

# Annual Report 2015

Wandin Seville  
Financial Services Limited

ABN 33 098 648 296

Wandin Seville **Community Bank**<sup>®</sup> Branch  
Seville branch

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# Chairman's report

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For year ending 30 June 2015

It has been a difficult 12 months with the many drops in interest rates. This creates a drop in our income per million we receive and difficult for our staff to build the Funds Under Management (FUM).

However, with debts being paid out because of the interest rate drop, I take this opportunity to thank our staff for the hard work done achieving an 18.8% growth rate.

The 2014/15 financial year saw the **Community Bank**<sup>®</sup> network open its 310th branch and community contributions since the model's inception exceed \$130 million. Both of these achievements could not be possible without the ongoing support of shareholders, customers and dedicated Directors telling the story of what is a truly outstanding model of banking for the benefit of your local community.

During an 18-month period the Bank, in partnership with the **Community Bank**<sup>®</sup> network, undertook a comprehensive review of the **Community Bank**<sup>®</sup> model. Project Horizon was the largest single engagement process ever undertaken by our organisation.

As a result, a focus for the next 18 months will be the implementations of 64 recommendations. What was overwhelmingly obvious is that our **Community Bank**<sup>®</sup> network, and our Bank, care deeply about what has been developed and in what the future holds for the network.

In the early days of **Community Bank**<sup>®</sup> development, the **Community Bank**<sup>®</sup> model was seen as a way to restore branch banking services to rural towns, regional cities and metropolitan suburbs after the last of the banks closed their doors. Today, although the focus is still about providing banking services, the model used effectively also helps to create a successful community enterprise.

In the 2014/15 financial year, 58 young people received scholarships supported by **Community Bank**<sup>®</sup> branches across Australia for their first year of University. 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.

By the end of 2014/15 the **Community Bank**<sup>®</sup> network achieved the following:-

- Bank Business: \$28.79 billion
- Customers: 699,000
- Shareholders: 74,393
- Dividends paid to shareholders since inception: \$38.6 million
- **Community Bank**<sup>®</sup> company Directors – 1946
- **Community Bank**<sup>®</sup> branch staff: over 1,500
- **Community Bank**<sup>®</sup> branches – reached 310; and
- Over \$130 million given back to communities.

Our **Community Bank**<sup>®</sup> branch has played a key role in these milestones returning more than \$900,000 to our local community with a further 5 cent fully franked dividend to be returned to our shareholders.

I would like to give a very big thank you to my team of fellow Directors who play an integral part of the Board of Directors for the Wandin Seville Financial Services Limited, without their support and work ethics would make my position very difficult. Thank you one and all.

# Chairman's report (continued)

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I look forward to seeing as many shareholders/sponsorship groups and organisations at our Annual General Meeting come 30 November 2015.

We are now in 2015/16 financial year and already staff and Directors are working towards a more profitable result at the EOFY.



**Janet Ockwell**  
**Chairman**

# Senior Manager's report

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For year ending 30 June 2015

For the 30 June 2015 financial year, our combined deposit base grew by \$3.119 million (21%) and our lending base grew by \$3.686 million (15.8%), taking our overall funds under management to \$130.5 million (18.8% growth rate). This was again achieved in a highly competitive lending and deposit market and one where continued debt reduction was at an all-time high. Other core banking goals were to provide referral business to our Business Bankers, Financial Planners and to obtain various property and personal risk insurance sales, which we achieved in varying capacities. As at the EOFY we had approximately 3,376 customers and on average each customer held nearly four banking products with us.

Bendigo Bank has been awarded 'Business Bank of the Year' for the past four years and it is pleasing to note that our business lending book has increased substantially in this area. The promotion of our business products at branch level and the support with processing systems from the bank has provided our business customers with both the confidence in our products and our ability to provide these services in a timely, competitive manner.

Our aim each year is to support the community that supports our branch. It is that simple. The more people that do business with us, the more community contributions we can make. You may have also noticed the new branding for Bendigo Bank which is called the **Bigger than a bank** campaign. **Bigger than a bank** shows we are more than a bank. We do things differently and we do more. This campaign helps people see our real point of difference.

One way we achieve this point of difference locally, is through our Club Rewards Program. Clubs, organisations and schools can earn a specified amount of money for business that is referred to us by their members. In this way these clubs, organisations and schools can achieve ongoing sponsorship on a monthly basis as well as apply for grants and sponsorship for specific or major projects.

