Wandin Seville

Financial Services Limited

ABN 33 098 648 296

annual report 2011

Wandin Seville **Community Bank®** Branch

Seville branch

Contents

Chairman's report

For year ending 30 June 2011

In June 2012 Wandin **Community Bank®** Branch will have been open for ten years. During this time we have opened our Seville **Community Bank®** Branch and given back to those communities in excess of $350,000 in sponsorship funds.

Monies have been given to the CFA, both Wandin and Seville Football Clubs, the Pony Club, the Cricket Club, Pink Ladies and numerous others, too many to list.

We have donated a Defibrillator for all sporting bodies who are involved with the Seville Sporting Grounds and of course our local schools on our catchment have been recognised for sponsorship over the years.

A Gammic Heart Machine has been donated to Maroondah Hospital through our Joint Sponsorship Committee.

This has all been achievable by you as the community and shareholders who have trusted and banked with us from day one. We commend you for that, because without you, we would not be able to see these funds placed back into our communities.

Shareholders will see a further ten cent per $1 share fully franked dividend again by 5 December 2011, this making a total of forty seven cents per $1 share paid to date.

Our Directors have worked extremely hard over the past twelve months to ensure the growth of your Company continues at the rate it has in past years, with funds under management in excess of $128 million.

We have seen two Directors resign and one retire, also a change in Chairman in the past six months and we thank them for their hard work as Directors on the **Community Bank®** Board.

I am happy to report that we now have two new Directors, Mr. Tasman Sculthorpe and Mr. Graeme Johnson both of which are well known to our community.

This year we are the major sponsors for the Wandin Silvan Field Days and happily became involved with the new "photography competition" section. We hope it will encourage our young talented photographers through our local schools also being invited to enter this section next year.

2012, we are planning and organising bigger and better things for our communities. This has come from positive feedback from you as shareholders and also community members on what you would like to see to enhance our community and what you feel would make our community grow. This has been done through a public meeting which was held in October this year.

I would like to thank my fellow colleagues, Branch Manager and staff for all their hard work and many dedicated long hours over the past twelve months. Well done. We as Directors will continue to give our time to the community and our **Community Bank®** branches for future growth.

Janet Ockwell
Chairman

Manager’s report

For year ending 30 June 2011

Our Wandin Seville **Community Bank®** Branch has been in operation for nine years as at 3 June 2011, with the Seville branch now over twelve months old and settling into efficiently servicing the customers of Seville. This year has flown by and with the ten year milestone approaching in 2012 we can reflect on the achievements that have occurred .

- We again contributed to the community in sponsorship and grants in excess of $100,000 predominantly to our CFA’s and schools in our catchment areas.
- Maintained stability in our accounts and our profitability.
- Continued profitability resulting in annual dividends to our shareholders.
- Our goals for 2010/11 were again achieved.
- Increases to our customer base with the advent of Seville branch.
- Continued provision of superior customer service.

It is pleasing to announce our goals set for 2011 have been achieved.

Funds under management reached a total of $118 million. Our growth at Seville branch has been steady with $10 million in funds under management currently in place.

Our customer base has increased to 4,500.

Increased sponsorships/grants have again been a focus with major contributions to our hardworking CFA Stations of Wandin and Seville occurring during the year.

Continued superior service has been maintained during 2011 for our customers, including a greater emphasis from Bendigo and Adelaide Bank Ltd on staff training and increased customer satisfaction and awareness.

The three schools in our catchment continued to receive our education awards of pupils who excel in community awareness. These schools are also aware that grants are available to complete larger projects specific to their school.

Work pressures for all concerned have continued to increase this year due to our expansion into Seville and the continuing effects of GFC, and of late competition from major banks; however our Board and staff continue to remain extremely focused on our direction and goals to maintain and continue to maintain very successful **Community Bank®** branches for our community.

What are we to achieve in the next 12 months?

The branches will continue as in previous years to maintain emphasis on our schools and community infrastructures such as CFA, youth programs and animal aid.

However to achieve this result we will still need to maintain our profit levels to ensure satisfactory contributions to the community, it is vital that full community support is directed to banking with our Wandin Seville **Community Bank®** Branch and Seville branch.

Thank you again for your support of our branches in 2010/11. We are again well placed to increase our business into 2012. We will continue to maintain our service and commitment to our loyal customers and we will also continue to encourage people who live in our catchment area to bring their business to Wandin Seville **Community Bank®** Branch and Seville branch. The sub branch at Seville should continue to improve over the coming years and become a profitable site for the community.

