

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 June 2014**

WOODSTOCK FINANCIAL SERVICES LIMITED

CONTENTS

Directors' Report

Auditor's Independence Declaration

Statement of Comprehensive Income

Statement of Financial Position

Statement of Cash Flows

Statement of Changes in Equity

Notes to the Financial Statements

Directors' Declaration

Auditor's Report

**Hales Douglass Pty Limited
Chartered Accountants
41 Deering Street, Ulladulla**

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

Your Directors submit their report for the year ended 30 June 2014.

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
Colin Whitehead Director Business Proprietor	Matt Dell Director Business Proprietor
Dianne L'Estrange Company Secretary Lawyer	Peter Eric Culham Treasurer Travel agent
Norma Lowe Director Mobile Home Village Proprietor	Wayne Dedden 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 loss for the financial year after provision for income tax was \$63,053 (2013: \$38,219).

Dividends	Year Ended 30 June 2014	
	Cents Per Share	\$
Final 2014 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.

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 2014.

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

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: 11

Number of Meetings Attended:

Alan Brian Foreman	11
Anthony James Hardman	9
Matt Dell	8
Peter Eric Culham	8
Norma Lowe	10
Colin Whitehead	9
Dianne L'Estrange	10
Wayne Dedden	8

Company Secretary

The Company secretary is Dianne L'Estrange.

Corporate Governance

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

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

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

Auditor Independence and Non-audit Services

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

Hales Douglass PTY LTD

Chartered Accountants

Directors

Robert Douglass B.Bus, M.Ec, CA

Andrew Hare B.Bus, CA

Juanita Sharp B.Com, CA

 RAN·ONE | member
building business value

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 2014, 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 19th day of September 2013

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>11,502</u>

Signed in accordance with a resolution of the Board of Directors at Ulladulla, New South Wales on 19 September 2014



Anthony Hardman, Chairman

Woodstock Financial Services Ltd
ABN 61 105 527 697
Statement of Comprehensive Income
For the year ended 30 June 2014

	<u>Notes</u>	2014 \$	2013 \$
Revenues from continuing activities	2	1,013,721	1,057,676
Employee benefits expense	3	(658,247)	(638,530)
Charitable donations and sponsorship		(65,815)	(74,271)
Depreciation and amortisation expense	3	(50,568)	(50,054)
Finance Costs	3	(604)	(797)
Administration & other expenses from ordinary activities		<u>(325,062)</u>	<u>(348,623)</u>
Profit before income tax expense		(86,575)	(54,599)
Income tax expense	4	<u>23,522</u>	<u>16,380</u>
Profit after income tax expense		<u><u>(63,053)</u></u>	<u><u>(38,219)</u></u>
Other Comprehensive Income		-	-
Total Comprehensive Income for the period		<u><u>(63,053)</u></u>	<u><u>(38,219)</u></u>
Earnings per share (cents per share)			
- basic for profit for the year	22	(8.41)	(5.10)
- diluted for profit for the year	22	(8.41)	(5.10)
- 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 2014

	<u>Notes</u>	2014 \$	2013 \$
Current Assets			
Cash assets	6	26,764	177,019
Receivables	7	125,851	90,977
Other assets		4,678	3,652
Total Current Assets		<u>157,293</u>	<u>271,648</u>
Non-Current Assets			
Property, plant and equipment	8	167,210	173,746
Deferred income tax asset	4	95,717	48,126
Intangible assets	9	66,303	15,178
Total Non-Current Assets		<u>329,230</u>	<u>237,050</u>
Total Assets		<u>486,523</u>	<u>508,698</u>
Current Liabilities			
Payables	10	47,187	59,879
Interest bearing liabilities	11	26,572	3,047
Provisions	12	63,913	47,689
Total Current Liabilities		<u>137,672</u>	<u>110,615</u>
Non-Current Liabilities			
Interest bearing liabilities	11	72,473	3,581
Provisions	12	45,966	56,037
Total Non-Current Liabilities		<u>118,439</u>	<u>59,618</u>
Total Liabilities		<u>256,111</u>	<u>170,233</u>
Net Assets		<u>230,412</u>	<u>338,465</u>
Equity			
Share capital	13	745,003	745,003
Accumulated losses	14	(514,591)	(406,538)
Total Equity		<u>230,412</u>	<u>338,465</u>

