Gingin **Community Bank®** Branch

Lancelin branch of Bendigo Bank

annual report 2012

Gingin Community

Financial Services Limited

ABN 98 095 382 193

Contents

Chairman's report

For year ending 30 June 2012

Dear shareholder,

Gingin Districts Community Financial Services Limited, your community owned banking business continues to deliver. We are providing local employment, an efficient and friendly banking service, a solid return to investors and above all a funding source for so many local groups and projects. All this is only possible with the support and banking business of shareholders and so many residents of Gingin and Lancelin and the surrounding communities.

Even in a very tough environment since the GFC, we have continued to grow our business base at 30 June 2012 to $163.5 million ($161 million at 30 June 2011) This is only possible with a dedicated staff to whom I extend a warm thank you.

The Board and Senior Staff endeavour to use the appropriate means to post an after tax profit that maximises community benefit, whilst maintaining solid shareholder returns and paying a responsible amount of corporate income tax. This year we posted a reduced Net Profit after tax of $154,960 ($175,989 in 2010/2011) but have increased our overall community contribution to $270879 ($268,231 in 2010/2011). We have also increased our balance in the Community Enterprise Foundation™ at 30 June 2012 to $404,778 ($243,000 at 30 June 2011) which is available for future eligible community projects. The Board is pleased and proud to be able to declare a 19c per share fully franked dividend for the year ended 30 June 2012 (18c year ended 30 June 2011).

The table below shows the total dividends paid is now $1.16 per share.

Financial Year	Cents per Share	Total Distribution
2003/2004	0.07	$30880.50
2004/2005	0.08	$35292.00
2005/2006	0.09	$39703.50
2006/2007	0.12	$52938.00
2007/2008	0.12	$52938.00
2008/2009	0.15	$66172.50
2009/2010	0.16	$70584.00
2010/2011	0.18	$79407.00
2011/2012	0.19	$83818.50
Total	$1.16	$511734.00

Some of the major projects we supported throughout the year were, $75,000 to the Gingin Bowling Club towards two new greens and $18,000 to Gingin District High School for Interactive White Boards in classrooms.

Stephen Fidge has embraced the Senior Managers role since his appointment last year and under his guidance we are putting together a team to ensure continuing business growth.

Chairman's report (continued)

The end of the financial year saw the retirement of Colin Roche, our inaugural Manager who's passion, knowledge and hard work is largely responsible for our success. The Board sincerely thanks Colin and wishes him all the best for the future.

I thank my fellow Directors for their many hours of volunteered time and due diligence, and assure you, your company is in good hands.

Remember "Bank with your **Community Bank®** branch and 'Your' community will benefit".

David Roe
Chairman

Manager’s report

For year ending 30 June 2012

It is now 12 months since taking on the responsibility of managing the day-to-day operations of Gingin Districts Community Financial Services Limited, Gingin **Community Bank®** Branch and Lancelin Branch of Bendigo Bank. During this time the world’s financial difficulties have continued and the two speed economy within Australia has become more pronounced. This has made for difficult operating conditions however your **Community Bank®** branch continues to perform well generating operating profits for distribution to our shareholders and community.

On a management side a number of changes have been implemented over the last 12 months. These changes are the appointment of Christian Kelly as Branch Manager Gingin, retirement of long serving Manager Colin Roche and the recent appointment of Lancelin local Alex Dickson to the role of Branch Manager Lancelin. I will continue in my role of Senior Manager with ultimate responsibility for the combined businesses and its customers.

I am also proud to report that this calendar year your **Community Bank®** branch has been part of a successful trial involving a School Based Traineeship Program. All parties concerned have worked hard at making this a success and we look forward to being involved in future traineeships that will benefit the youth of our Community.

The next 12 months will continue to be difficult however with our valued staff, strong management team and dedicated Directors the business will continue to be profitable and our commitment to supporting the community that supports us will not change.

We look forward to your continued support

Stephen Fidge
Senior Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2012

Thanks to your support as shareholders the **Community Bank®** network has achieved a significant milestone this year, contributing more than $80 million to support the communities these unique companies operate within.

This figure was almost unimaginable when the **Community Bank®** model was first launched in 1998, in partnership with the people from the small Victorian wheat farming towns of Rupanyup and Minyip. For these communities the **Community Bank®** model was seen as a way to restore branch banking services to the towns, after the last of the major banks closed its services. However, in the years since the **Community Bank®** model has become so much more.

