



Bendigo Bank

Helping our locals build better lives.

Milton & Districts and Sussex Inlet **Community Bank**® Branches



**SUSSEX INLET
COMMUNITY SERVICE HUB
DELIVERED**



**BENDIGO CREDIT CARD
RATED HIGHEST
IN CUSTOMER SATISFACTION**



**2018/19
PROFIT ACHIEVED**



**WFSL PLAN FOR
2020-
2023**



**66% DIVIDENDS
RETURNED
TO SHAREHOLDERS**

2019 annual report

Woodstock Financial Services Limited
ABN 61 105 527 697





Stuart Emslie
Company Secretary
Director



Matt Dell
Director
Chair - Development Growth and Assets Portfolio
Member of Marketing Grants & Sponsorship Committee



Justine Cox
Director
Chair - Human Resource Committee



Peter Arndell
Director
Member of Marketing Grants & Sponsorship Committee



Suzanne Jones
Director
Member of Marketing Grants & Sponsorship Committee



Libby Beasley
Board - Executive Support Officer

Wayne Dedden
Director - Board Chair
Member of the Finance Committee



Alison Murray
Director
Company Treasurer



Gillian Drury
Director
Member Human Resource Committee



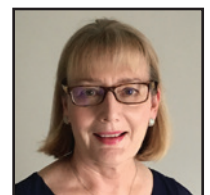
Gaven Dorrell
Director
Low Volume Market
Member of Marketing Grants & Sponsorship Committee



Ross Earby
Director
Member of the Finance Committee
Member of Marketing Grants & Sponsorship Committee



Donna Payne
Director
Chair - Marketing Grants & Sponsorship Committee



Notice of Annual General Meeting

Woodstock Financial Services Limited

A.B.N. 61 105 527 697

To be held at 6.00 PM on Wednesday 16th October 2019

Mollymook Bowling Club

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 2019.

2. Election of Director/s

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 **ALISON MURRAY** be elected as a Director of the Company.

Re-election of Director/s retiring by rotation

Under the terms of the Company's Constitution 2 Directors are required to retire by rotation.

(b) That **GILLIAN DRURY** be elected as a Director of the Company.

(c) That **STUART EMSLIE** be elected as a Director of the Company.

Election of new Director/s

n/a

3. Appointment of Auditor

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

That the appointment of **BSP Advisory Group 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.

Notice of Annual General Meeting

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 shareholders as at 5.00 PM on 9th October 2019.

By order of the Board

Stuart Emslie
Company Secretary
8th September 2019

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 appointed since last Annual General Meeting

- (a) **ALISON MURRAY** 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 themselves for election.

Re-election of Director retiring by rotation

Under the terms of the Company's Constitution 2 Directors are required to retire by rotation

- (b) **GILLIAN DRURY** offers themselves for re-election as a Director of the Company
- (c) **STUART EMSLIE** offers themselves for re-election as a Director of the Company

Election of New Director

No person had offered themselves for election.

Agenda item 3. Appointment of Auditor

Item 3 is an ordinary resolution to seek your approval for the appointment of **BSP Advisory Group Pty Ltd** as the company's Auditor.

The Board has previously received **BSP Advisory Group Pty Ltd** consent to act and written notice of Hales Douglass Pty Ltd nomination as Auditor from a shareholder.

The appointment of **BSP Advisory Group Pty Ltd** requires approval of shareholders under the Corporations Act.

Questions from shareholders

Shareholders are invited to ask questions of the Board. We will endeavour to address questions of general interest to shareholders at the AGM. A summary of the responses to commonly asked questions will be posted on the Company's website.

Shareholders are also invited to ask written questions of the auditor about the content of the Auditor's Report or the conduct of the audit of the financial report to be considered at the AGM. These questions will be passed on to the auditor and a reasonable opportunity will be allowed at the AGM for the auditor or their representative to respond.

