

Narrandera District
Investments Limited

ABN 58 107 510 494

annual report 2011



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

Contents

Chairman's report	2
Manager's report	3
Bendigo and Adelaide Bank Ltd report	4-5
Directors' report	6-7
Auditor's independence declaration	8
Financial statements	9-12
Notes to the financial statements	13-22
Directors' declaration	23
Independent audit report	24-25

Chairman's report

For year ending 30 June 2011

I would like to open with a big thank you to our branch staff who do a wonderful job for the branch and the community. It's the extra things that make a difference like walking from Yanco to Narrandera, to having stalls in front of the bank to raise funds for worthy causes.

I would also like to congratulate Sandra Spencer and Kylie Jukes on the arrival of their new baby girls and we look forward to seeing them back in the branch soon.

We heavily contribute to the community with funds from the community development fund and this year has been no different.

The major ongoing projects include:

- "Broken Bridge", which will link the walking paths on the northern and southern side of the canal, this is being coordinated by Landcare.
- Jazz Festival – we assisted with seed funding.
- Fisheries Open Day - we provided funding for celebrity Paul Mercurio to attend as a celebrity chef.
- Narrandera tourism - we provided a grant to develop and produce a tourism brochure.

Other local clubs and organisations that have benefited from a total of \$30,000 in community contributions which include-

Narrandera playgroup, Narrandera High School, East Infants School, Narrandera Bowling Club and Narrandera Golf Club, Narrandera TAFE, Grong Grong shave, Vintage Veteran Car Club, Poultry Club, the Narrandera Show Society, Ardlethan Races, NOOSH, St Josephs School Fete and Narrandera Public Fete.

Our profitability continues to grow and we are continuing to make a profit on a monthly basis. This begs the question, do we pay a dividend?

To pay a dividend on 0.01 and a half cents would cost around \$5.60 per shareholder for in some cases a \$1.50 return. The Board is of the view that the Company should focus on it's profitability until we are in a position to pay a dividend between 0.05-0.10. By focusing on increasing our profitability in the short term it will enable us to pay down our debts and eliminate our interest expense.

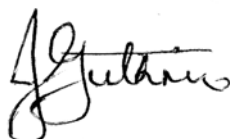
Further discussion on this subject can be had at the AGM.

However with each shareholder's support in having their banking with us, it will happen sooner.

If Narrandera & District **Community Bank**[®] Branch is not your main financial institution, its time to change for the benefit of you and our community, give us the opportunity to look after all of your personal and business banking requirements. We are in it with you.

The Board is looking for new Directors so if any shareholders are interested please contact Robert or myself.

On behalf of the Board we hope you have a fruitful and fulfilling year ahead.



John F Guthrie
Chairman

Manager's report

For year ending 30 June 2011

It's 2011 and another year has passed. We have had a demanding year in regard to growing our business and did not get to where we had hoped, but overall we have still grown the business by more than \$4.5 million for the 12 month period. It is very pleasing that our service in Narrandera has shown through as we are getting a lot of repeat business from our customers and word of mouth referrals due to the quality service we provide.

The farming season that ended in 2010 was very good especially compared to what we have been used to over the last eight years and it was pleasing to see the farmers getting good crops, etc. We can only hope that this season is as good as last.

We're now sitting with a total banking book of \$44 million and have more than 2,800 account holders. This needs to continue to grow so that we can improve our financial position and ultimately put more funds into our community.

We have continued to support local events and community groups in our town and this will continue into the future. Once we become profitable we will be able to pay a dividend and look at doing more for the community, which will make Narrandera a better place to live into future.

We have had a couple of staff changes over the last 12 months with Sandra Spencer and Kylie Jukes both taking maternity leave. They both had beautiful little girls in March this year, both ladies are due back in August and September. Last December we employed Cassandra Lee to cover Sandra and Kylie's absence and she has been going extremely well. I have also had Rebecca and Glenys work extra hours while the girls were off and I thank them very much for their efforts.

We are looking to expand into Leeton as we hold a good number of accounts from there. This will not cost us much as the plan is get an agency up and running over there so that people can do their day to day banking instead of having to travel to Narrandera. We have not found a suitable agency as yet but are still looking.

My last comment is to our shareholders and that is do you realise that only 70% of you have an account with us and of that 70% only 30% would have all their banking with us. If you bought shares to help get our bank opened why not back it up with your bank accounts? The accounts that we open and loans that we do from here on in are all profit to our business. This will mean you get paid a dividend quicker and we will be able to do contribute more to our community.

Remember a bank in town has just reduced their hours so:

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 banking convenience.



