

Goomalling & Districts
Community Financial Services Limited

ABN 64 088 925 115

annual report 2011



Goomalling & Districts **Community Bank**[®] Branch

Contents

Chairman's report	2
Manager's report	3
Bendigo and Adelaide Bank Ltd report	4-5
Directors' report	6-8
Auditors Independence Declaration	9
Financial statements	10-13
Notes to the financial statements	14-20
Directors' declaration	21
Independent audit report	22

Chairman's report

For year ending 30 June 2011

I have much pleasure in presenting this report for our 12th year of trading. This year has seen changes to our Board of Directors. Barry Haywood has resigned. Barry has been a director since the start and the Board thanks him for his time and effort. We welcome Andrea Hardingham as a new Director.

Our business has experienced staff movement's this year with Glen Fleeton resigning. He has been replaced with our new Branch Manager, Gordon MacKenzie. Jenny May and Donna Clarke have also resigned their part time duties. Christine Barratt has recently decided to leave the branch after her maternity leave to enjoy her new family. On behalf of the Board, I thank our past staff and wish them all well into the future.

We are operating now with four full time staff; Gordon, Lisa, Louise and Rebecca and with Peta Anne part time. Rebecca McCartney commenced recently with our business and we hope she enjoys her new role. On behalf of our Directors and Shareholders, I thank our staff for their effort in providing good friendly service to our customers.

The Directors and I are pleased to announce that the contribution to date, to our community in the form of sponsorships, donations and dividends payments is \$244,000. A great result! We have a positive thinking Board and are looking to accelerate this figure.

We have increased our focus on the Victoria Plains Agency and we are having a presence in Northam. We are targeting our schools and have made significant contributions to Goomalling Primary, Sacred Heart, Calingiri and Dowerin schools. Our Agribusiness product has evolved to be very competitive against other banks. With the support of the Bendigo Agribusiness Managers, I urge our farmers to look at the products on offer. This business has the potential to significantly add to the benefit of our community.

The Board has decided to network ideas and experiences with the Bruce Rock and Mukinbudin Boards. They service similar areas of business and we will meet together during the year.

Christine, Natalie and Andrea are attending the Bendigo Bank National **Community Bank**[®] Conference held at Darling Harbour in Sydney. I attended the State Conference in Fremantle earlier this year. These functions are a rewarding experience and a benefit to the Board. Christine, Andrea, Brian, Mark and I attended a Director development program in Perth in June.

I would like to finish with a thank you to the Board members for their time and effort this year. I would also encourage anyone who is looking for a new experience, to approach the Board in view of becoming a Director.

It is through the continued support from our customers and shareholders in promoting our business that we can help make our community and region a better place to live in.



Chairman

Ian M Clarke

Manager's report

For year ending 30 June 2011

This is my first report for the branch since arriving earlier in the year. May I firstly thank the Board, staff and community for my welcome. I arrived on a Saturday where there was a tremendous dust storm which saw my two removalists and I looking for shelter. Welcome to Goomalling.

I started work that following Monday, following the departure some months earlier of the prior Branch Manager, to find I had a great team, who had all worked together well through that period, along with a rough time before that, which saw a number of experienced staff leave. When I arrived Lisa Smith, Louise Broun, Jenny May, Donna Clarke and Peta Anne Brennan were on staff, with Christine Barrett on maternity leave.

This year has had challenges, with both Jenny May and Donna Clarke resigning and, recently Christine Barrett resigned, deciding not to return from maternity leave. To their great credit Lisa and Louise have both stepped up in their roles and performed well. Peta Anne has also been of tremendous support. We have appointed Rebecca McCartney as our new trainee, Bec is fitting in well.

The performance of the branch has been admirable, with modest growth achieved in a difficult market. Our growth was effected greatly by accounts being redomiciled to other locations, which generally happens when clients leave the district. If your accounts are not domiciled to Goomalling & Districts **Community Bank**[®] Branch, the branch does not benefit financially from your business. This impacts profits and the amount of funds we have to invest in local community projects.

