



annual report **2012**

Narrandera District
Investments Limited
ABN 58 107 510 494

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Chairman's report

For year ending 30 June 2012

Fellow Shareholders,

On behalf of the Board of Narrandera District Investments Limited, the Manager and staff welcome to the Annual Report of Narrandera District Investments Limited for 2012.

The year

What a wonderful year our **Community Bank**[®] branch has had. We are turning a monthly profit and our business has continued to grow in leaps and bounds. We have contributed via the Market Development Fund to a number of projects within the community from the rodeos to the sporting clubs, schools and the vintage machinery club. Our major projects this year included the Riverina Rush event, the Narrandera Fisheries Gala Day and the Women's Cricket Association. All in all we handed over \$20,000 back into the community.

Current position

With more than \$50 million in banking and a staff of six we provide full banking services to Narrandera and our District. We are nearing the stage where a dividend will be possible and would like to thank our shareholders for being incredibly patient waiting for one.

Staff

We would like to thank Robert and his staff for the wonderful effort they have put in over the past 12 months. We have also had to say goodbye to two of our staff, Kylie Jukes and Rebecca McCallum who have left to pursue other interests.

Although employed initially on a maternity leave basis Cassie Lee has now become a permanent member of staff. We welcome into the branch Michelle Sibraa who has fit in very well and offers the same excellence in customer service the rest of the staff do.

We would also like to congratulate the staff on their fund raising activities within the branch this year with over \$2,000 being donated to CanAssist.

The Board

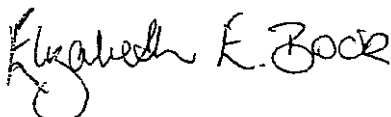
We have seen the addition of a new Board member this year in Cassie Lee. She has made a wonderful contribution already and brims with youth and energy. Cassie has been a breath of fresh air for the Board.

We have also seen the resignation of John Guthrie as he and Kathy have moved on. As some of you are aware their Motel was damaged in the flooding in March with bigger problems eventuating when the water went down.

A great loss to the Board was Paul Graham who contributed a vast amount of time, energy and knowledge to our Board since the initial Steering Committee. Paul was a valued member of the Board who never hesitated to put his hand up and step forward when any organisation or planning was needed. We wish them both the best for the future.

Future growth

We look forward to the next 12 months with positive growth expected and the reduction of the negative equity. We also look forward to the considerable impact monetarily we will be able to make in the community.



Elizabeth Bock

Chairman

Manager's report

For year ending 30 June 2012

Hello to all our shareholders. Another year has passed and we are about to have our eighth AGM. The 2011/12 year has been good to our branch with an increase to our bottom line of \$9 million in business which is double what we increased last year. Of course we would always like to do better but I believe in the present economic climate this was an extraordinary result. It is very pleasing that our service in Narrandera has shown through as we are getting a lot of repeat business and word of mouth referrals due to the quality service we provide.

Last season was a good year for our farmers overall which I believe has helped our town build some enthusiasm for the future and it has helped our business to grow. During his time we have had a flood which affected a large number of our clients and I hope that they have all come through this terrible time and are moving forward with their lives.

We're now sitting with a total banking book of \$53 million and have more than 3,100 account holders. As mentioned in my opening we've had a tremendous 12 months in our growth and ended up being \$2 million above our objective which has meant we have posted our 2nd year of profitability. This has been a massive effort from all the staff.

We have continued to support local events and community groups in our town and this will continue into the future. Once we become more profitable and satisfy government legislation we will be able to pay a dividend and do more for our community.

We have had a few staff changes over the last 12 months with Kylie Jukes and Rebecca McCallum leaving us to take up work in Leeton where they both reside. Just recently Glenys Walton left to pursue other interests so we will be replacing her soon. Also during this time we had some extended sick leave which has meant all staff had to pull together to get the job done and I thank them all for their efforts.

In last year's Annual Report I mentioned about looking for an agency site in Leeton to serve our growing number of customers there. At this stage we are still looking but just recently started discussions with a business who is interested. We hope to have something there within the next 12 months.

We have reached a point in our business now that we will make profits each year as long as we keep the business level where it is but of course that is not what we want, we need to continue to grow the business. I have said before that not all our shareholders bank with us and I would still like to see more bring their business to us.

Remember our profits will go back into our community so banking with our bank will help us all grow.

Don't forget, we are open from 9.00am to 5.00pm Monday to Friday and Saturday mornings from 9.00am to 12 noon for your convenience.



Robert Hanlon
Branch Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2012

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

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

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

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

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

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

In the past 14 years we have witnessed the **Community Bank**[®] network's returns to communities grow exponentially each year, with \$470,000 returned within the first five years, \$8.15 million within the first eight and \$22.58 million by the end of the first decade of operation.