To ask a question either:

complete the form below and return it to 83 Princes Highway Milton; or
email your question/s to the Company Secretary at secretary@woodstockfinancialservices.com.au
by 5pm on 9th October 2019

Question 1 is for Chairman or Auditor

Question 2 is for Chairman or Auditor

Name: _____

Address: _____

Proxy form

Woodstock Financial Services Limited
 ABN: 61 105 527 697

All correspondence to:
Woodstock Financial Services Limited
 83 Princes Highway
 Milton NSW 2538
 Enquiries 02 4454 2659
 Fax 02 4454 2651
 Email secretary@woodstockfinancialservices.com.au
 Registered office 41 Deering Street Ulladulla NSW 25299

Name of Shareholder :.....
 Address.....
 Address.....
NSW

Please 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 shareholder/s of **Woodstock Financial Service Limited** ('the company') and entitled to attend and vote at the 2019 Annual General Meeting (AGM) to be held at **Mollymook Bowling Club** on **Wednesday 16th October 2019 at 6.00pm**

appoint:

The Chair of the meeting (please mark this box with an 'X')

OR

(Please write the name or position/office of the person or the name of the body corporate that you are appointing as proxy)

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions or, if the proxy is left open and to the extent permitted by law, to vote as the proxy chooses at the AGM and, if the meeting is adjourned, when the meeting has been reconvened for business.

Chair to vote open proxies in favour: I/We acknowledge that the Chair of the meeting intends to vote all available open proxies in favour of all items of business.

If you wish to direct your proxy how to vote, please mark your direction in the next section of this form.

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. Receipt of Remuneration Report	Nil	Nil	Nil
Item 3. Re-election of Alison Murray as a Director			
Item 4. Re-election of Gillian Drury as a Director			
Item 5. Re-election of Stuart Emslie as a Director			

When completing this proxy form, please note that:

- you should indicate an 'X' in only one box for each for each item of business;
- if the Chair of the meeting is your proxy and you do not mark any of the boxes opposite Item 2, you are directing the Chair to vote in favour of the resolution on item 2 (Remuneration Report). Otherwise, if your proxy is left open for an item of business, your proxy is able to vote as they choose or to abstain from voting on that item, subject to any voting restrictions that may apply to your proxy (further details are provided on the next page). As noted above, the Chair intends to vote all available proxies in favour of each resolution;
- if you mark the "abstain" box for an item of business, you are directing your proxy not to vote on that item, and
- abstentions will not be counted in calculating the required majority on a poll.

SIGNING OF PROXY FORM

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
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Sole Director and
 Sole Company Secretary

Director

Director / Company Secretary

Proxy form

HOW TO COMPLETE YOUR PROXY FORM

1. Appointment of Proxy – General Information

A shareholder entitled to attend and vote at the meeting may appoint a proxy to attend and vote on their behalf.

Shareholders should note that:

- all shareholders have the right to appoint a proxy
- a proxy does not have to be a shareholder of Woodstock Financial Service Limited
- a proxy may be an individual or a body corporate, and
- if you hold two or more shares, you may appoint up to two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise.

If you wish to appoint the Chair of the meeting as your proxy, please mark the box with an 'X' to show this appointment. If you wish to appoint another individual as your proxy, please write the name of that person or the person's position or office.

If you wish to appoint a body corporate as your proxy, please write the body corporate's name.

If the appointed proxy (other than the Chair of the meeting) is not in attendance at the meeting, the Chair of the meeting will act as your proxy.

If you have not nominated a proxy, the Chair of the meeting will act as your proxy.

2. 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.

3. Appointment of a proxy

A shareholder entitled to attend and vote at the meeting may appoint one proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

4. 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.

5. Voting instructions

You are encouraged to 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.

6. Signing of proxy form

A proxy appointment is only valid if the proxy form has been signed by the shareholder(s) making the appointment(s). The following rules apply in relation to the signing of proxy forms for joint holdings, proxy forms signed under power of attorney, and proxy forms signed by corporate shareholders:

Individual

If the holding is in one name, the individual shareholder must sign.

Joint holding

If you hold your shares jointly, all shareholders should sign the proxy form. A proxy form signed by the shareholder whose name appears first in the register, but not by the other joint holder(s), will also be accepted as valid.

Power of Attorney

If a proxy form is signed under a power of attorney, you must lodge the original or certified copy of the power of attorney with your proxy form, unless you have previously lodged one of these documents with the company.

