over the past year the bank has also added more than 700 additional ATMs through a network sharing agreement with Suncorp Bank, which further enhances our customers' convenience and expands our footprint across the country. In addition to this a further 16 **Community Bank**[®] branches were opened.

The bank has also had a renewed focus on business banking and re-launched our wealth management services through Bendigo Wealth, which oversees the Adelaide Bank, Leveraged Equities, Sandhurst Trustees and financial planning offering.

The **Community Bank**[®] model is unique and successful, it's one of our major points of difference and it enables us to connect with more than 550,000 customers, in excess of 270 communities and make a difference in the lives of countless people.

We are very proud of the model we have developed and we're very thankful for the opportunity to partner with communities to help build their balance sheets.

We thank you all for the part you play in driving this success.



Russell Jenkins

Executive Customer and Community

Directors' report

For the financial year ended 30 June 2011

Your Directors present their report, together with the financial statements of the Company for the financial year ended 30 June 2011.

Directors

The names of Directors in office at any time during or since the end of the year are:

John Malcolm Stacy

Position: Chairperson

Occupation: Farmer

Background Information: I am 65 years of age and my family has been farming in Marchagee area of the Shire of Coorow since 1948. I am involved as the Chairperson of the Coorow Community Land Inc, the Coorow LCDC, and have served as a Councillor of the Shire of Coorow for 17 years and have held office in various sporting committees.

Interest in shares and options: 18,001 shares

Barbara Therese Coyne de Meur CPA

Position: Non-Executive Director

Occupation: Accountant

Background Information: Together with my husband and four children I relocated to Jurien Bay from Morawa in December 2000. I am a Certified Practising Accountant and have been operating my own practice since October 2003.

I also owned and operated a general store in the Midwest region for approximately 10 years prior to our move.

Interest in shares and options: 15,001 shares

Graeme John Maley

Position: Non-Executive Director / Company Secretary

Occupation: Farmer

Background Information: I have grown up on the family farm "Katika" a wheat and sheep enterprise of 1600ha at Marchagee, as well being part owner and Director of a Seed Cleaning Business in Coorow.

I was the Chairman on the Coorow Telecentre from 2000 to 2003 and continue as Treasurer. I have also been involved with local land care committees and the Coorow Community Farm committee.

Interest in shares and options: 5,001 shares

Directors' report continued

Ian Lawrence Kelly

Position: Non-Executive Director

Occupation: Licenced Real Estate Agent

Background Information: I was 25 when I commenced my own Landscaping Business. In 1984 I moved my business to Perth specialising in brick paving. In 1997 I changed careers and entered the Real Estate industry. In 2001 I commenced my own business and I am now the Principal and Director of Professionals Jurien Bayview Realty.

Interest in shares and options: 30,001 shares

Robin Adele Randall

Position: Non-Executive Director

Occupation: Retired

Background Information: As a trained stenographer I worked for 4 years at a wool buying firm and then the Perth Chamber of Commerce. I worked 2 years with J Walter Thompson in London. In South Africa I was a Market Research Manager for Coca Cola for 2 years. On returning to Australia I worked with Mt Newman Mining. Married and farmed for 15 years. Retiring to Jurien Bay 16 years ago, I am, on the CWA Committee and I have been with the **Community Bank**[®] Steering Committee since it's inception in August 2004.

Interest in shares and options: 10,001 shares

Michael Sheppard

Position: Non-Executive Director

Occupation: Retired

Background Information: I have lived in Jurien Bay for 10 years. I am the President of the Jurien Bay Progress Association, a Shire Councillor and Chairman of the Jetties Preservation Committee.

Interest in shares and options: 17,001 shares

Alan Robert Thompson Dip Teach, BEd, Dip R.E. Certificate of JP Studies

(resigned 23 October 2010)

Position: Non-Executive Director

Occupation: Semi Retired

Background Information: I was a primary school teacher and worked in the Catholic School system for 20 years, holding the positions of senior teacher and deputy principal. I first came to the area during the mid 1950's and I have been President of the local Telecentre for nearly 4 years. I am an active JP, teach Catechism to the local Catholic children and I am a relief teacher at several nearby schools.