The 2014/15 financial year also saw a number of changes within our staffing structure. Carolyn Damen achieved a promotion to our CRO role at Wandin, whilst we also recruited two new staff members. James joins us, as our full time CSO, replacing Carolyn and Fiona fills a much needed gap as a casual employee, providing coverage for holidays, training and illness.

Carolyn, James and Fiona have quickly adapted to their new positions and they continue to build rapport and confidence with our valued customers. I would like to officially congratulate Carolyn on achieving her promotion and welcome both James and Fiona to our team. I would also like to wish both Fiona and James every success at Wandin Seville **Community Bank**<sup>®</sup> Branch.

As the Bendigo Bank network of branches continues to grow, in particular with new **Community Bank**<sup>®</sup> branch sites, so does the Bank's Regional support team. I wish to thank all the Regional Support staff, led by Natalie Gould, based at both our Boronia and Lilydale sites, for their contributions to our branch success. Finally, I want to again thank our Board of Directors for their invaluable voluntary support, our dedicated staff who are pivotal to our success and most importantly all our highly valued customers, who without their support we would not be able to make the financial impact we do for so many local not for profit community groups.



**Jackie Butler**  
**Senior Manager**

# Directors' report

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For the financial year ended 30 June 2015

The Directors submit their report of the company for the financial year ended 30 June 2015.

## 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 : Retired

### **Bradley Colling**

Director

Occupation : Social Worker

Appointed: 28/07/2014

### **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

### **Robert McDougall**

Director

Occupation: Retired

### **Graeme Prime**

Director

Occupation: Retired

Appointed: 29/03/2015

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**<sup>®</sup> 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 profit of the company for the financial year after provision for income tax was \$103,893 (2014: \$66,844).

The net assets of the company have increased to \$1,203,188 (2014: \$1,125,710).

## Dividends

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

- a) A fully franked dividend of 5c per share (\$26,416) was paid during the year.

# Directors' report (continued)

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## 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 Managers 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' meetings

The number of Directors Meetings held during the year was 12.

Number of meetings attended by Directors:

Brad Colling	12	Janet Ockwell	12
Carolyn Burgi	10	Kevin Parker	11
Garry Byrne	8	Kim Parry (JP)	11
Gavan McIntyre	6	Raymond Barret	12
Graeme Johnson	11	Robert McDougall	12
Graeme Prime	5	Tasman Sculthorpe	9

## Directors' report (continued)

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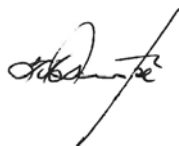
### **Corporate governance**

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.



**Jan Ockwell,  
Chairperson**



**Tasman Sculthorpe,  
Director**

Date: 31 August 2015



# Auditor's independence declaration

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## **WANDIN SEVILLE FINANCIAL SERVICES LTD**

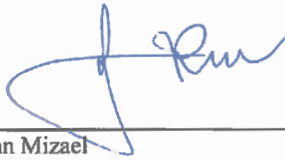
### **Auditor's Independence Declaration Under Section 307C Of The Corporations Act 2001**

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I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 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.



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Ryan Mizael

Date: 10th September 2015

# Financial statements

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## Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2015

	Note	2015 \$	2014 \$
Revenues from ordinary activities	2	1,118,641	1,153,465
Employee benefits expense	3	(556,893)	(569,117)
Charitable donations and sponsorship		(59,374)	(64,728)
Depreciation and amortisation expense	3	(26,635)	(75,807)
Finance costs	3	(169)	(169)
Other expenses from ordinary activities		(326,631)	(347,328)
<b>Profit before income tax expense</b>		<b>148,939</b>	<b>96,316</b>
Income tax expense	4	(45,046)	(29,472)
<b>Profit after income tax expense</b>		<b>103,893</b>	<b>66,844</b>
Other comprehensive income:			
<b>Total comprehensive income attributable to members</b>		<b>103,893</b>	<b>66,844</b>
<b>Earnings per share (cents per share)</b>			
- basic/ diluted earnings per share	21	0.20	0.13
- dividends paid per share		0.05	0.10

The accompanying notes form part of these financial statements.