Corporate shareholders

Proxy forms for corporate shareholders should be signed in accordance with your company's constitution or the Corporations Act. 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.

Lodgement of your proxy form (related documents)

A proxy appointment for the 2019 Annual General Meeting to be held at 6.00 PM at **Mollymook Bowling Club**, on **16th October 2019**. This proxy form (and any Power of Attorney under which it is signed) must be received by the company not later than 5.00 PM on 9th October 2019 before the meeting. 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 branch office at 83 Princes Highway Milton NSW 2538

Facsimile - To fax number 02 4454 2651

Electronic lodgement - Email to secretary@woodstockfinancialservices.com.au

Manager's Report - Milton & Districts and Sussex Inlet Branches

It is a privilege to deliver the Managers' Report for the financial year 2018/19. Firstly, I would like to recognise and thank our dedicated team of banking professionals and community advocates:

Branch Manager- Amber Morgan; Customer Relationship Manager- Caroline Boland; Customer Relationship Officer- Caitlin Ferguson; Customer Service Officers: Dimity McDonnell, Katie Cerff, Maureen Howe, Renee Pousini, Kaitlyn Kipp, and most recently Natalie Ryan. We also thank those staff that said farewell and moved on throughout the year.

Unfortunately I have to begin by saying that this year has been one of the most testing in recent memory and this report provides some backdrop to the headwinds all financial institutions have faced over the past 12 months with no exception to the Milton & Districts and Sussex Inlet Community Bank® Branches.

The larger banking sector has suffered some challenges over the past 12 plus months, including a tightening of credit following the announcement of the Royal Banking Commission, which eventually highlighted some poor ethical banking practices across the sector.

Some key national statistics from 2018/19 saw Credit growth drop from a high of 10% for owner occupied lending in 2016/17 to 4% in 2018/19. Investment credit growth was hardest hit as the housing market dropped from 11% in 2015/16 to 1% in 2018/19. (Source- RBA- Credit Growth) Additionally all round tighter lending compliance as a result of the Royal Commission and tightening regulatory requirements also had an effect locally. So it's been a difficult economic environment to navigate this year with fairly stagnant customer numbers, and negative lending growth.

However it's a year to learn from and focuses us on looking forward rather than behind. The foundations have been set for a positive year ahead - we have a new structure in place to better connect with our community and bring the Community Banking model to more of our locals. Higher levels of accountability will deliver exceptional customer service, competitive rates and fees, plus products that can meet the many different needs of our customers and business to generate our growth in the coming year. We will continue to support all our community with Grant & Sponsorship funding because Community is at the heart of everything we do; the more profit we generate the more we can give back.

Finally if you are a shareholder who does not have a relationship with our bank please get in touch with myself or one of our dedicated staff to discuss how we can better meet your banking needs. Do not hesitate to recommend our products, services, staff and branches to your family, friends and the community.

CHRIS SMITH

Business Development Manager

STAFF ACHIEVEMENTS & AWARDS

We are really proud of our staff and their achievements over the last year.

The following staff were recognized for their exceptional customer service and overall performance.

Katie Cerff was nominated for State People's award in July for her exceptional sales results.

Maureen Howe nominated for State People's Award in June for her numerous customer compliments.

Caitlin Ferguson was nominated for People's Choice Award in May and was awarded Highly Commended. This was for her collaboration with business partners and ability to take on any task asked of her.

Renee Pousini was nominated for State People's Award in September and was awarded Runner Up for her high sales drive and fantastic results.

Caroline Boland was also nominated in September for the State People's Award.

Kaitlyn Kip is our current trainee who joined us in January. Kaitlyn has had numerous compliments from customers and business partners. Kaitlyn was recently awarded Student of the Month from the Australian College of Commerce and Management.

Renee Anderson started her banking career in Milton as a trainee. Once she finished, she moved to Canberra to work for a company branch. Renee was awarded the State People's Award for overall excellence in her role. Renee acknowledged the impact her time with Woodstock had on her receiving the award.

