



## Narrandera District Investments Limited

ABN 58 107 510 494

# ANNUAL REPORT 2013

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# Chairman's report

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For year ending 30 June 2013

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 2013.

2013 has seen a slower growth than we had anticipated with only adding \$5 million to our bottom line and not the \$6 million we were working towards. This we believe is due to the economic climate as every type of business has had a downturn over the past 12 months. In saying that we were still able to make a healthy profit for the 2012/13 financial year.

We have also after nine years of operation been able to pay an interim dividend to our shareholders. As growth had been slower than forecast your patience has been truly amazing and on behalf of the Board I would like to thank you.

I would like to thank our wonderful staff, Manager, Robert Hanlon, Maria Norden, Cassie Jess, Michelle Sibraa, Sandra Carey and Sue Foley for all their hard work this year. They have handled the changes within the banking system well and managed to take everything in their stride. Michelle was awarded 'Being the Bendigo' by Bendigo and Adelaide Bank earlier in the year so a job well done.

We have been very fortunate this year and have managed to support a great many local charities throughout the year. One of our main projects this year was of course the Broken Bridge Project. After initially funding the feasibility study we then contributed a further \$10,000 in a joint venture with the Narrandera Shire Council who matched this amount. We believed this project would be beneficial to all community members and would help promote a healthier lifestyle.

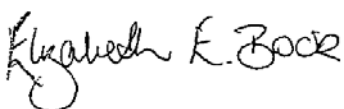
We have also helped fund the Narrandera High School bus. The main aim of the bus is to enable the students to participate in a larger number of excursions at a lower cost. Thereby broadening their horizons and giving them opportunities they would not normally have for their future growth.

We are currently still trying to set up an Agency site in Leeton to better service our Leeton clientele. Unfortunately we have not managed to find a business outlet for this service at this stage but will continue to look.

The aim going forward into the next financial year is to grow the business even further. The Board's aims and expectations are high and Robert and his staff will be working very hard to try and achieve them. We would like to be in a position where we can not only pay our shareholders a good dividend but put even larger amounts out into the community.

We are interested in further joint projects with the Council as well as with other local community organisations. We are also very interested in any suggestions from shareholders about where you think our funds would be better spent.

Remember, this is your **Community Bank**<sup>®</sup> branch too, so if you're banking isn't with the **Community Bank**<sup>®</sup> branch try it now, we think you will be pleasantly surprised.



**Elizabeth Bock**

**Chair**

# Manager's report

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For year ending 30 June 2013

Hello again to all our shareholders, well another year has passed and we are about to have another Annual General Meeting (AGM). On 6 November 2013 we will be holding our 9th AGM with only one year to go to reach our 10-year milestone. It has been a difficult year for our business growth with our bottom line only increasing by \$5 million after having a fantastic year in 2012. The present economic climate has been a contributor to not growing as quickly as we would like with rates decreasing which has meant people have used their deposit funds in other areas.

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.

We're now sitting with a total banking book of \$58 million and have over 3,300 account holders. As mentioned above we did not grow to what we had expected as we had hoped to be sitting on \$60 million in business by now. We have however posted another strong profit and during this financial year we have paid our first dividend. Over the year we still did \$9 million in loans which was similar to last year but we had a lot of clients pay their loans off, thus the growth overall was not as high.

We have continued to support local events and community groups in our town and this will continue into the future, to name a couple is the Rocky Water Holes Bridge, Community Radio Van, 150 Years of Narrandera Celebrations and a bus for the school.

The staffing has not changed much over the last 12 months with just one newcomer being Sue Foley. This now gives us Maria Norden, Sandra Carey (Spencer), Cassie Jess (Lee) and Michelle Sibraa. I thank all the staff for their continued efforts over the 12 months as we have had many internal bank changes and challenges during this time.

In last year's report I mentioned about looking for an agency site in Leeton to serve our growing number of customers over there. We did have a very interested person looking to do an agency but this has not proceeded, so we are still looking.

We now have a business 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 **Community Bank**<sup>®</sup> branch 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 12.00pm for your banking convenience.



**Robert Hanlon**  
**Branch Manager**

# Bendigo and Adelaide Bank report

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For year ending 30 June 2013

This year has marked two very significant milestones for our **Community Bank**<sup>®</sup> network, celebrating its 15th anniversary of operation while also reaching \$100 million in community contributions. Both achievements could not have been accomplished without your ongoing support as shareholders and customers.