# Financial statements (continued)

## Statement of Financial Position as at 30 June 2015

	Note	2015 \$	2014 \$
<b>Current assets</b>			
Cash and cash equivalents	6	581,165	486,458
Trade and other receivables	7	110,090	104,618
Other	8	9,373	1,416
<b>Total current assets</b>		<b>700,628</b>	<b>592,492</b>
<b>Non-current assets</b>			
Property, plant and equipment	9	598,556	608,685
Deferred income tax asset	4	33,766	39,901
Intangible assets	10	19,096	29,096
<b>Total non-current assets</b>		<b>651,418</b>	<b>677,682</b>
<b>Total assets</b>		<b>1,352,046</b>	<b>1,270,174</b>
<b>Current liabilities</b>			
Trade and other payables	11	80,396	66,505
Borrowings	12	3,178	3,015
Tax payable	4	-	11,590
Short-Term provisions	13	29,880	31,012
<b>Total current liabilities</b>		<b>113,454</b>	<b>112,122</b>
<b>Non-current liabilities</b>			
Borrowings		-	-
Long-term provisions	13	35,404	32,342
<b>Total non-current Liabilities</b>		<b>35,404</b>	<b>32,342</b>
<b>Total liabilities</b>		<b>148,858</b>	<b>144,464</b>
<b>Net assets</b>		<b>1,203,188</b>	<b>1,125,710</b>
<b>Equity</b>			
Share capital	14	528,311	528,311
Retained earnings	15	674,877	597,399
<b>Total equity</b>		<b>1,203,188</b>	<b>1,125,710</b>

The accompanying notes form part of these financial statements.

## Financial statements (continued)

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### Statement of Changes in Equity for the year ended 30 June 2015

	Note	2015 \$	2014 \$
<b>Share capital</b>			
Balance at start of year		528,311	528,311
Issue of share capital		-	-
Share issue costs		-	-
<b>Balance at end of year</b>		<b>528,311</b>	<b>528,311</b>
<b>Retained earnings</b>			
Balance at start of year		597,399	583,386
Total comprehensive income		103,893	66,844
Dividends paid	20	(26,415)	(52,831)
<b>Balance at end of year</b>		<b>674,877</b>	<b>597,399</b>

The accompanying notes form part of these financial statements.

# Financial statements (continued)

## Statement of Cash Flows for the year ended 30 June 2015

	Note	2015 \$	2014 \$
<b>Cash flows from operating activities</b>			
Cash receipts in the course of operations		1,103,884	1,157,568
Cash payments in the course of operations		(935,034)	(1,019,434)
Interest received		9,285	6,269
Interest Paid		(169)	(160)
Income tax paid		(50,501)	(84,761)
<b>Net cash flows from operating activities</b>		<b>127,465</b>	<b>59,482</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(6,506)	(4,162)
Payment for other assets		-	-
<b>Net cash flows used in investing activities</b>		<b>(6,506)</b>	<b>(4,162)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		163	160
Repayment of borrowings		-	-
Dividend paid		(26,415)	(52,831)
<b>Net cash flows used in financing activities</b>		<b>(26,252)</b>	<b>(52,671)</b>
Net increase in cash held		94,707	2,649
Cash at beginning of financial year		486,458	483,809
<b>Cash at the end of financial year</b>		<b>581,165</b>	<b>486,458</b>

The accompanying notes form part of these financial statements.

# Financial statements (continued)

## Statement of Cash Flows for the year ended 30 June 2015 (continued)

	2015 \$	2014 \$
<b>(a) Reconciliation of cash</b>		
Cash and cash equivalents	581,165	486,458
	<b>581,165</b>	<b>486,458</b>
<b>(b) Reconciliation of profit after tax to net cash provided from/(used in) operating activities</b>		
Profit after income tax	103,893	66,844
Add (Less) non-cash flows in profit from ordinary activities:		
- Depreciation & amortisation	26,635	75,807
Add (Less): changes in assets & liabilities		
- (Increase) decrease in receivables	(5,472)	10,372
- (Increase) decrease in other assets	(1,822)	(10,896)
- Increase (decrease) in payables	14,053	(42,195)
- Increase (decrease) in provisions	1,931	3,942
- Increase (decrease) in other liabilities	(11,753)	(44,392)
<b>Net cash flows from/(used in) operating activities</b>	<b>127,465</b>	<b>59,482</b>

# Notes to the financial statements

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For year ended 30 June 2015

## Note 1. Basis of preparation of the financial report

### (a) Basis of preparation

The financial report is a special 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. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial report, except for cash flow information, have been prepared on an accruals basis and are 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 31 August 2015

#### Economic dependency

The company has entered a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the **Community Bank**<sup>®</sup> branches at Wandin and Seville.

