

2012 annual report

Woodstock Financial Services Limited
ABN 61 105 527 697



Bendigo Bank

Recent Achievements

- 
- Winner: Matt Adams (Branch Manager) - Employer/Boss of the Year 2009/10
- Winner: Zoie Collett - National Winner of Bendigo Banks' Customer Service Award 2009
- Recipient: Zoie Collett - Rotary Pride of Workmanship Award 2009
- Finalist: Zoie Collett - Friendliest Employee 2009 Rotary Business Awards
- Finalist: Bendigo Bank Community Bank® Hall of Fame 2009
- Winner: Professional Category - Shoalhaven Business Chamber Business Awards 2010
- Finalist: Business of the Year Category - Shoalhaven Business Chamber Business Awards 2010
- Finalist: Bendigo Bank Community Bank® Hall of Fame 2010
- Host: Bendigo Bank Community Bank® State Conference 2010
- Winner: Sussex Inlet Business Awards 2011
- Recipient: Tony Hardman (Chairman) - 2011 NSW Seniors Week Award - Business Mentoring
- Finalist: 2011 Milton Ulladulla Rotary Awards
- Finalist: 2011 Shoalhaven Business Chamber Business Awards
- Nominee: 2011 "Origin Energy" Illawarra Business Awards
- Runnerup: Bendigo Bank Community Bank® Hall of Fame 2011
- Runnerup: Matt Adams - Boss of the Year - Shoalhaven Business Awards 2011
- Tenderer: BEN Community Bank State Conference NSW/ACT Sussex Inlet NSW, 2011 & 2012
- Winner: Marianne Kastelein - National 'Being the Bendigo Moment' Award for the month of October 2011
- Winner: Maureen Howe - NSW State 'Being the Bendigo Moment' Award for the month of July 2012
- Finalist: Maureen Howe - National 'Being the Bendigo Moment' Award for the month of July 2012
- Winner: Tony Hardman International Men's Day Award for Outstanding Achievement and Tireless Efforts - November 2011.
- Winner: Alana Faust - Illawarra and South East Region Excellence in Student Leadership Award 2012.
- Winner: Sussex Inlet Branch - National Customer Mystery Shopping Survey.



Notice of Annual General Meeting

Woodstock Financial Services Limited

ABN 61 105 527 697

6pm
Tuesday 23rd October 2012

to be held at
Milton Ulladulla ExServos Club Function Room
212-222 Princes Highway Ulladulla NSW 2539

Ordinary Business

1. Receipt of Annual Report

To receive the Company's Financial Report, the Director's Report and the Auditor's Report for the year ended 30 June 2012.

2. Election of Directors

To consider, and if thought fit, to pass each of the following resolutions as an ordinary resolution.

Re-election of Director appointed since last Annual General Meeting

(a) That **Wayne Dedden** be elected as a Director of the Company.

Re-election of Director retiring by rotation

(b) That **Matt Dell** be elected as a Director of the Company.

(c) That **Anthony Hardman** be elected as a Director of the Company.

(d) That **Di L'Estrange**, be appointed as Company Secretary

(e) **Anthony Hardman**, be appointed as Assistant Company Secretary

3. Appointment of Auditor

To consider, and if thought fit, pass the following resolution as an ordinary resolution.

That the appointment of **Hales Douglass Financial Services Pty Ltd** as Auditor of the Company be approved.

Attending the meeting

All shareholders may attend the Annual General Meeting.

Joint holders: In the case of joint shareholders, all holders may attend the Meeting. If only one holder attends (including by proxy), that shareholder may vote at the Meeting as if that holder were solely entitled to the shares. If more than one joint holder is present (including by proxy), the joint holder whose name appears first in the register may vote.

Proxy: If you are unable to attend the Meeting, you are entitled to appoint a proxy to attend and vote. See the attached Proxy Form for information on appointing a proxy.

Corporate Shareholder: A corporate shareholder may appoint one or more persons to act as its representative under section 250D of the Corporations Act, but only one representative may exercise the corporate shareholder's powers at any one time. The Company requires written evidence of a representative's appointment to be given to the Company before the meeting.



Bendigo Bank

Notice of Annual General Meeting

Voting restrictions

Key management personnel of the Company (and any closely related party of any such member) are excluded from voting on all resolutions that are directly or indirectly related to the remuneration of key management personnel and will not be able to vote your proxy on item 4 unless you direct them how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him or her to vote by marking the Chairman's box on the proxy form (in which case the Chairman of the meeting will vote in favour of this item of business).

