



Wandin Seville
Financial Services Limited

ABN 33 098 648 296

**ANNUAL
REPORT
2013**

Wandin Seville **Community Bank**[®] Branch
Seville branch

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Chairman's report

For year ending 30 June 2013

\$100 million returned to communities, marking 15 years of operation

Thanks to the support of **Community Bank**[®] branch customers and shareholders, the Australia-wide network has now returned more than \$100 million to support and strengthen local communities.

This enormous achievement came as the **Community Bank**[®] network celebrated 15 years of operation. The **Community Bank**[®] concept was born in the western Victorian farming townships of Rupanyup and Minyip in 1998. The network has since grown to include 300 branches across Australia.

Our **Community Bank**[®] company has played a key role in these milestones, returning more than \$580,000 to our local community with a further 10 cent dividend totalling \$52,831 for year 2012/13 returned to local shareholders.

These community grants and sponsorships have made a significant difference to a number of local organisations.

We look forward to continuing to support these groups and others as more people bank with us and we become more successful.

Animal Aid Victoria	Seville Pre School
Coldstream CFA	Seville Primary School
CWA Yarra Valley	Seville Ranges Football Club
Camp Awakening	St Pauls Anglican Church
Eastern Ranges Football Club	Wandin CFA
Eastern Woodturners Inc.	Wandin Cricket Club
Gruyere CFA	Wandin Football Club
Kurth Kiln	Wandin Junior Football Club
Mont De Lancey	Wandin Netball Club
Police & Citizens Golf Day	Wandin North Primary School
Rotary Club of Wandin Inc	Wandin Yallock Primary School
Relay for Life	Wandin Park Association
Ride to Conquer Cancer	Wandin Pre School
Seville Scouts	Wandin Warriors Basketball Club
Seville CFA	Wandin Yallock Primary School
Seville Community House	Winhort Yarra Ranges
Seville Cricket Club	World's Biggest Cup of Tea
Seville Girl Guides	Yarra Valley Cricket
Seville Football Club	Yarra Valley Ladies in Pink
Seville Junior Football Club	Yarra Valley Spring Festival
Seville Netball Club	Yarra Valley Machinery Preservation Society
Seville Pony Club	Youth Foundation Victoria

Chairman's report (continued)

These are inspirational milestones. Our **Community Bank**[®] company is working hard to secure the support of our local community so that we too can start reinvesting profits in community strengthening activities and reward our local shareholders with a dividend payment.

We look forward to continuing to support these groups and others as more people bank with us and we become more successful.

We continue to work hard to grow the business so we can reward the support of our local shareholders by paying them a dividend.

Interest rate movements

Our **Community Bank**[®] company and our partner Bendigo and Adelaide Bank, encourage transparency when setting interest rates and fees.

We believe it is our shared responsibility to ensure customers understand the environment banks operate in, so they can make educated judgement calls on who they choose to do their banking business with.

There is no doubt that all banks face higher funding costs, following changes in the economic environment triggered by the Global Financial Crisis.

We support our partner Bendigo and Adelaide Bank in its decision making and believe it is committed to striking a fair balance between all key stakeholders – borrowers, depositors, shareholders, staff and the wider communities – when it sets interest rates.

Ratings upgrade

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.

This means the 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.

Restoring the Balance update

Funding for all banks is expensive and likely to remain so, there is strong competition for retail deposits, credit growth is sluggish at best and subsequently, the profitability of banks remains under pressure.

Not surprisingly, these factors continue to place pressure on the 50/50 margin share agreement between the Bank and its **Community Bank**[®] partners. As a result some **Community Bank**[®] companies are receiving much more than 50 per cent, the Bank much less.

The Bank has conducted a staged approach to restoring this balance, ensuring that the **Community Bank**[®] model produced reasonable shareholder returns, as any business must. The Bank will continue to review this remuneration model with its partners to ensure it is fair and equitable for all parties and is as resilient as possible to the fast changing economic environment.