Profitability has remained strong with the branch able to make generous contributions to the community; these will be discussed in more detail later in the report.

The first half of this year was about getting the ship in order. Now this has been done, we will be looking to expand the business with frequent visits to surrounding towns, in an effort to grow the business. Bendigo Bank's Agribusiness offerings have come a long way, with specialist Agribusiness Managers supporting our branch. This is an area where we have great potential for growth so I would ask shareholders particularly, to give us an opportunity to look after your needs or refer business to us.

I see Goomalling, and the branch, having an exciting future.



Gordon MacKenzie

Branch Manager

Bendigo and Adelaide Bank Ltd report

For year ending 30 June 2011

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

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

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

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

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

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

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

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

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

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

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

Bendigo and Adelaide Bank Ltd report continued

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

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

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

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

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



Russell Jenkins
Executive Customer and Community

Directors' report

For the financial year ended 30 June 2011

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

Directors

The names, qualifications and meeting attendance of persons holding the position of Director of the Company in office at the date of this report are:-

Brian Carter

Director

A long standing member of the Goomalling farming community and one of the founding members of the Goomalling Bendigo Bank.

Directors meetings attended 7/11

Christine Mary Van Gelderen

Director

Lived in Goomalling for 28 yrs. Business Partner & former office manager of Mortlock Fabrication & Repairs for 15yrs. Board member for 11 yrs, Secretary for 3yrs. Committee member of farmers club, Vice President Goomalling Bowling club, Secretary & Member of the Goomalling Lions Club. Volunteer Driver for the Goomalling Shire Pats Scheme and Bus driver for the Senior Citizens Club. .

Directors meetings attended 9/11

Ian Maxwell Clarke

Director

Farmer for a number of years. Held position in sporting, educational and community organisations.

Directors meetings attended 11/11

Barry John Haywood (resigned during the year)

Director

Douglas William French (resigned during the year)

Director

Natalie Margaret Bird

Director

Finance Manager Shire of Goomalling. Worked in Local Government for 22 years. Chairperson for the Community Resource Centre for 6 years and have held many more positions in sporting and community organisations. I look forward to continue working with the board to increase the **Community Bank**[®] profile in the district.

Directors meetings attended 11/11

Directors' report continued

Andrea Hardingham

Director

Community Development Officer / Shire of Goomalling
I have been a local resident for over 30 years with sustained commitment to various community organisations. I am passionate about increasing awareness of the Bendigo Bank's community model to increase the beneficial outcomes financially and socially for all our communities.

Directors meetings attended 7/7

Suzanne Woods

Director

Member of a farming partnership and export business and a school teacher. Involved in local, regional and national rural and agricultural organisations and member of the Australian Institute of Company Directors.

Directors meetings attended 7/11

Mark Johnston

Director

Self Employed Plumber & Gas Fitter, previously employed by the Shire of Goomalling for 7 ½ years before relocating to Perth previously an active member in the local Lions Club. Have been a Director for the past 2 years

Directors meetings attended 11/11

Karyn Dymond (resigned during the year)

Director

Principal Activity and Review of Operations

The principal activity and focus of the company's operations during the year, was a branch of the Bendigo Bank at Goomalling, Western Australia pursuant to a franchise agreement, trading as "Goomalling & Districts **Community Bank**[®] Branch – Bendigo Bank".

Operating Results

The amount of the profit from ordinary activities of the company after income tax was \$20614 (2010: \$74788).

Dividends

A dividend of \$20,145 was paid during the financial year and a further dividend is recommended by the Directors.

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 period under review, not otherwise disclosed in these financial statements.

Events Subsequent to the end of the Financial Year

No matters or circumstances have arisen since the end of the financial period 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.

Likely 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.

Directors' report continued

Indemnifying Officer or Auditor

No indemnities have been given during or since the end of the financial period, for any person who is or has been an officer or Auditor of the Company.