Interest in shares and options: 8,501 shares

Directors' report continued

Hadley Shearn (appointed 23 October 2010)

Position: Non-Executive Director

Occupation: Licensed Real Estate Agent

Background Information: I have owned property in Jurien Bay since 2005 and have had the pleasure of selling Real Estate in Jurien since 2007. Prior to Real Estate, I ran a successful Photography Business from 1995 till 2006 before changing career paths.

Interest in shares and options: 5,000 shares

Company Secretary

Graeme John Maley

Directors meetings attended

During the financial year, 12 meetings of Directors (including committees of directors) were held. Attendances by each Director during the year were as follows:

Names of Directors	Directors' meetings	
	Number eligible to attend	Number attended
John Malcolm Stacy	12	12
Barbara Therese Coyne de Meur	12	11
Graeme John Maley	12	9
Ian Lawrence Kelly	12	8
Robin Adele Randall	12	10
Michael Sheppard	12	11
Alan Thompson (resigned 10 December 2010)	4	4
Hadley Shearn (appointed 10 December 2010)	9	6

Directors' report continued

Principal activity and review of operations

The principal activity and focus of the Company's operations during the year was the operation of a Branch of Bendigo and Adelaide Bank Ltd, pursuant to a franchise agreement.

Operating results

The loss of the Company after providing for income tax amounted to \$232,075.

Dividends paid or recommended

The Company did not pay or declare any dividends during the year.

Financial position

The net assets of the Company have decreased from (\$347,472) as at 30 June 2010 to (\$579,547) as at 30 June 2011.

The Directors believe the Company is heading towards a stable financial position.

Significant changes in 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 these financial statements.

After balance date events

No matters or circumstances have arisen since the end of the financial year that 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 financial years.

Future developments

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report, as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Options

No options over issued shares or interests in the Company were granted to Directors or Executives during or since the end of the financial year and there were no options outstanding at the date of this report.

The Directors and Executive do not own any options over issued shares or interests in the Company at the date of this report.

Indemnifying officers or Auditor

Indemnities have been given, during and since the end of the financial year, for any persons who are or have been a Director or an officer, but not an Auditor, of the Company. The insurance contract prohibits disclosure of any details of the cover.

Environmental issues

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

Directors' report continued

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.

Corporate governance

The Company has implemented various corporate governance practices, which include:

- a) Director approval of operating budgets and monitoring of progress against these budgets;
- b) Ongoing Director training; and
- c) Monthly Director meetings to discuss performance and strategic plans.

The Company has not appointed a separate audit committee due to the size and nature of operations. The normal functions and responsibilities of an audit committee have been assumed by the Board.

Non-audit services

The Board is 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 below did not compromise the external Auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the Auditor; and
- the nature of the services provided do 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.

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2011:

Taxation services:	\$5,150
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Directors' report continued

Auditor's Independence Declaration

The lead Auditor's independence declaration under s 307C of the Corporations Act 2001 for the year ended 30 June 2011 is included within the financial statements.

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

Director  _____

Dated this  day of  2011

Directors' report continued

RSM Bird Cameron Partners

Chartered Accountants

RSM Bird Cameron Partners
8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 F +61 8 9261 9111
www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Dancoor Community Finances Limited for the year ended 30 June 2011, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

RSM Bird Cameron Partners
RSM BIRD CAMERON PARTNERS
Chartered Accountants



TUTU PHONG
Partner

Perth, WA
Dated: 6 September 2011

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scheme approved under
Professional Standards
Legislation.

Major Offices in:
Perth, Sydney, Melbourne,
Adelaide and Canberra
ABN 36 965 185 036

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The accompanying notes form part of these financial statements.

