Gingin Districts Community Financial Services Ltd

ABN 98 095 382 193

ANNUAL REPORT 2013

Gingin **Community Bank®** Branch
Lancelin branch of Bendigo Bank

Contents

Chairman's report

For year ending 30 June 2013

Your **Community Bank®** company has continued to grow its business base over the 2012/13 financial year. As a result, net profit for the year ended 30 June 2013 has increased 15% to $179,596 ($154,960 - June 30 2012). The company is in a strong financial position and continues to steadily increase fully franked dividends as shown in the table below. The Board is pleased to declare a 20c fully franked dividend for the year ended 30 June 2013 (19c fully franked 2012).

Dividend payments to date		
Financial year	**Cents per share**	**Total distribution**
2003/2004	.07c	0.07
2004/2005	.08c	0.15
2005/2006	.09c	0.24
2006/2007	.12c	0.36
2007/2008	.12c	0.48
2008/2009	.15c	0.63
2009/2010	.16c	0.79
2010/2011	.18c	0.97
2011/2012	.19c	1.16
2012/2013	.20c	1.36

The real dividend Gingin Districts Community Financial Services Ltd provides is to the wider community, via the local employment and the funding and support we have been able to provide so many local projects and causes over the years. This is only possible from the profits derived from our communities banking and insurance business. I strongly urge you all to continue to sell the message, "More business, means more profit and more money to local projects".

The past 12 months have seen your **Community Bank®** company contribute $279,614 towards our community. Major grants included $120,000 towards a new purpose built DAADA Community Centre in Lancelin, $60 000 for greening of 9 fairways at the Lancelin Golf Club and $4,357 to build a First Aid Post in Redfield Park.

All this is only possible with the passionate hard work of all our friendly local staff, led by our Senior Manager Stephen Fidge, Executive Officer Sharon Rule and Branch Managers Christian Kelly and Alex Dickson.

Thank you to my fellow Directors for the many hours of donated time and due diligence, and I assure you, your company is in good hands.

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

David Roe

David Roe
Chairman

Senior Manager's report

For year ending 30 June 2013

Operating conditions continue to be difficult, however due to the hard work of staff and the management team we have been able to record a net growth for the year in our overall portfolio of $10 million, this is a big improvement from the nominal growth recorded in 2011/12.

The Board of Directors continues to show its strong support for our shareholders, community, customers and staff and is one of the key factors in the group's outstanding performance over the years. They are not afraid to provide the necessary tools to ensure we have the capacity to continually grow the business for the benefit of our shareholders and community. I thank Chairman David Roe and his fellow Directors for their on going support and confidence.

The most important part of the business is our people. During the last 12 months we have seen a change in personnel as we lost valued team members to retirement and motherhood. The strong work ethic that the departing members left has been picked by our new employees and it is business as usual at our branches in Gingin and Lancelin. I thank all staff for their efforts over the last 12 months and congratulate them as they are a major contributor to our ongoing success.

A vital cog in our operations is our partners at Bendigo and Adelaide Bank who continue to provide high levels of support and encouragement. They help put together the nuts and bolts that are part of the great team at Gingin **Community Bank®** Branch and Lancelin branch. I thank them for their support.

The management team helps to guide our operations and it's the shared vision of a successful community and business that makes us strong. I would like to thank Gingin Branch Manager Christian Kelly, Lancelin Branch Manager Alex Dickson and Board Executive Officer Sharon Rule for their outstanding efforts over the last 12 months as we work well as a team and have all achieved together. It is with regret that Alex will be leaving the team to pursue his career within the Bendigo and Adelaide Bank Group; he leaves with our best wishes and good luck for the future.

The group whilst performing strongly is only as successful as our customers allow and we must not lose focus on this aspect. I look forward to continuing to lead this high performing team over the coming years which will only contribute further to successful community, shareholders and customers of Gingin Districts Community Financial Services Limited.

Stephen Fidge
Senior Manager

Directors' report

For the financial year ended 30 June 2013

Your Directors present their report, together with the financial statements of the company for the financial year ended 30 June 2013.