In the past financial year a further 20 **Community Bank®** branches have opened, this growth is in-line with our forecast and consistent with what we have seen in recent years. Demand for the model remains strong and there are currently another 32 **Community Bank®** sites in development, with many more conversations happening with communities Australia wide.

At the end of the financial year 2011/12 the **Community Bank®** network had achieved the following:

- Returns to community – $80 million
- **Community Bank®** branches – 295
- **Community Bank®** branch staff – more than 1,400
- **Community Bank®** branch Directors – 1,905
- Volume footings – $21.75 billion
- Customers – 500,000
- Shareholders – 71,197
- Dividends paid to shareholders – $28.8 million

Almost 300 communities have now partnered with Bendigo and Adelaide Bank, so they can not only enhance banking services, but more importantly aggregate the profits their banking business generates and reinvest it in local groups and projects that will ultimately strengthen their community.

In the past 14 years we have witnessed the **Community Bank®** network's returns to communities grow exponentially each year, with $470,000 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.

Today that figure is an astonishing $80 million and with the continued growth and popularity of the **Community Bank®** model, returns should top $100 million by the end of 2013. These dollars add up to new community facilities, improved services, more opportunities for community engagement activities and generally speaking, a more prosperous society.

The communities we partner with also have access to Bendigo and Adelaide Bank's extensive range of other community building solutions including Community Enterprise Foundation™ (philanthropic arm), Community Sector Banking (banking service for not-for-profit organisations), Generation Green™ (environment and sustainability initiative), Community Telco (telecommunications solution), sponsorships, scholarships and Community Enterprises that provide **Community Bank®** companies with further development options.

In Bendigo and Adelaide Bank, your **Community Bank®** company has a committed and strong partner and over the last financial year our company has also seen much success.

Bendigo and Adelaide Bank report (continued)

Last December, our Bank joined the ranks of Australia's A-rated banks following an upgrade announced by Standard & Poor's. Its decision to raise our long-term rating from BBB+ to A– means the Bank (and its **Community Bank®** partners) are now rated 'A' by all three of the world's leading credit rating agencies. This is a huge boost to the Bank and will allow us to access new funding opportunities. It will also enable our group to service supporters who were precluded from banking with us because we were not A rated.

The rating upgrade is a welcome boost for the Bank and its partners at a time when funding is expensive and likely to remain so, margins have been eroded across the industry, credit growth is sluggish at best and subsequently, the profitability of banks remains under pressure.

Not surprisingly, these factors continue to place pressure on our Bank's margin and as **Community Bank®** margin share is still in part based on fixed trails, this is continuing to reflect a skew in margin share between the Bank and its **Community Bank®** partners.

We've been working with the **Community Bank®** network to take action to reduce this imbalance (which is in favour of the **Community Bank®** partners) and see the share of revenue on core banking products closely aligned to the key principal of 50/50 revenue share. Recent market developments are challenging this goal, but the Bank and its partners remain committed to addressing this.

It's Bendigo and Adelaide Bank's vision to be Australia's leading customer-connected bank. We believe our strength comes from our focus on the success of our customers, people, partners and communities. We take a 100-year view of our business; we listen and respect every customer's choice, needs and objectives. We partner for sustainable long-term outcomes and aim to be relevant, connected and valued.

This is what drives each and every one of our people and we invite you as **Community Bank®** shareholders to support us as we work with our partners to deliver on our goals and ensure our sustained and shared success.

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 banking and the role it plays in modern society.

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 2012

Your Directors present their report, together with the financial statements of the Company for the financial year ended 30 June 2012.

Directors

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

David William Roe
Position: Chairperson
Occupation: Primary Producer
Background Information: Twenty years in family farming business. Past Chairman Gingin Districts Recreation Group and the Angus Society of Australia (WA Committee). Past Treasurer Gingin Districts Football Club and Gingin Districts Cricket Club. Gingin Shire Councillor since 2005.
Interest in shares and options: 1,501 shares (direct)
4,500 shares (indirect)

Thomas Cesare Cabassi
Position: Non-Executive Director
Occupation: Real Estate Agent/Farmer
Background Information: Lifetime involvement in the beef cattle industry. Chairman Gingin Bowling Club, lifetime involvement community and sport, past President Gingin Districts High School P&C.
Interest in shares and options: 2,801 shares (direct)
1,500 shares (indirect)