For the purposes of these voting restrictions:

- The 'key management personnel' for Woodstock Financial Services Limited are those persons having authority and responsibility for planning, directing and controlling the activities of the company, either directly or indirectly, including any director (whether executive or otherwise) of that company.
- A 'closely related party' of a member of the key management personnel for Woodstock Financial Services Limited includes a spouse or child, a child of the member's spouse, a dependent of the member or of the member's spouse, or anyone else who may be expected to influence the member (or be influenced by the member) in the member's dealings with the company.

Voting rights

Each shareholder is entitled to one vote.

For the purposes of voting at the Meeting, shares will be taken to be held by the persons who are registered as members as at 4.00pm on 19th October 2012.

By order of the Board

Di L'Estrange
Company Secretary
12-9-2012

Explanatory Notes

This information has been included to assist you in making an informed decision about the resolutions proposed at the meeting.

Agenda item 2. Election of Directors

The following information is provided about candidates for election to the Board.

Re-election of Director appointment since last Annual General Meeting

- (a) **Wayne Dedden**, having been appointed by the Board since the last annual general meeting, retires in accordance with the constitution of the Company, and being eligible, offers him/herself for election.

Re-election of Director retiring by rotation

- (b) **Matt Dell** retires by rotation in accordance with the constitution of the Company, and being eligible, offers him/herself for re-election.
- (c) **Anthony Hardman** retires by rotation in accordance with the constitution of the Company, and being eligible, offers him/herself for re-election.



Bendigo Bank

Notice of Annual General Meeting

Election of New Director

- (a) **Di L'Estrange**, offers herself for election as Company Secretary.
- (b) **Anthony Hardman**, offers himself for election as Assistant Company Secretary.

Agenda item 3. Appointment of Auditor

Item 3 is an ordinary resolution to seek your approval for the appointment of **Hales Douglass Financial Services Pty Ltd** as the Company's Auditor. The Board has received **Hales Douglass Financial Services Pty Ltd's** consent to act and written notice of **Hales Douglass Financial Services Pty Ltd's** nomination as Auditor from a shareholder.

The appointment of Wayne Dedden requires approval of shareholders under the Corporations Act.

NOTICE TO SHAREHOLDERS

You can now choose how you receive a copy of the Annual Report. Please indicate your preference below and either drop it into the Milton or Sussex Inlet Branch or post it to us at PO Box 880 Milton. If you do not make an election, you will continue to receive a printed copy of the Annual Report.

- I wish receive a printed copy of the Annual Report
- I wish to receive the Annual Report via an email link to a secure website.
- My preferred email address is: _____
- I do not wish to receive the Annual Report



Bendigo Bank

Proxy form

Woodstock Financial Services Limited

ABN 61 105 527 697

All correspondence to
Woodstock Financial Service Limited
PO Box 880 Milton NSW 2538 Australia
Enquiries (within Australia) 02 4454 2659
(outside Australia) 61 2 4454 2659
Facsimile 61 2 4454 2651

Name of Member

Address.....

Suburb State Postcode

Mark this box with an 'X' if you have made any changes to your address details (see reverse).

Appointment of proxy

I/We being a member/s of Woodstock Financial Services Limited and entitled to attend the vote appoint the person named below or, if no person is named below, the Chairman of the Meeting as my/our proxy to vote in accordance with directions set out below (with a discretion as to any business not referred to below) or, if no directions are given, as my/our proxy sees fit, at the Annual General Meeting of the Company to be held at Milton on Tuesday 11th October 2011 at 6pm and at any adjournment of that meeting.

The Chairman of the Meeting (mark with an 'X')

OR

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting.

Voting directions to your proxy

please mark with 'X' to indicate your directions

Ordinary Business	Accept	Decline	Abstain*
Item 1. Receipt of financial report, Director's report and Auditor's report			
Item 2. Re-election of Wayne Dedden			
Item 3. Re-election of Matt Dell			
Item 4. Re-election of Anthony Hardman			
Item 5. That Di L'Estrange be appointed Company Secretary			
Item 6. That Anthony Hardman be appointed Assistant Secretary			

*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in working out the required majority on a poll.

If a proxy does not attend the meeting or does not elect to vote on a resolution and a poll is duly demanded, then the Chairman of the meeting will be taken to have been appointed as the proxy of the relevant shareholder in respect of the meeting.