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 "91 Holdings". 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 "91 Holdings"

Interest in shares and options: 5,001 shares (direct) 1,300 shares (indirect)

Directors' report (continued)

Directors (continued)

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)

Shephen James Beckwith

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)

Irene Betty Neville

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' report (continued)

Directors meetings attended

During the financial year, 11 meetings of Directors were held. Attendances by each Director during the year were as follows:

	Directors' meetings	
Names of Directors	**Number eligible to attend**	**Number attended**
David Roe	11	11
Ronald Pollard	11	11
Thomas Cabassi	11	9
Maxwell Fewster	11	10
Robert Kestel	11	9
Jody Bondini	11	9
Stephen Beckwith	11	10
Irene Neville	11	10

Principal activity and review of operations

The principal activity and focus of the company's operations during the year was the operation of a two Branches 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 $179,596.

Dividends paid or recommended

The company paid or declared dividends of $83,819 during the year.

Financial position

The net assets of the company have increased from $869,779 as at 30 June 2012 to $965,556 as at 30 June 2013, 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.

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.

Non-audit services (continued)

The following fees for non-audit services were paid/payable to the external Auditors during the year ended 30 June 2013:

Taxation and advisory services:	$9,330

Auditor's Independence Declaration

The lead Auditor's independence declaration under s 307C of the Corporations Act 2001 for the year ended 30 June 2013 is included within the financial statements.

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

Robert Kestel
Director

Dated 26 September 2013

Auditor's independence declaration

RSM Bird Cameron Partners

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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 2013, 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

D J WALL
Partner

Perth, WA
Dated: 26 SEPTEMBER 2013

Financial statements

Statement of comprehensive income for the year ended 30 June 2013

	Note	2013 $	2012 $
Revenue	2	1,762,391	1,652,609
Employee benefits expense		(780,637)	(686,037)
Depreciation and amortisation expense		(64,671)	(48,995)
Finance costs		(78)	(24)
Impairment of property		-	(67,503)
Other expenses	3	(658,386)	(635,431)
Profit before income tax		258,619	214,619
Income tax expense	4	(79,023)	(59,659)
Profit for the year		**179,596**	**154,960**
Other comprehensive income		-	-
Total comprehensive income for the year attributable to members		**179,596**	**154,960**

The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2013

	Note	2013 $	2012 $
Current assets			
Cash and cash equivalents	6	516,275	465,292
Trade and other receivables	7	157,640	141,243
Other current assets	8	9,140	7,247
Total current assets		**683,055**	**613,782**
Non-current assets			
Property, plant and equipment	9	345,463	311,288
Intangible assets	10	69,276	93,226
Deferred tax asset	22	26,290	27,326
Total non-current assets		**441,029**	**431,840**
Total assets		**1,124,084**	**1,045,622**
Current liabilities			
Trade and other payables	11	72,085	59,898
Short-term provisions	12	43,868	49,766
Current tax liability	22	2,291	31,939
Total current liabilities		**118,244**	**141,603**
Non-current liabilities			
Long-term provisions	12	40,284	34,240
Total non-current liabilities		**40,284**	**34,240**
Total liabilities		**158,528**	**175,843**
Net assets		**965,556**	**869,779**
Equity			
Issued capital	13	441,150	441,150
Retained earnings		524,406	428,629
Total equity		**965,556**	**869,779**

The accompanying notes form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2013

	Share Capital $	Retained Earnings $	Total $
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**
Balance at 1 July 2012	441,150	428,629	869,779
Total comprehensive income for the year	-	179,596	179,596
Subtotal	**441,150**	**608,225**	**1,049,375**
Dividends paid or provided for	-	(83,819)	(83,819)
Balance at 30 June 2013	**441,150**	**524,406**	**965,556**

The accompanying notes form part of these financial statements.

Statement of cash flows
for the year ended 30 June 2013

	Note	2013 $	2012 $
Cash flows from operating activities			
Receipts from customers		1,722,213	1,612,443
Payments to suppliers and employees		(1,428,968)	(1,252,884)
Interest received		23,780	16,030
Finance costs		(78)	(24)
Income tax paid		(107,635)	(94,644)
Net cash provided by operating activities	**14**	**209,312**	**280,921**
Cash flows from investing activities			
Proceeds from disposal of assets		-	18,182
Purchase of property, plant and equipment		(74,895)	(57,215)
Net cash used in investing activities		**(74,895)**	**(39,033)**
Cash flows from financing activities			
Dividends paid		(83,434)	(80,420)
Net cash used in financing activities		**(83,434)**	**(80,420)**
Net increase in cash held		50,983	161,468
Cash and cash equivalents at beginning of financial year		465,292	303,824
Cash and cash equivalents at end of financial year	**6**	**516,275**	**465,292**

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2013

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 26 September 2013 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
Buildings	2%
Plant and 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.

