



Annual Report 2014

Wandin Seville
Financial Services Limited

ABN 33 098 648 296

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

Contents

Chairperson's report	2
Senior Manager's report	4
Directors' report	5
Auditor's independence declaration	8
Financial statements	9
Notes to the financial statements	14
Directors' declaration	28
Independent audit report	29

Chairperson's report

For year ending 30 June 2014

\$122 million returned to communities, marking 16 years of operation

Thank you to the support of **Community Bank**[®] customers and shareholders, the Australia-wide network has now returned more than \$122 million to support and strengthen local communities.

This enormous achievement came as the **Community Bank**[®] network celebrated 16 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 305 branches across Australia.

Our **Community Bank**[®] company has played a key role in these milestones, returning more than \$635,000 to our local community with a further 5 cent dividend totalling \$26,415.55 for year 2013/14 returned to local shareholders.

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

Local CFA's, Pre School and Primary Schools, local sporting clubs and organisations, Pink Ladies, Ride to Conquer Cancer, local festivals and many more.

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

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.

Thank you for the support of **Community Bank**[®] customers and shareholders, the Australia-wide network has now returned more than \$122 million to support and strengthen local communities.

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.

Chairperson's report (continued)

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.

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.

Review of Community Bank[®] model

The review of the **Community Bank**[®] model, also known as Project Horizon, is a collaborative effort to rigorously explore and analyse the model; an approach strongly underpinned by financial modelling and empirical analysis. The future model will then be tested and reviewed through extensive consultation and enquiry.

With a holistic strategic review of the **Community Bank**[®] model, and with a joint commitment to set the vision and strategy for a sustainable commercial model, the Bank and its **Community Bank**[®] partners will create a shared vision for future long-term success regardless of changes to operational and market conditions.

Bank launches largest Scholarship program yet

Hundreds of Australian students have benefited from Bendigo and Adelaide Bank's scholarship program since it began in 2007. In March, the Bank launched its largest ever scholarship program with more than 160 first and second year scholarships offered in 2014.

We are proud to have been part of this program through the granting of a scholarship to Cassandra Straub from Lilydale Heights High School who is studying Veterinary Bioscience at the Monash University (Gippsland).

In 2014, Rural Bank offered eight scholarships to rural and regional students pursuing a career in agribusiness, in partnership with selected **Community Bank**[®] branches.

La Trobe University and Melbourne University have also partnered with the Bank to offer specialised scholarship program for their rural and regional students, while several metropolitan **Community Bank**[®] branches are also helping local students from their district with study costs.

These scholarships can give students the financial help they need to take the first step on their pathway to higher learning, and maybe one day they will be able to bring these skills back to their local community.

For more information about the 2014/15 Bendigo and Adelaide Bank Scholarship visit www.bendigoadelaide.com.au/scholarships.



Janet Ockwell
Chairperson

Senior Manager's report

For year ending 30 June 2014

Wandin Seville **Community Bank**[®] Branch has now been in operation for over 12 years. Over that time, Wandin Seville Financial Services Limited, has met proposed business expansion levels, which included the opening of our Seville sub branch back in 2010.

Last year our goals were to increase business growth, staff training, maintain our superior customer service and profitability, pay annual dividends and continue to support our local communities. To this date, we have achieved the majority of our goals in a most difficult and challenging year.

Our business results have met with significant challenges this year including a highly competitive lending/deposit market, continuing low levels of confidence across the business/consumer sector and extraordinary levels of debt reduction by use of savings/deposits held. In these conditions, it is more important than ever that we continue to offer competitive, relevant products but unfortunately our competitors have been very aggressive on pricing to win business.

We need to remain focused on our **Community Bank**[®] model. Wandin Seville **Community Bank**[®] Branch was established to return banking services to the community that the major banks had left. As well as offering banking products and services, we return profits back to the community to help fund many important projects, funds that would not have otherwise been available to the Wandin Seville community.

To ensure that we remain focused on business growth and provide a consistent approach to meeting our customers ever changing needs, we have again reviewed our current staffing structure over both branches. Significant changes have been made which I envisage will benefit both our customers and company well in to the future. All staff are adapting well to their new positions and they continue to build rapport and confidence with our valued customers.