Ronald Owen Pollard
Position: Non-Executive Director
Occupation: Retired
Background Information: Director of "Wescobee Limited". Held office and participated in the football, golf, tennis and bowling clubs. Past President Gingin Districts High School P&C (three years). Twenty-three years on the Executive Beekeepers Section of WA Farmers Federation.
Interest in shares and options: 1,001 shares (direct)
9,400 shares (indirect)

Maxwell Norman Fewster
Position: Non-Executive Director
Occupation: Primary Producer
Background Information: Involved in the agricultural industry since 1956 initially in beekeeping and in latest years also running a property breeding beef cattle. A Director of "Wescobee Limited"
Interest in shares and options: 5,001 shares (direct)
1,300 shares (indirect)

Bruce Courtenay Watson (Resigned 31/1/2012)
Position: Non-Executive Director
Occupation: Sales Person
Background Information: Four years in the Real Estate industry. Forty-five years in agriculture. Held numerous offices in community affairs such as tennis, bowls, rifle shooting and P&C.
Interest in shares and options: 1 share (direct)
3,000 shares (indirect)

Norman Herbert Victor Wallace (Resigned 31/12/2011)
Position: Non-Executive Director
Occupation: Retired
Background Information: Thirty-six years of Local Government experience. Thirty-three years as Road Board Secretary and Shire Clerk of the Gingin Districts Shire Council.
Interest in shares and options: 2,001 shares (direct)
Nil shares (indirect)

Robert William Kestel
Position: Non-Executive Director
Occupation: Poultry Farmer
Background Information: Associate Diploma in Rural Technology, 2008 Nuffield Scholar, past Nuffield Australia Director, Vice President Gingin Football Club, President Gingin Recreation Group, Vice President West Australian Broiler Growers Association, Deputy Director Australian Chicken Growers Council Ltd and Gingin Shire Councillor.
Interest in shares and options: 701 shares (direct)
300 shares (indirect)

Jody Nicole Bondini
Position: Non-Executive Director
Occupation: Business Manager/Owner
Background Information: Secretary of Indoor Sports WA. Past Treasurer of Lancelin Primary P&C. Previously a Lancelin Chamber of Commerce committee member. Past Secretary of Lancelin Golf Club.
Interest in shares and options: 1,001 shares (direct)
Nil shares (indirect)

Stephen James Beckwith (Appointed 19/1/2012)
Position: Non-Executive Director
Occupation: Operations Manager and Primary Producer
Background Information: Bachelor of Business (First Class Honours). 15 years experience in horticulture and agriculture. Treasurer of Gingin Bowling Club and Past President of Gingin Football Club.
Interest in shares and options: 2,000 shares (direct)
Nil shares (indirect)

Justin Kimberley Rule (Resigned 19/1/2012)
Position: Non-Executive Director
Occupation: Proprietor
Background Information: Qualified school teacher, operating school bus business.
Interest in shares and options: 1,001 shares (direct)
Nil shares (indirect)

Wendy Lynette Harris (Resigned 24/5/2012)
Position: Non-Executive Director
Occupation: Business Service Manager
Background Information: Executive Officer for not-for-profit group for 3 years. Partner in family farm in Beermullah. Past secretary of Beermullah Bushfire Brigade. Eight years in Local Government.
Interest in shares and options: 400 shares (direct)
200 shares (indirect)

Irene Betty Neville (Appointed 16/3/2012)
Position: Non-Executive Director
Occupation: Primary Producer
Background Information: Registered general nurse for 25 years. 5 years as a volunteer for St John Ambulance. Member of numerous community groups.
Interest in shares and options: 2,000 shares (direct)
3,000 shares (indirect)

Company Secretary

Jody Nicole Bondini

Directors' meetings attended

During the financial year, 10 meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year were as follows:

Names of Directors	Number eligible to attend	Number attended
David Roe	10	9
Ronald Pollard	10	9
Thomas Cabassi	10	10
Maxwell Fewster	10	7
Bruce Watson	6	5
Norman Wallace	4	3
Robert Kestel	10	9
Justin Rule	4	4
Jody Bondini	10	6
Wendy Harris	9	6
Stephen Beckwith	5	5
Irene Neville	4	4

Principal activity and review of operations

The principal activity and focus of the Company's operations during the year was the operation of a **Community Bank®** branch of Bendigo and Adelaide Bank Limited, pursuant to a franchise agreement.