As Branch Manager of Wandin Seville **Community Bank®** Branch I am proud to present our ninth Annual Report and look forward to continuing the commitment and service and dedication to our customers into our tenth year.

Thank you again for all your support and making your **Community Bank®** branch successful

Tony Forbes
Branch Manager

Directors' report

For the financial year ended 30 June 2011

The Directors submit their report of the Company for the financial year ended 30 June 2011.

Directors

The names and details of the Company's Directors who held office during or since the end of the financial year are:

Janet Ockwell (Chairperson)
Director
Occupation: Retired

John Strachan
Treasurer, Secretary and Director
Occupation: Accountant

Margaret Schutt
Director
Occupation: Accountant
Resigned 28/03/2011

Megan Gibbons
Director
Occupation: Bookkeeper
Resigned 28/03/2011

Wendy Scott (JP)
Director
Occupation: Retired School Teacher
Retired 28/03/2011

Randall Pye
Director
Occupation: Draftsman

Kim Parry (JP)
Director
Occupation: Real Estate Agent

Keith Corbett
Director
Occupation: Primary Producer

Garry Byrne
Director
Occupation: Primary Producer

Carolyn Burgi
Director
Occupation: Primary Producer

Kevin Parker
Director
Occupation: Retail Sales

Graeme Johnson
Director
Occupation: Waste Management Consultant
Appointed 25/07/2011

Tasman Sculthorpe
Director
Occupation: Insurance Consultant
Appointed 30/05/2011

Directors were in office for this entire year unless otherwise stated.

No Directors have material interests in contracts or proposed contracts with the Company.

Directors' report continued

Principal activities

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

There have been no significant changes in the nature of these activities during the year.

Operating results

Operations have continued to perform in line with expectations. The profit of the Company for the financial year after provision for income tax was $11,679 (2010: $156,005).

	Year ended 30 June 2011	
Dividends	**Cents**	**$'000**
Final dividends recommended:	10	52,831

Significant changes in the state of affairs

In the opinion of the Directors there have been no significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report.

Significant events after the balance date

There are no matters or circumstances that have arisen since the end of the financial year that have 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 years.

Likely developments

The Company will continue its policy of providing banking services to the community.

Directors' benefits

No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Company, controlled entity or related body corporate with a Director, a firm of which a Director is a member or an entity in which a Director has a substantial financial interest, other than disclosed below. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the Company's accounts, or the fixed salary of a full-time employee of the Company, controlled entity or related body corporate.

Accounting and secretarial services

Accounting and secretarial services are provided by the Field Group. John Strachan is an employee of the Field Group.

Indemnification and insurance of Directors and Officers

The Company has indemnified all Directors and the Manager in respect of liabilities to other persons (other than the Company or related body corporate) that may arise from their position as Directors or Managers of the Company except where the liability arises out of conduct involving the lack of good faith.

Indemnification and insurance of Directors and Officers (continued)

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The Company has not provided any insurance for an Auditor of the Company or a related body corporate.

Directors' meetings

The number of Directors' meetings attended by each of the Directors of the Company during the year were:

Number of meetings held:	**12**
Number of meetings attended:	
Janet Ockwell	12
Kevin Parker	11
John Strachan	10
Margaret Schutt	8
Megan Gibbons	9
Wendy Scott (JP)	5
Kim Parry (JP)	8
Keith Corbett	10
Carolyn Burgi	11
Garry Byrne	11
Randall Pye	9
Tas Sculthorpe	1

Company Secretary

John Strachan has been the Company Secretary of Wandin Seville Financial Services Ltd since 5 November 2001. Mr Strachan is an Accountant with over 32 years' experience in accounting and tax matters.

Corporate governance

The Company has implemented various corporate governance practices which include:

(a) Director approval of operating budgets and monitoring of progress against these budgets;

(b) Ongoing Director training; and

(c) Monthly Director meetings to discuss performance and strategic plans.

