



Narrandera District
Investments Limited
ABN 58 107 510 494

Narrandera & District **Community Bank**[®] Branch

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Chairman's report

For year ending 30 June 2009

Fellow shareholders,

On behalf of the Board, the Manager and staff, welcome to the Annual Report of Narrandera District Investments Limited for 2009.

The year

Despite the current economic situation worldwide Robert and the staff are to be congratulated on their achievement on growing the banking business in 2009. Our total growth up to the end of the financial year was \$37.5 million. As part of our Franchise Agreement with Bendigo and Adelaide Bank Ltd they provide a market development fund that has enabled us to carry out marketing activities and provide sponsorship to local clubs and organisations in the community. These monies are provided to us on the condition that the funds are spent for these purposes. No shareholder funds have been to fund these projects.

Current position

Costs are increasing whilst our margins are narrowing resulting in it taking longer to reach profitability. The Board has taken stringent steps to ensure that the operation of the business is as efficient as possible without compromising our excellence in service. The Board have undertaken a review of all Board operations to ensure the best possible outcome for shareholders and customers.

Staff

We welcomed to the branch Rebecca McCallum, who joins Maria, Sandra, Kylie, Glenys and Robert. As most of you are aware Sandra and her partner Craig added a new daughter Riley to the family earlier on in the year. Our congratulations to both of them and it is good to see her back at the branch.

The Board

The Board and the Narrandera community were shocked and saddened by the sudden death earlier in the year of Ray Craze, a founding Director of Narrandera District Investments Limited. In his memory an appropriate perpetual Memorial Award will be presented to the Narrandera High School. I would like to take this opportunity to thank fellow Directors for working so hard in a voluntary capacity.

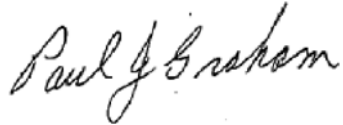
I would also like to thank my fellow Directors for their support over the past year.

The Directors have freely given of their valuable time to achieve the aims and objectives of the future growth of the **Community Bank**[®] branch and our shareholders.

Chairman's report continued

Future growth

Our objectives over the coming year are to achieve profitability on a regular basis and return considerable monies to both our shareholders and the community in the near future.

A handwritten signature in black ink that reads "Paul Graham". The signature is written in a cursive, flowing style.

Paul Graham

Chairman

Manager's report

For year ending 30 June 2009

Well it only feels like yesterday that I completed my report for last year. The last 12 months have been very challenging for us as it has been for all banks but during this time we have grown. It is a pleasure to see the people of Narrandera still supporting us and transferring their business to our bank.

Last year we set ourselves a target of \$7 million to increase our bottom line and we exceeded this by over \$600,000. I believe that is an exceptional effort due to the continuing drought that has effected our town for many years and more so the economic downturn that the whole country has had to deal with over the last 12 months.

We are now sitting with a book of over \$37 million and have over 2,400 account holders at our **Community Bank**[®] branch. During this year we made a monthly profit on a couple of occasions and this has continued into the new financial year as we are now at a point of making profit on a more regular basis. Every new account from here on will mean more profit to our **Community Bank**[®] branch as we have reached the break even point.

We have continued to support local events in our town over the last 12 months via a Market Development Fund that Bendigo and Adelaide Bank Ltd give us for the amount of business we have. We have used these funds for marketing and advertising as this is what the Bendigo and Adelaide Bank Ltd has requested the funds are for. Saying this, if more people of Narrandera and our shareholders support us we can then start putting much more money out into the community which will have a major effect in our town.

The staff have again been exceptional this year, and I must thank them for their continued support to me both personally and professionally and also their support to the customers they serve on a day to day basis. We have seen a new staff member join us during the year being Rebecca McCallum and she is a huge asset to my branch with her local knowledge and bubbly personality. Sandra Spencer has come back to work after maternity leave and has fallen straight back into her work patterns. Also congratulation to her and Craig on their little daughter Riley.

Don't forget we are open from 9.00am to 5.00pm, Monday to Friday and Saturday mornings from 9.00am to 12.00pm for your banking convenience.



Robert Hanlon
Branch Manager

Bendigo and Adelaide Bank Ltd report

For year ending 30 June 2009

2008/09 will go down as one of the most tumultuous financial years in history. The global financial crisis and its aftermath wiped trillions of dollars off the world's net wealth. Some of the biggest names in international banking disappeared; many other banks – vastly bigger than Bendigo and Adelaide Bank Ltd – turned to governments to bail them out. Not surprisingly, confidence sagged, reflected in rising unemployment and stock markets falling by around half their former valuations.

In short, we have seen the biggest financial meltdown since the Great Depression of nearly 80 years ago.