Financial statements

Statement of comprehensive income for the year ended 30 June 2011

	Note	2011 \$	2010 \$
Revenue	2	298,788	184,614
Employee benefits expense		(241,959)	(208,466)
Depreciation and amortisation expense		(46,808)	(46,817)
Finance costs		(36,900)	(20,911)
Other expenses	3	(205,196)	(164,490)
Profit (Loss) before income tax expense		(232,075)	(256,070)
Income tax expense	4	-	-
Profit (Loss) for the year		(232,075)	(256,070)
Other comprehensive income		-	-
Total comprehensive income for the year attributable to members		(232,075)	(256,070)

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of financial position as at 30 June 2011

	Note	2011 \$	2010 \$
Current assets			
Cash and cash equivalents	6	17	251
Trade and other receivables	7	21,427	13,516
Other current assets	8	10,080	6,735
Total current assets		31,524	20,502
Non-current assets			
Plant and equipment	9	24,803	67,611
Intangible assets	10	1,085	3,085
Other non current assets	8	-	1,085
Total non-current assets		25,888	71,781
Total assets		57,412	92,283
Current liabilities			
Trade and other payables	11	34,453	15,871
Short-term financial liabilities	12	588,249	408,768
Short-term provisions	13	14,257	15,116
Total current liabilities		636,959	439,755
Total liabilities		636,959	439,755
Net assets		(579,547)	(347,472)
Equity			
Issued capital	14	768,820	768,820
Retained earnings / (accumulated losses)		(1,348,367)	(1,116,292)
Total equity		(579,547)	(347,472)

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of changes in equity For the year ended June 2011

	Share Capital (Ordinary shares)	Retained Earnings/ (Accumulated Losses)	Total Equity
	\$	\$	\$
Balance at 1 July 2009	768,820	(860,222)	(91,402)
Total comprehensive income for the year	-	(256,070)	(256,070)
Balance at 30 June 2010	768,820	(1,116,292)	(347,472)
Balance at 1 July 2010	768,820	(1,116,292)	(347,472)
Total comprehensive income for the year	-	(232,075)	(232,075)
Balance at 30 June 2011	768,820	(1,348,367)	(579,547)

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of cash flows For the year ended 30 June 2011

	Note	2010 \$	2009 \$
Cash flows from operating activities			
Receipts from customers		290,877	178,636
Payments to suppliers and employees		(433,691)	(376,078)
Interest received		-	-
Finance costs		(36,900)	(20,911)
Net cash used in operating activities	15	(179,715)	(218,353)
Cash flows from investing activities			
Purchase of property, plant and equipment		-	-
Net cash used in investing activities		-	-
Net decrease in cash held		(179,715)	(218,353)
Cash and cash equivalents at beginning of financial year		(408,517)	(190,164)
Cash and cash equivalents at end of financial year	12	(588,232)	(408,517)

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2011

Note 1. Statement of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the Company as an individual entity. The Company is a public company, incorporated and domiciled in Australia.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board (AASB) has concluded would result in a financial report 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. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue on 6 September 2011 by the Directors of the Company.

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Company incurred a loss of \$232,075 and had net cash outflows from operating activities of \$179,715 for the year ended 30 June 2011. As at that date the Company had net current liabilities of \$605,435 and net liabilities of \$579,547.

The Directors believe that it is reasonably foreseeable that the Company will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

1. The Company recognises that losses will be incurred during the start up phase of the business and while market access is being developed;
2. The business activities are supported by Bendigo and Adelaide Bank Limited, including assistance with the preparation and review of the Company's annual cash flow budgets;
3. Bendigo and Adelaide Bank Limited has confirmed that it currently provides working capital by way of an overdraft facility for \$700,000; and
4. The provision of additional funding by Bendigo and Adelaide Bank Limited is dependent upon the Company fulfilling its ongoing responsibilities under the Franchise Agreement and continuing to work closely with Bendigo and Adelaide Bank Limited management to further develop the business. The Company believes that it is fulfilling these responsibilities.