The branches operate as a franchise of Bendigo and Adelaide Bank Limited, using the name "Bendigo Bank" and the logo and system of operations of Bendigo and Adelaide Bank Limited. The company manages the **Community Bank**<sup>®</sup> branches on behalf of Bendigo and Adelaide Bank Limited, however all transactions with customers conducted through the **Community Bank**<sup>®</sup> branches are effectively conducted between the customers and Bendigo and Adelaide Bank Limited.

All deposits are made with Bendigo and Adelaide Bank Limited, and all personal and investment products are products of Bendigo and Adelaide Bank Limited, with the company facilitating the provision of those products. All loans, leases or hire purchase transactions, issues of new credit or debit cards, temporary or bridging finance and any other transaction that involves creating a new debt, or increasing or changing the terms of an existing debt owed to Bendigo and Adelaide Bank Limited, must be approved by Bendigo and Adelaide Bank Limited. All credit transactions are made with Bendigo and Adelaide Bank Limited, and all credit products are products of Bendigo and Adelaide Bank Limited.

### (b) Income tax

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

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/ (assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

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

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

# Notes to the financial statements (continued)

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

### (b) Income tax (continued)

Deferred income tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

### (c) Fair Value of assets and liabilities

The company may measure some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair value of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

### (d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, any accumulated depreciation and impairment losses.

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

#### Depreciation

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

<b>Class of asset</b>	<b>Depreciation rate</b>
Buildings	2.5%
Plant & equipment	10 - 20%

Land and buildings are measured at cost less accumulated depreciation and impairment.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.



# Notes to the financial statements (continued)

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

### **(e) Goods and Services Tax**

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

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

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

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

### **(f) 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.

### **(g) 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.

### **(h) Cash and cash equivalents**

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.

### **(i) Revenue**

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

### **(j) 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.

### **(k) 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)

### (l) 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.

### (m) 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.

	2015 \$	2014 \$
<b>Note 2. Revenue from ordinary activities</b>		
Operating activities		
- services commissions	1,094,589	1,127,330
- other revenue	4,403	5,260
<b>Total revenue from operating activities</b>	<b>1,098,992</b>	<b>1,132,590</b>
Non-operating activities:		
- interest received	13,756	10,693
- other revenue	5,893	10,182
<b>Total revenue from non-operating activities</b>	<b>19,649</b>	<b>20,875</b>
<b>Total revenue from ordinary activities</b>	<b>1,118,641</b>	<b>1,153,465</b>

## Note 3. Expenses

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

Employee benefits expense		
- wages and salaries	474,043	471,996
- superannuation costs	45,379	45,198
- payroll tax	116	1,993
- annual leave and long service leave	35,964	48,928
- workers' compensation costs	1,391	1,002
	<b>556,893</b>	<b>569,117</b>

## Notes to the financial statements (continued)

	2015 \$	2014 \$
Note 3. Expenses (continued)		
Depreciation of non-current assets:		
- plant and equipment	8,129	6,593
- buildings	8,506	8,506
- leasehold improvements	-	43,328
Amortisation of non-current assets:		
- intangibles	10,000	17,380
	<b>26,635</b>	<b>75,807</b>
Finance costs:		
- interest paid	169	169
- borrowing cost	-	-
	<b>169</b>	<b>169</b>

## 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%	44,682	28,895
Add tax effect of:		
- non-deductible expenses	364	577
- prior year underprovision/(overprovision) for tax	-	-
- Deferred tax asset not previously brought to account	-	-
<b>Current income tax expense</b>	<b>45,046</b>	<b>29,472</b>
The components of tax expense comprise:		
Current tax	38,911	18,576
Deferred tax	6,135	10,896
	<b>45,046</b>	<b>29,472</b>
<b>Tax payable</b>		
Current tax payable	-	11,590
	-	<b>11,590</b>
<b>Deferred income tax asset</b>		
Future income tax benefits arising from deductible temporary differences are recognised to the extent that profits will be available against which such differences can be utilised.	33,766	39,901
	<b>33,766</b>	<b>39,901</b>