Amidst all that turmoil, though, our grassroots banking movement marched steadily on. Twenty new **Community Bank**[®] branches joined Bendigo and Adelaide Bank Ltd's national network. Around 120,000 new customers switched to the Bendigo style of banking. And 70 more communities continued their local campaign to open a **Community Bank**[®] branch.

Those statistics are impressive in themselves, but it is the story behind them that is really important.

That's the story of ordinary people – an awful phrase, but you know what I mean – who inherently understand that the role of a bank is to feed into prosperity, rather than profit from it. That lesson was forgotten by many bankers across the globe, with devastating consequences. But it is now well understood by the residents of 237 towns and suburbs that own their own **Community Bank**[®] branch, because every day they see the fruits of their investment in locally owned banking.

Again, the statistics are impressive enough – \$29 million paid out in community projects and nearly \$11 million in local shareholder dividends. But again, the real stories lie behind the numbers – new community centres and fire trucks, more local nurses, new walking tracks and swimming pools, safer young drivers, more trees and fewer wasteful incandescent globes, innovative water-saving projects... the list goes on.

And of course more money retained and spent locally. And more jobs. Fifteen hundred or so just in the branches alone. More because of the flow-on, or multiplier, effect of those wages being spent locally. And yet more because of the extra shopping now done in communities made more prosperous and active by having their own bank branch.

Community Bank[®] branches have not escaped the fallout from the global turmoil. Like Bendigo and Adelaide Bank Ltd, they have received less income than in normal times. But also like Bendigo and Adelaide Bank Ltd, they have not needed anyone's help to get through this crisis. And every day we are reminded that banks that are relevant and connected locally will be valued by their customers and communities. For the better of all.



Russell Jenkins
Chief General Manager

Directors' report

For year ending 30 June 2009

Your Directors present their report on the Company for the financial year ended 30 June 2009.

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

Director	Responsibilities	Occupation	Meetings attended
Paul Graham	Chair	Property Developer	12
Kerry Sproston	Treasurer	Bookkeeper	12
William Robinson	Director	Company Director	7
Peter Royle	Director	Retired	5
Elizabeth Bock	Director	Retailer	11
Raymond Craze	Director	Glazier	6 (Deceased Feb 09)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The loss of the Company for the financial year after providing for income tax amounted to \$69,365.

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

The principal activities of the Company during the financial year were in providing **Community Bank**[®] services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Ltd.

No significant change in the nature of these activities occurred during the year.

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

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.

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

No dividends were paid during the year and no recommendation is made as to the dividends.

The Directors do not recommend the payment of a dividend.

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.

Directors' report continued

During or since the end of the financial year the Company has given an indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has paid premiums to insure each of the following Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director or the Company, other than conduct involving a willful breach of duty in relation to the Company.

Paul Graham
Kerry Sproston

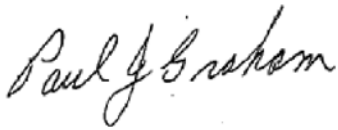
William Robinson
Peter Royle

Elizabeth Bock
Raymond Craze

Auditors' independence declaration

A copy of the Auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on the next page.

Signed in accordance with a resolution of the Board of Directors:



Paul Graham
Chairman



William Robinson
Director

Dated 22 September 2009.

Auditor's independence declaration

We hereby declare, that to the best of our knowledge and belief, during the year ended 30 June 2009 there have been:

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

Name of Firm: HMA Twomey Patterson Audit Pty Ltd
Authorised Audit Company



Name of Director: Steven J Watson CA

Address: 1/185 Morgan Street, Wagga Wagga NSW 2650

Dated 22 September 2009.

Financial statements

Income statement For year ending 30 June 2009

	Note	2009 \$	2008 \$
Revenue	2	351,653	293,414
Accountancy expenses		(4,325)	-
Advertising expenses		(14,385)	-
Auditors' remuneration	3	(2,875)	-
Depreciation and amortisation expenses		(36,154)	(43,447)
Employee benefits expenses		(217,407)	(186,207)
Other expenses		(145,872)	(173,007)
Loss before income tax	4	(69,365)	(109,247)
Accumulated losses at the beginning of the financial year		(724,653)	(615,406)
Accumulated losses at the end of the financial year		(794,018)	(724,653)

The accompanying notes form part of these financial statements.