The **Community Bank**<sup>®</sup> network has grown considerably since it was first launched in 1998, in partnership with the people from the western Victorian farming towns of Rupanyup and Minyip. For these communities the **Community Bank**<sup>®</sup> model was seen as a way to restore branch banking services to the towns, after the last of the major banks closed its services. But in the years since, the **Community Bank**<sup>®</sup> model has become so much more.

The **Community Bank**<sup>®</sup> network has returned more than \$20 million in contributions to local communities in this financial year alone. Our branches have been able to fund health services, sports programs, aged care facilities, education initiatives, community events and much more.

These contributions have come at a time of continued economic uncertainty, and shows the high level of support the **Community Bank**<sup>®</sup> model has in the communities in which it operates.

While our established branches grow their business at a healthy rate, demand for the model in other communities continues to be strong. There are currently another 40 **Community Bank**<sup>®</sup> sites in development, and 15 new branches are expected to open in the next 12 months.

At the end of the financial year 2012/13 the **Community Bank**<sup>®</sup> network had achieved the following:

- Returns to community – \$102 million
- **Community Bank**<sup>®</sup> branches – 298
- **Community Bank**<sup>®</sup> branch staff – more than 1,460
- **Community Bank**<sup>®</sup> company Directors – 1,925
- Banking business – \$24.46 billion
- Customers – 640,159
- Shareholders – 72,062
- Dividends paid to shareholders since inception – \$30.88 million.

Almost 300 communities have now partnered with Bendigo and Adelaide Bank, to not only enhance banking services, but more importantly take the profits their banking business generates and reinvest it in local groups and projects that will ultimately strengthen their community. This \$100 million goes 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 the Community Enterprise Foundation™ (philanthropic arm), Community Sector Banking (banking service for not-for-profit organisations), Generation Green™ (environment and sustainability initiative), Community Telco<sup>®</sup> (telecommunications solution), tertiary education scholarships and Community Enterprises that provide **Community Bank**<sup>®</sup> companies with further development options.

In Bendigo and Adelaide Bank, your **Community Bank**<sup>®</sup> company has a committed and strong partner and over the last financial year our company has continued its solid performance.

## Bendigo and Adelaide Bank report (continued)

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Bendigo and Adelaide Bank remains one of the few banks globally to be awarded an upgraded credit rating since the onset of the Global Financial Crisis. Our Bank continues to be rated at least “A-” by Standard & Poor’s, Moody’s and Fitch in recognition of its strong performance in the face of what continues to be a challenging economic environment.

While continued ratings affirmation is a welcome boost for the Bank and its partners, trading conditions are still difficult, with consumer confidence and demand for credit remaining low, and competition remaining very strong for retail deposits.

Not surprisingly, these factors continue to place pressure on the 50/50 margin share agreement between the Bank and our **Community Bank**<sup>®</sup> partners. As a result some **Community Bank**<sup>®</sup> companies are receiving much more than 50 per cent of revenue earned.

In April, the Bank took a further step to restore this balance, ensuring that the **Community Bank**<sup>®</sup> model produced a more appropriate balance of return for all stakeholders within this partnership model. The Bank will continue to review this remuneration model to ensure it is fair and equitable for all parties and is as resilient as possible to the fast changing economic environment.

It continues to be 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**<sup>®</sup> shareholders to support us as we work with your community to deliver on our goals and ensure our sustained and shared success.

As **Community Bank**<sup>®</sup> 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.

With the community’s support, there really is no limit to what can be achieved under the **Community Bank**<sup>®</sup> model, and I look forward to seeing what the next 15 years will bring.

I thank you for your important support of your local **Community Bank**<sup>®</sup> branch.



**Robert Musgrove**  
**Executive Community Engagement**

# Directors' report

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For the financial year ended 30 June 2013

Your Directors present their report on the company for the financial year ended 30 June 2013.

## Information of Directors

The names of each person who has been a Director during the year and to the date of this report are:

Director	Responsibilities	Occupation	Meetings Attended
Elizabeth Bock	Chair	Retailer/Primary producer	11
Bradley Teerman	Treasurer	Accountant	10
Cassandra Jess	Secretary	Customer Service Officer	8
Kerry Sproston	Director	Bookkeeper	12
Janice Bock	Director	Retired	9

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

## Operating results

The profit of the company after providing for income tax amounted to \$59,079 (2012: \$249,208).

## Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the company during the financial year.

## Principal activities

The principal activity of the company during the financial year was providing **Community Bank**<sup>®</sup> services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

No significant changes in the nature of the company's activity occurred during the financial year.

## Events after the reporting date

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.

## Environmental issues

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

## Dividends

A dividend was paid on 21 March 2013 at 5 cents a share which amounted to a total of payment of \$32,225.