PLEASE SIGN HERE

This section MUST be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Shareholder 1	Shareholder 2	Shareholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Woodstock Financial Services Limited

ABN 61 105 527 697

41 Deering Street Ulladulla NSW 2539



Bendigo Bank

Proxy form

How to complete this Proxy form

1. Your name and address

This is your name and address as it appears on the Company's share register. If this information is incorrect, please mark the box and make the correction on the form. **Please note, you cannot change ownership of your shares using this form.**

2. Appointment of a proxy

A member entitled to attend and vote at the Meeting may appoint one proxy. A proxy need not be a member of the Company. A proxy may be an individual or a Company.

3. Identity of proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, the Chairman of the Meeting will act as your proxy.

4. Voting instructions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

5. Signing instructions

The Proxy form must be signed in the spaces provided.

Individual

If the holding is in one name, the holder must sign.

Joint holding

If the holding is in more than one name, any one holder may sign.

Power of Attorney

To sign under power of attorney, you must have already lodged this document with the Company or attach a certified copy of the power of attorney to this form when you return it.

Companies

If the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (under section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone.

Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the Company is to attend the meeting, the appropriate 'Certificate of Appointment of Corporate Representative' must be produced before admission to the meeting.

How to complete this Proxy form

This Proxy form (and any power of attorney under which it is signed) must be received by the Company not later than **<2 business days>** before the meeting (ie by 4.00pm on the 19th October 2012). Any Proxy form received after that time will not be valid for the scheduled meeting.

Documents may be lodged in any of the following ways:

Post or hand delivery

To the Company's registered office at 41 Deering Street Ulladulla NSW 2539

Facsimile

To fax number 02 4454 2651



Bendigo Bank

Manager's Report

The year in review shows our total holdings are \$108.9 Million. This is made up of deposits of \$67.9 million and lending of \$41 million. We currently have 5,287 active accounts.

During the year we have increased our ATM presence to three in the area. These continue to provide a great service to our clients and the community alike.

The main focus of the team in the coming year will be continuing to grow our business and deepen our existing customer relationships. We endeavour to develop our team to enable customer service to be maintained at our renowned high standards and continue our engagement with the local community. Our point of difference (i.e. genuine face to face banking, opening hours and community engagement) will be the foundation on which my team can utilise and build on our relationships and achieve the goals set for the branch.

We are embarking on a new trainee program to capture the younger audience by having someone of their generation join our staff at Milton, who is able to empathise with the current generation and build relationships within this group which is largely untapped.

Thank you to our many customers and shareholders who remain our most valuable asset and continue to support the Community Bank® concept therefore ensuring the success of our branches.

I am confident that the continued support and commitment from all involved in our Milton & Districts Community Bank® Branch and Sussex Inlet branch will ensure our business continues to grow and benefit our communities.

In concluding I would like to personally thank my dedicated staff past and present and the board of directors who are all committed to the success of our branches, therefore ensuring our communities continue to benefit and prosper and we can continue to invest in its future.

Matt Adams
Senior Manager

For year Ending 30 June 2012



Bendigo Bank

Chairman's Report

This is our eighth Annual report. Our growth has continued, however the business has begun to churn now that it is well established. With the current economic climate, profit-making has become more challenged and margins in banking have narrowed compared to what they were last year.

Notwithstanding this our Managers and staff are working hard to grow our book to \$100 million at Milton and Districts and to \$20 million at Sussex Inlet. When these targets are achieved it will signify a considerable milestone in our history.

In the present climate the 'Five Differences' are becoming more considerable:

- Open on Saturday mornings and 9.00am to 5.00pm on weekdays
- Manager available at all times.
- No off shore 'Call Centres'.
- Banking Service available whilst ever the Community requires it. No threat of Closure.
- Portion of Nett Profits reinvested in local communities.
- Business operation is service based on quality service as well as being driven by profitability.

Originally, the company was formed for the purpose of retaining some of the massive banking profits that were being exported away from the district. There was immediate support from the local community and via the Bendigo and Adelaide Bank's Community Bank® model, we were able to provide alternative and sustained banking services in Milton Ulladulla and later in Sussex Inlet. The NAB closed in Milton soon after we had started to progress and it followed that we open a branch in Milton.

It was in 2009 that we revised our Business Plan and investing start up capital in reserve opened a second branch in Sussex Inlet.

Last year we had to exert a fair bit of effort to be able to continue with our ATM at the Dolphin Court site and also we installed an ATM at the new Woolworth's site. We expected to split the number of transactions and double the overheads as a consequence of providing an ongoing service.

There will also be an opportunity to install an ATM at the new Mollymook Shopping Centre if we think it viable.

Many new businesses are national franchises and completely bypass the local Branch Banking system.