Financial statements continued

Balance sheet As at 30 June 2009

	Note	2009 \$	2008 \$
Assets			
Current assets			
Cash and cash equivalents	5	793	2,478
Trade and other receivables	6	15,929	-
Other current assets	7	40,158	29,660
Total current assets		56,880	32,138
Non-current assets			
Property, plant and equipment	8	68,128	81,895
Intangible assets	9	68,862	22,387
Total non-current assets		136,990	104,282
Total assets		193,870	136,420
Liabilities			
Current liabilities			
Trade and other payables	10	87,424	30,347
Financial liabilities	11	237,793	176,726
Provisions	12	18,162	9,491
Total current liabilities		343,379	216,564
Total liabilities		343,379	216,564
Net assets (liabilities)		(149,509)	(80,144)
Equity			
Issued capital		644,509	644,509
Accumulated losses		(794,018)	(724,653)
Total equity		(149,509)	(80,144)

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of cash flows As at 30 June 2009

	Note	2009 \$	2008 \$
Cash flows from operating activities			
Receipts from customers		328,521	286,277
Payments to suppliers and employees		(391,275)	(352,066)
Interest received		2	4
Net cash used in operating activities	13	(62,752)	(65,785)
Net decrease in cash held		(62,752)	(65,785)
Cash at beginning of financial year		(174,248)	(108,463)
Cash at end of financial year	5	(237,000)	(174,248)

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of changes in equity As at 30 June 2009

	Issued capital \$	Retained earnings (accumulated losses) \$	Total \$
Balance at 1 July 2007	644,509	(615,406)	29,103
Profit attributable to equity shareholders	-	(109,247)	(109,247)
Balance at 30 June 2008	644,509	(724,653)	(80,144)
Profit attributable to equity shareholders	-	(69,365)	(69,365)
Balance at 30 June 2009	644,509	(794,018)	(144,509)

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ending 30 June 2009

Note 1. Statement of significant accounting policies

This financial report covers Narrandera District Investments Limited as an individual entity. Narrandera District Investments Limited is a Company limited by shares, incorporated and domiciled in Australia.

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the 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.

Accounting policies

Going concern

Notwithstanding the deficiency of net assets in the Company, the financial report of the Company has been prepared on a going concern basis. This basis has been applied as the Directors have received a guarantee of continuing financial support from Bendigo and Adelaide Bank Ltd and it is the Directors' belief that such financial support will continue to be made available.

Property, plant and equipment

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

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement.

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

Property, plant and equipment (continued)

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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.

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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 income statement during the financial period 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 the asset

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet 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 income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (ie trade date accounting adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expenses to profit or loss immediately.

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

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 income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

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.

Intangibles

Intangibles are amortised on a straight line basis over 5 years.

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. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

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.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

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 balance sheet.

Revenue and other income

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue recognition relating to the provision of services is determined recognized when it is earned.

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

Comparative figures

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

	2009	2008
	\$	\$

Note 2. Revenue and other income

Revenue

Sales revenue:		
Services commission	169,880	137,506
Other revenue	181,771	155,904
Interest received	2	4
Total revenue	351,653	293,414
Interest revenue from:		
Interest received	2	4
Total interest revenue on financial assets not at fair value through profit or loss	2	4

Note 3. Auditors' remuneration

Auditor's remuneration

Accounting standards	2,875	-
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Note 4. Loss

Expenses

Depreciation of property, plant and equipment	13,767	14,254
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Notes to the financial statements continued

	2009 \$	2008 \$
Note 5. Cash and cash equivalents		
Cash on hand	785	972
Investment account	8	1,506
	793	2,478

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

Cash and cash equivalents	793	2,478
Bank overdraft (Note 11)	(237,793)	(176,726)
	(237,000)	(174,248)

Note 6. Trade and other receivables

Current

Sundry debtors	12,957	-
Goods and services tax	2,972	-
	15,929	-

The Company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

Note 7. Other current assets

Current

Accrued income	36,861	29,660
Prepayments	3,297	-
	40,158	29,660

Notes to the financial statements continued

	2009 \$	2008 \$
Note 8. Property, plant and equipment		
Plant and equipment		
Office fit out costs and equipment:		
At cost	137,788	137,788
Accumulated depreciation	(69,660)	(55,893)
Total plant and equipment	68,128	81,895

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Plant and equipment \$	Total \$
Balance at 1 July 2008	81,895	81,895
Additions	-	-
Depreciation expense	(13,767)	(13,767)
Carrying amount at 30 June 2009	68,128	68,128

	2009 \$	2008 \$
Note 9. Intangible assets		
Franchise fee and establishment costs	68,862	145,964
Less: accumulated amortisation	-	(123,577)
Net carrying value	68,862	22,387
Total	68,862	22,387
Reconciliation of formation expenses		
Franchise fee and establishment costs	68,862	145,964
Less: accumulated amortisation	-	(123,577)
Closing carrying value at 30 June 2009	68,862	22,387

Notes to the financial statements continued

	2009 \$	2008 \$
Note 10. Trade and other payables		
Current		
Sundry creditors	2,736	3,693
Trade creditors	2,450	12,388
Accrued expenses	82,238	7,477
Goods and services tax	-	6,789
	87,424	30,347
Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables:		
- Total current	87,424	30,347
Financial liabilities as trade and other payables	87,424	30,347