# Directors' report (continued)

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## 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 and insurance of Officers and Auditors

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 cost 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 wilful breach of duty in relation to the company.

Elizabeth Bock

Bradley Teerman

Cassandra Jess

Kerry Sproston

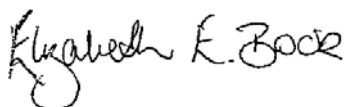
Janice Bock

Narrandera District Investments Limited has accepted the **Community Bank**<sup>®</sup> 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 Narrandera Branch. There is no requirement to own Bendigo and Adelaide Bank Limited 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 Limited shareholders.

## Auditors' Independence Declaration

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

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



**Elizabeth Bock**  
**Director**



**Bradley Teerman**  
**Director.**

Dated 14 October 2013



# Auditor's independence declaration

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**Directors:**  
Steven Watson  
Michael Twomey

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

We declare, that to the best of our knowledge and belief, during the year ended 30 June 2013 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:** Twomeys National Audit Pty Ltd  
Authorised Audit Company

**Name of Director:**   
Steven J Watson CA

**Address:** 1/185 Morgan St WAGGA WAGGA 2650

**Dated this 14<sup>th</sup> day of October 2013**

1/185 Morgan Street, PO Box 6056, Wagga Wagga NSW 2650  
T (02) 6927 0500 F (02) 6925 8550 E [audit@twomeys.com.au](mailto:audit@twomeys.com.au)

Adelaide | Brisbane | Canberra | Gold Coast | Melbourne | Newcastle | Sydney | Wagga Wagga

[www.twomeys.com.au](http://www.twomeys.com.au)

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# Financial statements

## Statement of comprehensive income for the year ended 30 June 2013

	Note	2013 \$	2012 \$
Revenue	2	588,867	565,590
Accountancy expenses		(4,310)	(3,000)
Auditors' remuneration	3	(4,500)	(4,750)
Bad and doubtful debt expenses		(525)	(474)
Depreciation and amortisation expenses		(19,658)	(16,945)
Employee benefits expenses		(319,087)	(284,643)
Freight, cartage and delivery		(20,984)	(19,688)
IT Cost		(18,699)	(19,483)
Insurance		(14,508)	(10,595)
Marketing		(37,706)	(20,459)
Occupancy cost		(34,141)	(34,870)
Other expenses		(42,864)	(51,510)
<b>Profit before income tax</b>	<b>4</b>	<b>71,885</b>	<b>99,173</b>
Income tax benefit/(expense)	5	(12,806)	150,035
<b>Profit for the year</b>		<b>59,079</b>	<b>249,208</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income</b>		<b>59,079</b>	<b>249,208</b>
<b>Earnings per share (cents) (normalised for abnormal 2012 tax adjustment)</b>			
- basic		0.09	0.15
- diluted		0.09	0.15
<b>Dividend per ordinary share (cents)</b>	<b>6</b>	<b>0.05</b>	-

The accompanying notes form part of these financial statements.

# Financial statements (continued)

## Statement of financial position as at 30 June 2013

	Note	2013 \$	2012 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	40	30
Other current assets	8	57,956	56,425
<b>Total current assets</b>		<b>57,996</b>	<b>56,455</b>
<b>Non-current assets</b>			
Deferred tax assets	9	137,229	150,035
Intangible assets	10	-	2,295
Property, plant and equipment	11	45,333	32,204
<b>Total non-current assets</b>		<b>182,562</b>	<b>184,534</b>
<b>Total assets</b>		<b>240,558</b>	<b>240,989</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	34,185	34,216
Borrowings	13	46,509	77,683
Provisions	14	39,077	35,157
<b>Total current liabilities</b>		<b>119,771</b>	<b>147,055</b>
<b>Total liabilities</b>		<b>119,771</b>	<b>147,055</b>
<b>Net assets</b>		<b>120,787</b>	<b>93,934</b>
<b>Equity</b>			
Issued capital		644,509	644,509
Accumulated losses		(523,722)	(550,575)
<b>Total equity</b>		<b>120,787</b>	<b>93,934</b>

The accompanying notes form part of these financial statements.

## Financial statements (continued)

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

	<b>Issued Capital \$</b>	<b>Retained Earnings (Accumulated/ Losses) \$</b>	<b>Total \$</b>
<b>Balance at 1 July 2011</b>	<b>644,509</b>	<b>(799,783)</b>	<b>(155,274)</b>
Profit attributable to equity shareholders		249,208	249,208
<b>Balance at 30 June 2012</b>	<b>644,509</b>	<b>(550,575)</b>	<b>93,934</b>
Profit attributable to equity shareholders		59,079	59,079
Dividends paid		(32,225)	(32,225)
<b>Balance at 30 June 2013</b>	<b>644,509</b>	<b>(523,722)</b>	<b>(120,787)</b>

The accompanying notes form part of these financial statements.