Appointment of Regional Manager

During last term Jim Crawford was appointed Regional Manager replacing Chris Pursehouse. Jim is also an experienced Banker and has a full understanding of branch banking. And we welcome him to the Region.

Business Banking Manager Gary Brown also adds value to the Bendigo and Adelaide Bank management team, responsible for the local area.

Board

I would like to thank our Board who continue to work effectively as a Board. We have added local business man Wayne Dedden bringing our numbers up to eight. Norma Lowe has taken leave of absence to catch up on some family matters and Alan Foreman, Peter Culham, Di L'Estrange, Colin Whitehead and Matt Dell continue to work in an effective and efficient manner. Norma kindly took time out to work on a Tender for next year's State Conference to be held at Sussex Inlet. If successful holding the event at Sussex will be a huge boost for the community.

Our AIDC session at Hales Douglass last September involved Directors from various other Community Bank® companies and kept us on track. From all walks of life, our Directors are all tireless and are all involved in multiple community organisations. I was once told - "If you need something done give the task to a busy person".

Staff

Our staff numbers now total 11 employees. Matt Adams, Marianne Kastelein, Zoie Collett, Robyn Whitby, Glynnis Lee, Maureen Howe, Dimity McDonnell, Jen Dudman, Michele Green, Lisa McKinnon and Caroline Boland.



Bendigo Bank

Chairman's Report continued ...

Woodstock Financial Services Ltd
ABN 61 105 527 697
Directors' Report

After the resignation of Maree Ducret we appointed Marianne to the Manager's post at Sussex Inlet.

Marianne has brought new enthusiasm to the branch and has attacked her new role with gusto.

All staff have remained loyal and efficient, several have had their deeds recognised by the Bendigo and Adelaide Bank and details are listed in the front cover of this publication.

Junior Observers

Ross Collins retired as a Junior Observer after completing his HSC at the end of 2011. Alana Faust and Jason Linke have put in a lot of effort and have obviously gained from the experience. Their input has assisted the Board in its decision making.

Alana was the recipient of the Illawarra and South East Region Excellence in Student Leadership Award 2012.

Jason has led the Under 18 Bulldogs to their second South Coast Group 7 Grand Final.

At the Blessing of the Fleet Jason spoke on behalf of the Sponsors and Alana was given the duty of crowning the Princesses. Both represented the Community Bank® branch magnificently.

The Board wishes them all the best in their future endeavours. Harry Gee, a Year 10 Student was appointed during the year. An article he wrote after research at school on social media and bullying will appear on the Bendigo and Adelaide Bank Facebook site soon.

Future

The Community Bank® model is still thriving with 295 Branches, 908,598 accounts, \$21.2 billion in footings, 1,396 staff, 1,843 volunteer Directors and 70,937 shareholders. The Bendigo and Adelaide Bank has 200 "company" branches so they have a massive investment in the Community Bank® model. The real worth of the Community Bank® branches capital value will no doubt be more accountable sometime in the future I believe.

Our branches will deliver \$45,000 to our shareholders this year, some \$80,000 in community investment, (sponsorship and grants) we employ 11 Staff and generate other business.

Our community is strengthened by us providing sustenance to the 'Encounter', 'Shark Plane', 'Parkinson's Nurse Car', 'High School Billboard' and assisting sporting and community organisations, sometimes in partnership with other Community Bank® branches in the region.

Friends of our Community Bank® Branch

Paula Brett continues to record the Minutes of our Meetings and is in her eighth year.

Hales Douglass are very generous in many ways and there are others too numerous to mention.

We look forward to meeting many shareholders at the AGM and you are welcome to stay on for refreshments afterwards. Without shareholders and customers we would not be able to continue.

Condolences

Sadly, Paul Hales passed away earlier this year. A retired partner of Hales Douglass, Paul was an advocate of the Community Bank® branch, being a former Director and he was the inaugural Company Secretary. He was a forthright member of the local business community and is sadly missed by his family, friends and acquaintances.

Thank you one and all and I wish you all the very best for the future.

Tony Hardman
Chairman

Your Directors submit their report for the year ended 30 June 2012.

Directors

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Alan Brian Foreman
Vice Chairman
Business Proprietor

Anthony James Hardman
Chairman
Investor/semi retired

Heidi Rawson (resigned on 11 October 2011)
Director
Child Care Teacher

Matt Dell
Director
Business Proprietor

Dianne L'Estrange
Company Secretary
Lawyer

Peter Eric Culham
Treasurer
Travel agent

Norma Lowe (on leave of absence for 2012)
Director
Mobile Home Village Proprietor

Wayne Dedden (appointed 18 June 2012)
Director
Business Proprietor

Colin Whitehead
Director
Business Proprietor

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 banking services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

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

Operating Results

The profit for the financial year after provision for income tax was \$12,504 (2011: \$58,238 loss).