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

(a) Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(b) Plant and equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis.

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

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the year.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

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

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

(d) Financial instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Company becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value 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.

Classification and subsequent measurement

i. Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

ii. 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 using the effective interest rate method.

iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

iv. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

v. Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the statement of comprehensive income unless they are designated as hedges.

The Company does not hold any derivative instruments.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Financial guarantees

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the Company gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The Company has not issued any financial guarantees.

(e) Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

(f) Intangibles

Franchise fee

The franchise fee paid by the Company pursuant to a Franchise Agreement with Bendigo Bank is being amortised over the initial five (5) years period of the agreement, being the period of expected economic benefits of the franchise fee.

(g) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. 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, plus related on-costs. 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.

(h) 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 an outflow of economic benefits will result and that outflow can be reliably measured.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(j) Revenue and other income

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

Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

(k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(l) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

(m) Comparative figures

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

(n) Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial report 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.

Key estimates – Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised in respect of intangibles for the year ended 30 June 2011. Should the projected turnover figures be materially outside of budgeted figures incorporated in value-in-use calculations, an impairment loss would be recognised up to the maximum carrying value of intangibles at 30 June 2011 amounting to \$1,085.

(o) New accounting standards for application in future periods

At the date of this financial report the following standards, which may impact the entity in the period of initial application, have been issued but are not yet effective:

Reference	Title	Summary	Application date (financial years beginning)	Expected Impact
AASB 9	Financial instruments	Replaces the requirements of AASB 139 for the classification and measurement of financial assets. This is the result of the first part of Phase 1 of the IASB's project to replace IAS 39.	1 January 2003	No expected impact on the entity.
AASB 124	Related party disclosures	Revised standard. The definition of a related party is simplified to clarify its intended meaning and eliminate inconsistencies from the application of the definition.	1 January 2011	Disclosure only.

The accompanying notes form part of these financial statements.

Notes to the financial statements continued

	2011 \$	2010 \$
Note 2. Revenue		
Franchise income	298,788	184,614
Interest revenue	-	-
	298,788	184,614

Note 3. Expenses

Advertising and marketing	11,166	7,489
ASIC costs	1,029	1,330
ATM leasing and running costs	11,620	8,920
Community sponsorship and donations	5,745	741
Freight and postage	13,655	13,172
Insurance	12,729	10,694
IT leasing and running costs	31,629	32,911
Occupancy running costs	20,918	20,533
Printing and stationery	8,769	8,161
Rental on operating lease	33,286	31,462
Other operating expenses	56,650	29,077
	207,196	164,490
Remuneration of the Auditors of the Company		
Audit services	7,450	6,800
Other Services	5,150	3,100
	12,600	9,900

Notes to the financial statements continued

	2011 \$	2010 \$
Note 4. Income tax expense		
No income tax is payable by the Company as it has recouped tax losses previously brought to account for income tax purposes.		
a. The components of tax expense comprise:		
Current tax	-	-
b. The prima facie tax on profit before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit before income tax at 30% (2009: 30%)	(69,623)	(76,821)
Add:		
Tax effect of:		
- deferred tax asset not brought to account	69,023	76,375
- non-deductible depreciation and amortisation	600	600
- other non-allowable items	-	31
Less:		
Tax effect of:		
- other allowable items	-	167
Income tax attributable to the Company	-	-

At reporting date, the Company had tax losses of \$1,243,881 (2010: \$1,010,078) which are available to offset future years' taxable income.

The future income tax benefit of these tax losses is \$373,164 (2010: \$303,024). This benefit has not been recognised as an asset in the statement of financial position as there is not a high probability of its realisation.

The benefits will only be obtained if:

- i. the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realised;
- ii. the Company continues to comply with the conditions for deductibility imposed by the law; and
- iii. no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the losses.