A sad note for the year was our CSO, Karyn Butler resigning to take up a new job opportunity at Mt Evelyn **Community Bank**[®] Branch. Karyn was held in high regard by myself, our Board, staff and customers. We wish Karyn every success for the future and thank her for her dedication to our branch.

Heading towards 2015, our continuing focus will be to increase our business growth in the consumer, business and rural sectors. Other core banking goals are to provide business referrals to our Business Bankers, Financial Planners and to obtain various property and personal risk insurance sales.

Once again we have continued contributing significant funds back to our local communities via sponsorship and grants and I envisage this to continue in to the coming financial year.

As stated earlier, it has been a most challenging year but my staff and I have enjoyed the challenge and look forward to achieving our goals for 2014/15.

I would like to thank our Board of Directors for their continued support and their commitment to myself, my staff and our local community. I would also like to acknowledge the hard work and dedication of my staff - their endless efforts and professionalism are integral to the continued success of our business.

Lastly my staff and I thank all our customers who support our **Community Bank**[®] branch and ask that you continue to do so and recommend our services to your family and friends.



Jackie Butler
Senior Manager

Directors' report

For the financial year ended 30 June 2014

The Directors submit their report of the company for the financial year ended 30 June 2014.

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

Garry Byrne

Director
Occupation: Primary Producer

Kevin Parker

Director
Occupation: Retail Sales

Tasman Sculthorpe

Director
Occupation: Insurance Consultant

Gavan McIntyre

Director
Occupation : Builder
Appointed 25 November 2013

Keith Corbett

Director
Occupation: Primary Producer
Resigned 25 November 2013

Graeme Johnson

Director
Occupation: Waste Management Consultant

Carolyn Burgi

Director
Occupation: Primary Producer

Kim Parry (JP)

Director
Occupation: Real Estate Agent

Raymond Barrett

Director
Occupation : company Director
Appointed 25 November 2013

Robert McDougall

Director
Occupation: Retired
Appointed 25 November 2013

Bradley Colling

Director
Occupation : Social Worker
Appointed 28 July 2014

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

The past year has been challenging given tighter competition and difficult business conditions. The profit of the company for the financial year after provision for income tax was \$66,844 (2013: \$162,920). Overall profitability continues to be affected by the slow growth of the Seville Branch. It is important to note the outstanding commitment of your Board, management and staff as they to strive to maximise the performance of the Bank for the benefit of shareholder and the Community alike.

Directors' report (continued)

Dividends

Dividends paid since the start of the financial year as follows:-

- a) A fully franked dividend of 10c per share (\$52,831) was paid during the year

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 taxation 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	9
Kim Parry (JP)	11
Carolyn Burgi	10
Garry Byrne	11
Graeme Johnson	11
Tasman Sculthorpe	9
Raymond Barret	6
Robert McDougall	6
Gavan McIntyre	3
Keith Corbett	4

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: 25 August 2014

Auditor's independence declaration

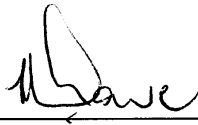
WANDIN SEVILLE FINANCIAL SERVICES LTD

Auditor's Independence Declaration Under Section 307C Of The Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 there has been:

(i) no contraventions of the auditor's independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Vincent R Crowe

Date: 25th August 2014

Financial statements

Statement of Comprehensive Income for the year ended 30 June 2014

	Note	2014 \$	2013 \$
Revenues from ordinary activities	2	1,153,465 -	1,281,677
Employee benefits expense	3	(569,117)	(551,154)
Charitable donations and sponsorship		(64,728)	(76,124)
Depreciation and amortisation expense	3	(75,807) -	(74,576)
Finance costs	3	(169) -	(167)
Other expenses from ordinary activities		(347,328) -	(345,724)
Profit before income tax expense		96,316	233,932
Income tax expense	4	(29,472) -	(71,012)
Profit after income tax expense		66,844	162,920
Other comprehensive income:			
Other comprehensive income		-	-
Total comprehensive income attributable to members		66,844	162,920
Earnings per share (cents per share)			
- basic/ diluted earnings per share	21	0.13	0.31
- 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 2014