Janet Ockwell, Chairperson **John Strachan, Director**

Date: 14 October 2011

Auditor's independence declaration

WANDIN SEVILLE FINANCIAL SERVICES LTD
Auditor's Independence Declaration Under Section 307C Of The Corporations Act 2001

Auditor Independence Declaration
The Directors received the following declaration from the Auditor of the Company:

Auditor's Independence Declaration
In relation to our audit of the financial report of Wandin Seville Financial Services Ltd for the financial year ended 30 June 2011, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Vin Crowe
Principal
Vin Crowe & Associates
Date: 14th October 2011

Financial statements

Statement of comprehensive income for the year ended 30 June 2011

	Note	2011 $	2010 $
Revenues from ordinary activities	2	1,258,990	1,115,678
Employee benefits expense	3	(628,633)	(540,060)
Charitable donations and sponsorship		(128,982)	(33,699)
Depreciation and amortisation expense	3	(64,345)	(37,505)
Finance costs	3	(30,925)	(12,950)
Other expenses from ordinary activities		(353,989)	(268,083)
Profit before income tax expense		**52,116**	**223,381**
Income tax expense	4	(40,437)	(67,376)
Profit after income tax expense		**11,679**	**156,005**
Other comprehensive income:			
Other comprehensive income		-	-
Total comprehensive income attributable to members		**11,679**	**156,005**

Earnings per share (cents per share)			
- basic/ diluted earnings per share	21	0.02	0.30
- dividends paid per share		0.10	0.10

The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2011

	Note	2011 $	2010 $
Current assets			
Cash and cash equivalents	6	553,940	550,338
Trade and other receivables	7	111,409	104,013
Total current assets		**665,349**	**654,351**
Non-current assets			
Property, plant and equipment	8	746,672	744,254
Deferred income tax asset	4	33,880	41,468
Intangible assets	9	30,046	46,046
Total non-current assets		**810,598**	**831,768**
Total assets		**1,475,947**	**1,486,119**
Current liabilities			
Trade and other payables	10	97,385	112,605
Borrowings	11	37,032	19,461
Tax payable	4	(58,428)	4,490
Short-Term provisions	12	75,392	22,679
Total current liabilities		**151,381**	**159,235**
Non-current liabilities			
Borrowings	11	348,737	284,864
Long-term provisions	12	9,466	34,505
Total non-current Liabilities		**358,203**	**319,369**
Total liabilities		**509,584**	**478,604**
Net assets		**966,363**	**1,007,515**
Equity			
Share capital	13	528,311	528,311
Retained earnings		438,052	479,204
Total equity		**966,363**	**1,007,515**

The accompanying notes form part of these financial statements.

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

	Note	2011 $	2010 $
Share capital			
Balance at start of year		528,311	528,311
Issue of share capital		-	-
Share issue costs		-	-
Balance at end of year		**528,311**	**528,311**
Retained earnings			
Balance at start of year		479,204	376,030
Total comprehensive income		11,679	156,005
Dividends paid		(52,831)	(52,831)
Balance at end of year		**438,052**	**479,204**

The accompanying notes form part of these financial statements.

Statement of cash flows
for the year ended 30 June 2011

	Note	2011 $	2010 $
Cash flows from operating activities			
Cash receipts in the course of operations		1,279,202	1,093,745
Cash payments in the course of operations		(1,181,210)	(796,630)
Interest received		27,608	16,625
Income tax paid		(62,918)	(123,903)
Net cash flows from/(used in) operating activities		**62,682**	**189,837**
Cash flows from investing activities			
Payments for property, plant and equipment		(87,693)	(181,011)
Payment for other assets		-	(30,000)
Net cash flows from/(used in) investing activities		**(87,693)**	**(211,011)**
Cash flows from financing activities			
Proceeds from borrowings		89,110	300,000
Repayment of borrowings		(7,666)	(3,913)
Dividend paid		(52,831)	(52,831)
Net cash flows from/(used in) financing activities		**28,613**	**243,256**
Net increase/(decrease) in cash held		**3,602**	**222,082**
Cash at beginning of financial year		550,338	328,256
Cash at the end of financial year		**553,940**	**550,338**

The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 30 June 2011 (continued)

	Note	2011 $	2010 $
(a) Reconciliation of cash			
Cash and cash equivalents		553,940	550,338
		553,940	**550,338**
(b) Reconciliation of profit after tax to net cash provided from/(used in) operating activities			
Profit after income tax		11,679	156,005
Add (Less) non-cash flows in profit from ordinary activities:			
- Depreciation		85,275	24,385
- Amortisation		16,000	13,120
Add (Less): changes in assets & liabilities			
- (Increase) decrease in receivables		(7,396)	(5,308)
- (Increase) decrease in other assets		7,588	(7,138)
- Increase (decrease) in payables		(15,220)	47,435
- Increase (decrease) in provisions		27,674	10,727
- Increase (decrease) in other liabilities		(62,918)	(49,389)
Net cash flows from/(used in) operating activities		**62,682**	**189,837**

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2011

Note 1. Basis of preparation of the financial report

(a) Basis of accounting

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and applicable Australian Accounting Standards and other mandatory professional reporting requirements.