The above statement of financial position 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 2014

	<u>Notes</u>	2014 \$	2013 \$
Cash Flows From Operating Activities			
Cash receipts in the course of operations		1,107,145	1,153,839
Cash payments in the course of operations		(1,114,342)	1,070,778
Interest received		3,544	6,955
Borrowing Costs		(604)	(797)
GST Remitted to ATO		(55,793)	(65,484)
Net cash flows used in operating activities	15b	<u>(60,050)</u>	<u>23,735</u>
Cash Flows From Investing Activities			
Payments for property, plant and equipment		(29,172)	(4,000)
Proceeds on disposal of PP&E		2,727	-
Net cash flows used in investing activities		<u>(26,445)</u>	<u>(4,000)</u>
Cash Flows From Financing Activities			
Dividends Paid		(45,000)	(45,000)
Franchise Fee Instalment		(15,440)	-
Repayment of Borrowings		(3,320)	(3,048)
Net cash flows used in financing activities		<u>(63,760)</u>	<u>(48,048)</u>
Net increase in cash held		(150,255)	(28,313)
Add opening cash brought forward		177,019	205,332
Closing cash carried forward	15a	<u><u>26,764</u></u>	<u><u>177,019</u></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 2014

	2014	2013
	\$	\$
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	(406,538)	(323,319)
Profit after income tax expense	(63,053)	(38,219)
Dividends proposed & paid	(45,000)	(45,000)
Balance at end of year	<u>(514,591)</u>	<u>(406,538)</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 2014

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 19 September 2014.

(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 2013 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.

Woodstock Financial Services Ltd
ABN 61 105 527 697
Notes to the Financial Statements
for the year ended 30 June 2014

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 over the estimated useful life of the asset as follows:

<i>Class of Asset</i>	<i>Depreciation Rate</i>
Buildings & improvements	10% Prime Cost
Furniture & fittings	30% Diminishing Value

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.

Woodstock Financial Services Ltd
ABN 61 105 527 697
Notes to the Financial Statements
for the year ended 30 June 2014

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.

Woodstock Financial Services Ltd
ABN 61 105 527 697
Notes to the Financial Statements
for the year ended 30 June 2014

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.

Woodstock Financial Services Ltd
ABN 61 105 527 697
Notes to the Financial Statements
for the year ended 30 June 2014

2. Revenue from continuing activities	2014	2013
	\$	\$
Continuing activities		
- services commissions	1,010,177	1,050,721
Other activities:		
- interest received	3,544	6,955
	<u>1,013,721</u>	<u>1,057,676</u>
 3. Expenses		
Employee benefits expense		
- wages and salaries	542,558	534,450
- superannuation costs	47,479	45,660
- workers' compensation costs	1,432	706
- other costs	66,778	57,714
	<u>658,247</u>	<u>638,530</u>
Depreciation of non-current assets:		
- plant and equipment	12,900	11,320
- buildings	20,080	20,080
Amortisation of non-current assets:		
- intangibles	17,588	18,654
	<u>50,568</u>	<u>50,054</u>
Finance Costs	604	797
Bad debts	926	(2,403)
 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%	-	-
Add tax effect of:		
- Recognition of Deferred Tax Assets arising from tax losses	(30,743)	(16,380)
- Franking deficit tax offset reduction	7,221	-
<i>Current income tax expense</i>	<u>(23,522)</u>	<u>(16,380)</u>
Income tax expense reported on Statement of Comprehensive Income	<u>(23,522)</u>	<u>(16,380)</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.	78,869	48,126
Franking Deficit Tax	16,848	-
	<u>95,717</u>	<u>48,126</u>

Woodstock Financial Services Ltd
ABN 61 105 527 697
Notes to the Financial Statements
for the year ended 30 June 2014