	Note	2014 \$	2013 \$
Current assets			
Cash and cash equivalents	6	486,458	483,809
Trade and other receivables	7	106,265	116,637
Total current assets		592,723	600,446
Non-current assets			
Property, plant and equipment	8	608,685	662,950
Deferred income tax asset	4	39,901	29,005
Intangible assets	9	29,096	46,476
Total non-current assets		677,682	738,431
Total assets		1,270,405	1,338,877
Current liabilities			
Trade and other payables	10	66,736	108,931
Borrowings	11	3,015	2,855
Tax payable	4	11,590	55,983
Short-term provisions	12	31,012	28,175
Total current liabilities		112,353	195,944
Non-current liabilities			
Borrowings	11	-	-
Long-term provisions	12	32,342	31,236
Total non-current Liabilities		32,342	31,236
Total liabilities		144,695	227,180
Net assets		1,125,710	1,111,697
Equity			
Share capital	13	528,311	528,311
Retained earnings	14	597,399	583,386
Total equity		1,125,710	1,111,697

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Changes in Equity for the year ended 30 June 2014

	Note	2014 \$	2013 \$
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		583,386	473,297
Total comprehensive income		66,844	162,920
Dividends paid	20	(52,831)	(52,831)
Balance at end of year		597,399	583,386

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Cash Flows for the year ended 30 June 2014

	Note	2014 \$	2013 \$
Cash flows from operating activities			
Cash receipts in the course of operations		1,157,568	1,268,868
Cash payments in the course of operations		(1,019,594)	(975,071)
Interest received		6,269	12,357
Income tax paid		(84,761)	(11,419)
Net cash flows from operating activities		59,482	294,735
Cash flows from investing activities			
Payments for property, plant and equipment		(4,162)	(15,080)
Payment for other assets		-	-
Net cash flows used in investing activities		(4,162)	(15,080)
Cash flows from financing activities			
Proceeds from borrowings		160	167
Repayment of borrowings		-	-
Dividend paid		(52,831)	(52,831)
Net cash flows used in financing activities		(52,671)	(52,664)
Net increase in cash held		2,649	226,991
Cash at beginning of financial year		483,809	256,818
Cash at the end of financial year		486,458	483,809

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Cash Flows for the year ended 30 June 2014 (continued)

	2014	2013
	\$	\$
(a) Reconciliation of cash		
Cash and cash equivalents	486,458	483,809
	486,458	483,809
(b) Reconciliation of profit after tax to net cash provided from/(used in) operating activities		
Profit after income tax	66,844	162,920
Add (Less) non-cash flows in profit from ordinary activities:		
- Depreciation & amortisation	75,807	74,576
Add (Less): changes in assets & liabilities		
- (Increase) decrease in receivables	10,372	2,548
- (Increase) decrease in other assets	(10,896)	(3,874)
- Increase (decrease) in payables	(42,195)	15,134
- Increase (decrease) in provisions	3,942	(20,036)
- Increase (decrease) in other liabilities	(44,392)	63,467
Net cash flows from/(used in) operating activities	59,482	294,735

Notes to the financial statements

For year ended 30 June 2014

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 25th August 2014

(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 2014 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.

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

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)

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.

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

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)

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.

	2014 \$	2013 \$
--	------------	------------

Note 2. Revenue from ordinary activities

Operating activities

- services commissions	1,127,330	1,255,018
- other revenue	5,260	2,237
Total revenue from operating activities	1,132,590	1,257,255

Non-operating activities:

- interest received	10,693	15,357
- other revenue	10,182	9,065
Total revenue from non-operating activities	20,875	24,422
Total revenue from ordinary activities	1,153,465	1,281,677

Note 3. Expenses

Profit from ordinary activities before income tax expense has been determined after:

Employee benefits expense

- wages and salaries	471,996	453,495
- superannuation costs	45,198	43,789
- payroll tax	1,993	5,287
- annual leave and long service leave	48,928	46,611
- workers' compensation costs	1,002	1,972
	569,117	551,154