COMMUNITY INVOLVEMENT

Staff have been actively involved in recycling programs, charity fundraisers, Shoalhaven Superheroes, StoryFest, Milton Show, Bush Poet's Society, Sussex Inlet Soccer Club, Milton Public School P&C, Sussex Inlet school P&C, Ulladulla Netball, Milton Ulladulla Basketball, NAIDOC week celebrations, Choppers for Charity, Marine Rescue and Christmas Hamper drives, just to name a few.

Staff take great pride in their ability to give back to our local community and look forward to giving back even more in the next year.



Helping our locals build better lives.

Chairman's Report

Thank you for another year in support of Woodstock Financial Services Ltd where, with the help of our Milton & Districts and Sussex Inlet Community Bank® Branches and you our shareholders, we have been getting on with delivering the vision of 'Helping our Locals Build Better Lives'. As always your Board looks forward to your attendance at our upcoming AGM, which this year is to be conducted at the Mollymook Bowling Club on the 16th of October 2019. On behalf of your Board can I thank you for the confidence you have once again shown throughout 2018-19. The Company has been continuing to deliver some really positive outcomes; albeit in a somewhat challenging environment for the Banking and Financial Services sector generally.

This annual update on the progress experienced by your Company over the past financial year ended reveals that our business book did not grow and we know this was attributable to record tight lending restrictions and market contraction. Clearly we were not immune to the 'environment' created by the recent Banking and Financial Services Royal Commission - factors that did not help the majority of Bendigo Community Bank® companies and branches - and this saw our Lending-book slide backwards slightly through the period. Although our branch 'pipeline' for loan activity was indeed healthy for most of the year, we achieved just below the Business plan target for approvals and settlements, as many deals failed to meet the strict new lending criteria set out by the Regulators.

I am pleased to report however that towards the tail end of the financial year and early in to this current period we are seeing a quicker and positive turn around in those loans proposals that are settling. These positive results are attributable to consistently staying connected with our customers and delivering our local customer full-service offering. Our current Funds Under Management overall now sits at around \$165m, with the overall figure held back as a result of flatter lending and deposits throughout the period as reported; our Products Per Customer are still impressive though and well above the average for banking benchmarks.

It is not hard to believe that the world of banking, like many other services, is changing at a fairly rapid rate and our customers are expecting very different things from us dependent upon stages in their life. We are noticing branch transactions and ATM customer behaviours are altering and some of our younger customers want to be served in different ways. Fintech banking products such as 'UP' banking and 'Tic Toc' mortgage-type applications are here to stay, with these offerings reshaping our local business response to a more on-line world. Our partners at Bendigo Bank, and your Board are embracing these banking innovations and together we are genuinely excited by the need to be abreast of change for the Company. Over the past year Bendigo have wound back their support practices for Community Bank® companies and this has required your Board to adopt a much more hands-on approach to our business. That approach has been beneficial in terms of budget controls, which achieved around 8% reductions in a demanding year and I would like to thank your Board formally for that ongoing support.

The work done in recent years to 'future-proof' our Community Bank® business for a smoother ride on its road ahead continues to deliver advantages. This year your Company once again returned a modest profit whilst still utilising existing funds to continue to socially invest in our local organisations and residents. We are now building more innovative longer-lasting ways to invest our 'community contributions' such as completing the Sussex Inlet Community PoD, or business development of a Country Universities Centre start-up. We still remain supportive of those important small grants and sponsorships, but are now linking in with additional government and philanthropic offers to maximise larger benefits for the local areas.

One thing that the majority of our Customers and shareholders don't want changed though is our local personal service – and the 'Community Bank® Story' because it is worth telling and defines us. All our staff continue to assist us grow our business to a greater level in both Milton and Districts and Sussex Inlet with many valued members once again being recognised on the State-level for great customer service. We have recently welcomed Chris SMITH as the newest member to the leadership team. Chris will accept responsibility of both branches and mobile lending and he will lead Amber MORGAN, Manager of Sussex Inlet and Caroline BOLAND who is now promoted from within to manage Milton Branch. All will deliver improved local marketing and closer Community engagement. Chris comes to us with great experience for his role of Business Development Manager and his position will be critical in the coming few years.