Rob Hanlon
Branch Manager

Bendigo and Adelaide Bank Ltd report

For year ending 30 June 2011

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

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

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

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

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

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

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

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

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

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

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

Bendigo and Adelaide Bank Ltd report continued

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

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

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

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

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



Russell Jenkins
Executive Customer and Community

Directors' report

For the financial year ended 30 June 2011

Your Directors present their report on the Company for the financial year ended 30 June 2011.

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

Director	Responsibilities	Occupation	Meetings attended	
John Guthrie	Chair	Motel Operator	14	
Paul Graham	Vice Chairperson	Property Developer	9	(Res 23/08/2011)
Bradley Teerman	Treasurer	Accountant	12	
Kerry Sproston	Director	Bookkeeper	11	
Peter Royle	Director	Retired	-	(Res 02/08/2011)
Elizabeth Bock	Director	Retailer	13	
Janice Bock	Secretary	Retired	11	
Elizabeth Lawrence	Director	Editor in Chief	-	(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.

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.

The Company arrived at a profit of \$40,987 this financial 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

Peter Royle

John Guthrie

Bradley Teerman

Elizabeth Bock

Elizabeth Lawrence

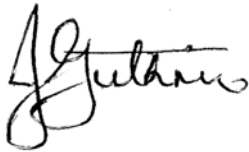
Kerry Sproston

Janice Bock

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:



John Guthrie
Director



Bradley Teerman
Director

Dated this 25 October 2011


Auditor's independence declaration

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 2011 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 St WAGGA WAGGA NSW 2650

Dated this 25 October 2011

Financial statements

Statement of comprehensive income for the year ended 30 June 2011

	Note	2011 \$	2010 \$
Revenue	2	496,604	442,558
Accountancy expenses		(3,234)	(1,465)
Bad debt expense		(9,170)	(683)
Marketing expenses		(26,821)	(9,361)
Auditors' remuneration	3	(3,750)	(7,580)
Depreciation and amortisation expenses		(16,647)	(16,033)
Employee benefits expenses		(260,598)	(248,801)
Franchise renewal fee		-	(57,385)
Other expenses		(135,397)	(148,002)
Profit before income tax	4	40,987	(46,752)
Income tax		-	-
Profit after income tax		40,987	(46,752)
Other comprehensive income			
Total comprehensive income		40,987	(46,752)

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of financial position as at 30 June 2011

	Note	2011 \$	2010 \$
Assets			
Current assets			
Cash and cash equivalents	5	88	309
Trade and other receivables	6	32,884	9,536
Other current assets	7	49,138	44,562
Total current assets		82,110	54,408
Non-current assets			
Property, plant and equipment	8	46,854	56,703
Intangible assets	9	4,591	6,886
Total non-current assets		51,445	62,959
Total assets		133,554	117,367
Liabilities			
Current liabilities			
Trade and other payables	10	42,991	18,900
Financial liabilities	11	217,722	262,960
Provisions	12	15,275	21,833
Total current liabilities		275,988	303,693
Non current liabilities			
Provisions	12	12,840	9,935
Total non current liabilities		12,840	9,935
Total liabilities		288,828	313,628
Net assets (liabilities)		(155,274)	(196,261)
Equity			
Issued capital		644,509	644,509
Accumulated losses		(799,783)	(840,770)
Total equity		(155,274)	(196,261)

The accompanying notes form part of these financial statements.

Financial statements continued

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

	Issued capital \$	Retained earnings/ (accumulated losses) \$	Total \$
Balance at 1 July 2009	644,509	(794,018)	(149,509)
Loss attributable to equity shareholders		(46,752)	(46,752)
Balance at 30 June 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)

The accompanying notes form part of these financial statements.

Financial statements continued

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

	Note	2011 \$	2010 \$
Cash flows from operating activities			
Receipts from customers		496,408	444,539
Payments to suppliers and employees		(446,455)	(457,039)
Interest received		196	8
Net cash used in operating activities	13	50,149	(12,492)
Cash flows from investing activities			
Payments for property, plant and equipment		(5,132)	(1,682)
Payments for intangibles		-	(11,477)
Net cash used in investing activities		(5,132)	(13,159)
Net decrease in cash held		45,017	(25,651)
Cash at beginning of financial year		(262,651)	(237,000)
Cash at end of financial year	5	(217,634)	(262,651)

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2011

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 a 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.

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.

At balance date the Company had a deficiency of current assets of \$ 193,878 and a deficiency of net assets of \$155,274.

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.

Notes to the financial statements continued

Note 1. Statement of significant accounting policies (continued)

Accounting policies (continued)

Property, plant and equipment (continued)

Plant and equipment (continued)

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)

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)

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.