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

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

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

Bendigo and Adelaide Bank report (continued)

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

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

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

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

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

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

As **Community Bank**[®] shareholders you are part of something special, a unique banking movement which has evolved into a whole new way of thinking about banking and the role it plays in modern society.

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



Russell Jenkins
Executive Customer and Community

Directors' report

For the financial year ended 30 June 2012

Your Directors present their report on the company for the financial year ended 30 June 2012.

Directors

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

Director	Responsibilities	Occupation	Meetings attended	
Elizabeth Bock	Chair	Retailer	8	
Bradley Teerman	Treasurer	Accountant	9	
Cassandra Lee	Secretary	Customer Service Officer	2	(App 06/03/2012)
John Guthrie	Director	Motel Operator	2	(Res 27/03/2012)
Paul Graham	Director	Property Developer	1	(Res 23/08/2011)
Kerry Sproston	Director	Bookkeeper	10	
Peter Royle	Director	Retired	0	(Res 02/08/2011)
Janice Bock	Director	Retired	6	
Elizabeth Lawrence	Director	Editor in Chief	0	(Res 23/08/2011)

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

Significant changes in the state of affairs

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

Principal activities

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.

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

Review of operations

The company arrived at a profit of \$249,208 for this financial year after recognising an income tax benefit of \$150,035.

Events subsequent to the end of the reporting period

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.

Directors' report (continued)

Likely developments and expected results of operations

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.

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.

Dividends

No dividends were paid during the financial year.

For the financial year ended 30 June 2012 no dividend is recommended.

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.

Indemnification of Officers

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.

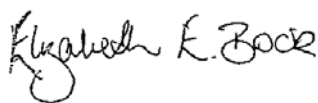
Elizabeth Bock	John Guthrie	Peter Royle
Bradley Teerman	Paul Graham	Janice Bock
Cassandra Lee	Kerry Sproston	Elizabeth Lawrence

Narrandera District Investments Limited has accepted the **Community Bank**[®] Directors Privileges package. The package is available to all Directors who can elect to avail themselves of the benefits based on their personal banking with the Narrandera Branch. There is no requirement to own BEN shares and there is no qualification period to qualify to utilise the benefits. The package mirrors the benefits currently available to Bendigo and Adelaide Bank shareholders.

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.

This Directors' report is signed in accordance with a resolution of the Board of Directors:



Elizabeth Bock
Director



Bradley Teerman
Director

Dated this 6th day of October 2012

Auditor's independence declaration

HMA TWOMEY PATTERSON
AUDIT PTY. LTD.

Authorised Audit Company No: 325055

Directors:
Steven Watson
Geoffrey Twomey
Michael Twomey

www.hmatp.com.au

**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
NARRANDERA DISTRICT INVESTMENTS LIMITED**

We hereby declare, that to the best of our knowledge and belief, during the year ended 30 June 2012 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

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Dated this 8th day of October 2012

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Liability limited by a scheme approved under Professional Standards Legislation ABN 89 128 381 920

Financial statements

Statement of comprehensive income for the year ended 30 June 2012

	Note	2012 \$	2011 \$
Revenue	2	565,590	496,604
Accountancy expenses		(3,000)	(3,234)
Bad debt expense		(474)	(9,170)
Marketing expenses		(20,786)	(26,821)
Auditors' remuneration	3	(4,750)	(3,750)
Depreciation and amortisation expenses		(16,945)	(16,647)
Employee benefits expenses		(284,643)	(260,598)
Other expenses		(135,819)	(135,397)
Profit before income tax		99,173	40,987
Income tax benefit/(expense)	4	150,035	-
Profit after income tax		249,208	40,987
Other comprehensive income		-	-
Total comprehensive income		249,208	40,987

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of financial position for the year ended 30 June 2012

	Note	2012 \$	2011 \$
Assets			
Current assets			
Cash and cash equivalents	5	30	88
Trade and other receivables	6	-	32,884
Other current assets	7	56,426	49,138
Total current assets		56,456	82,110
Non-current assets			
Property, plant and equipment	8	32,204	46,854
Intangible assets	9	2,295	4,591
Deferred tax assets	13	150,035	
Total non-current assets		184,534	51,445
Total assets		240,990	133,554
Liabilities			
Current liabilities			
Trade and other payables	10	34,216	42,991
Financial liabilities	11	77,683	217,722
Provisions	12	17,200	15,275
Total current liabilities		129,099	275,988
Non current liabilities			
Provisions	12	17,957	12,840
Total non current liabilities		17,957	12,840
Total liabilities		147,056	288,828
Net assets (liabilities)		93,934	(155,274)
Equity			
Issued capital		644,509	644,509
Accumulated losses		(550,575)	(799,783)
Total equity		93,934	(155,274)

The accompanying notes form part of these financial statements.