As indicated in our last projection to you we have supported a fully franked share dividend for the FY 2018-19. This now represents a total of over \$420,000-00 returned shareholders who support the Community Company; representing a cash return of over 66% on investments. Woodstock Financial Services Ltd has now moved to manage its own Low Volume (Share) Market – LVM. Share blocks are always available for sale and purchase. The LVM means we have rewards for our supporters, which in turn is the wherewithal to help our locals build better lives. For information around that please go to the Company website: <http://www.bendigobank.com.au/public/community/our-branches/milton/investor-relations>.

I am sure you are all well aware of how your company shareholding coupled with our banking products at the local Community Bank® branches makes a difference in our towns every day. We also can't do that without some great work carried out by your current Board and I would like to thank all our Directors on the job that they do on a voluntary basis. Thank you all once again for supporting us at Woodstock Financial Services Ltd and we look forward to another productive period in the year ahead.

WAYNE DEDDEN

Chairman



Helping our locals build better lives.

Woodstock Financial Services Limited

ABN 61 105 527 697

Financial Statements

For the Year Ended 30 June 2019

Woodstock Financial Services Limited

ABN 61 105 527 697

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For the Year Ended 30 June 2019

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Directors' Report

30 June 2019

The directors present their report for the financial year ended 30 June 2019.

(a) General Information

Information on directors

The names, qualifications, experience and special responsibilities of each person who has been a director during the year and to the date of this report are:

Wayne Dedden	
Experience	Business Proprietor
Special responsibilities	Chairperson
Matt Dell	
Experience	Business Proprietor
Stuart Emslie	
Experience	Nursing Unit Manager - Milton Ulladulla Hospital
Special responsibilities	Secretary from 10th January 2018
Gillian Drury	
Experience	Business Proprietor
Jeremy Penrose	
Experience	Resigned 22nd October 2018 Business Proprietor & Company Director
Gaven Dorrell	
Experience	Business Proprietor
Justine Cox	
Experience	Business Coach
Peter Arndell	
Experience	Paramedic
Ross Earby	
Experience	Appointed 22nd August 2018 Business Proprietor & Company Director
Suzanne Jones	
Experience	Appointed 18th September 2018 Independent Director of a large social enterprise
Alison Murray	
Experience	Appointed 4th April 2019 Business Proprietor
Donna Payne	
Experience	Appointed 12th October 2018 Business Development Manager Region NSW/Regions, Industry, Agriculture and Resources

Directors' Report

30 June 2019

Information on directors

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

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

Principal activities

The principal activities of the Company during the financial year were in providing community banking services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

No significant change in the nature of these activities occurred during the year.

(b) Operating Results

The profit/(loss) of the Company amounted to \$89,289 (2018: \$ 177,392).

(c) Other Items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Matters or circumstances arising after the end of the year

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Corporate Governance

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

- 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.

Directors' Report

30 June 2019

Meetings of directors

During the financial year, 11 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Wayne Dedden	11	9
Matt Dell	11	11
Stuart Emslie	11	9
Gillian Drury	11	6
Jeremy Penrose	3	1
Gaven Dorrell	11	9
Justine Cox	11	6
Peter Arndell	11	6
Ross Earby	10	10
Suzanne Jones	9	6
Alison Murray	3	3
Donna Payne	8	5

Indemnification and insurance of officers and auditors

The company has indemnified all Directors and the Managers in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as Directors or Managers of the company except where the liability arises out of conduct involving the lack of good faith.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been auditor of Woodstock Financial Services Limited.