Operating results

The profit of the Company after providing for income tax amounted to $154,960.

Dividends paid or recommended

The Company paid or declared dividends of $79,407 during the year.

Financial position

The net assets of the Company have increased from $794,226 as at 30 June 2011 to $869,779 as at 30 June 2012, which is an improvement on prior year due to the improved operating performance of the Company.

The Directors believe the Company is in 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.

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.

Directors' report (continued)

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 2012:

Taxation and advisory services:	$9,050

Auditor's Independence Declaration

The lead auditor's independence declaration under s 307C of the Corporations Act 2001 for the year ended 30 June 2012 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 27 September 2012

Auditor's independence declaration

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Gingin Districts Community Financial Services Limited for the year ended 30 June 2012, 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

Perth, WA
Dated: 27 September 2012

TUTU PHONG
Partner

Financial statements

Statement of comprehensive income for the year ended 30 June 2012

	Note	2012 $	2011 $
Revenue	2	1,652,609	1,545,869
Employee benefits expense		(686,037)	(580,982)
Depreciation and amortisation expense		(48,995)	(57,852)
Finance costs		(24)	-
Impairment of property		(67,503)	-
Other expenses	3	(628,103)	(640,402)
Profit before income tax		214,619	266,633
Income tax expense	4	(59,659)	(90,644)
Profit for the year		**154,960**	**175,989**
Other comprehensive income		-	-
Total comprehensive income for the year attributable to members		**154,960**	**175,989**

The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2012

	Note	2012 $	2011 $
Current assets			
Cash and cash equivalents	6	465,292	303,824
Trade and other receivables	7	141,243	127,285
Current tax asset	23	-	-
Other current assets	8	7,247	18,394
Total current assets		**613,782**	**449,503**
Non-current assets			
Property, plant and equipment	9	311,288	354,692
Intangible assets	10	93,226	117,110
Deferred tax asset	23	27,326	16,746
Total non-current assets		**431,840**	**488,548**
Total assets		**1,045,622**	**938,051**
Current liabilities			
Trade and other payables	11	59,898	32,413
Short-term financial liabilities	12	-	-
Short-term provisions	13	49,766	29,132
Current tax liability	23	31,939	56,344
Total current liabilities		**141,603**	**117,889**
Non-current liabilities			
Long-term financial liabilities	12	-	-
Long-term provisions	13	34,240	25,936
Total non-current liabilities		**34,240**	**25,936**
Total liabilities		**175,843**	**148,825**
Net assets		**869,779**	**794,226**
Equity			
Issued capital	14	441,150	441,150
Retained earnings		428,629	353,076
Total equity		**869,779**	**794,226**

The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 30 June 2012

	Note	2012 $	2011 $
Cash flows from operating activities			
Receipts from customers		1,612,443	1,571,246
Payments to suppliers and employees		(1,332,233)	(1,264,328)
Interest received		16,030	14,060
Finance costs		(24)	-
Income tax paid		(94,644)	(41,550)
Net cash provided by operating activities	**15**	**280,921**	**279,428**
Cash flows from investing activities			
Franchise renewal		-	(118,315)
Proceeds from disposal of assets		18,182	12,273
Purchase of property, plant and equipment		(57,215)	(57,448)
Net cash used in investing activities		**(39,033)**	**(163,490)**
Cash flows from financing activities			
Repayment of borrowings		-	-
Proceeds from borrowings		-	-
Dividends paid		(80,420)	(70,584)
Net cash used in financing activities		**(80,420)**	**(70,584)**
Net increase in cash held		161,468	45,354
Cash and cash equivalents at beginning of financial year		303,824	258,470
Cash and cash equivalents at end of financial year	**6**	**465,292**	**303,824**

The accompanying notes form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2012

	Note	2012 $	2011 $
Balance at 1 July 2010	**441,150**	**247,671**	**688,821**
Total comprehensive income for the year	-	175,989	175,989
Subtotal	**441,150**	**423,660**	**864,810**
Dividends paid or provided for	-	(70,584)	(70,584)
Balance at 30 June 2011	**441,150**	**353,076**	**794,226**
Balance at 1 July 2011	**441,150**	**353,076**	**794,226**
Total comprehensive income for the year		154,960	154,960
Subtotal	**441,150**	**508,036**	**949,186**
Dividends paid or provided for		(79,407)	(79,407)
Balance at 30 June 2012	**441,150**	**428,629**	**869,779**

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2012

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 27 September 2012 by the Directors of the Company.