Notes to the financial statements continued

Note 5. Key management personnel compensation

a. Names and positions

Name	Position
John Stacy	Chairman
Barbara de Meur	Non-Executive Director
Graeme Maley	Non-Executive Director / Secretary
Ian Kelly	Non-Executive Director
Robin Randall	Non-Executive Director
Michael Sheppard	Non-Executive Director
Hadley Shearn	Non-Executive Director

b. Remuneration of key management positions

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

c. Shareholdings

Number of ordinary shares held by key management personnel

Directors	Balance at beginning of period	Purchased during the period	Other changes	Balance at end of period
John Stacy	18,001	-	-	18,001
Barbara de Meur	15,001	-	-	15,001
Graeme Maley	5,001	-	-	5,001
Ian Kelly	30,001	-	-	30,001
Robin Randall	10,001	-	-	10,001
Michael Sheppard	17,001	-	-	17,001
Hadley Shearn	-	-	5,000	5,000
	103,507	-	(3,501)	100,006

Notes to the financial statements continued

	2011 \$	2010 \$
Note 6. Cash and cash equivalents		
Cash at bank and in hand	17	251
Reconciliation of cash		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	17	251
Bank overdrafts	(588,249)	(408,768)
	(588,232)	(408,517)

Note 7. Trade and other receivables

Trade and other receivables

Trade debtors	21,427	13,516
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a. Provision for impairment of receivables

Current trade and term receivables are non-interest bearing loans and generally on 30-day terms. Non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is an objective evidence that an individual trade or term receivable is impaired. These amounts have been included in the other expenses item.

There is no provision for impairment of receivables.

Note 8. Other assets

Current

Security bond	2,400	
Prepayments	6,595	6,735
	8,995	6,735

Non current

Prepayments	-	1,085
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Notes to the financial statements continued

	2011 \$	2010 \$
Note 9. Property, plant and equipment		
Plant and equipment		
Cost	214,056	214,056
Accumulated depreciation	(189,253)	(146,445)
	24,803	67,611
Movement in carrying amount		
Balance at the beginning of the year	67,611	110,428
Additions	-	-
Depreciation expense	(42,808)	(42,817)
Carrying amount at the end of the year	24,803	67,611

Note 10. Intangible assets

Franchise fee		
Cost	10,000	10,000
Accumulated amortisation	(8,915)	(6,915)
	1,085	3,085

Pursuant to a five year franchise agreement with Bendigo and Adelaide Bank Ltd, the Company operates a branch of Bendigo and Adelaide Bank Ltd, providing a core range of banking products and services.

Note 11. Trade and other payables

Trade creditors and accruals	26,429	14,091
GST payable	8,024	1,780
	34,453	15,871

Note 12. Financial liabilities

Current		
Bank overdraft	588,249	408,768

Security:

The bank overdraft and mortgage loan are secured by a floating charge over the Company's assets.

Notes to the financial statements continued

	2011 \$	2010 \$
Note 13. Provisions		
Current		
Provision for employee entitlements	14,257	15,116
Number of employees at year end	4	4

Note 14. Equity

768,820 (2010: 768,820) fully paid ordinary shares	768,820	768,820
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Note 15. Cash flow information

a. Reconciliation of cash flow from operations with profit after tax

Profit after tax	(232,075)	(256,070)
Depreciation and amortisation	44,808	46,817
Movement in assets and liabilities		
Receivables	(7,911)	(5,978)
Other assets	(2,260)	7,045
Payables	18,582	(12,980)
Provisions	(859)	2,813
Net cash used in operating activities	(179,715)	(218,353)

b. Credit standby arrangement and loan facilities

The Company has a bank overdraft facility amounting to \$700,000 (2010: \$500,000). This may be terminated at any time at the option of the bank. At 30 June 2011, \$587,894 of this facility was used (2010 \$408,768). Interest rates are variable.

Note 16. Related party transactions

Payments were made during the year to Central West Accounting Services, a CPA practice owned by Director Barbara de Meur. A total of \$3,228.60 was paid for Accounting and Administration Services.