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.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2019 has been received and can be found on page 4 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:

Name: W. Dedden

Director:

Name: Matthew C Dell

Dated this 10th day of September 2019



BSP
Advisory

Chartered Accountants • Business Advisory

BSP Advisory Group Pty Ltd
Established 1967

ABN 93 001 950 625

Woodstock Financial Services Limited
ABN 61 105 527 697

Auditors Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Woodstock Financial Services Limited and Controlled Entities

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

BSP ADVISORY GROUP

MARK D BURCHER

Partner

10 September 2019

Ulladulla NSW 2539

Liability limited by a scheme approved under Professional Standards Legislation

Mark D Burcher
F C A B.Com JP
Director

John C Nevin
CA, B Bus (Acc/Mkt)
Grad Dip(ICA)
Dip FP JP
Director

Carl Roklitzer
B.Com(Acc)
Dip FP
Director

PO Box 48
Office 1
134 Princes Hwy
Ulladulla NSW 2539

p 02 4455 1377
f 02 4455 5641
e reception@bspadvisory.com.au

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2019

		2019	2018
	Note	\$	\$
Revenue	4	1,276,838	1,362,877
Employee benefits expense	5	(688,991)	(692,734)
Depreciation and amortisation expense	5	(63,399)	(52,556)
Charitable donations and sponsorship		(39,041)	(54,739)
Administration & other expenses		(360,901)	(315,535)
Finance costs	5	<u>(953)</u>	<u>(2,437)</u>
Profit before income tax		123,553	244,876
Income tax expense	6	<u>(34,264)</u>	<u>(67,484)</u>
Profit for the year		<u>89,289</u>	<u>177,392</u>
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>89,289</u>	<u>177,392</u>
Earnings per share			
From continuing operations:			
Basic earnings per share (cents)		11.91	21.66
Diluted earnings per share (cents)		11.91	21.66

The accompanying notes form part of these financial statements.

Statement of Financial Position
30 June 2019

	2019	2018
Note	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	7 515,097	570,806
Trade and other receivables	8 109,955	122,202
Other assets	4,658	3,882
TOTAL CURRENT ASSETS	<u>629,710</u>	<u>696,890</u>
NON-CURRENT ASSETS		
Property, plant and equipment	9 116,113	96,601
Deferred tax assets	55,980	45,846
Intangible assets	10 11,108	27,657
TOTAL NON-CURRENT ASSETS	<u>183,201</u>	<u>170,104</u>
TOTAL ASSETS	<u>812,911</u>	<u>866,994</u>
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	11 44,751	139,982
Interest bearing liabilities	12 7,470	13,108
Other provisions	6,102	4,765
Employee benefits	13 18,874	16,963
TOTAL CURRENT LIABILITIES	<u>77,197</u>	<u>174,818</u>
NON-CURRENT LIABILITIES		
Interest bearing liabilities	12 6,676	13,207
Employee benefits	13 30,072	24,293
TOTAL NON-CURRENT LIABILITIES	<u>36,748</u>	<u>37,500</u>
TOTAL LIABILITIES	<u>113,945</u>	<u>212,318</u>
NET ASSETS	<u>698,966</u>	<u>654,676</u>
EQUITY		
Issued capital	14 745,003	745,003
Retained earnings	(46,037)	(90,327)
TOTAL EQUITY	<u>698,966</u>	<u>654,676</u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 30 June 2019

2019

	Share Capital	Accumulated Losses
Note	\$	\$
Balance at 1 July 2018	745,003	(90,327)
Profit after income tax expense	-	89,290
Dividends paid	-	(45,000)
Balance at 30 June 2019	<u>745,003</u>	<u>(46,037)</u>

2018

	Share Capital	Accumulated Losses
Note	\$	\$
Balance at 1 July 2017	745,003	(222,719)
Profit after income tax expense	-	177,392
Dividends paid	-	(45,000)
Balance at 30 June 2018	<u>745,003</u>	<u>(90,327)</u>

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash receipts in the course of operations	1,407,857	1,479,455
Cash payments in the course of operations	(1,260,940)	(1,154,709)
Interest received	8,391	10,122
Interest paid	(953)	(2,437)
GST remitted to ATO	(86,263)	(92,408)
Net cash provided by operating activities	<u>68,092</u>	<u>240,023</u>
	20	
Proceeds from sale of plant and equipment	-	6,363
Purchase of plant and equipment	(66,632)	(60,677)
Net cash used by investing activities	<u>(66,632)</u>	<u>(54,314)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	-	26,990
Repayment of borrowings	(12,169)	(15,500)
Franchise fee instalment	-	(27,440)
Dividends paid	(45,000)	(45,000)
Net cash used by financing activities	<u>(57,169)</u>	<u>(60,950)</u>
Net increase/(decrease) in cash and cash equivalents held	(55,709)	124,759
Cash and cash equivalents at beginning of year	<u>570,806</u>	<u>446,047</u>
Cash and cash equivalents at end of financial year	<u>7</u> <u>515,097</u>	<u>570,806</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements For the Year Ended 30 June 2019

The financial report covers Woodstock Financial Services Limited ('the Company'). Woodstock Financial Services Limited is a for-profit Company limited by shares, incorporated and domiciled in Australia.