Government guarantee

In September 2011, the Federal Government announced changes to its Financial Claims Scheme (FCS), also known as the "government guarantee", lowering it from \$1 million to \$250,000 effective 1 February 2012.

All **Community Bank**[®] branches operate under Bendigo and Adelaide Bank's banking licence, and as such all deposits held with a **Community Bank**[®] branch are guaranteed by the Federal Government and supported by capital supplied by their franchise partner, Bendigo and Adelaide Bank.

Chairman's report (continued)

Lowering the cap is an indication of the strength of Australian banks, including Bendigo and Adelaide Bank and the combination of healthy, profitable banks and strong prudential regulation is the best guarantee our customers have that their money is safe in our bank.



Janet Ockwell
Chairman

Manager's report

For year ending 30 June 2013

This is the second Annual Report that I have the pleasure to present to you. I wish to thank both the community and the Board of Directors for the continued support I have received over the past 12 months. During this time we have seen some significant changes at our branches: we established a new position in our Wandin Seville **Community Bank**[®] Branch – Customer Relationship Officer, restructured both our branches, gave our Wandin Seville **Community Bank**[®] Branch a well needed makeover and we have seen steady growth in an extremely competitive environment. Wandin Seville **Community Bank**[®] Branch has been in operation now for 11 years and Seville branch for three, and both branches enjoy a loyal customer base, with an ever increasing exposure of our competitive products and services within in our community.

Last year our goals were to increase business growth, especially within our lending portfolio, increase staff training, maintain account stability and profitability. I am pleased to advise that our goals were achieved in what was a most challenging year. Housing finance/household debt continue at statistically low levels and we hope to see improvement in this area in the coming year with the flow on effect from low interest rates.

Funds under management have increased to \$129 million, at the conclusion of this financial year, an increase of 5% over last years figure. Importantly Seville branch continues to show steady growth. Our combined deposit book grew by \$293,000 and our lending increased by \$6.403 million.

Heading towards 2014 we will continue to focus on business growth and staff training, as well as maintaining our superior customer service that you know so well. We will maintain profitability resulting in annual dividends to our shareholders and ensure that we will continue to support our local communities.

We have again contributed to various projects within our local communities, investing approximately \$80,000 this financial year. Major contributions have been made to our local CFA brigades, local primary schools, preschools, historical societies, sporting/recreational organisations and local youth initiatives.

This year we were proud to be involved, for the first time, in the Bendigo and Adelaide Bank Scholarship Program which provides support to a VCE student in their first year at University. A local student, Cassandra Straub, was the successful applicant who received \$5,000, which has enabled her to study at Monash University. We are again offering this fantastic opportunity for the coming year and we feel proud to be able to help enable the youth in our local community to follow their dreams.

I would like to thank Jan Ockwell, our Board of Directors, shareholders and the regional office team led by Mark Nolan for their support over the past year. I look forward to their continuing support in 2014. Thank you also to our dedicated staff, who work hard to meet our customer's banking needs and contribute to our community commitments throughout the year.

The strength of the **Community Bank**[®] model lies in the support of our Board of Directors, our shareholders and of course our customers. We encourage your continued support to ensure that our business thrives which ultimately benefits our local community: helping it to grow and prosper.

Finally on behalf of the branch team and myself, thank you to our local community for your support.



Jackie Butler
Branch Manager

Directors' report

For the financial year ended 30 June 2013

The Directors submit their report of the company for the financial year ended 30 June 2013.

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

Graeme Johnson

Director

Occupation: Waste Management Consultant

Garry Byrne

Director

Occupation: Primary Producer

Keith Corbett

Director

Occupation: Primary Producer

Kevin Parker

Director

Occupation: Retail Sales

Carolyn Burgi

Director

Occupation: Primary Producer

Tasman Sculthorpe

Director

Occupation: Insurance Consultant

John Strachan

Treasurer, Secretary and Director

Occupation: Accountant

Resigned 29/07/2013

Kim Parry (JP)

Director

Occupation: Real Estate Agent

Leonie Bailey

Director

Occupation: Solicitor

Resigned 23/07/2013

Jaqueline Hasan

Director

Occupation: Real Estate Agent

Resigned 18/06/2013

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

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

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 Limited.