## Notes to the financial statements (continued)

	2015 \$	2014 \$
<b>Note 5. Auditor's remuneration</b>		
Amounts received or due and receivable by Duncan Dovico (Vic) Pty Ltd for:		
- Audit or review of the financial report of the company	3,250	5,090
	<b>3,250</b>	<b>5,090</b>

## Note 6. Cash and cash equivalent

Cash at bank and on hand	581,165	486,458
	<b>581,165</b>	<b>486,458</b>

## Note 7. Trade and other receivables

Trade debtors	99,530	99,949
Other receivables	10,560	4,669
	<b>110,090</b>	<b>104,618</b>

## Note 8. Other

Prepayments	9,373	1,416
	<b>9,373</b>	<b>1,416</b>

## Note 9. Property, plant and equipment

### Buildings

At cost	779,843	779,843
Less: accumulated depreciation	(217,735)	(209,229)
	<b>562,108</b>	<b>570,614</b>

### Plant and equipment

At cost	244,561	238,055
Less: accumulated depreciation	(208,113)	(199,984)
	<b>36,448</b>	<b>38,071</b>

<b>Total written down amount</b>	<b>598,556</b>	<b>608,685</b>
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## Notes to the financial statements (continued)

	2015 \$	2014 \$
Note 9. Property, plant and equipment (continued)		
<b>Movements in carrying amounts</b>		
<b>Building</b>		
Carrying amount at beginning of year	570,614	579,120
Additions	-	-
Disposals	-	-
Depreciation expense	(8,506)	(8,506)
<b>Carrying amount at end of year</b>	<b>562,108</b>	<b>570,614</b>
<b>Plant and equipment</b>		
Carrying amount at beginning of year	38,071	83,830
Additions	6,506	4,162
Disposals / Adjustments	-	-
Depreciation expense	(8,129)	(49,921)
<b>Carrying amount at end of year</b>	<b>36,448</b>	<b>38,071</b>

## Note 10. Intangible assets

Franchise establishment fee at cost - Seville	20,000	20,000
Less accumulated amortisation	(20,000)	(20,000)
	-	-
Training fees at cost - Seville	10,000	10,000
Less accumulated amortisation	(10,000)	(10,000)
	-	-
Franchise fee at cost - Wandin	70,000	70,000
Less accumulated amortisation	(66,181)	(64,181)
	<b>3,819</b>	<b>5,819</b>
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	(64,723)	(56,723)
	<b>15,277</b>	<b>23,277</b>
	<b>19,096</b>	<b>29,096</b>

## Notes to the financial statements (continued)

	2015 \$	2014 \$
<b>Note 11. Trade and other payables</b>		
Trade creditors	18,166	17,130
Other creditors and accruals	62,230	49,375
	<b>80,396</b>	<b>66,505</b>

## Note 12. Borrowings

Current:

Bank loan - secured	3,178	3,015
	<b>3,178</b>	<b>3,015</b>

Non-current:

Bank loan - secured	-	-
	-	-

## Note 13. Provisions

Current:	29,880	31,012
<b>Employee benefits</b>	<b>29,880</b>	<b>31,012</b>
Non-current		
Employee benefits	35,404	32,342
	<b>35,404</b>	<b>32,342</b>
Number of employees at year end	12	11

## Note 14. Share capital

528,311 Ordinary shares fully paid of \$1 each	528,311	528,311
	<b>528,311</b>	<b>528,311</b>

## Note 15. Retained earnings

Balance at the beginning of the financial year	597,399	583,386
Profit after income tax	103,893	66,844
Dividends paid	(26,415)	(52,831)
<b>Balance at the end of the financial year</b>	<b>674,877</b>	<b>597,399</b>

# Notes to the financial statements (continued)

## Note 16. 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	Graeme Prime

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

	2015	2014
	\$	\$
Remuneration received by Directors and associates:-		
Jan Ockwell	33,611	33,150
	<b>33,611</b>	<b>33,150</b>

### Directors' shareholdings

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)	15,001	15,001
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 17. Subsequent events

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

## Note 18. Contingent liabilities

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

## Note 19. 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)

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## Note 20. Corporate information