The financial report has been prepared on an accruals basis and is based on historical costs (except for land and buildings and available-for-sale financial assets that have been measured at fair value) and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The Financial Report was authorised for issue by the Directors on 14th October 2011.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS'). Australian Accounting Standards that have been recently issued or amended, but are not yet effective, have not been adopted in the preparation of this financial report.

(c) Significant accounting policies

The following is a summary of the material accounting policies adopted. The accounting policies have been consistently applied and are consistent with those applied in the 30 June 2010 financial statements.

Income tax

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised and the liability is settled.

Note 1. Basis of preparation of the financial report (continued)

Property, plant and equipment

Property, plant and equipment are brought to account at cost less accumulated depreciation and any impairment in value.

Land and buildings are measured at fair value less accumulated depreciation.

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

Class of asset	Depreciation rate
Buildings	2.5%
Plant & equipment	10-20%

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Revaluations

Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and accumulated impairment losses.

Fair value is determined by reference to market-based evidence which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the balance sheet unless it reverses a revaluation decrease of the same asset previously recognised in the income statement.

Any revaluation deficit is recognised in the income statement unless it directly offsets a previous surplus of the same asset in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve is made to retained earnings for the depreciation relating to the revaluation surplus.

Recoverable amount of assets

At each reporting date, the Company assesses whether there is any indication that an asset is impaired. Where an indicator of impairment exists, the Company makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Notes to the financial statements continued

Note 1. Basis of preparation of the financial report (continued)

Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. Cash flows are included in the cash flow statement on a gross basis.

The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Employee benefits

The provision for employee benefits to wages, salaries and annual leave represents the amount which the Company has a present obligation to pay resulting from employees' services provided up to the balance date. The provision has been calculated on undiscounted amounts based on wage and salary rates expected to be paid and includes related on-costs.

The Company contributes to a defined contribution plan. Contributions to employee superannuation funds are charged against income as incurred.

Intangibles

Establishment costs have been initially recorded at cost and amortised on a straight line basis at a rate of 20% per annum. Leasehold improvements at Seville Branch have been amortised over the lease term.

Cash

Cash on hand and in banks are stated at nominal value.

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

Comparative figures

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

Revenue

Interest and fee revenue is recognised when earned. All revenue is stated net of the amount of goods and services tax (GST).

Receivables and payables

Receivables and payables are non-interest bearing and generally have payment terms of between 30 and 90 days. Receivables are recognised and carried at original invoice amount less a provision for any uncollected debts. Liabilities for trade creditors and other amounts are carried at cost that is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

Note 1. Basis of preparation of the financial report (continued)

Interest bearing liabilities

All loans are measured at the principal amount. Interest is recognised as an expense as it accrues.

Provisions

Provisions are recognised that when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

Contributed capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

	2011 $	**2010 $**

Note 2. Revenue from ordinary activities

Operating activities		
- services commissions	1,221,439	1,079,067
- other revenue	-	-
Total revenue from operating activities	**1,221,439**	**1,079,067**
Non-operating activities:		
- interest received	27,608	18,714
- other revenue	9,943	17,897
Total revenue from non-operating activities	**37,551**	**36,611**
Total revenue from ordinary activities	**1,258,990**	**1,115,678**

	2011 $	2010 $

Note 3. Expenses

Profit/ (loss) from ordinary activities before income tax expense has been determined after:

	2011 $	2010 $
Employee benefits expense		
- wages and salaries	448,246	445,478
- superannuation costs	86,812	40,778
- payroll tax	8,494	-
- annual leave and long service leave	84,334	51,203
- workers' compensation costs	761	2,601
	628,647	**540,060**
Depreciation of non-current assets:		
- plant and equipment	2,762	2,891
- buildings	8,506	7,294
- leasehold improvements	37,077	14,200
Amortisation of non-current assets:		
- intangibles	16,000	13,120
	64,345	**37,505**
Finance costs:		
- interest paid	30,925	11,535
- borrowing cost	-	1,415
	30,925	**12,950**