(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.

Note 1. Statement of significant accounting policies (continued)

(a) Income tax (continued)

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) Property, plant and equipment

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

Property

Freehold land and buildings are shown at cost less any 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.

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 including building and capitalised lease assets, but excluding freehold land, 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 & equipment	11.25% - 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.

Note 1. Statement of significant accounting policies (continued)

(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.

(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.

Note 1. Statement of significant accounting policies (continued)

(d) Financial instruments (continued)

Classification and Subsequent Measurement (continued)

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.

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 significant or 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.

(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.

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.

(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 2012. 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 2012 amounting to $ 93,226.

(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 inserted 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 2013	No expected impact on the entity.

The Company has decided against early adoption of these standards.

	2012 $	2011 $

Note 2. Revenue

Revenue from continuing activities		
Franchise margin income	1,613,269	1,519,171
Interest revenue	18,763	16,211
Other income	20,577	10,487
	1,652,609	**1,545,869**

Note 3. Expenses

	2012 $	2011 $
Advertising and marketing	22,043	46,701
ATM leasing and running costs	10,083	9,066
Bad debts	920	7,476
Community sponsorship and donations	270,879	268,231
Freight and postage	23,374	23,259
Insurance	23,216	17,901
IT leasing and running costs	46,312	47,506
Occupancy running costs	43,584	35,392
Printing and stationery	22,082	20,749
Rental on operating lease	43,793	42,324
Other operating expenses	113,639	105,544
Motor vehicle costs	15,505	16,253
	635,431	**640,402**
Remuneration of the auditors of the Company		
Audit services	7,500	7,450
Other Services	9,050	5,650
	16,550	**13,100**

	2012 $	2011 $

Note 4. Income tax expense

No income tax is payable by the Company as it has recouped tax losses previously bought to account for income tax purposes.

	2012 $	2011 $
a. The components of tax expense comprise:		
Current tax	95,217	83,395
Deferred tax (Note 23)	(10,581)	7,249
Recoupment of prior year tax losses		-
Over provision in respect of prior years	(24,977)	-
	59,659	**90,644**
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% (2011: 30%)	64,386	79,990
Add:		
Tax effect of:		
– non-deductible depreciation and amortisation	-	4,996
– other non-allowable items	20,250	-
	84,636	**84,986**
Less:		
Tax effect of:		
– overprovision for income tax in prior years	(24,977)	5,658
– other allowable items	-	-
Income tax attributable to the Company	**59,659**	**90,644**

Note 5. Key management personnel compensation

a. Names and positions

Name	**Position**
David Roe	Chairman
Thomas Cabassi	Non-Executive Director
Ronald Pollard	Non-Executive Director
Maxwell Fewster	Non-Executive Director
Stephen Beckwith	Non-Executive Director
Irene Neville	Non-Executive Director
Robert Kestel	Non-Executive Director
Jody Bondini	Non-Executive Director / Secretary

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.

2012	Ordinary Shares			
Directors	**Balance at beginning of period**	**Purchased during the period**	**Other changes**	**Balance at end of period**
Thomas Cabassi	4,301	-	-	4,301
Ronald Pollard	10,401	-	-	10,401
David Roe	6,001	-	-	6,001
Maxwell Fewster	6,301	-	-	6,301
Stephen Beckwith	-	2,000	-	2,000
Irene Neville	-	2,000	-	2,000
Robert Kestel	1,001	-	-	1,001
Jody Bondini	1,001	-	-	1,001
	29,006	**4,000**	**-**	**33,006**

	2012 $	2011 $

Note 6. Cash and cash equivalents

Cash at bank and in hand	**465,292**	**303,824**
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	**465,292**	**303,824**

Note 7. Trade and other receivables

Accrued income	5,285	2,552
Trade debtors	135,958	124,733
	141,243	**127,285**

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 will be included in the other expenses item of the statement of comprehensive income.

There is no provision for impairment of receivables.