Financial statements (continued)

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

	Issued capital \$	Retained earnings/ (accumulated losses) \$	Total \$
Balance at 1 July 2010	644,509	(840,770)	(196,261)
Profit attributable to equity shareholders		40,987	40,987
Balance at 30 June 2011	644,509	(799,783)	(155,274)
Profit attributable to equity shareholders		249,208	249,208
Balance at 30 June 2012	644,509	(550,575)	93,934

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of cashflows for the year ended 30 June 2012

	Note	2012 \$	2011 \$
Cash flows from operating activities			
Receipts from customers		540,591	496,408
Payments to suppliers and employees		(400,610)	(446,455)
Interest received		-	196
Net cash used in operating activities	14	139,981	50,149
Cash flows from investing activities			
Payments for property, plant and equipment		-	(5,132)
Payments for intangibles		-	-
Net cash used in investing activities		-	(5,132)
Net increase in cash held		139,981	45,017
Cash and cash equivalents at beginning of financial year		(217,634)	(262,651)
Cash and cash equivalents at end of financial year	5	(77,653)	(217,634)

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2012

Note 1. Statement of significant accounting policies

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 Reduced Disclosure Requirements set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements 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 amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting policies

a) 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 and it is the Directors' belief that such financial support will continue to be made available.

At balance date the company had a deficiency of current assets of \$ 72,643.

b) 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.

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.

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

Accounting policies (continued)

b) Property, plant and equipment (continued)

Plant and equipment (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the 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's useful life commencing from the time the asset is available for use.

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.

c) 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 expensed to profit or loss immediately.

d) 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.

e) Intangibles

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

f) 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.

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

Accounting policies (continued)

f) Employee benefits (continued)

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.

g) 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.

h) 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.

i) 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 from the rendering of a service is recognised upon the delivery of the service to the customer.

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

j) Comparative figures

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

k) Recognition of deferred tax assets

No provision for deferred tax assets has been recognised. The provision of such assets relies on considering whether it is probable that some or all of the deferred tax assets will be realised, which is based on the generation of future taxable income.

Notes to the financial statements (continued)

	2012 \$	2011 \$
Note 2. Revenue and other income		
Revenue		
Gross margin	331,002	290,646
Upfront product commissions	10,288	5,712
Trailer product commissions	110,384	95,833
Fee income	65,044	64,217
Market development	45,833	40,000
Other income	3,039	-
Interest received	-	196
Total revenue	565,590	496,604

Note 3. Auditors' remuneration

Auditor's remuneration

Accounting standards	4,750	3,750
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Note 4. Income tax benefit

a) The components of tax benefits comprise:

Current tax	29,752	-
Deferred tax	2,113	-
Recoupment of prior year tax losses	(181,900)	-
	(150,035)	-

b) The prima facie tax on profit before income tax is reconciled to income tax as follows:

Prima facie tax payable on profit before income tax at 30%	29,752	-
Add:		
Tax effect of:		
- other non-allowable items	2,113	-
	2,113	-
Less:		
Tax effect of:		
- recoupment of prior year tax losses not previously brought to account	181,900	-
	181,900	-
Income tax attributable to entity	(150,035)	-

Notes to the financial statements (continued)

	2012 \$	2011 \$
Note 5. Cash and cash equivalents		
Petty cash on hand	22	80
Investment account	8	8
	30	88

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	30	88
Bank overdraft (Note 11)	(77,683)	(217,722)
	(77,653)	(217,634)

Note 6. Trade and other receivables

Current

Sundry debtors	-	32,884
	-	32,884

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	52,762	45,513
Prepayments	3,664	3,625
	56,426	49,138

Note 8. Property, plant and equipment

Plant and equipment

Office fit out costs and equipment:

At cost	144,602	144,602
Accumulated depreciation	(112,398)	(97,748)
Total plant and equipment	32,204	46,854

Notes to the financial statements (continued)

Note 8. Property, plant and equipment (continued)

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 2011	46,854	46,854
Additions	-	-
Depreciation expense	(14,650)	(14,650)
Carrying amount at 30 June 2012	32,204	32,204

	2012 \$	2011 \$
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Note 9. Intangible assets

Franchise fee and establishment costs	11,477	11,477
Less: accumulated amortisation	(9,182)	(6,886)
Net carrying value	2,295	4,591
Total	2,295	4,591
Reconciliation of formation expenses		
Franchise fee and establishment costs	11,477	11,477
Less: accumulated amortisation	(9,182)	(6,886)
Closing carrying value at 30 June 2012	2,295	4,591