Notes to the financial statements (continued)

	2014 \$	2013 \$
Note 3. Expenses (continued)		
Depreciation of non-current assets:		
- plant and equipment	6,593	4,675
- buildings	8,506	8,506
- leasehold improvements	43,328	43,895
Amortisation of non-current assets:		
- intangibles	17,380	17,500
	75,807	74,576
Finance Costs:		
- interest paid	169	167
- borrowing cost	-	-
	169	167

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%	28,895	70,180
Add tax effect of:		
- non-deductible expenses	577	832
- prior year underprovision/(overprovision) for tax	-	-
- Deferred tax asset not previously brought to account	-	-
Current income tax expense	29,472	71,012
The components of tax expense comprise:		
Current tax	18,576	67,138
Deferred tax	10,896	3,874
	29,472	71,012
Tax payable		
Current tax payable	11,590	55,983
	11,590	55,983
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.		
	39,901	29,005
	39,901	29,005

Notes to the financial statements (continued)

	2014 \$	2013 \$
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	5,090	4,350
	5,090	4,350

Note 6. Cash and cash equivalent

Cash at bank and on hand	486,458	483,809
	486,458	483,809

Note 7. Trade and other receivables

Trade debtors	99,949	107,083
Other receivables	6,316	9,554
	106,265	116,637

Note 8. Property, plant and equipment

Buildings

At cost	779,843	779,843
Less: accumulated depreciation	(209,229)	(200,723)
	570,614	579,120

Plant and equipment

At cost	238,055	233,893
Less: accumulated depreciation	(199,984)	(150,063)
	38,071	83,830
Total written down amount	608,685	662,950

Movements in carrying amounts

Building

Carrying amount at beginning of year	579,120	587,626
Additions	-	-
Disposals	-	-
Depreciation expense	(8,506)	(8,506)
Carrying amount at end of year	570,614	579,120

Notes to the financial statements (continued)

	2014 \$	2013 \$
Note 8. Property, plant and equipment (continued)		
Plant and equipment		
Carrying amount at beginning of year	83,830	117,320
Additions	4,162	15,080
Disposals / Adjustments	-	-
Depreciation expense	(49,921)	(48,570)
Carrying amount at end of year	38,071	83,830

Note 9. Intangible assets

Franchise establishment fee at cost - Seville	20,000	20,000
Less accumulated amortisation	(20,000)	(15,080)
	-	4,920
Training fees at cost - Seville	10,000	10,000
Less accumulated amortisation	(10,000)	(7,540)
	-	2,460
Franchise fee at cost - Wandin	70,000	70,000
Less accumulated amortisation	(64,181)	(62,181)
	5,819	7,819
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	(56,723)	(48,723)
	23,277	31,277
	29,096	46,476

Note 10. Trade and other payables

Trade creditors	17,130	39,055
Other creditors and accruals	49,606	69,876
	66,736	108,931

Notes to the financial statements (continued)

	2014 \$	2013 \$
Note 11. Borrowings		
Current:		
Bank loan - secured	3,015	2,855
	3,015	2,855
Non-current:		
Bank loan - secured	-	-
	-	-

Note 12. Provisions

Current:	31,012	28,175
Employee benefits	31,012	28,175
Non-current		
Employee benefits	32,342	31,236
	32,342	31,236
Number of employees at year end	11	13

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	583,386	473,297
Profit after income tax	66,844	162,920
Dividends paid	(52,831)	(52,831)
Balance at the end of the financial year	597,399	583,386

Note 15. Director and related party disclosures

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

Janet Ockwell (Chairperson)	Garry Byrne
Kevin Parker	Robert McDougall
Kim Parry (JP)	Gavan McIntyre
Tasman Sculthorpe	Raymond Barrett
Carolyn Burgi	Bradley Colling
Graeme Johnson	Keith Corbett

Notes to the financial statements (continued)

	2014	2013
	\$	\$
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	33,150	15,000
	33,150	15,000