Notes to the financial statements continued

	2011 \$	2010 \$
Note 17. Leasing commitments		
Non cancellable operating lease commitment contracted for but not capitalised in the financial statements		
Payable		
Not longer than 1 year	24,300	15,840
Longer than 1 year but not longer than 5 years	-	10,560
	24,300	26,400

Note 18. Dividends

Distributions paid / no dividend payment being made	-	-
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Note 19. Financial risk management

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans, bills and leases.

The Directors' overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

a. Financial risk management policies

Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for Company operations.

The Company does not have any derivative instruments at 30 June 2011.

b. Financial risk exposures and management

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

i. Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt.

ii. Foreign currency risk

The Company is not exposed to fluctuations in foreign currencies.

iii. Liquidity risk

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Notes to the financial statements continued

Note 19. Financial risk management (continued)

iv. Credit risk

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

There are no material amounts of collateral held as security at 30 June 2010.

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

Credit risk is managed reviewed regularly by the Board of Directors. It arises from exposures to customers as well as through deposits with financial institutions.

The Board of Directors monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

- all potential customers are rated for credit worthiness taking into account their size, market position
- customers that do not meet the Company's strict credit policies may only purchase in cash or using recognised credit cards.

The trade receivables balances at 30 June 2011 and 30 June 2010 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

v. Price risk

The Company is not exposed to any material commodity price risk.

Notes to the financial statements continued

Note 19. Financial risk management (continued)

c. Financial Instrument Composition and Maturity analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the statement of financial position.

2011	Weighted average effective interest rate	Variable	Fixed		Non interest bearing	Total
		Floating interest rate	Within 1 year	Within 1 to 5 years		
Financial assets						
Cash and cash equivalents		-	-	-	17	17
Loans and receivables		-	-	-	21,427	21,427
Total financial assets		-	-	-	21,444	21,444
Financial liability						
Bank overdraft secured	6.93%	588,249	-	-	-	588,249
Trade and other payables		-	-	-	34,453	34,453
Total financial liabilities		588,249	-	-	34,453	622,702

2010	Weighted average effective interest rate	Variable	Fixed		Non interest bearing	Total
		Floating interest rate	Within 1 year	Within 1 to 5 years		
Financial assets						
Cash and cash equivalents		-	-	-	251	251
Loans and receivables		-	-	-	13,516	13,516
Total financial assets		-	-	-	13,767	13,767
Financial liability						
Bank overdraft secured	6.49%	408,768	-	-	-	408,768
Trade and other payables		-	-	-	15,871	15,871
Total financial liabilities		408,768	-	-	15,871	424,639
Trade and sundry payables are expected to be paid as followed:						
Less than 6 months					34,453	15,871

Notes to the financial statements continued

Note 19. Financial risk management (continued)

d. Net fair values

The net fair values of investments have been valued at the quoted market bid price at reporting date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the Company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

Fair values are materially in line with carrying values.

e. Sensitivity analysis

i. Interest rate risk

The Company has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

ii. Interest rate sensitivity analysis

At the reporting date, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

2011		-2 %		+ 2%	
	Carrying amount \$	Profit \$	Equity \$	Profit \$	Equity \$
Financial assets					
Cash and cash equivalents	17				
Financial liability					
Bank overdraft secured	588,249	11,765	11,765	(11,765)	(11,765)

2010		-2 %		+ 2%	
	Carrying amount \$	Profit \$	Equity \$	Profit \$	Equity \$
Financial assets					
Cash and cash equivalents	251	(5)	(5)	5	5
Financial liability					
Bank overdraft secured	408,768	8,175	8,175	(8,175)	(8,175)

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged. The Company has no exposure to fluctuations in foreign currency.

Notes to the financial statements continued

Note 20. Operating segments

Types of products and services by segment

The Company operates in the financial services sector as a branch of Bendigo and Adelaide Bank Limited in Western Australia.

Major customers

The Company operates under the terms of a franchise agreement with Bendigo and Adelaide Bank Limited, which accounts for all of the franchise margin income.