5. Auditors' Remuneration	2014	2013
	\$	\$
Amounts received or due and receivable by Hales Douglass Pty Ltd for:		
- Audit and review of the financial report of the company	<u>4,700</u>	<u>4,700</u>
6. Cash and Cash Equivalents		
Cash at bank and on hand	<u>26,764</u>	<u>177,019</u>
7. Receivables		
Deposit refundable on new vehicles	33,980	-
Trade debtors	<u>91,871</u>	<u>90,977</u>
	<u>125,851</u>	<u>90,977</u>
8. Property, Plant and Equipment		
<i>Plant & equipment</i>		
At cost	251,856	225,412
Less accumulated depreciation	<u>(209,900)</u>	<u>(197,000)</u>
	<u>41,956</u>	<u>28,412</u>
<i>Leasehold improvements</i>		
At cost	199,669	199,669
Less accumulated depreciation	<u>(74,415)</u>	<u>(54,335)</u>
	<u>125,254</u>	<u>145,334</u>
Total written down amount	<u>167,210</u>	<u>173,746</u>
Movements in carrying amounts		
<i>Plant & equipment</i>		
Carrying amount at beginning of year	28,412	35,732
Additions	29,172	4,000
Disposals	(2,728)	-
Depreciation expense	<u>(12,900)</u>	<u>(11,320)</u>
Carrying amount at end of year	<u>41,956</u>	<u>28,412</u>
<i>Leasehold improvements</i>		
Carrying amount at beginning of year	145,334	165,414
Additions	-	-
Disposals	-	-
Depreciation expense	<u>(20,080)</u>	<u>(20,080)</u>
Carrying amount at end of year	<u>125,254</u>	<u>145,334</u>

Woodstock Financial Services Ltd
ABN 61 105 527 697
Notes to the Financial Statements
for the year ended 30 June 2014

9. Intangible Assets	2014	2013
	\$	\$
<i>Franchise Fee</i>		
At cost	68,713	87,579
Less accumulated amortisation	(2,410)	(72,401)
	<u>66,303</u>	<u>15,178</u>
10. Payables		
Trade creditors	22,518	25,782
Accrued expenses	3,900	5,852
Other creditors and accruals	20,769	28,245
	<u>47,187</u>	<u>59,879</u>
11. Interest Bearing Liabilities		
Current		
Chattel Mortgage	11,133	3047
Franchise Fee Payable	15,439	-
	<u>26,572</u>	<u>3,047</u>
Non-Current		
Chattel Mortgage	26,154	3581
Franchise Fee Payable	46,319	-
	<u>72,473</u>	<u>3,581</u>
12. Provisions		
Current		
Employee benefits	63,358	47,134
Provision for dividends	555	555
	<u>63,913</u>	<u>103,726</u>
Non-Current		
Employee benefits	<u>45,966</u>	<u>56,037</u>
Number of employees at year end	<u>12</u>	<u>12</u>
13. Share Capital		
750 000 Ordinary shares fully paid of \$1 each	750,000	750,000
Less preliminary expenses	(4,997)	(4,997)
	<u>745,003</u>	<u>745,003</u>
14. Accumulated Losses		
Balance at the beginning of the financial year	(406,538)	(323,319)
Profit after income tax	(63,053)	(38,219)
Dividends proposed & paid	(45,000)	(45,000)
Balance at the end of the financial year	<u>(514,591)</u>	<u>(406,538)</u>

Woodstock Financial Services Ltd
ABN 61 105 527 697
Notes to the Financial Statements
for the year ended 30 June 2014

15. Cash Flow Statement	2014	2013
	\$	\$
<i>(a) Reconciliation of cash</i>		
Cash assets	<u>26,764</u>	<u>177,019</u>
<i>(b) Reconciliation of profit after tax to net cash used in operating activities</i>		
Profit after income tax	(63,053)	(38,219)
Non cash items		
- Depreciation	32,980	31,400
- Amortisation	17,588	18,654
- Franchise renewal Training Costs	1,467	-
- GST not yet claimable on Franchise Fee	7,018	-
Changes in assets and liabilities		
- (Increase) decrease in receivables	(1,920)	10,429
- Increase (decrease) in payables	(12,692)	(6,196)
- Increase (decrease) in provisions	6,153	24,047
- (Increase) decrease in deferred income tax asset	(47,591)	(16,380)
Net cash flows used in operating activities	<u>(60,050)</u>	<u>23,735</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
 Norma Lowe
 Colin Whitehead
 Dianne L'Estrange
 Wayne Dedden

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.