Note 1. Statement of significant accounting policies (continued)

(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 and Adelaide Bank Limited 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.

Note 1. Statement of significant accounting policies (continued)

(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.

<u>Key estimates — Impairment</u>

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 2013. 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 2013 amounting to $ 69,276.

(o) New accounting standards for application in future periods

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

<u>New accounting standards and interpretations not yet mandatory or early adopted</u>

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2013. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

Note 1. Statement of significant accounting policies (continued)

(o) New accounting standards for application in future periods (continued)

New accounting standards and interpretations not yet mandatory or early adopted (continued)

- AASB 9 Financial Instruments, 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and 2012-6 Amendments to Australian Accounting Standards arising from AASB 9

  This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2015 and completes phase I of the IASB's project to replace IAS 39 (being the international equivalent to AASB 139 'Financial Instruments: Recognition and Measurement'). This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The company will adopt this standard from 1 July 2015 but the impact of its adoption is yet to be assessed by the consolidated entity.

- AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

  This revised standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments make changes to the accounting for defined benefit plans and the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. The later will require annual leave that is not expected to be wholly settled within 12 months to be discounted allowing for expected salary levels in the future period when the leave is expected to be taken. The adoption of the revised standard from 1 July 2013 is not expected to have a material impact on the company.

	2013 $	**2012 $**
Note 2. Revenue		
Franchise margin income	1,741,950	1,613,269
Interest revenue	18,708	18,763
Other income	1,733	20,577
	1,762,391	**1,652,609**

Notes to the financial statements (continued)

	2013 $	2012 $
Note 3. Expenses		
Advertising and marketing	35,414	22,043
ATM leasing and running costs	20,069	10,083
Bad debts	423	920
Community sponsorship and donations	279,614	270,879
Freight and postage	28,485	23,374
Insurance	21,910	23,216
IT leasing and running costs	39,538	46,313
Occupancy running costs	44,030	43,584
Printing and stationery	18,156	22,082
Rental on operating lease	44,428	43,793
Other operating expenses	109,200	113,639
Motor vehicle costs	17,119	15,505
	658,386	**635,431**
Remuneration of the Auditors of the company		
Audit services	8,100	7,500
Other services	9,330	9,050
	17,430	**16,550**

Note 4. Income tax expense

	2013 $	2012 $
a. The components of tax expense comprise:		
Current tax	77,987	95,216
Deferred tax (Note 22)	1,036	(10,580)
Recoupment of prior year tax losses	-	-
Over provision in respect of prior years	-	(24,977)
	79,023	**59,659**
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% (2012: 30%)	77,586	64,386
Add:		
Tax effect of:		
- non-deductible depreciation and amortisation	-	-
- other non-allowable items	1,437	20,250
	79,023	**84,636**

	2013 $	2012 $
Note 4. Income tax expense (continued)		
Less:		
Tax effect of:		
- overprovision for income tax in prior years	-	(24,977)
- other allowable items	-	-
Income tax attributable to the company	**79,023**	**59,659**

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.

2013	**Ordinary shares**			
Director	**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	5,000	-	-	5,000

Notes to the financial statements (continued)

Note 5. Key management personnel compensation

c. Shareholdings (continued)

2013	Ordinary shares			
Director	**Balance at beginning of period**	**Purchased during the period**	**Other changes**	**Balance at end of period**
Robert Kestel	1,001	-	-	1,001
Jody Bondini	1,001	-	-	1,001
	36,006	**-**	**-**	**36,006**

	2013 $	2012 $
6. Cash and cash equivalents		
Cash at bank and in hand	**516,275**	**465,292**
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	**516,275**	**465,292**