Note 4. Income tax expense

The prima facie tax on profit/(loss) before income tax is reconciled to the income tax expense as follows:

	2011 $	2010 $
Prima facie tax on profit/(loss) before income tax at 30%	15,635	67,014
Add tax effect of:		
- non-deductible expenses	1,334	1,505
- prior year underprovision/(overprovision) for tax	23,468	-
- Deferred tax asset not previously brought to account	-	(1,143)
Current income tax expense	**40,437**	**67,376**

Notes to the financial statements continued

	2011 $	2010 $

Note 4. Income tax expense (continued)

The components of tax expense comprise:

	2011 $	2010 $
Current tax	32,849	74,514
Deferred tax	7,588	(7,138)
	40,437	**67,376**
Tax payable		
Current tax payable	(58,428)	4,490
	(58,428)	**4,490**
Deferred income tax asset		
Future income tax benefits arising from deductible temporary differences are recognised to the extent that profits will be available against which such differences can be utilised.	33,880	41,468
	33,880	**41,468**

Note 5. Auditor's remuneration

Amounts received or due and receivable by Vin Crowe & Associates for:

	2011 $	2010 $
- Audit or review of the financial report of the Company	3,500	1,500
	3,500	**1,500**

Note 6. Cash and cash equivalent

	2011 $	2010 $
Cash at bank and on hand	553,940	550,338
	553,940	**550,338**

Note 7. Trade and other receivables

	2011 $	2010 $
Trade debtors	110,687	104,013
Other receivables	722	-
	111,409	**104,013**

	2011 $	2010 $

Note 8. Property, plant and equipment

	2011 $	2010 $
Buildings		
At cost	779,843	731,364
Less: accumulated depreciation	(183,711)	(175,205)
	596,132	**556,159**
Plant and equipment		
At cost	213,706	211,422
Less: accumulated depreciation	(63,166)	(23,327)
	150,540	**188,095**
Total written down amount	**746,672**	**744,254**
Movements in carrying amounts		
Building		
Carrying amount at beginning of year	556,159	
Additions	48,479	
Disposals	-	
Depreciation expense	(8,506)	
Carrying amount at end of year	**596,132**	
Plant and equipment		
Carrying amount at beginning of year	188,095	
Additions	2,284	
Disposals / Adjustments	0	
Depreciation expense	(39,839)	
Carrying amount at end of year	**150,540**	

Note 9. Intangible assets

	2011 $	2010 $
Franchise establishment fee at cost - Seville	20,000	20,000
Less accumulated amortisation	(6,080)	(2,080)
	13,920	**17,920**
Training fees at cost - Seville	10,000	10,000
Less accumulated amortisation	(3,040)	(1,040)
	6,960	**8,960**

	2011 $	2010 $

Note 9. Intangible assets (continued)

	2011 $	2010 $
Franchise fee-at cost - Wandin	60,000	60,000
Less accumulated amortisation	(58,167)	(56,167)
	1,833	**3,833**
Preliminary expenses	46,370	46,370
Less accumulated amortisation	(46,370)	(46,370)
	0	**0**
Renewal cost recovery fee - at cost	40,000	40,000
Less accumulated amortisation	(32,667)	(24,667)
	7,333	**15,333**
	30,046	**46,046**

Note 10. Trade and other payables

	2011 $	2010 $
Trade creditors	17,509	17,005
Other creditors and accruals	79,876	95,600
Total payables	**97,385**	**112,605**

Note 11. Borrowings

	2011 $	2010 $
Current:		
Bank loan - secured	37,032	19,461
	37,032	**19,461**
Non-current:		
Bank loan - secured	348,737	284,864
	348,737	**284,864**

	2011 $	2010 $

Note 12. Provisions

Current:	75,392	22,679
Employee benefits	**75,392**	**22,679**
Non-current		
Employee benefits	9,466	34,505
	9,466	**34,505**
Number of employees at year end	14	13

Note 13. Share capital

528,311 Ordinary shares fully paid of $1 each	528,311	528,311
	528,311	**528,311**

Note 14. Retained earnings

Balance at the beginning of the financial year	479,204	376,029
Profit after income tax	11,679	156,006
Dividends paid	(52,831)	(52,831)
Balance at the end of the financial year	**438,052**	**479,204**

Note 15. Director and related party disclosures

The names of Directors who have held office during the financial year are:

Janet Ockwell (Chairperson)	Wendy Scott (JP)
Kevin Parker	Kim Parry (JP)
John Strachan	Keith Corbett
Margaret Schutt	Carolyn Burgi
Randall Pye	Garry Byrne
Megan Gibbons	Tas Sculthorpe

No Director or related entity has entered into a material contract with the Company.