The financial report was authorised for issue by the Directors on 30 August 2019.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

These financial statements and associated notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Company where the standard is relevant:

Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Basis of Preparation

Standard Name	Effective date for entity	Requirements	Impact
AASB 16 Leases	Annual reporting period beginning on or after 1 January 2019	<p>AASB 16 will cause the majority of leases of an entity to be brought onto the statement of financial position. There are limited exceptions relating to short-term leases and low value assets which may remain off-balance sheet.</p> <p>The calculation of the lease liability will take into account appropriate discount rates, assumptions about lease term and increases in lease payments.</p> <p>A corresponding right to use asset will be recognised which will be amortised over the term of the lease.</p> <p>Rent expense will no longer be shown, the profit and loss impact of the leases will be through amortisation and interest charges.</p>	<p>AASB 16 will cause an increase in the assets and liabilities recorded for most entities, whilst the net asset impact on day 1 may be nil, this will not be the case going forward as the asset and liability will be amortised using different bases. Operating profit should increase as rental expense is now shown as depreciation and interest expense.</p> <p>On an ongoing basis, there will be revisions to the asset and liability whenever a relevant index affecting payments (such as CPI) changes, the lease term changes or the lease is modified.</p> <p>Whilst the impact of AASB 16 has not yet been fully quantified, the entity currently has operating leases which we anticipate will be brought onto the statement of financial position through the recognition of a right to use asset and associated lease liability.</p> <p>Interest and amortisation expense will increase and rental expense will decrease.</p>

2 Summary of Significant Accounting Policies

(a) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(a) Income Tax

year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(b) Revenue and other Income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates. 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.

All revenue is stated net of the amount of goods and services tax (GST).

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(c) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included 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 operating cash flows.

(d) 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
Plant & Equipment	30% Prime Cost

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.

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.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

The depreciation rates used for each class of depreciable asset are shown below:

Notes to the Financial Statements For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(d) Property, Plant and Equipment

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(e) Financial Instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and most other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

(f) Intangible Assets

Research and development

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(h) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

(i) Share 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.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

4 Revenue and Other Income

Revenue from continuing operations

Finance income includes all interest-related income, other than those arising from financial assets at fair value through profit or loss. The following amounts have been included in the finance income line in the statement of profit or loss and other comprehensive income for the reporting periods presented:

	2019	2018
	\$	\$
Revenue		
- Sales Revenue	1,268,447	1,352,756
	<u>1,268,447</u>	<u>1,352,756</u>
Finance income		
- Interest received	8,391	10,122
	<u>8,391</u>	<u>10,122</u>
Total Revenue	<u><u>1,276,838</u></u>	<u><u>1,362,878</u></u>

Notes to the Financial Statements

For the Year Ended 30 June 2019

5 Result for the Year

The result for the year was derived after charging the following items:

	2019	2018
	\$	\$
Finance Costs		
- interest expense	953	2,437
	<u>953</u>	<u>2,437</u>
Employee Benefits Expense		
- wages and salaries	577,616	613,382
- superannuation costs	53,440	53,647
- workers' compensation costs	1,980	547
- other costs	55,955	25,158
	<u>688,991</u>	<u>692,734</u>
Depreciation of non-current assets:		
- buildings	20,435	19,649
- plant and equipment	26,415	13,724
Amortisation of non-current assets:		
- intangibles	16,549	19,184
	<u>63,399</u>	<u>52,557</u>
Bad Debts		
- Bad debts expense	423	2,108
	<u>423</u>	<u>2,108</u>