Recognition of deferred tax assets

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

	2011	2010
	\$	\$

Note 2. Revenue and other income

Revenue

Gross margin	290,646	244,603
Upfront product commissions	5,712	4,486
Trailer product commissions	95,833	98,022
Fee income	64,217	59,426
Market development	40,000	35,833
Other income	-	179
Interest received	196	8
Total revenue	496,604	442,558

Note 3. Auditors' remuneration

Auditor's remuneration

Accounting standards	3,750	7,580
-----------------------------	--------------	--------------

Note 4. Loss

Significant expenses:

- Franchise renewal fee	-	57,385
-------------------------	---	--------

Notes to the financial statements continued

	2011 \$	2010 \$
Note 5. Cash and cash equivalents		
Petty cash on hand	80	11
Investment account	8	8
Petty cash account	0	290
	88	309

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	88	309
Bank overdraft (Note 11)	(217,722)	(263,960)
	(217,634)	(262,651)

Note 6. Trade and other receivables

Current

Sundry debtors	32,884	8,450
Goods and Services Tax	-	1,086
	32,884	9,536

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	45,513	40,958
Prepayments	3,625	3,604
	49,138	44,562

Notes to the financial statements continued

	2011 \$	2010 \$
--	------------	------------

Note 8. Property, plant and equipment

Plant and equipment

Office fit out costs and equipment:

At cost	144,602	139,470
Accumulated depreciation	(97,748)	(83,397)
Total plant and equipment	46,854	56,073

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 2010	56,073	56,073
Additions	5,132	5,132
Depreciation expense	(14,351)	(14,351)
Carrying amount at 30 June 2011	46,854	46,854

	2011 \$	2010 \$
--	------------	------------

Note 9. Intangible assets

Franchise fee and establishment costs	11,477	11,477
Less: accumulated amortisation	(6,886)	(4,591)
Net carrying value	4,591	6,886
Total	4,591	6,886
Reconciliation of formation expenses		
Franchise fee and establishment costs	11,477	11,477
Less: accumulated amortisation	(6,886)	(4,591)
Closing carrying value at 30 June 2011	4,591	6,886

Notes to the financial statements continued

	2011 \$	2010 \$
Note 10. Trade and other payables		
Current		
Sundry creditors	2,366	2,536
Trade creditors	3,373	6,261
Accrued expenses	29,591	10,103
Goods and Services Tax	7,661	-
	42,991	18,900
Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables:		
- Total current	42,991	18,900
Financial liabilities as trade and other payables	42,991	18,900

Note 11. Borrowings

Current		
Bank overdraft	217,722	262,960

Note 12. Provisions

Provision for annual leave	15,275	21,833
Provision for long service leave	12,840	9,935
Total provisions	28,115	31,768
Analysis of total provisions		
Current	15,275	21,833
Non current	12,840	9,935
	28,115	31,768

Notes to the financial statements continued

	2011 \$	2010 \$
Note 13. Cash flow information		
Reconciliation of cash flow from operations with profit after income tax		
Profit after income tax	40,987	(46,752)
Non-cash flows in loss		
Amortisation	2,295	4,591
Depreciation	14,351	13,738
Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries		
(Increase) decrease in current receivables	(23,347)	6,393
(Increase) decrease in other current assets	(4,575)	(4,404)
Increase (decrease) in creditors	24,091	336
Increase (decrease) in current provisions	(3,653)	13,606
	50,149	(12,492)

Note 16. 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 2011, as there are no identified bad debts and there are no significant exposures in the remaining receivables.

Notes to the financial statements continued

Note 16. 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.

2011	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	-	80	-	-	-	80
Trade & other receivables	-	-	-	-	32,884	32,884
Total financial assets		80	-	-	32,884	32,964
Financial liabilities						
Trade and other payables	-	-	-	-	(42,991)	(42,991)
Bank overdraft	9.64	(217,722)	-	-	-	(217,722)
Total financial liabilities		(217,722)	-	-	(42,991)	(260,713)

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

	2011	2010
	\$	\$
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	-	1,465

Note 18. Segment reporting

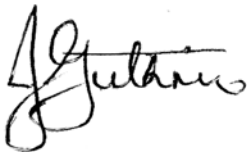
The economic entity operates in the financial services sector where it provides banking services to its clients. The economic entity operates in one geographic area being Narrandera NSW.

Directors' declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 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 2011 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.



John Guthrie
Director



Bradley Teerman
Director

Dated this 25 October 2011

Independent audit report

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 2011, 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.

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 2011 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

Address: 1/185 Morgan St WAGGA WAGGA NSW 2650

Dated this 25 October 2011



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
Phone: (02) 6959 9766 Fax: (02) 6959 9788
ABN: 58 107 510 494

www.bendigobank.com.au/narrandera
Bendigo and Adelaide Bank Limited,
The Bendigo Centre, Bendigo VIC 3550
ABN 11 068 049 178. AFSL 237879.
(BMPAR11071) (08/11)