Remuneration received by Directors:-

Megan Gibbons	13,226	3,500
Jan Ockwell	1,058	-
Kevin Parker	5,981	12,000
	20,265	**15,500**

Notes to the financial statements continued

Note 15. Director and related party disclosures (continued)

Directors' shareholdings	**2011**	**2010**
Kevin Parker	2,001	2,001
John Strachan	7,001	7,001
Tas Sculthorpe	3,000	-
Graeme Johnson	500	500
Wendy Scott (JP)	1,500	1,500
Kim Parry (JP)	1,501	1,001
Keith Corbett	32,500	32,500
Carolyn Burgi	500	500
Garry Byrne	5,000	5,000
Janet Ockwell	1,001	1,001
Randall Pye	500	500

Each share held has a paid up value of $1 and is fully paid.

Note 16. Subsequent events

There have been no events after the end of the financial year that would materially affect the financial statements.

However, recent Court cases have reviewed the Taxation treatment of franchise renewal fees. They are now tax deductible.

Note 17. Contingent liabilities

There were no contingent liabilities at the date of this report to affect the financial statements.

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 regional areas of Eastern Victoria.

Note 19. Corporate information

Wandin Seville Financial Services Ltd is a Company limited by shares incorporated in Australia.

The registered office and principal place of business is:

Registered Office:	Principal places of Business:	
Suite 10, Level 1	Shop 3	IGA
Lifestyle Building	2 Union Road,	638A Warburton Highway,
248 Maroondah Highway,	Wandin North VIC 3139	Seville VIC 3139
Chirnside Park VIC 3116		

	2011 $	2010 $

Note 20. Dividends paid or provided for on ordinary shares

Dividends proposed and not recognised as a liability

	2011 $	2010 $
Franked dividends - 10 cents per share (2010: 10 cents per share)	**52,831**	**52,831**

The tax rate at which dividends have been franked is 30% (2010: 30%).

Dividends proposed will be franked at a rate of 30% (2010: 30%).

Note 21. Earnings per share

Basic earnings per share amounts are calculated by dividing profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of any dilutive options or preference shares).

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	2011 $	2010 $
Profit after income tax expense	11,679	156,005
Weighted average number of ordinary shares for basic and diluted earnings per share earnings per share	528,311	528,311
Earnings per share	0.02	0.30

Note 22. Financial risk management

Net fair values

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the statement of financial position. The Company does not have any unrecognised financial instruments at year end.

Maturity analysis

	Floating interest rate		Within 1 year		1 to 5 years		Non interest bearing		Non interest bearing		Weighted average effective interest rate	
	2011 $	2010 $	2011 $	2010 $	2011 $	2010 $	2011 $	2010 $	2011 $	2010 $	2011 %	2010 %
Cash and cash equivalent	101,771	48,249	452,930	502,089	-	-	-	-	-	-	5.89%	6.40%
Trade and other receivables	-	-	-	-	-	-	-	-	111,409	104,013		
Total financial assets	**101,771**	**48,249**	**452,930**	**502,089**	**-**	**-**	**-**	**-**	**111,409**	**104,013**		
Trade and other payables	-	-	-	-	-	-	-	-	97,385	112,605		
Borrowings	94,502	284,209	289,369	6,705	13,410	13,410	-	-	-	-	9.04%	8.52%
Total financial liabilities	**94,502**	**284,209**	**289,369**	**6,705**	**13,410**	**13,410**	**-**	**-**	**97,385**	**112,605**		

The Company has exposure to credit risk, liquidity risk and market risk from their use of financial instruments.

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. For the Company it arises from receivables and cash assets.

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount of those assets as disclosed in the Balance Sheet and notes to the financial statements. The Company's maximum exposure to credit risk at reporting date was:

Note 22. Financial risk management (continued)

(a) Credit risk (continued)

	2011 $	2010 $
Cash and cash equivalents	553,940	550,338
Trade and other receivables	111,409	104,013
	665,349	**654,351**

The Company's exposure to credit risk is limited to Australia by geographic area. Significant part of this balance is due from Bendigo and Adelaide Bank Ltd.

None of the assets of the Company are past due (2010: nil past due) and based on historic default rates, the Company believes that no impairment allowance is necessary in respect of assets not past due.