Note 21. Events after the balance sheet date

No matters or circumstances have arisen since the end of the financial year that 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 subsequent financial years.

Note 22. Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets at the reporting date.

	2011	2010
	\$	\$

Note 23. Tax

a. Liability

Current	-	-
Income tax	-	-

b. Reconciliations

Deferred tax assets

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out below:

- Tax losses: operating losses	373,164	303,024
	373,164	303,024

Notes to the financial statements continued

Note 24. Economic dependency – Bendigo and Adelaide Bank Limited

The Company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the Community Bank branches at Dandaragan Coorow, Western Australia.

The branches operate as a franchise of Bendigo Bank, using the name “Bendigo Bank” and the logo and system of operations of Bendigo Bank. The Company manages the Community Bank branches on behalf of the Bendigo Bank, however all transactions with customers conducted through the Community Bank branches are effectively conducted between the customers and Bendigo Bank.

All deposits are made with Bendigo Bank, and all personal and investment products are products of Bendigo Bank, with the Company facilitating the provision of those products. All loans, leases or hire purchase transactions, issues of new credit or debit cards, temporary or bridging finance and any other transaction that involves creating a new debt, or increasing or changing the terms of an existing debt owed to Bendigo Bank, must be approved by Bendigo Bank. All credit transactions are made with Bendigo Bank, and all credit products are products of Bendigo Bank.

Bendigo Bank provides significant assistance in establishing and maintaining the Community Bank branch franchise operations. It also continues to provide ongoing management and operational support, and other assistance and guidance in relation to all aspects of the franchise operation, including advice in relation to:

- Advice and assistance in relation to the design, layout and fit out of the **Community Bank**[®] branches;
- Training for the Branch Manager and other employees in banking management systems and interface protocol;
- Methods and procedures for the sale of products and provision of services;
- Security and cash logistic controls;
- Calculation of company revenue and payment of many operating and administrative expenses;
- The formulation and implementation of advertising and promotional programs; and
- Sales techniques and proper customer relations.

Note 25. Company details

The registered office and principal place of business of the Company is:

11 Sandpiper Street

Jurien Bay WA 6516

Directors' declaration

The Directors of the Company declare that:

1. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 and:
 - a. comply with Australian Accounting Standards; and
 - b. give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the Company;
2. the Chief Executive Officer and Chief Finance Officer have each declared that:
 - a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - b. the financial statements and notes for the financial year comply with Australian Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view.
3. 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; and
4. The financial statements and notes thereto also comply with International Financial Reporting Standards, as disclosed in Note 1.

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

Director



Dated this

SIXTH

day of

SEPTEMBER

2011

Independent audit report

RSM Bird Cameron Partners
Chartered Accountants

RSM Bird Cameron Partners
8 St George's Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 F +61 8 9261 9101
www.rsmi.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DANCOOR COMMUNITY FINANCES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Dancoor Community Finances Limited ("the company"), which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and 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.

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 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*.

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 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 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.

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

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Independent audit report continued

RSM Bird Cameron Partners

Chartered Accountants

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 Dancoor Community Finances Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Dancoor Community Finances 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 2011 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

RSM Bird Cameron Partners
RSM BIRD CAMERON PARTNERS
Chartered Accountants



TUTU PHONG
Partner

Perth, WA
Dated: 6 September 2011

Dandaragan Coorow **Community Bank**[®] Branch
11 Sandpiper Street, Jurien Bay WA 6516
Phone: (08) 9652 2590 Fax: (08) 9652 2596

Franchisee: Dancoor Community Finances Limited
PO Box 685, Jurien Bay WA 6516
Phone: (08) 9951 8236 Fax: (08) 9951 8254
ABN: 32 121 053 129

www.bendigobank.com.au/dandaragan-coorow
Bendigo and Adelaide Bank Limited,
The Bendigo Centre, Bendigo VIC 3550
ABN 11 068 049 178. AFSL 237879.
(KKWAR11001) (08/11)