Note 10. Trade and other payables

Current

Sundry creditors	3,476	2,366
Trade creditors	7,222	3,373
Accrued expenses	14,816	29,591
Goods and services tax	8,702	7661
	34,216	42,991

Financial liabilities at amortised cost classified as trade and other payables

Trade and other payables:		
- Total current	34,216	42,991
Financial liabilities as trade and other payables	34,216	42,991

Notes to the financial statements (continued)

	2012 \$	2011 \$
Note 11. Borrowings		
Current		
Bank overdraft	77,683	217,722
Note 12. Provisions		
Provision for annual leave	17,200	15,275
Provision for long service leave	17,957	12,840
Total provisions	35,157	28,115
Analysis of total provisions		
Current	17,200	15,275
Non current	17,957	12,840
	35,157	28,115
Note 13. Tax		
Deferred tax assets	150,035	-
	150,035	-
Note 14. Cash flow information		
Reconciliation of cash flow from operations with profit after income tax		
Profit after income tax	99,173	40,987
Non-cash flows in profit		
Amortisation	2,295	2,295
Depreciation	14,650	14,351
Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries		
(Increase) decrease in current receivables	32,884	(23,347)
(Increase) decrease in other current assets	(7,288)	(4,575)
Increase (decrease) in creditors	(8,775)	24,091
Increase (decrease) in current provisions	7,042	(3,653)
	139,981	50,149

Notes to the financial statements (continued)

Note 15. Financial risk management

Financial risk management policies

The company's financial instruments consist 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 their 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 2012, as there are no identified bad debts and there are no significant exposures in the remaining receivables.

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 asset 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.

2012	Weighted average effective interest rate \$	Floating interest rate \$	Non interest bearing \$	Fixed interest rate maturing within 1 year \$	Total \$
Financial assets					
Cash and cash equivalents	-	30	-	-	30
Trade & other receivables	-	-	-	-	
Total financial assets		30	-	-	30
Financial liabilities					
Trade and other payables	-	-	(34,216)	-	(34,216)
Bank overdraft	5.52	(77,683)	-	-	(77,683)
Total financial liabilities		(77,683)	(34,216)	-	(111,899)

Notes to the financial statements (continued)

Note 16. Company details

The registered office and principal place of business of the entity is:
92 East Street,
Narrandera NSW 2700

Note 17. 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.

Note 18. Director and related party disclosures

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.

Narrandera District Investments Limited has accepted the **Community Bank**[®] Directors Privileges package. The package is available to all Directors who can elect to avail themselves of the benefits based on their personal banking with the Narrandera Branch. There is no requirement to own BEN shares and there is no qualification period to qualify to utilise the benefits. The package mirrors the benefits currently available to Bendigo and Adelaide Bank shareholders.

The total remuneration paid to key management personnel during the year is as follows:

	2012	2011
	\$	\$
Bradley Teerman	831	-

Cassandra Lee is a current employee of Narrandera **Community Bank**[®] Branch and was appointed a member of the Board on 6 March 2012.

Note 19. Segment reporting

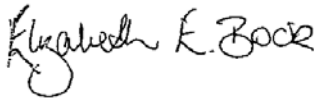
The economic entity operates in the financial services sector where it provides banking services to its clients. The economic entity operates in one geographic area being Narrandera NSW.

Directors' declaration

The Directors of the company declare that:

- 1 The financial statements and notes, as set out on pages 7 to 19, 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 2012 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.



Elizabeth Bock
Director



Bradley Teerman
Director

Dated this 6th day of October 2012

Independent audit report

HMA TWOMEY PATTERSON
AUDIT PTY. LTD.

Authorised Audit Company No: 325055

Directors:
Steven Watson
Geoffrey Twomey
Michael Twomey

www.hmatp.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NARRANDERA DISTRICT INVESTMENTS LIMITED A.B.N. 58 107 510 494

Report on the Financial Report

We have audited the accompanying financial report of Narrandera District Investments Limited which comprises the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows 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.

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.

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Liability limited by a scheme approved under Professional Standards Legislation ABN 89 128 381 920

Independent audit report (continued)

HMA TWOMEY PATTERSON
AUDIT PTY. LTD.

Authorised Audit Company No: 325055

Directors:
Steven Watson
Geoffrey Twomey
Michael Twomey

www.hmatp.com.au

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NARRANDERA DISTRICT INVESTMENTS LIMITED
A.B.N. 58 107 510 494**

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.

Auditors' Opinion

In our opinion 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 2012 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.

Emphasis of Matter

We draw attention to Note 1 to the financial statements, which describe the company's deficiency of net assets. Our opinion is not qualified in respect of this matter and the financial report has been prepared on a going concern basis.

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

Name of Director:



Steven J Watson CA

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Dated this 8th day of October 2012

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Front cover image courtesy of Narrandera Argus.