The Company limits its exposure to credit risk by only investing in liquid securities with Bendigo and Adelaide Bank Ltd.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures it will have enough liquidity to meet its liabilities when due under both normal and stressed conditions. Liquidity management is carried out within the guidelines set by the Board.

Typically, the Company maintains sufficient cash on hand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the estimated contractual maturities of financial liabilities, including estimated interest payments.

	Carrying amount $	Contractual cash flows $	1 year or less $	Over 1 to 5 years $	More than 5 years $
30 June 2011					
Trade and other payables	97,385	–	97,385	–	–
Borrowings	385,769	–	37,032	348,737	–
	483,154	**–**	**134,417**	**348,737**	**–**
30 June 2010					
Trade and other payables	112,605	–	112,605	–	–
Borrowings	304,324	–	19,641	284,683	–
	416,929	**–**	**132,246**	**284,683**	**–**

Note 22. Financial risk management (continued)

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Interest rate risk

Interest rate risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company reviews the exposure to interest rate risk as part of the regular Board meetings.

Sensitivity analysis

At the reporting date the interest rate profile of the Company's interest bearing financial instruments was:

	2011 $	2010 $
Fixed rate instruments		
Financial assets (fixed rate)	452,930	502,089
Financial liabilities (fixed rate)	(289,369)	(20,115)
Financial liabilities (floating rate)	(94,502)	(284,209)
	69,060	**197,765**

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed interest rate financial assets or liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

(d) Net fair values

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the Balance Sheet. The Company does not have any unrecognised financial instruments at year end.

(e) Capital management

The Board's policy is to maintain a strong capital base so as to sustain future development of the Company. The Board of Directors monitor the return on capital and the level of dividends to shareholders. Capital is represented by total equity as recorded in the Balance Sheet.

Note 22. Financial risk management (continued)

(e) Capital management (continued)

In accordance with the franchise agreement, in any 12 month period, the funds distributed to shareholders shall not exceed the Distribution Limit.

(i) the Distribution Limit is the greater of:

  (a) 20% of the profit or funds of the Franchisee otherwise available for distribution to shareholders in that 12 month period; and

  (b) subject to the availability of distributable profits, the Relevant Rate of Return multiplied by the average level of share capital of the Franchisee over that 12 month period; and

(ii) the Relevant Rate of Return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the Company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2010 can be seen in the Income Statement.

There were no changes in the Company's approach to capital management during the year.

Directors' declaration

In accordance with a resolution of the Directors of Wandin Seville Financial Services Limited, we state that:

In the opinion of the Directors:

(a) the financial statements and notes of the Company are 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 their performance for the year ended on that date; and

   (ii) complying with Accounting Standards in Australia and Corporations Regulations 2001;

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(c) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2011

Janet Ockwell, Chairperson

John Strachan, Director

Signed at Wandin on 14 October 2011.

CERTIFIED PRACTISING
ACCOUNTANTS

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PRINCIPAL
VINCENT R CROWE
FCPA FTIA
REGISTERED
COMPANY AUDITOR

Independent Audit Report
To the Members of
Wandin Seville Financial Services Limited

VIN CROWE & ASSOCIATES

Scope
The financial report comprises the Director's Report, Directors Declaration, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and accompanying notes to the financial statements of Wandin Seville Financial Services Limited, for the year ended 30th June 2011.

The directors of company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach
We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatements. The nature of the audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of the internal control, and the availability of persuasive rather that conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of the procedures, which include:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and

- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence
In conducting our audit, we have followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

INCORPORATING PASCOE WHITAKER & CROWE EST 1958

Independent audit report continued

Audit Opinion

In our opinion, the financial report of Wandin Seville Financial Services Limited is in accordance with:

(a) the Corporations Act 2001, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

(ii) complying with Accounting Standards in Australia and the Corporation Regulations 2001; and

(b) other mandatory professional reporting requirements in Australia.

Vin Crowe & Associates

Rear 88 Maroondah Highway, Ringwood, Vic 3134

Date: 14th October 2011

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Shop 3, Lot 10 Union Road, Wandin North VIC 3139
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Seville branch
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Phone: (03) 5961 9303

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248 Maroondah Highway, Chirnside Park VIC 3116
ABN: 33 098 648 296

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The Bendigo Centre, Bendigo VIC 3550
ABN 11 068 049 178. AFSL 237879.
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