Share Options

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

Environmental Regulation

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

Proceedings On Behalf Of Company

No persons 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.

Insurance of Officers

During the financial year the Company paid a premium of \$3,500 to insure the officers of the Company. The liabilities insured are legal costs that may be incurred in defending proceedings against the officers in their capacity as officers of the Company.

Signed in accordance with a resolution of Directors



Ian Clarke

Director

Dated this 22nd day of September 2011

Auditors Independence Declaration

To the Directors of **Goomalling & Districts Community Financial Services Limited**

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended **30 June 2011** there have been:

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



Gregory Froomes Wyllie CPA

Perth WA

22 September 2011

Financial statements

Income Statement for the year ended 30 June 2011

	Note	2011 \$	2010 \$
Revenue from continuing activities	2	573372	544819
Employee benefits expense		(287065)	(236402)
Depreciation and amortisation expense		(7700)	(3400)
Leasing of computer hardware and software		(20236)	(21322)
Donation to Charitable Fund		(43231)	-
Other expenses from ordinary activities		(194526)	(161473)
Profit from continuing operations before income tax	3	20614	122222
Income tax expense	4	-	(47434)
Net profit for the year after income tax	13	20614	74788

The accompanying notes form part of these financial statements.

Financial statements continued

Balance Sheet as at 30 June 2011

	Note	2011 \$	2010 \$
Current assets			
Cash and cash equivalents		48751	103232
Receivables	5	42346	50706
Total current assets		91097	153938
Non-current assets			
Property, plant and equipment	6	204829	196905
Intangible	6	-	-
Total non-current assets		204829	196905
Total assets		295926	350843
Current liabilities			
Trade and other payables	8	14385	16469
Provision for income tax	9	(4676)	24802
Provisions for employee entitlements	10	13100	18250
Total current liabilities		22809	59521
Non-current liabilities			
Financial Liability	11	52482	71118
Total liabilities		75291	130639
Net assets		220635	220204
Equity			
Contributed equity	12	268500	268500
Accumulated losses	13	(47865)	(48296)
Total equity		220635	220204

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of cash flows for the year ended 30 June 2011

	Note	2011 \$	2010 \$
Cash flows from operating activities			
Interest received		2430	2261
Receipts from customers		579302	531794
Interest paid		(7401)	(6558)
Payments to suppliers and employees		(544892)	(437606)
Tax paid		(29478)	(17045)
Net cash provided by operating activities	15b	(38)	72846
Cash flows from other activities			
Payment of Dividend		(20183)	(20145)
Receipt of loan		-	35000
Payment for property		(15624)	(42977)
Repayment of loan		(18636)	(15463)
Net cash used in other activities		(54443)	(43585)
Net increase in cash held		(54481)	29261
Cash held at the beginning of the financial year	15(a)	103232	73971
Cash held at the end of the financial year	15a	48751	103232

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of changes in equity for the year ended 30 June 2011

	Note	2011 \$	2010 \$
Equity			
Equity at the beginning of the year		220204	165560
Net profit for the year after income tax		20614	74788
Dividend		(20183)	(20144)
Income tax underprovided		-	-
Equity at the end of the year		220635	220204

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2011

Note 1. Statement of accounting policies

(a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with applicable Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations on non current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

(b) Income tax

The Company adopts the liability method of tax effect accounting whereby the income tax expense shown in the profit and loss account is based on the operating profit before income tax adjusted for any permanent differences.

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of operating profit before income tax and taxable income, are brought to account as either provision for deferred income tax or an asset described as future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond any reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit. The amount of these benefits is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the company will derive sufficient future assessable income and comply with the conditions of deductibility imposed by the law to permit a future income tax benefit to be obtained.

(b) Property, plant and equipment

Property, plant and equipment are brought to account at cost or at independent or director's valuation, less, where applicable, any accumulated depreciation or amortisation. The carrying amount of property, plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employed and subsequent disposal. The expected cash flows have not been discounted to present values in determining recoverable amount.