Note 11. Borrowings

Current		
Bank overdraft	237,793	176,726

Note 12. Provisions

Provision for annual leave	18,162	9,491
Total provisions	18,162	9,491
Analysis of total provisions		
Current	18,162	9,491
	18,162	9,491

Notes to the financial statements continued

	2009 \$	2008 \$
Note 13. Cash flow information		
Reconciliation of cash flow from operations with profit after income tax		
Loss after income tax	(69,365)	(109,247)
Non-cash flows in loss		
Amortisation	22,387	29,193
Depreciation	13,767	14,254
Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries		
(Increase) decrease in current receivables	(23,130)	(7,133)
(Increase) decrease in prepayments	(3,297)	-
Increase (decrease) in trade creditors	(11,785)	9,972
Increase (decrease) in current provisions	8,671	(2,824)
	(62,752)	(65,785)

Note 14. Financial risk management

Financial risk management policies

The Company's financial instruments consists primarily of deposits with banks, short-term investments, accounts receivable and payable.

The nature of the operations of the Company does not result in substantial financial risk. The assessed risks lie primarily in credit risk and interest rate risk. The Company considers that there limited risk means there is no need to enter into risk management strategies involving derivative instruments for speculative purposes.

Significant accounting policies and terms and conditions

Details of:

- The significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised.
- any significant terms and conditions

In respect of each class of financial asset and financial liability are identified in Note 1 to the accounts.

Credit risk exposure

There is no requirement for a provision for doubtful debts to be included in the accounts at 30 June 2009, as there are no identified bad debts and there are no significant exposures in the remaining receivables.

Notes to the financial statements continued

Note 14. Financial risk management (continued)

Fair value of financial assets and liabilities

The carrying amount of financial assets and liabilities contained within these financial statements is representative of the fair value of each financial assets or liability.

Interest rate risk exposure

The Company's exposure to interest rate risk and effective weighted average interest rate by maturity periods is set out in the following table. Exposures arise predominantly from assets and liabilities bearing variable interest rates.

2009	Weighted average effective interest rate \$	Floating interest rate \$	Fixed interest rate maturing		Non interest bearing \$	Total \$
			Within 1 year \$	1 to 5 years \$		
Financial assets						
Cash and cash equivalents	-	8	-	-	785	793
Trade & other receivables	-	-	-	-	15,929	15,929
Total financial assets		8	-	-	16,714	16,722
Financial liabilities						
Trade and other payables	-	-	-	-	(87,424)	(87,424)
Bank overdraft	9.64	(237,793)	-	-	-	(237,793)
Total financial liabilities		(237,793)	-	-	(87,424)	(325,217)

Note 15. Company details

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

92 East Street,
Narrandera NSW 2700

Note 16. Change in accounting policy

Any Australian Accounting Standards which have been issued or amended and which are applicable to the Company but are not yet effective have not been adopted in preparation of the financial statements at reporting date.

Notes to the financial statements continued

	2009	2008
	\$	\$

Note 17. Related party transactions

Transactions between related parties are on normal commercial terms and conditions. These terms and conditions are no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

KT Sproston – bookkeeping services	4,200	3,955
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Note 18. Segment reporting

The economic entity operates in the financial services sector where it provides banking services to its clients. The economic entity operates in one geographic area being Narrandera NSW.

Directors' declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 9 to 22, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2009 and of the performance for the year ended on that date of the Company.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Kerry Sproston
Director



William Robinson
Director

Dated 22 September 2009.

Independent audit report

To the members of Narrandera District Investments Limited

Report on the financial report

We have audited the accompanying financial report of Narrandera District Investments Limited which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Directors' declaration.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the Directors also state, in accordance with Accounting Standard AASB 101: "Presentation of Financial Statements", that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditors' 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 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 Auditors' judgment, 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 Auditors consider 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.

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, was provided to the Directors of Narrandera District Investments Limited on the same date as the date of this Auditors' report.

Independent audit report continued

Auditors' opinion

In our opinion:

- (a) the financial report of Narrandera District Investments 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 2009 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- (b) The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Name of Firm: HMA Twomey Patterson Audit Pty Ltd
Authorised Audit Company



Name of Director: Steven J Watson CA

Address: 1/185 Morgan Street, Wagga Wagga NSW 2650

Dated 9 October 2009.

Narrandera & District **Community Bank**[®] Branch
92 East Street, Narrandera NSW 2700
Phone: (02) 6959 9766 Fax: (02) 6959 9788

Franchisee: Narrandera District Investments Limited
92 East Street, Narrandera NSW 2700
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