Directors' shareholdings

	2014	2013
Jan Ockwell	1,001	1,001
Kevin Parker	2,001	2,001
Tasman Sculthorpe	3,000	3,000
Graeme Johnson	500	500
Kim Parry (JP)	1,001	1,001
Carolyn Burgi	500	500
Garry Byrne	5,000	5,000
Gavan McIntyre	2,000	2,000

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, 1 Eastridge Drive

Chirnside Park, Vic, 3116

Principal places of Business:

Shop 13

2 Union Road

Wandin North Vic 3139

IGA

638A Warburton Hwy

Seville, Vic, 3139

Security Register

AFS & Associates

61-65 Bull Street

Bendigo Vic 3550

Company Secretary

Mr Anthony Milner

	2014	2013
	\$	\$
Note 20. Dividends paid or provided for on ordinary shares		
Franked dividends Paid - 10 cents per share (2013: 10 cents per share)	52,831	52,831
The tax rate at which dividends have been franked is 30% (2013: 30%).		
Dividends proposed and not recognised as a liability		
Franked dividends - 5 cents per share from 2014 profits	26,415	
Dividends proposed will be franked at a rate of 30%, payable December 2014		

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)

	2014 \$	2013 \$
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	66,844	162,920
Weighted average number of ordinary shares for basic and diluted earnings per share earnings per share	528,311	528,311
Earnings per share	0.13	0.31

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	
	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$	2014 %	2013 %
Cash and cash equivalent	78,212	95,217	407,168	388,355	-	-	-	-	-	-	3.30%	4.10%
Trade and other receivables	-	-	-	-	-	-	-	-	106,265	116,637		
Total financial assets	78,212	95,217	407,168	388,355	-	-	-	-	106,265	116,637		
Trade and other payables	-	-	-	-	-	-	-	-	66,736	108,931		
Borrowings	3,016	2,855	-	-	-	-	-	-	-	-	5.80%	6.50%
Total financial liabilities	3,016	2,855	-	-	-	-	-	-	66,736	108,931		

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:

	2014	2013
	\$	\$
Cash and cash equivalents	486,458	483,809
Trade and other receivables	106,265	116,637
	592,723	600,446

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	Over 1 to 5 years	More than 5 years
	\$	\$	\$	\$	\$
30 June 2014					
Trade and other payables	66,736	-	66,736	-	-
Borrowings	3,014	-	3,014	-	-
	69,750	-	69,750	-	-
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)

(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:

	2014 \$	2013 \$
Fixed rate instruments		
Financial assets (fixed rate)	407,168	388,354
Financial liabilities (fixed rate)	-	-
Financial liabilities (floating rate)	(3,014)	(2,855)
	404,154	385,499

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.

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%.

Notes to the financial statements (continued)

Note 22. Financial risk management (continued)

(e) Capital management (continued)

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 2014 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 2014 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 2014



Janet Ockwell
Chairperson



Kevin Parker
Director

Date: 25 August 2014

Independent audit report



Vincent R Crowe trading as Vin Crowe

ABN 52 786 054 164

FCPA, CTA, SMSF AUDITOR

P: 03 9870 1133

F: 03 9870 3606

E: vin@vincrowe.com.au

Rear 88 Maroondah Highway, Ringwood Vic 3134

PO Box 4299, Ringwood Vic 3134

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 2014.

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.

Vin Crowe
Registered Company Auditor

Independent audit report (continued)

Audit Opinion

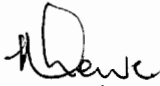
In our opinion, the financial report of Wandin Seville Financial Services Limited is in accordance with:

(a) the Corporations Act 2001, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2014 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

Rear 88 Maroondah Highway, Ringwood, Vic 3134

Date: 25th August 2014



Wandin Seville **Community Bank**[®] Branch
Shop 3, Lot 10 Union Road, Wandin North VIC 3139
Phone: (03) 5964 4595 Fax: (03) 5964 3970

Seville branch
638 Warburton Highway, Seville VIC 3139
Phone: (03) 5961 9303 Fax: (03) 5964 4191

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

www.bendigobank.com.au/wandin_seville
(BMPAR14076) (09/14)

 **Bendigo Bank**
Bigger than a bank.

bendigobank.com.au