Note 8. Other assets

Prepayments	**7,247**	**18,394**

Note 9. Property, plant and equipment

Land and buildings	267,504	267,504
Less : impairment	(67,503)	-
	200,001	**267,504**
Plant and equipment		
Cost	333,370	325,234
Accumulated depreciation	(285,748)	(276,452)
	47,622	**48,782**
Leasehold improvements		
Cost	13,880	-
Accumulated depreciation	(347)	-
	13,533	**-**

	2012 $	2011 $
Note 9. Property, plant and equipment (continued)		
Motor vehicle		
Cost	66,891	68,585
Accumulated depreciation	(16,759)	(30,179)
	50,132	**38,406**
Total property, plant and equipment	**311,288**	**354,692**
Reconciliation of the carrying value for each class of property, plant and equipment are set out below:		
Plant and equipment		
Balance at the beginning of the year	48,782	54,975
Additions	8,136	25,756
Depreciation expense	(9,296)	(31,949)
Carrying amount at the end of the year	**47,622**	**48,782**
Motor Vehicle		
Balance at the beginning of the year	38,406	29,406
Additions	35,199	31,692
Disposals	(18,182)	(12,273)
Loss on disposal	10,177	(1,307)
Depreciation expense	(15,468)	(8,752)
Carrying amount at the end of the year	**50,132**	**38,406**
Land and Buildings		
Balance at beginning of the year	267,504	267,504
Impairment	(67,503)	-
Carrying amount at the end of the year	**267,504**	**267,504**

	2012 $	2011 $

Note 10. Intangible assets

Gingin		
Franchise fee		
Cost	50,000	50,000
Accumulated amortisation	(11,096)	(1,096)
	38,904	**48,904**
Lancelin		
Franchise fee		
Cost	69,423	69,423
Accumulated amortisation	(15,101)	(1,217)
	54,322	**68,206**
Total intangible assets	**93,226**	**117,110**

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

Note 11. Trade and other payables

Trade creditors and accruals	31,754	25,544
GST payable	27,965	5,679
Dividend payable	179	1,190
	58,898	**32,413**

Note 12. Financial liabilities

Current		
Chattel mortgage	-	-
Mortgage loan	-	-
	-	**-**
Non current		
Mortgage loan	-	-

Security:

The bank loans were secured by a floating charge over the Company's assets.

	2012 $	2011 $

Note 13. Provisions

Current		
Provision for employee entitlements	**49,766**	**29,132**
Non current		
Provision for employee entitlements	**34,240**	**25,936**
Number of employees at year end	**11**	**9**

Note 14. Equity

441,150 (2011: 441,150) fully paid ordinary shares	**441,150**	**441,150**

Note 15. Cash flow information

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

Profit after tax	222,463	175,989
Profit on disposal of asset	(10,177)	(1,307)
Depreciation and amortisation	48,995	57,852
Movement in assets and liabilities		
Receivables	(11,225)	41,588
Other assets	11,147	(1,509)
Accrued income	(2,733)	(2,151)
Payables	28,496	(20,076)
Deferred tax asset	(10,580)	(7,250)
Provisions	28,938	11,899
Current tax liability	(24,405)	24,393
Net cash provided by operating activities	280,921	279,428

b. Credit Standby Arrangement and Loan Facilities

The Company does not operate a bank overdraft facility or have any loan facilities at present.

Note 16. Related party transactions

The related parties have not entered into a transaction with the Company during the financial years ended 30 June 2011 and 30 June 2012.

	2012 $	2011 $

Note 17. Leasing commitments

Non cancellable operating lease commitment contracted for but not capitalised in the financial statements

Payable – Gingin Branch		
Not longer than 1 year	23,512	22,608
Longer than 1 year but not longer than 5 years	94,050	90,433
	117,562	**113,041**
Payable – Lancelin Branch		
Not longer than 1 year	22,370	21,510
Longer than 1 year but not longer than 5 years	83,047	79,853
	105,417	**101,363**

Note 18. Dividends

Distributions paid

2012 final dividend (fully franked) of 18 cents per share paid (2011:16 cents (fully franked)	**79,407**	**70,584**
a. Balance of franking account at beginning of year adjusted for franking credits arising from:	228,597	217,297
- payment of provision for income tax	107,339	41,550
Prior years amendments	(19,258)	
- dividends recognised as receivables and franking debits arising from payment of proposed dividends, and franking credits that may be prevented from distribution in subsequent financial years	(34,032)	(30,250)
Balance at end of year	**321,162**	**228,597**

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 2012.

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. Liquidity risk

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

iii. Credit risk

   The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting 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 2012.

   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 and financial standing; and
   - 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 2012 and 30 June 2011 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

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.