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 \$162,920 (2012: \$88,076).

Directors' report (continued)

Dividends

	Year ended 30 June 2013	
	Cents per share	\$
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 taxation services

Accounting and secretarial services are provided by the Field Group - Accounting.

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.

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' report (continued)

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	11
Kim Parry (JP)	11
Keith Corbett	6
Carolyn Burgi	11
Garry Byrne	11
Graeme Johnson	9
Leonie Bailey	5
Tasman Sculthorpe	12
Jacqueline Hasan	3

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



Kevin Parker
Director

Date: 30 September 2013

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 2013, 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.



Vincent R Crowe

DD Vin Crowe & Associates

Date: 30th September 2013

Financial statements

Statement of comprehensive income for the year ended 30 June 2013

	Note	2013 \$	2012 \$
Revenues from ordinary activities	2	1,281,677	1,277,520
Employee benefits expense	3	(551,154)	(636,545)
Charitable donations and sponsorship		(76,124)	(59,512)
Depreciation and amortisation expense	3	(74,576)	(64,431)
Finance costs	3	(167)	(19,212)
Other expenses from ordinary activities		(345,724)	(369,739)
Profit before income tax expense		233,932	128,081
Income tax expense	4	(71,012)	(40,005)
Profit after income tax expense		162,920	88,076
Other comprehensive income:			
Other comprehensive income		-	-
Total comprehensive income attributable to members		162,920	88,076
Earnings per share (cents per share)			
- basic/ diluted earnings per share	21	0.31	0.17
- dividends paid per share		0.10	0.10

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of financial position as at 30 June 2013

	Note	2013 \$	2012 \$
Current assets			
Cash and cash equivalents	6	483,809	256,818
Trade and other receivables	7	116,637	119,185
Total current assets		600,446	376,003
Non-current assets			
Property, plant and equipment	8	662,950	704,946
Deferred income tax asset	4	29,005	25,131
Intangible assets	9	46,476	63,976
Total non-current assets		738,431	794,053
Total assets		1,338,877	1,170,056
Current liabilities			
Trade and other payables	10	108,931	93,797
Borrowings	11	2,855	2,688
Tax payable	4	55,983	(7,484)
Short-Term provisions	12	28,175	34,656
Total current liabilities		195,944	123,657
Non-current liabilities			
Borrowings	11	-	-
Long-term provisions	12	31,236	44,791
Total non-current Liabilities		31,236	44,791
Total liabilities		227,180	168,448
Net assets		1,111,697	1,001,608
Equity			
Share capital	13	528,311	528,311
Retained earnings	14	583,386	473,297
Total equity		1,111,697	1,001,608

The accompanying notes form part of these financial statements.

Financial statements (continued)

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

	Note	2013 \$	2012 \$
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		473,297	438,052
Total comprehensive income		162,920	88,076
Dividends paid	20	(52,831)	(52,831)
Balance at end of year		583,386	473,297

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of cash flows for the year ended 30 June 2013

	Note	2013 \$	2012 \$
Cash flows from operating activities			
Cash receipts in the course of operations		1,268,868	1,269,744
Cash payments in the course of operations		(978,071)	(1,050,313)
Interest received		15,357	19,806
Income tax paid		(11,419)	(38,740)
Net cash flows from/(used in) operating activities		294,735	200,497
Cash flows from investing activities			
Payments for property, plant and equipment		(15,080)	(11,707)
Payment for other assets		-	(50,000)
Net cash flows from/(used in) investing activities		(15,080)	(61,707)
Cash flows from financing activities			
Proceeds from borrowings		167	-
Repayment of borrowings		-	(383,081)
Dividend paid		(52,831)	(52,831)
Net cash flows from/(used in) financing activities		(52,664)	(435,912)
Net increase/(decrease) in cash held		226,991	(297,122)
Cash at beginning of financial year		256,818	553,940
Cash at the end of financial year		483,809	256,818
(a) Reconciliation of cash			
Cash and cash equivalents		483,809	256,818
		483,809	256,818
(b) Reconciliation of profit after tax to net cash provided from/(used in) operating activities			
Profit after income tax		162,920	88,076
Add (less) non-cash flows in profit from ordinary activities:			
- Depreciation & amortisation		74,576	64,431
- loss on assets disposal		-	5,072