Dividends	Year Ended 30 June 2012	
	Cents Per Share	\$
Final 2012 dividends paid in the year:	6	45,000

Significant changes in the state of affairs

In the opinion of the directors there were 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.



Bendigo Bank

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, for the year ended 30 June 2011.

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 which a Director is a member or an entity in which a Director has a substantial financial interest. 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.

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 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:	
Alan Brian Foreman	12
Anthony James Hardman	10
Matt Dell	11
Peter Eric Culham	8
Norma Lowe	4
Colin Whitehead	7
Dianne L'Estrange	8
Wayne Dedden	-

Company Secretary

The Company secretary is Dianne L'Estrange. Dianne commenced this position on 11 October 2011 replacing Colin Whitehead.


Corporate Governance

The company has implemented various corporate governance practices, which include:

- The establishment of an audit committee. Members of the audit committee are Alan Foreman and Tony Hardman;
- Director approval of operating budgets and monitoring of progress against these budgets;
- Ongoing Director training; and
- Monthly Director meetings to discuss performance and strategic plans.

Auditor Independence and Non-audit Services

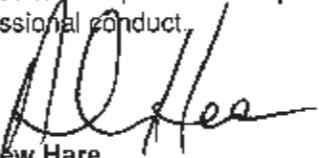
The directors received the following declaration from the auditor of the company:



Hales Douglass PTLD
Chartered Accountants
Directors
Robert Douglass B.Bus, M.Ec, CA
Andrew Hare B.Bus, CA
Juanita Sharp B.Com, CA
RAN-ONE member
including business advice

Auditor's Independence Declaration

In relation to our audit of the financial report of Woodstock Financial Services Ltd for the financial year ended 30 June 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.


Andrew Hare
Partner
Hales Douglass Pty Ltd
Ulladulla
Dated this 12th day of September 2012

Non-audit Services

The following non-audit services were provided by the entity's auditor, Hales Douglass. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

	\$
Tax compliance services	<u>8,365</u>

Signed in accordance with a resolution of the Board of Directors at Milton, New South Wales on 12 September 2012


 Anthony Hardman, Chairman

	<u>Notes</u>	2012 \$	2011 \$
Revenues from continuing activities	2	1,079,156	1,005,732
Employee benefits expense	3	(615,520)	(616,523)
Charitable donations and sponsorship		(87,141)	(64,997)
Depreciation and amortisation expense	3	(40,365)	(43,711)
Finance Costs	3	(16,852)	(1,987)
Administration & other expenses from ordinary activities		<u>(301,415)</u>	<u>(353,974)</u>
Profit before income tax expense		17,863	(75,460)
Income tax expense	4	<u>(5,359)</u>	<u>17,222</u>
Profit after income tax expense		<u>12,504</u>	<u>(58,238)</u>
Other Comprehensive Income		-	-
Total Comprehensive Income for the period		<u>12,504</u>	<u>(58,238)</u>
Earnings per share (cents per share)			
- basic for profit for the year	22	1.67	(7.77)
- diluted for profit for the year	22	1.67	(7.77)
- dividends paid per share	21	6.00	6.00

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Woodstock Financial Services Ltd
 ABN 61 105 527 697
 Statement of Financial Position
 As at 30 June 2012

	Notes	2012 \$	2011 \$
Current Assets			
Cash assets	6	205,332	229,357
Receivables	7	96,404	80,840
Other assets		8,654	35,867
Total Current Assets		<u>310,390</u>	<u>346,064</u>
Non-Current Assets			
Property, plant and equipment	8	201,146	211,797
Deferred income tax asset	4	31,746	37,105
Intangible assets	9	33,832	52,537
Total Non-Current Assets		<u>266,724</u>	<u>301,439</u>
Total Assets		<u>577,114</u>	<u>647,503</u>
Current Liabilities			
Payables	10	66,075	54,491
Interest bearing liabilities	11	3,047	7,817
Provisions	12	79,679	121,340
Total Current Liabilities		<u>148,801</u>	<u>183,648</u>
Non-Current Liabilities			
Interest bearing liabilities	11	6,629	9,675
Total Non-Current Liabilities		<u>6,629</u>	<u>9,675</u>
Total Liabilities		<u>155,430</u>	<u>193,323</u>
Net Assets		<u>421,684</u>	<u>454,180</u>
Equity			
Share capital	13	745,003	745,003
Accumulated losses	14	(323,319)	(290,823)
Total Equity		<u>421,684</u>	<u>454,180</u>

The above balance sheet should be read in conjunction with the accompanying notes.