Note 7. Trade and other receivables

Accrued income	213	5,285
Trade debtors	157,427	135,958
	157,640	**141,243**

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	**9,140**	**7,247**

	2013 $	2012 $
Note 9. Property, plant and equipment		
Land and buildings	200,001	267,504
Less impairment	-	(67,503)
Accumulated depreciation	(4,793)	-
	195,208	**200,001**
Plant and equipment		
Cost	334,570	333,370
Accumulated depreciation	(295,441)	(285,748)
	39,129	**47,622**
Leasehold improvements		
Cost	15,610	13,880
Accumulated depreciation	(1,833)	(347)
	13,777	**13,533**
Motor vehicle		
Cost	138,856	66,891
Accumulated depreciation	(41,507)	(16,759)
	97,349	**50,132**
Total property, plant and equipment	**345,463**	**311,288**
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	47,622	48,782
Additions	1,869	8,136
Depreciation expense	(10,362)	(9,296)
Carrying amount at the end of the year	**39,129**	**47,622**
Motor vehicle		
Balance at the beginning of the year	50,132	38,406
Additions	71,966	35,199
Disposals	-	(18,182)
Loss on disposal	-	10,177
Depreciation expense	(24,749)	(15,468)
Carrying amount at the end of the year	**97,349**	**50,132**

	2013 $	2012 $

Note 9. Property, plant and equipment (continued)

Land and buildings		
Balance at beginning of the year	200,001	267,504
Impairment	-	(67,503)
Depreciation expense	(4,793)	-
Carrying amount at the end of the year	**195,208**	**200,001**

Note 10. Intangible assets

Gingin		
Franchise fee		
Cost	50,000	50,000
Accumulated amortisation	(21,096)	(11,096)
	28,904	**38,904**
Lancelin		
Franchise fee		
Cost	69,423	69,423
Accumulated amortisation	(29,051)	(15,101)
	40,372	**54,322**
Total intangible assets	**69,276**	**93,226**

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	44,645	31,754
GST payable	26,876	27,965
Dividend payable	564	179
	72,085	**59,898**

	2013 $	2012 $

Note 12. Provisions

	2013 $	2012 $
Current		
Provision for employee entitlements	**43,868**	**49,766**
Non current		
Provision for employee entitlements	**40,284**	**34,240**
Number of employees at year end	13	11

Note 13. Equity

	2013 $	2012 $
441,150 (2012: 441,150) fully paid ordinary shares	**441,150**	**441,150**

Note 14. Cash flow information

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

	2013 $	2012 $
Profit after tax	179,596	154,960
Profit on disposal of asset	-	(10,177)
Depreciation and amortisation	64,671	48,995
Revaluation	-	67,503
Movement in assets and liabilities		
Receivables	(21,469)	(11,225)
Other assets	(1,893)	11,147
Accrued income	5,072	(2,733)
Payables	11,801	28,498
Deferred tax asset	1,036	(10,580)
Provisions	146	28,938
Current tax liability	(29,648)	(24,405)
Net cash provided by operating activities	**209,312**	**280,921**

b. Credit Standby Arrangement and Loan Facilities

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

Note 15. Related party transactions

The related parties have not entered into a transaction with the company during the financial years ended 30 June 2013 and 30 June 2012.

Notes to the financial statements (continued)

	2013 $	2012 $

Note 16. Leasing commitments

Non cancellable operating lease commitment contracted for but not capitalised in the financial statements		
Payable – Gingin branch		
Not longer than 1 year	24,564	23,512
Longer than 1 year but not longer than 5 years	46,672	94,050
	71,236	**117,562**
Payable – Lancelin branch		
Not longer than 1 year	19,548	22,370
Longer than 1 year but not longer than 5 years	39,096	83,047
	58,644	**105,417**

Note 17. Dividends

Distributions paid

2013 final dividend (fully franked) of 19 cents per share paid (2012:18 cents (fully franked)	**83,819**	**79,407**
a. Balance of franking account at beginning of year adjusted for franking credits arising from:	321,162	228,597
- payment of provision for income tax	155,532	107,339
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	(83,819)	(34,032)
Balance at end of year	**392,875**	**321,162**

Note 18. 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 2013.

Note 18. Financial risk management (continued)

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 2013.