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of cash flows
for the year ended 30 June 2013 (continued)

	Note	2013 \$	2012 \$
(b) Reconciliation of profit after tax to net cash provided from/(used in) operating activities (continued)			
Add (Less): changes in assets & liabilities			
- (Increase) decrease in receivables		2,548	(7,776)
- (Increase) decrease in other assets		(3,874)	(6,083)
- Increase (decrease) in payables		15,134	(3,588)
- Increase (decrease) in provisions		(20,036)	(5,411)
- Increase (decrease) in other liabilities		63,467	65,775
Net cash flows from/(used in) operating activities		294,735	200,497

Notes to the financial statements

For year ended 30 June 2013

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 24 September 2013

(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 2013 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.

Property, plant and equipment

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

Notes to the financial statements (continued)

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

(c) Significant accounting policies (continued)

Property, plant and equipment (continued)

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.

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.

Notes to the financial statements (continued)

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

(c) Significant accounting policies (continued)

Goods and services tax (continued)

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.

Interest bearing liabilities

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

Notes to the financial statements (continued)

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

(c) Significant accounting policies (continued)

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.

	2013 \$	2012 \$
Note 2. Revenue from ordinary activities		
Operating activities		
- services commissions	1,254,984	1,238,561
- other revenue	2,237	8,826
Total revenue from operating activities	1,257,221	1,247,387
Non-operating activities:		
- interest received	15,357	19,806
- other revenue	9,099	10,327
Total revenue from non-operating activities	24,456	30,133
Total revenue from ordinary activities	1,281,677	1,277,520

Note 3. Expenses

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

Employee benefits expense

- wages and salaries	453,495	509,830
- superannuation costs	43,789	75,689
- payroll tax	5,287	-
- annual leave and long service leave	46,611	49,125
- workers' compensation costs	1,972	1,901
	551,154	636,545

Notes to the financial statements (continued)

	2013 \$	2012 \$
Note 3. Expenses (continued)		
Depreciation of non-current assets:		
- plant and equipment	4,675	2,778
- buildings	8,506	8,506
- leasehold improvements	43,895	37,077
Amortisation of non-current assets:		
- intangibles	17,500	16,070
	74,576	64,431
Finance costs:		
- interest paid	167	19,212
- borrowing cost	-	-
	167	19,212

Note 4. Income tax expense

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

Prima facie tax on profit before income tax at 30%	70,180	38,424
Add tax effect of:		
- non-deductible expenses	833	1,581
- prior year underprovision/(overprovision) for tax	-	-
- Deferred tax asset not previously brought to account	-	-
Current income tax expense	71,012	40,005
The components of tax expense comprise:		
Current tax	67,138	32,008
Deferred tax	3,874	7,997
	71,012	40,005
Tax payable		
Current tax payable	55,983	(7,484)
	55,983	(7,484)
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.	29,005	25,131
	29,005	25,131

Notes to the financial statements (continued)

	2013 \$	2012 \$
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Note 5. Auditor's remuneration

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

- Audit or review of the financial report of the company	4,350	5,850
	4,350	5,850

Note 6. Cash and cash equivalent

Cash at bank and on hand	483,809	256,818
	483,809	256,818

Note 7. Trade and other receivables

Trade debtors	107,083	115,435
Other receivables	9,554	3,750
	116,637	119,185

Note 8. Property, plant and equipment

Buildings

At cost	779,843	779,843
Less: accumulated depreciation	(200,723)	(192,217)
	579,120	587,626