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated over their useful lives commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Notes to the financial statements continued

Note 1. Statement of accounting policies (continued)

(c) Intangible asset

The franchise fee paid by the Company pursuant to a Franchise Agreement with the Bendigo Bank (note 7) has been amortised over the initial five (5) year period of the agreement, being the period of expected economic benefit of the franchise fee.

(d) Statement of cash flows

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdraft.

(e) Revenue

Revenue from the provision of banking services is recognised upon the delivery of the services to customers on an accruals accounting basis.

Interest income and expenditure is brought to account in the statement of financial performance over the term of each financial instrument on an accrual accounting basis.

(f) Employee entitlements

Provision is made for the company's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the company for employees' superannuation in accordance with the SGC legislation and are charged as an expense when incurred.

(g) Impacts of Adopting Australian Equivalents to International Financial Reporting Standards (IFRSs)

Effective for financial periods commencing on or after 1 January 2008, the Australian Accounting Standards Board (AASB) amended Australian Accounting Standards so content and wording is consistent with IFRSs.

As the AASB prohibited the early adoption of the Australian equivalents to IFRSs, the first period to which they relate has now passed.

The transition to the Australian equivalents to IFRSs was being managed via a process of education which includes technical training and liaison with auditors and industry groups. This included a review of the pending standards to determine the effect on existing accounting policies and treatments.

From the review performed to date, it is not anticipated the adoption of the 'new' standards, when they become applicable, will result in any key differences in the accounting policies or treatments.

Notes to the financial statements continued

	2011 \$	2010 \$
Note 2. Revenue		
Operating activities	573372	544819
Franchise margin income	573372	544819

Note 3. Operating results

The profit from ordinary activities before income tax have been determined after:

(a) Expenses

- Donation to Charitable Fund	43231	-
- Bad and doubtful debts	1836	351
- Depreciation of plant and equipment	7700	3400
- Auditor's remuneration		
- Audit or review	3550	3000
- Other services	2000	2000

Note 4. Income tax expense

Reconciliation

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

Prima facie tax on the profit from ordinary activities before income tax at 30%	6184	36666
Non deductible expenditure	-	-
Future income tax benefit	-	-
Timing differences	1005	10768
Overprovision of income tax in 2010 year	(7189)	-
Income tax expense	-	47434

Notes to the financial statements continued

	2011 \$	2010 \$
Note 5. Receivables		
Trade debtors	42346	50706
	42346	50706

Note 6. Property, plant and equipment

Property, Plant and Equipment

Cost	274488	258865
Accumulated depreciation	69660	61960
	204828	196905

Movement in carrying amount

Balance at the beginning of the year	196905	157328
Additions	15623	42977
Disposals	-	-
Depreciation expense	(7700)	(3400)
Carrying amount at end of year	204828	196905

Note 6. Intangible asset

Formation expenditure

Cost	15957	15957
Accumulated amortisation	15957	15957
	-	-

Franchise fee

Cost	50000	50000
Accumulated amortisation	50000	50000
	-	-

Pursuant to a franchise agreement with the Bendigo Bank that commenced in 1999, the Company operates a branch of the Bendigo Bank at Goomalling, trading as "Goomalling & Districts **Community Bank**[®] – Bendigo Bank", providing a core range of banking products and services. The Company entered into a franchise agreement at a cost of \$50000 that has been amortised on the basis disclosed above.

Notes to the financial statements continued

	2011 \$	2010 \$
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Note 7. Donation to Charitable Fund

A donation to Community Enterprise Charitable Fund was made during the year- the amount is fully deductible for income tax purposes.