Woodstock Financial Services Ltd
 ABN 61 105 527 697
 Statement of Cash Flows
 For the year ended 30 June 2012

	Notes	2012 \$	2011 \$
Cash Flows From Operating Activities			
Cash receipts in the course of operations		1,170,446	1,063,191
Cash payments in the course of operations		(1,068,063)	(1,012,069)
Interest received		24,222	10,562
Borrowing Costs		(16,852)	(1,987)
GST Remitted to ATO		(69,953)	(64,628)
Net cash flows used in operating activities	15b	<u>39,800</u>	<u>(4,931)</u>
Cash Flows From Investing Activities			
Proceeds from sale of investments		-	-
Payments for Intangible Assets		-	-
Payments for property, plant and equipment		(11,009)	(1,182)
Net cash flows used in investing activities		<u>(11,009)</u>	<u>(1,182)</u>
Cash Flows From Financing Activities			
Dividends Paid		(45,000)	(45,000)
Repayment of Borrowings		(7,816)	(8,737)
Proceeds from borrowings		-	-
Net cash flows used in financing activities		<u>(52,816)</u>	<u>(53,737)</u>
Net increase in cash held		(24,025)	(59,850)
Add opening cash brought forward		229,357	289,207
Closing cash carried forward	15a	<u>205,332</u>	<u>229,357</u>

The above cash flow statement should be read in conjunction with the accompanying notes.

Woodstock Financial Services Ltd
 ABN 61 105 527 697
 Statement of Changes in Equity
 For the year ended 30 June 2012

	2012 \$	2011 \$
SHARE CAPITAL		
<i>Ordinary shares</i>		
Balance at start of year	745,003	745,003
Issue of share capital	-	-
Share issue costs	-	-
Balance at end of year	<u>745,003</u>	<u>745,003</u>
ACCUMULATED LOSSES		
Balance at start of year	(290,823)	(187,585)
Profit after income tax expense	12,504	(58,238)
Dividends proposed & paid	<u>(45,000)</u>	<u>(45,000)</u>
Balance at end of year	<u>(323,319)</u>	<u>(290,823)</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Woodstock Financial Services Ltd
 ABN 61 105 527 697
 Notes to the Financial Statements
 for the year ended 30 June 2012

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*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards board.

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 value of the consideration given in exchange for assets.

The financial report was authorised for issue by the Directors on 12 September 2012.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

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. There are no accounting standards recently issued or amended which are expected to have a significant effect on the entity in future periods.

(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 2011 financial statements.

Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

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 assets are recognised for all deductible temporary differences, carry-forward of unused tax credits 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 credits

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. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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 or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

1. Basis of preparation of the Financial Report (continued)

Property, plant and equipment

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

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

<i>Class of Asset</i>	<i>Depreciation Rate</i>
Buildings & improvements	5%
Furniture & fittings	30%

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.

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 GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable
- Receivables and payables, which are stated with the amount of GST included UIG 1031.8
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 and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

1. Basis of preparation of the Financial Report (continued)

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.

Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, 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

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. All revenue is stated net of the amount of goods and services tax (GST).

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Receivables and Payables

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the company will not be able to collect the receivable. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

1. Basis of preparation of the Financial Report (continued)

Receivables and Payables

Trade and other payables are carried at amortised cost due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid and arise when the company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30-90 days of recognition.

Interest Bearing Liabilities

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for a least 12 months after the balance sheet date.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date using a discounted cash flow methodology. The risks specific to the provision are factored into the cash flows and as such a risk-free government bond rate relative to the expected life of the provision is used as a discount rate. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

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.

2. Revenue from continuing activities

	2012 \$	2011 \$
Continuing activities		
- services commissions	1,054,934	995,170
Other activities:		
- interest received	24,222	10,562
Total revenue from continuing activities	<u>1,079,156</u>	<u>1,005,732</u>

3. Expenses

Employee benefits expense		
- wages and salaries	536,982	539,373
- superannuation costs	46,327	47,504
- workers' compensation costs	1,636	1,868
- other costs	30,575	27,778
	<u>615,520</u>	<u>616,523</u>

Depreciation of non-current assets:

- plant and equipment	12,954	15,893
- buildings	8,706	9,164

Amortisation of non-current assets:

- intangibles	18,705	18,654
	<u>40,365</u>	<u>43,711</u>

Finance Costs	16,852	1,987
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Bad debts	4,369	1,894
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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 at 30%	5,359	(22,638)
Add tax effect of:		
- Non-deductible expenses	-	5,596
- Recognition of Deferred Tax Assets	-	-
Current income tax expense	<u>5,359</u>	<u>(17,042)</u>
Income tax expense reported on Statement of Comprehensive Income	<u>5,359</u>	<u>(17,222)</u>

Deferred income tax asset

Future income tax benefits arising from tax losses are recognised at reporting date as realisation of the benefit is regarded as probable.