Plant and equipment

At cost	233,893	218,813
Less: accumulated depreciation	(150,063)	(101,493)
	83,830	117,320

Total written down amount	662,950	704,946
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Movements in carrying amounts

Building

Carrying amount at beginning of year	587,626	596,132
Additions	-	-
Disposals	-	-
Depreciation expense	(8,506)	(8,506)
Carrying amount at end of year	579,120	587,626

Notes to the financial statements (continued)

	2013 \$	2012 \$
Note 8. Property, plant and equipment (continued)		
Plant and equipment		
Carrying amount at beginning of year	117,320	150,540
Additions	15,080	11,707
Disposals / Adjustments	-	(5,072)
Depreciation expense	(48,570)	(39,855)
Carrying amount at end of year	83,830	117,320

Note 9. Intangible assets

Franchise Establishment Fee at cost - Seville	20,000	20,000
Less accumulated amortisation	(15,080)	(10,080)
	4,920	9,920
Training fees at cost - Seville	10,000	10,000
Less accumulated amortisation	(7,540)	(5,040)
	2,460	4,960
Franchise fee-at cost - Wandin	70,000	70,000
Less accumulated amortisation	(62,181)	(60,181)
	7,819	9,819
Preliminary expenses	46,370	46,370
Less accumulated amortisation	(46,370)	(46,370)
	-	-
Renewal cost recovery fee-at cost	80,000	80,000
Less accumulated amortisation	(48,723)	(40,723)
	31,277	39,277
	46,476	63,976

Note 10. Trade and other payables

Trade creditors	39,055	22,915
Other creditors and accruals	69,876	70,882
	108,931	93,797

Notes to the financial statements (continued)

	2013 \$	2012 \$
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Note 11. Borrowings

Current:

Bank loan - secured	2,855	2,688
	2,855	2,688

Non-current:

Bank loan - secured	-	-
	-	-

Note 12. Provisions

Current: 28,175 34,656

Employee benefits 28,175 34,656

Non-current

Employee benefits 31,236 44,791

31,236 44,791

Number of employees at year end 13 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 473,297 438,052

Profit after income tax 162,920 88,076

Dividends paid (52,831) (52,831)

Balance at the end of the financial year 583,386 473,297

Note 15. Director and related party disclosures

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

Janet Ockwell (Chairperson)

Kevin Parker

John Strachan

Tasman Sculthorpe

Carolyn Burgi

Graeme Johnson

Kim Parry (JP)

Keith Corbett

Jaqueline Hasan

Garry Byrne

Leonie Bailey

Notes to the financial statements (continued)

	2013	2012
	\$	\$

Note 15. Director and related party disclosures (continued)

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

Remuneration received by Director and associates:-

Jan Ockwell	15,000	11,234
	15,000	11,234

Directors' shareholdings	2013	2012
Kevin Parker	2,001	2,001
Tasman Sculthorpe	3,000	3,000
Graeme Johnson	500	500
Kim Parry (JP)	1,001	1,001
Keith Corbett	20,500	20,500
Carolyn Burgi	500	500
Garry Byrne	5,000	5,000

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.

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.

Notes to the financial statements (continued)

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:

Suite 10, Level 1
248 Maroondah Hwy
Chirnside Park, Vic, 3116

Principal places of business:

Shop 13	IGA
2 Union Road	638A Warburton Hwy
Wandin North Vic 3139	Seville, Vic, 3139

Security register

AFS & Associates
61-65 Bull Street
Bendigo Vic 3550

Company Secretary

Mr Kevin Parker

	2013	2012
	\$	\$

Note 20. Dividends paid or provided for on ordinary shares

Dividends proposed and not recognised as a liability

Franked dividends - 10 cents per share (2012: 10 cents per share)	52,831	52,831
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The tax rate at which dividends have been franked is 30% (2012: 30%).