## Financial statements (continued)

### Cash flow statement for the year ended 30 June 2013

	Note	2013 \$	2012 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		601,672	540,591
Payments to suppliers and employees		(489,282)	(400,610)
<b>Net cash provided by operating activities</b>	<b>15</b>	<b>112,390</b>	<b>139,981</b>
<b>Cash flows from investing activities</b>			
Payments for plant and equipment		(32,699)	-
<b>Net cash provided by (used in) investing activities</b>		<b>(32,699)</b>	-
<b>Cash flows from financing activities</b>			
Dividends paid		(32,225)	-
<b>Net cash provided by (used in) financing activities</b>		<b>(32,225)</b>	-
Net increase in cash held		47,466	139,981
Cash at beginning of financial year		(77,653)	(217,634)
<b>Cash at end of financial year</b>	<b>7</b>	<b>(30,187)</b>	<b>(77,653)</b>

The accompanying notes form part of these financial statements.

# Notes to the financial statements

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For year ended 30 June 2013

## 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 transaction, 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 unless stated otherwise in the notes. The amounts presented in the financial report have been rounded to the nearest dollar.

### **Income tax**

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of reporting year. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax assets and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are recognised outside profit or loss.

### **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 recognised against fair value reserves directly in equity; all other decreases are recognised in profit or loss.

### Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated 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 cash flows that will be received from the assets' employment and subsequent disposal.

# Notes to the financial statements (continued)

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## Note 1. Statement of significant accounting policies (continued)

### **Property, plant and equipment (continued)**

#### Plant and equipment (continued)

Subsequent cost 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 depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by the company. Depreciation commences from the time the asset is held ready for use. The depreciation method and useful life of assets is reviewed annually to ensure they are still appropriate.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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 recognised in profit or loss. When revalued assets are sold, amounts included in the revaluation surplus 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 (i.e. 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.

#### 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 exist, the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value in use, are 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.

#### Intangibles

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

### **Trade and other receivables**

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

# Notes to the financial statements (continued)

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## Note 1. Statement of significant accounting policies (continued)

### **Trade and other receivables (continued)**

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in income statement.

### **Employee benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

### **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.

### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

### **Revenue and other income**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is stated net of goods and services tax (GST).

### Rendering of services

Revenue in relation to rendering of services is recognised upon delivery of the service to the customer.

### **Trade and other payables**

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the company that remain unpaid.

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms.

### **Comparative figures**

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

### **Going concern**

Notwithstanding the deficiency of current 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 Limited 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 \$61,775.



## Notes to the financial statements (continued)

	2013 \$	2012 \$
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### Note 2. Revenue and other income

#### Revenue

Gross margin	359,505	331,002
Upfront product commissions	9,161	10,288
Trailer product commission	103,709	110,384
Fee income	66,493	65,044
Market development	50,000	45,833
Other income	-	3,039
<b>Total revenue</b>	<b>588,868</b>	<b>565,590</b>

### Note 3. Auditors' remuneration

#### Auditor's remuneration

<b>Accounting standards</b>	<b>4,500</b>	<b>4,750</b>
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### Note 4. Profit for the year

Profit before income tax from continuing operations includes the following specific expenses:

#### Expenses

<b>Depreciation of property, plant and equipment</b>	<b>19,658</b>	<b>16,945</b>
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### Note 5. Income tax expense

(a) Current period income tax benefit is comprised of

Current year tax	24,314	29,752
Deferred tax	-	2,113
Other movement of deferred income tax	(11,508)	(181,900)
	<b>12,806</b>	<b>(150,035)</b>

(b) The prima facie tax on profit from ordinary activities

	21,566	29,752
Add: Tax effect of Non-deductible items	13,510	2,113
Less: Tax effect of additional deductible items:	(10,762)	181,900
<b>Income tax expense attributed to the company</b>	<b>24,314</b>	<b>(150,035)</b>

### Note 6. Dividends paid

<b>Dividend paid</b>	<b>32,225</b>	-
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## Notes to the financial statements (continued)

	2013 \$	2012 \$
<b>Note 7. Cash and cash equivalents</b>		
Cash on hand	32	22
Investment account	8	8
	<b>40</b>	<b>30</b>

### 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	40	30
Bank overdraft (Note 13)	(30,227)	(77,683)
	<b>(30,187)</b>	<b>(77,653)</b>