Woodstock Financial Services Ltd
ABN 61 105 527 697
Notes to the Financial Statements
for the year ended 30 June 2014

	2014	2013
	\$	\$
16. Director and Related Party Disclosures (continued)		
Directors shareholdings		
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 were 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 two offices being Milton & Sussex Inlet 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

	2014	2013
	\$	\$
21. Dividends paid or provided for on ordinary shares		
(a) Dividends proposed		
No dividends were proposed prior to financial statements being authorised for issue (2013: No dividends were proposed prior to financial statements being authorised for issue)	-	-
(a) Dividends paid during the year		
Franked dividends 6 cents per share (2013: 6 cents)	45,000	45,000

Woodstock Financial Services Ltd
ABN 61 105 527 697
Notes to the Financial Statements
for the year ended 30 June 2014

22. Earnings per share

2014
\$

2013
\$

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

(63,053)

(38,219)

Weighted average number of ordinary shares for basic and diluted earnings per share

750,000

750,000

Woodstock Financial Services Ltd
ABN 61 105 527 697
Notes to the Financial Statements
For the year ended 30 June 2014

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.

(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>	
	<u>2014</u>	<u>2013</u>
	\$	\$
Cash assets	26,764	177,019
Receivables	125,851	90,977
	<u>152,615</u>	<u>267,996</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 (2013: 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.

Woodstock Financial Services Ltd
ABN 61 105 527 697
Notes to the Financial Statements
For the year ended 30 June 2014

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 2014					
Payables	47,187	(47,187)	(47,187)	-	-
Interest Bearing Liabilities	99,045	(99,045)	(26,572)	(72,473)	-
	<u>146,232</u>	<u>(146,232)</u>	<u>(73,759)</u>	<u>(72,473)</u>	<u>-</u>
30 June 2013					
Payables	59,879	(59,879)	(59,879)	-	-
Interest Bearing Liabilities	6,628	(6,628)	(3,047)	(3,581)	-
	<u>66,507</u>	<u>(66,507)</u>	<u>(62,926)</u>	<u>(3,581)</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	
	2014	2013
	\$	\$
Fixed rate instruments		
Financial assets	-	52,188
Financial liabilities	99,045	6,628
	<u>99,045</u>	<u>58,816</u>
Variable rate instruments		
Financial assets	26,764	124,831
Financial liabilities	-	-
	<u>26,764</u>	<u>124,831</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 2013 there was also no impact. As at both dates this assumes all other variables remain constant.

Woodstock Financial Services Ltd
ABN 61 105 527 697
Notes to the Financial Statements
For the year ended 30 June 2014

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 2014 can be seen in the Statement of Comprehensive Income.

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

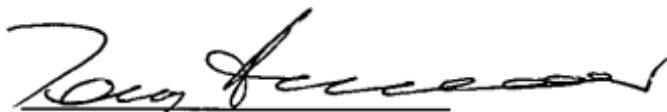
Woodstock Financial Services Ltd
ABN 61 105 527 697
Directors Declaration

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 2014 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 19 September 2014.

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 2014, 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

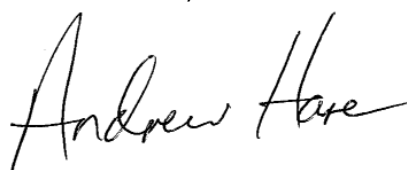
In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report. In addition to our audit of the financial report, we were 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 2014 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
19 September 2014