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 2013 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 18. Financial risk management (continued)

c. Financial instrument composition and maturity analysis (continued)

2013	Variable		Fixed		Non interest bearing	Total
	Weighted average effective interest rate	Floating interest rate	Within 1 year	Within 1 to 5 years		
Financial assets						
Cash and cash equivalents	0.69%	97,079	-	-	-	97,079
Short term deposits	4.39%	-	419,196	-	-	419,196
Loans and receivables		-	-	-	157,640	157,640
Total financial assets		**97,079**	**419,196**	**-**	**157,640**	**673,915**
Financial liability						
Trade and other payables		-	-	-	72,085	72,085
Total financial liabilities		**-**	**-**	**-**	**72,085**	**72,085**

2012	Variable		Fixed		Non interest bearing	Total
	Weighted average effective interest rate	Floating interest rate	Within 1 year	Within 1 to 5 years		
Financial assets						
Cash and cash equivalents	1.5%	48,797	-	-	-	48,797
Short term deposits	4.5%	-	416,495	-	-	416,495
Loans and receivables		-	-	-	141,243	141,243
Total financial assets		**48,797**	**416,495**	**-**	**141,243**	**606,535**
Financial liability						
Trade and other payables		-	-	-	59,898	59,898
Total financial liabilities		**-**	**-**	**-**	**59,898**	**59,898**

	2013 $	2012 $

Note 18. Financial risk management (continued)

c. Financial instrument composition and maturity analysis (continued)

Trade and sundry payables are expected to be paid as followed:

Less than 6 months	**72,085**	**59,898**

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 2013, 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:

	Carrying amount $	- 2 %		+ 2%	
2013		**Profit $**	**Equity $**	**Profit $**	**Equity $**
Financial assets					
Cash and cash equivalents	516,275	(10,326)	(10,326)	10,326	10,326

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

Notes to the financial statements (continued)

Note 19. Operating segments

Types of products and services by segment

The company operates in the financial services sector with two branches 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 20. 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 21. Contingent liabilities and contingent assets

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

	2013 $	2012 $
Note 22. Tax		
a. Liability		
Current		
Income tax (credit) / liability	**2,291**	**31,939**
b. Assets		
Deferred tax assets comprise:		
Provisions	23,065	25,101
Other	3,225	2,225
	26,290	**27,326**
c. Reconciliations		
i. Gross movements		
The overall movement in the deferred tax account is as follows:		
Opening balance	27,326	16,746
Statement of comprehensive income	(1,036)	10,580
Closing balance	**26,290**	**27,326**

	2013 $	2012 $
Note 22. Tax (continued)		
c. Reconciliations (continued)		
ii. Deferred tax assets		
The movement in deferred tax assets for each temporary difference during the year is as follows:		
Provisions		
Opening balance	25,201	16,520
Statement of comprehensive income	(2,136)	8,681
Closing balance	**23,065**	**25,201**
iii. Other		
Opening balance	2,125	226
Statement of comprehensive income	1,100	1,899
Closing balance	**3,225**	**2,125**
	26,290	**27,326**

Note 23. 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 operates 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.

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;

Notes to the financial statements (continued)

Note 23. Economic dependency – Bendigo and Adelaide Bank Limited (continued)

- The formulation and implementation of advertising and promotional programs; and
- Sales techniques and proper customer relations.

Note 24. 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 2013 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.

Robert Kestel
Director

Dated 26 September 2013

Independent audit report

RSM Bird Cameron Partners

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

GINGIN DISTRICTS COUMMUNITY 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 2013*, 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.

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 2013 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.

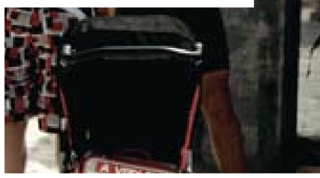
RSM Bird Cameron Partners.

RSM BIRD CAMERON PARTNERS

David Wall.

D J WALL
Partner

Perth, WA
Dated: 3 OCTOBER 2013



Gingin **Community Bank**® Branch
3 Constable Street, Gingin WA 6503
Phone: (08) 9575 1560

Lancelin branch of Bendigo Bank
442 Lancelin Plaza, Lancelin WA 6044
Phone: (08) 9655 2973

Franchisee: Gingin Districts Community
Financial Services Ltd
3 Constable Street, Gingin WA 6503
Phone: (08) 9575 1560
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