Note 19. Financial risk management (continued)

c. Financial Instrument Composition and Maturity analysis (continued)

2012		**Variable**	**Fixed**			
	Weighted Average Effective Interest Rate	**Floating Interest Rate**	**Within 1 Year**	**Within 1 to 5 Years**	**Non Interest Bearing**	**Total**
Financial Assets						
Cash and cash equivalents	1.5%	48,797	-	-	-	48,797
Short term deposits	4.5%	-	416,495	-		416,495
Trade and other receivables		-		-	141,243	141,243
Total Financial Assets		**48,797**	**416,495**	**-**	**141,234**	**606,535**
Financial Liability						
Trade and other payables		-	-	-	58,592	58,592
Total Financial Liabilities		**-**	**-**	**-**	**58,592**	**58,592**

2011		**Variable**	**Fixed**			
	Weighted Average Effective Interest Rate	**Floating Interest Rate**	**Within 1 Year**	**Within 1 to 5 Years**	**Non Interest Bearing**	**Total**
Financial Assets		50,503	-	-	189	50,692
Cash and cash equivalents	1.5%	-	253,132	-	-	253,132
Short term deposits	5.8%	-	-	-	127,285	127,285
Trade and other receivables		-	-	-	-	-
Total Financial Assets		**50,503**	**253,132**	**-**	**127,474**	**431,109**
Financial Liability						
Trade and other payables		-	-	-	32,413	32,413
Total Financial Liabilities		**-**	**-**	**-**	**32,413**	**32,413**

	2012 $	2011 $
Trade and sundry payables are expected to be paid as followed:		
Less than 6 months	**59,898**	**32,413**

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 reporting 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 30 June 2012, 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:

2012		-2 %		+ 2%	
	Carrying Amount $	Profit $	Equity $	Profit $	Equity $
Financial Assets					
Cash and cash equivalents	465,292	(9,306)	(9,306)	9,306	9,306

2011		-2 %		+ 2%	
	Carrying Amount $	Profit $	Equity $	Profit $	Equity $
Financial Assets					
Cash and cash equivalents	303,824	(6,076)	(6,076)	6,076	6,076

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 Statement of Financial Position 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.

	2012 $	2011 $
Note 23. Tax		
a. Liability		
Current		
Income tax (credit) / liability	31,939	56,344
b. Assets		
Deferred tax assets comprise:		
Provisions	25,101	16,520
Other	2,125	226
	27,326	**16,746**

	2012 $	2011 $
Note 23. Tax (contiuned)		
c. Reconciliation		
i. Gross movements		
The overall movement in the deferred tax account is as follows:		
Opening balance	16,746	9,496
Statement of Comprehensive Income	10,580	7,250
Closing balance	**27,326**	**16,746**
ii. Deferred tax assets		
The movement in deferred tax assets for each temporary difference during the year is as follows:		
Provisions		
Opening balance	16,520	12,950
Statement of Comprehensive Income	8,581	3,570
Closing balance	**25,101**	**16,520**
iii. Other		
Opening balance	226	(3,454)
(Statement of Comprehensive Income	1,899	3,680
Closing balance	**2,125**	**226**
	27,326	**16,746**

Note 24. Economic dependency – Bendigo and Adelaide Bank Limited

The company has entered into franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the Community Bank branches at Gingin and Lancelin, 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, o 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.

Note 24. Economic dependency – Bendigo and Adelaide Bank Limited (continued)

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:

3 Constable Street
Gingin WA 6503

442 Lancelin Plaza
Lancelin WA 6044

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 2012 and of the performance for the year ended on that date of the Company;
2. the financial statements and notes thereto also comply with International Financial Reporting Standards, as disclosed in Note 1; and
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.

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

Director

Dated 27 September 2012

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
GINGIN DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED**

Report on the Financial Report

We have audited the accompanying financial report of Gingin Districts Community Financial Services Limited ("the company"), which comprises the statement of financial position as at 30 June 2012, 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.

RSM Bird Cameron Partners

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 Gingin Districts Community Financial Services 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 Gingin Districts Community Financial Services 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 2012 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

Perth, WA
Dated: 28 September 2012

TUTU PHONG
Partner

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3 Constable Street, Gingin WA 6503
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Lancelin branch of Bendigo Bank
442 Lancelin Plaza, Lancelin WA 6044
Phone: (08) 9655 2973

Franchisee: Gingin Districts Community
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Bendigo Bank