## Note 8. Other current assets

### Current

Accrued income	57,241	52,762
Prepayments	715	3,663
	<b>57,956</b>	<b>56,425</b>

## Note 9. Tax

<b>Deferred tax asset</b>	<b>137,229</b>	<b>150,035</b>
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## Note 10. Intangible assets

Franchise fee and establishment costs	11,477	11,477
Less: Accumulated amortisation	(11,477)	(9,182)
<b>Total</b>	<b>-</b>	<b>2,295</b>

## Note 11. Plant and equipment

### Plant and equipment

#### Plant and equipment:

At cost	171,816	144,602
Accumulated depreciation	(126,483)	(112,398)
<b>Total plant and equipment</b>	<b>45,333</b>	<b>32,204</b>

## Notes to the financial statements (continued)

	2013 \$	2012 \$
<b>Note 12. Trade and other payables</b>		
<b>Current</b>		
Sundry creditors	3,139	3,476
Trade creditors	7,512	7,222
Accrued expenses	9,520	14,816
Goods and Services Tax	14,014	8,701
	<b>34,185</b>	<b>34,216</b>

## Note 13. Borrowings

<b>Current</b>		
Bank overdraft	30,227	77,683
Bendigo and Adelaide Bank Limited interest free loan	16,282	-
<b>Total borrowings</b>	<b>46,509</b>	<b>77,683</b>

## Note 14. Provisions

<b>Current</b>		
Provision for annual leave	20,465	17,200
Provision for long service leave	18,612	17,957
<b>Total provisions</b>	<b>39,077</b>	<b>35,157</b>

## Note 15. Cash Flow Information

### Reconciliation of cash flow from operations with profit after income tax

Profit after income tax	59,079	99,173
<b>Non-cash flows in loss</b>		
Loss on sale of non-current assets	2,207	-
Amortisation	2,295	2,295
Depreciation	17,363	14,650

## Notes to the financial statements (continued)

	2013 \$	2012 \$
Note 15. Cash Flow Information (continued)		
<b>Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries</b>		
(Increase) decrease in current receivables	12,805	32,884
(Increase) decrease in other assets	(1,531)	-
(Increase) decrease in prepayments	-	(7,288)
Increase (decrease) in trade creditors	16,252	(8,775)
Increase (decrease) in current provisions	3,920	7,042
	<b>112,390</b>	<b>139,981</b>

### Note 16. Financial risk management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments and accounts receivable and payable.

#### Financial risk management policies

The Directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These included the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for company operations.

The company does not have any derivative instruments at 30 June 2013.

### Note 17. Company Details

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

92 East Street,  
Narrandera NSW 2700

### Note 18. 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)

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	2013	2012
	\$	\$

### Note 19. 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**<sup>®</sup> 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 Limited shareholders.

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

<b>Bradley Teerman</b>	<b>2,400</b>	<b>831</b>
------------------------	--------------	------------

Cassandra Jess is a current employee of Narrandera & District **Community Bank**<sup>®</sup> Branch and was appointed a member of the Board on 6 March 2012.

### Note 20. 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.

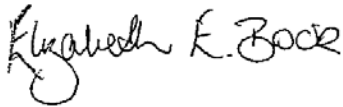
# Directors' declaration

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The Directors of the company declare that:

1. The financial statements and notes, as set out on pages 9 to 20, are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standards – Reduced Disclosure Requirements; and
  - (b) give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the company.
2. 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 14 October 2013

# Independent audit report

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**Directors:**  
Steven Watson  
Michael Twomey

## **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 2013, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory information 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 – Reduced Disclosure Requirements 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.

### **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

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# Independent audit report (continued)



**Directors:**  
Steven Watson  
Michael Twomey

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

### **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 2013 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

### **Emphasis of Matter**

Without qualifying our opinion, we draw attention to the Statement of Financial Position as at 30 June 2013 the company's current liabilities exceed its total current assets by \$61,775. However, Notwithstanding the deficiency of current 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 Limited and it is the directors' belief that such financial support will continue to be made available.

**Name of Firm:** Twomeys National Audit Pty Ltd  
Authorised Audit Company

A handwritten signature in black ink, appearing to be 'S. Watson', written over a horizontal line.

**Name of Director:** \_\_\_\_\_  
Steven J Watson CA

**Address:** 1/185 Morgan St WAGGA WAGGA 2650

**Dated this 14<sup>th</sup> day of October 2013**

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Narrandera & District **Community Bank**<sup>®</sup> 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 2650  
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ABN: 58 107 510 494

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(BMPAR13130) (10/13)