Wandin Seville Financial Services Limited 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

**Security Register**

AFS & Associates  
61-65 Bull Street,  
Bendigo VIC 3550

**Principal places of business:**

Shop 13,  
2 Union Road,  
Wandin North VIC 3139

IGA  
638A Warburton Highway,  
Seville VIC 3139

**Auditor:**

Factels Pty Ltd  
70 Yarra Street,  
Heidelberg VIC 3084

**Company Secretary:**

Mr Anthony Milner

	2015 \$	2014 \$
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## Note 21. Dividends paid or provided for on ordinary shares

Franked dividends Paid - 5 cents per share (2014: 5 cents per share)	26,416	26,416
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The tax rate at which dividends have been franked is 30% (2014: 30%).

Dividends proposed and not recognised as a liability

Franked dividends - 5 cents per share from 2015 profits	26,416
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Dividends proposed will be franked at a rate of 30%, payable December 2015.

## Note 22. 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)

	2015 \$	2014 \$
Note 22. 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	103,893	66,844
Weighted average number of ordinary shares for basic and diluted earnings per share earnings per share	528,311	528,311
Earnings per share	0.20	0.13

## Note 23. 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	
	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$	2015 %	2014 %
Cash and cash equivalent	80,370	78,212	495,202	407,168	-	-	-	-	-	-	2.51%	3.30%
Trade and other receivables	-	-	-	-	-	-	-	-	119,827	106,265		
<b>Total financial assets</b>	<b>80,370</b>	<b>78,212</b>	<b>495,202</b>	<b>407,168</b>	-	-	-	-	<b>119,827</b>	<b>106,265</b>		
Trade and other payables	-	-	-	-	-	-	-	-	80,396	66,505		
Borrowings	3,178	3,016	-	-	-	-	-	-	-	-	5.30%	5.80%
<b>Total financial liabilities</b>	<b>3,178</b>	<b>3,016</b>	-	-	-	-	-	-	<b>80,396</b>	<b>66,505</b>		

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 23. 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:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	581,165	486,458
Trade and other receivables	119,827	106,034
	<b>700,992</b>	<b>592,492</b>

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.

	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>1 year or less</b>	<b>Over 1 to 5 years</b>	<b>More than 5 years</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>30 June 2015</b>					
Trade and other payables	80,396	-	80,396	-	-
Borrowings	3,178	-	3,178	-	-
	<b>83,574</b>	<b>-</b>	<b>83,574</b>	<b>-</b>	<b>-</b>
<b>30 June 2014</b>					
Trade and other payables	66,736	-	66,736	-	-
Borrowings	3,014	-	3,014	-	-
	<b>69,750</b>	<b>-</b>	<b>69,750</b>	<b>-</b>	<b>-</b>

# Notes to the financial statements (continued)

## Note 23. 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:

	2015 \$	2014 \$
<b>Fixed rate instruments</b>		
Financial assets (fixed rate)	495,192	407,168
Financial liabilities (fixed rate)	-	-
Financial liabilities (floating rate)	(3,178)	(3,014)
	<b>492,014</b>	<b>404,154</b>

#### 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)

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Note 23. 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 2015 can be seen in the Income Statement. There were no changes in the company's approach during the year.

# Directors' declaration

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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 2015 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 2015.



**Jan Ockwell,**  
**Chairperson**



**Tasman Sculthorpe,**  
**Director**

Date: 31 August 2015

# Independent audit report

## Factels Accountants & Business Advisors



### **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 2015.

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.

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## Factels Accountants & Business Advisors



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.

### **Audit Opinion**

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

(a) the Corporations Act 2001, including:

- giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- complying with Accounting Standards in Australia and the Corporation Regulations 2001; and

(b) other mandatory professional reporting requirements in Australia.

A handwritten signature in blue ink, appearing to read 'Ryan Mizael', is written over a faint, circular watermark or stamp.

Ryan Mizael

Date: 10th September 2015

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Liability Limited by a scheme approved under Professional Standards Legislation

Wandin Seville **Community Bank**<sup>®</sup> 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) 9727 6700 Fax (03) 9727 6701  
ABN: 33 098 648 296

[www.bendigobank.com.au/wandin\\_seville](http://www.bendigobank.com.au/wandin_seville)  
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