	<u>31,746</u>	<u>37,105</u>
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5. Auditors' Remuneration

Amounts received or due and receivable by Hales Douglass Pty Ltd
 for:
 - Audit and review of the financial report of the company

	2012 \$	2011 \$
	4,700	4,700

6. Cash and Cash Equivalents

Cash at bank and on hand

	205,332	229,357
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7. Receivables

Trade debtors

	96,404	80,840
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8. Property, Plant and Equipment

Plant & equipment

At cost
 Less accumulated depreciation

	221,412	210,403
	(185,680)	(172,726)
	35,732	37,677

Leasehold improvements

At cost
 Less accumulated depreciation

	199,669	199,669
	(34,255)	(25,549)
	165,414	174,120

Total written down amount

	201,146	211,797
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Movements in carrying amounts

Plant & equipment

Carrying amount at beginning of year
 Additions
 Disposals
 Depreciation expense
 Carrying amount at end of year

	37,677	52,388
	11,009	1,182
	-	-
	(12,954)	(15,893)
	35,732	37,677

Leasehold improvements

Carrying amount at beginning of year
 Additions
 Disposals
 Depreciation expense
 Carrying amount at end of year

	174,120	183,284
	-	-
	-	-
	(8,706)	(9,164)
	165,414	174,120

9. Intangible Assets

Franchise Fee

At cost
 Less accumulated amortisation

	2012 \$	2011 \$
	87,579	87,579
	(53,747)	(35,042)
	33,832	52,537

10. Payables

Trade creditors
 Accrued expenses
 Other creditors and accruals

	27,876	19,625
	4,847	3,758
	33,552	31,108
	66,075	54,491

11. Interest Bearing Liabilities

Current
 Chattel Mortgage

	3,047	7,817
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Non-Current
 Chattel Mortgage

	6,629	9,675
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12. Provisions

Employee benefits
 Provision for dividends
 Provision for Insurance Claim

	79,244	71,025
	435	315
	-	50,000
	79,679	121,340

Number of employees at year end

	12	12
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13. Share Capital

750 000 Ordinary shares fully paid of \$1 each
 Less preliminary expenses

	750,000	750,000
	(4,997)	(4,997)
	745,003	745,003

14. Accumulated Losses

Balance at the beginning of the financial year
 Profit after income tax
 Dividends proposed & paid
 Balance at the end of the financial year

	(290,823)	(187,585)
	12,504	(58,238)
	(45,000)	(45,000)
	(323,319)	(290,823)

15. Cash Flow Statement

	2012 \$	2011 \$
(a) Reconciliation of cash		
Cash assets	<u>205,332</u>	<u>229,357</u>
(b) Reconciliation of profit after tax to net cash used in operating activities		
Profit after income tax	12,504	(58,238)
Non cash items		
- Depreciation	21,660	25,057
- Amortisation	18,705	18,654
Changes in assets and liabilities		
- (Increase) decrease in receivables	11,649	(30,113)
- Increase (decrease) in payables	11,584	(11,144)
- Increase (decrease) in provisions	(41,661)	73,456
- (Increase) decrease in deferred income tax asset	5,359	(22,603)
Net cash flows used in operating activities	<u>39,800</u>	<u>(4,931)</u>

16. Director and Related Party Disclosures

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

Alan Brian Foreman
 Anthony James Hardman
 Matt Dell
 Peter Eric Culham
 Heidi Rawson (resigned on 11 October 2011)
 Norma Lowe (on leave of absence for 2012)
 Colin Whitehead
 Dianne L'Estrange
 Wayne Dedden (appointed 18 June 2012)

No director or related entity has entered into a material contract with the company. No director's fees have been paid as the positions are held on a voluntary basis.

16. Director and Related Party Disclosures (continued)

Directors shareholdings	2012	2011
Alan Brian Foreman	2,000	2,000
Anthony James Hardman	1,900	1,900
Matt Dell	2,000	2,000
Peter Eric Culham	1,000	1,000
Heidi Rawson	-	-
Norma Lowe	-	-
Colin Whitehead	-	-
Dianne L'Estrange	-	-
Wayne Dedden	-	-

There was no movements in shares held during the year. Each share held has a paid up value of \$1 and is fully paid.