Note 8. Payables -Current Liability

Trade creditors and accruals	14385	16469
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Note 9. Tax Liabilities

Provision for Income Tax	(4676)	24802
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Note 10. Provisions - current Liability

Employee entitlements	13100	18250
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Note 11. Interest Bearing Liability

The company has received loan monies from the Shire of Goomalling and Bendigo Bank for the purpose of financing activities including the acquiring of land and building in Goomalling

	52482	71118
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Note 12. Contributed Equity

(a) Fully paid shares

268500 Ordinary shares fully paid	268500	268500
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(b) Movements in fully paid shares

At the beginning of the reporting period	268500	268500
At the end of the reporting period	268500	268500

Note 13. Accumulated Losses

Accumulated losses at the beginning of the year	(48296)	(102940)
Dividend	(20183)	(20145)
Net profit after income tax	20614	74788
Income tax underprovided	-	-
Accumulated losses at the end of the year	(47865)	(48297)

Notes to the financial statements continued

Note 14. Related Party Information

Directors

The following persons held office as Directors of the Company at the end of year:

	Shares Held
Brian Carter	5000
Mark Johnston	1500
Suzanne Woods	100
Christine Mary Van Gelderen	5000
Ian Maxwell Clarke	4000
Natalie Margaret Bird	500
Andrea Hardingham	500

No Director or related entity has entered into a material contract with the Company. No Director's fees have been paid as the positions are held on a voluntary basis.

(a) Remuneration of Directors

No income was paid or was payable, or otherwise made available, to the Directors of the Company during the year ended 30 June 2011

Note 15. Notes to the Statement of Cash Flows

(a) Reconciliation of cash

For the purpose of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	2011 \$	2010 \$
Cash on hand	48751	103232

(b) Reconciliation of net cash provided by operating and investment activities to profit from ordinary activities

Profit from ordinary activities	20614	74788
Depreciation and amortisation	7700	3400
Movement in assets and liabilities		
Receivables	8360	(10764)
Other assets	-	-
Payables	(31563)	31971
Provisions	(5150)	(26550)
Net cash provided by operating activities	(38)	72846

Notes to the financial statements continued

Note 16. Financial Instruments

(a) Interest rate risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument will fluctuate as a result of changes in market interest rates, is in respect of its bank overdraft of Nil (2010: Nil). The weighted average interest rate during the year, applicable to that liability was 6% (2010: 6%).

(b) Credit risk

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

(c) Net fair values

The net fair value of financial assets and liabilities of the Company approximates their carrying amount.

The Company has no financial assets and liabilities where the carrying amount exceeds the net fair value at balance date.

No financial assets and financial liabilities are readily traded on organised markets in standardised form.

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.

Note 17. Segment Reporting

The Company operates in the financial services sector as a branch of the Bendigo Bank at Goomalling in Western Australia.

Note 18. Company Details

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

35 Railway Terrace
GOOMALLING WA 6460

Directors' declaration

The Directors declare that the financial statements and notes set out in the Financial Report:

- (a) comply with Accounting Standards, the Corporations Regulations and other mandatory professional reporting requirements;
- (b) give a true and fair view of the company's financial position as at **30 June 2011** and of its performance, as represented by the results of its operations and its cash flows, for the year ended **30 June 2011**.

In the Directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Ian Clarke
Director

Dated this 22nd day of September 2011

Independent audit report

Scope

We have audited the financial report of **Goomalling & Districts Community Financial Services Limited (the Company)** for the year ended **30 June 2011** as set out on the attached pages. The Company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and the Corporations Act 2001 In Australia so as to present a view which is consistent with our understanding of the Company's financial position, and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Independence

We declare to the best of our knowledge and belief that the auditors independence declaration set out on the attached pages of the financial report has not changed as at the date of the financial report has not changed as at the date of our audit opinion.

Audit Opinion

In our opinion, the financial report of the Company is in accordance with:

- (a) The Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at **30 June 2011** and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements in Australia.



Gregory Froomes Wyllie CPA
Perth WA
22 September 2011



Goomalling & Districts **Community Bank**[®] Branch
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