Dividends proposed will be franked at a rate of 30% (2012: 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).

Notes to the financial statements (continued)

	2013 \$	2012 \$
Note 21. Earnings per share (continued)		
The following reflects the income and share data used in the basic and diluted earnings per share computations:		
Profit after income tax expense	162,920	88,076
Weighted average number of ordinary shares for basic and diluted earnings per share earnings per share	528,311	528,311
Earnings per share	0.31	0.17

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

Financial instrument	Floating interest rate		Within one year		1 to 5 years		Non interest bearing		Non interest bearing		Weighted average effective interest rate	
	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$	2013 %	2012 %
Cash and cash equivalents	95,217	89,222	388,355	167,595	-	-	-	-	-	-	4.10%	5.50%
Trade and other receivables	-	-	-	-	-	-	-	-	116,637	119,185		
Total financial assets	95,217	89,222	388,355	167,595	-	-	-	-	116,637	119,185		
Trade and other payables	-	-	-	-	-	-	-	-	108,931	93,797		
Borrowings	2,855	2,688	-	-	-	-	-	-	-	-	6.50%	6.50%
Total financial assets	2,855	2,688	-	-	-	-	-	-	108,931	93,797		

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.

Notes to the financial statements (continued)

Note 22. Financial risk management (continued)

(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:

	2013	2012
	\$	\$
Cash and cash equivalents	483,809	256,818
Trade and other receivables	116,637	119,185
	600,446	376,003

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 Limited.

None of the assets of the company are 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 Limited.

(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	More than 5 years
	\$	\$	\$	\$
30 June 2013				
Trade and other payables	108,931	-	108,931	-
Borrowings	2,855	-	2,855	-
	111,786	-	111,786	-

Notes to the financial statements (continued)

Note 22. Financial risk management (continued)

(b) Liquidity risk (continued)

	Carrying amount \$	Contractual cash flows \$	1 year or less \$	More than 5 years \$
30 June 2012				
Trade and other payables	93,797	–	93,797	–
Borrowings	2,688	–	2,688	–
	96,485	–	96,485	–

(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:

	2013 \$	2012 \$
Fixed rate instruments		
Financial assets (fixed rate)	388,354	167,595
Financial liabilities (fixed rate)	(2,855)	(2,688)
Financial liabilities (floating rate)	0	0
	385,499	164,907

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.

Notes to the financial statements (continued)

Note 22. Financial risk management (continued)

(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.

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 2012 can be seen in the Income Statement. There were no changes in the company's approach 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 2013 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 2013.



Janet Ockwell
Chairperson



Kevin Parker
Director

Date: 30 September 2013

Independent audit report

V I N C R O W E
& A S S O C I A T E S
ACCOUNTANTS, ADVISORS & AUDITORS



Part of DUNCAN DOVICO Group

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

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 2013.

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 than 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

VIN CROWE & ASSOCIATES - ACCOUNTANTS, ADVISORS & AUDITORS ABN 60 103 072 939
03 9870 1133 03 9870 3606 info@ddvic.com.au www.ddvic.com.au 88 Maroondah Highway, Ringwood Vic 3134 (PO Box 4299 Ringwood Vic 3134)

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 2013 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.



DD Vin Crowe & Associates

Rear 88 Maroondah Highway, Ringwood, Vic 3134

Date: 30th September 2013



Wandin Seville **Community Bank**[®] Branch
Shop 3, Lot 10 Union Road, Wandin North VIC 3139
Phone: (03) 5964 4595

Seville branch
638 Warburton Highway, Seville VIC 3139
Phone: (03) 5961 9303

Franchisee: Wandin Seville Financial Services Limited
Suite 10, Level 1, Lifestyle Building, 248 Maroondah Highway,
Chirnside Park VIC 3116
Phone (03) 5964 4586 Fax (03) 5964 4015
ABN: 33 098 648 296

www.bendigobank.com.au/wandin_seville
(BMPAR13037) (07/13)