17. Subsequent Events

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

18. Contingent Liabilities

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

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 one geographic area being Milton NSW.

20. Corporate Information

Woodstock Financial Services Ltd is a company limited by shares incorporated in Australia.

The registered office and principal place of business is: 41 Deering St, Ulladulla NSW 2539

21. Dividends paid or provided for on ordinary shares	2012 \$	2011 \$
(a) Dividends proposed		
No dividends were proposed prior to financial statements being authorised for issue (2011: 6 cents Fully Franked)		45,000
(a) Dividends paid during the year		
Franked dividends -6 cents per share (2011: 6 cents)	45,000	45,000

22. Earnings per share

	2012	2011
	\$	\$

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

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

Profit after income tax expense	<u>12,504</u>	<u>(58,238)</u>
Weighted average number of ordinary shares for basic and diluted earnings per share	<u>750,000</u>	<u>750,000</u>

23. Financial risk management

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. The Board has established an Audit Committee which reports regularly to the Board. The Audit Committee is assisted in the area of risk management by an internal audit function.

(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:

	<u>Carrying Amount</u>	
	2012	2011
	\$	\$
Cash assets	205,332	229,357
Receivables	<u>96,404</u>	<u>80,840</u>
	<u>301,736</u>	<u>310,197</u>

The Company's exposure to credit risk is limited to Australia by geographic area.

None of the assets of the Company are past due (2011: nil past due) and based on historic default rates, the Company believes that no impairment allowance is necessary in respect of assets not past due.

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

(b) Liquidity risk

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

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

23. Financial risk management (continued)

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

	Carrying amount \$'000	Contractual cash flows \$'000	1 year or less \$'000	over 1 to 5 years \$'000	more than 5 years \$'000
30 June 2012					
Payables	66,075	(66,075)	(66,075)	-	-
Interest Bearing Liabilities	9,676	(9,676)	(3,047)	(6,629)	-
	<u>75,751</u>	<u>(75,751)</u>	<u>(69,122)</u>	<u>(6,629)</u>	<u>-</u>
30 June 2011					
Payables	54,491	(54,491)	(54,491)	-	-
Interest Bearing Liabilities	17,492	(17,492)	(7,817)	(9,675)	-
	<u>71,983</u>	<u>(71,983)</u>	<u>(62,308)</u>	<u>(9,675)</u>	<u>-</u>

(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:

	Carrying Amount	
	2012	2011
	\$	\$
Fixed rate instruments		
Financial assets	50,000	191,046
Financial liabilities	9,676	17,492
	<u>59,676</u>	<u>208,538</u>
Variable rate instruments		
Financial assets	155,332	38,312
Financial liabilities	-	-
	<u>155,332</u>	<u>38,312</u>

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.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have no significant impact on profit or retained earnings. For the analysis performed on the same basis as at 30 June 2011 there was also no impact. As at both dates this assumes all other variables remain constant.

23. Financial risk management (continued)

(d) Net fair values

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the Balance Sheet. Where the fair value of a Financial Instrument is required to be estimated the fair value is calculated using quoted prices in active markets. 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%.

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the Company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2012 can be seen in the Statement of Comprehensive Income.

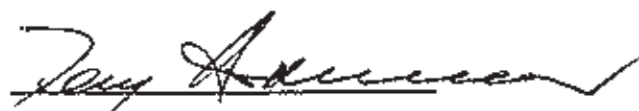
There were no changes in the Company's approach to capital management during the year.

In accordance with a resolution of the directors of Woodstock Financial Services Limited,
I 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 2012 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and *Corporations Regulations 2001*; and
- (b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1; and
- (c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the board



Anthony Hardman, Chairman

Signed at Milton, New South Wales on 12 September 2012.

Independent Auditor's Report

To the members of Woodstock Financial Services Limited

Report on the Financial Report

We have audited the accompanying financial report of Woodstock Financial Services Limited, which comprises the Statement of Financial Position as at 30 June 2012, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have met the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditor's Opinion

In our opinion:

1. The financial report of Woodstock Financial Services Limited is in accordance with the Corporations Act 2001, including:
 - i. Giving a true and fair view of the entity's financial position at 30 June 2012 and of its performance for the year ended on that date
 - ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001
2. The financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board

Yours faithfully,



Andrew Hare
Registered Company Auditor
Hales Douglass Pty Ltd
Ulladulla NSW
12 September 2012



Bendigo Bank