6 Income Tax Expense

(a) The major components of tax expense (income) comprise:

	2019	2018
	\$	\$
Current tax expense		
Income tax - current period	44,399	65,658
Deferred tax expense		
Origination and reversal of temporary differences	(10,135)	1,826
	<u>34,264</u>	<u>67,484</u>
Income tax expense for continuing operations	<u>34,264</u>	<u>67,484</u>

Notes to the Financial Statements

For the Year Ended 30 June 2019

6 Income Tax Expense

(b) Reconciliation of income tax to accounting profit:

	2019	2018
	\$	\$
Profit before tax	123,553	244,876
Tax Payable @ 27.5%	<u>33,977</u>	<u>67,341</u>
Add:		
Tax effect of:		
- non deductible expenditure	287	143
	<u>34,264</u>	<u>67,484</u>
Less:		
Tax effect of:		
Income tax expense	<u><u>34,264</u></u>	<u><u>67,484</u></u>

7 Cash and cash equivalents

	2019	2018
	\$	\$
Cash at bank and in hand	515,097	570,806
	<u>515,097</u>	<u>570,806</u>

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2019	2018
	\$	\$
Cash and cash equivalents	515,097	570,806
Balance as per statement of cash flows	<u><u>515,097</u></u>	<u><u>570,806</u></u>

8 Trade and other receivables

	2019	2018
	\$	\$
CURRENT		
Trade receivables	109,955	122,202
Total current trade and other receivables	<u><u>109,955</u></u>	<u><u>122,202</u></u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2019

9 Property, plant and equipment

	2019	2018
	\$	\$
Plant and equipment		
At cost	88,049	88,049
Accumulated depreciation	<u>(63,402)</u>	<u>(36,987)</u>
Total plant and equipment	<u>24,647</u>	<u>51,062</u>
Leasehold Improvements		
At cost	266,032	199,669
Accumulated amortisation	<u>(174,566)</u>	<u>(154,130)</u>
Total leasehold improvements	<u>91,466</u>	<u>45,539</u>
Total plant and equipment	<u>116,113</u>	<u>96,601</u>
Total property, plant and equipment	<u>116,113</u>	<u>96,601</u>

(a) Movements In carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment	Leasehold Improvement s	Total
	\$	\$	\$
Year ended 30 June 2019			
Balance at the beginning of year	51,062	45,539	96,601
Additions	-	66,362	66,362
Depreciation & amortisation expense	<u>(26,415)</u>	<u>(20,435)</u>	<u>(46,850)</u>
Balance at the end of the year	<u>24,647</u>	<u>91,466</u>	<u>116,113</u>
	Plant and Equipment	Leasehold Improvement s	Total
	\$	\$	\$
Year ended 30 June 2018			
Balance at the beginning of year	4,197	65,188	69,385
Additions	60,677	-	60,677
Disposals	(89)	-	(89)
Depreciation & amortisation expense	<u>(13,723)</u>	<u>(19,649)</u>	<u>(33,372)</u>
Balance at the end of the year	<u>51,062</u>	<u>45,539</u>	<u>96,601</u>

Notes to the Financial Statements

For the Year Ended 30 June 2019

10 Intangible Assets

	2019	2018
	\$	\$
Franchise Fee		
At cost	95,657	95,657
Less accumulated amortisation	(84,549)	(68,000)
Total Intangibles	<u>11,108</u>	<u>27,657</u>

11 Trade and other payables

CURRENT

Unsecured liabilities

Trade payables	14,279	15,494
Credit Cards	929	824
Dividends Payable	7,327	7,327
GST payable	6,578	30,749
Sundry payables	7,853	4,345
Accrued expenses	3,610	3,600
Payroll Liabilities	26,213	11,217
Provision for tax	(22,558)	65,658
Other creditors and accruals	520	768
	<u>44,751</u>	<u>139,982</u>
	<u>44,751</u>	<u>139,982</u>

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

Notes to the Financial Statements

For the Year Ended 30 June 2019

12 Borrowings

CURRENT

Unsecured liabilities:

Franchise Fee Payable

-	5,638
-	5,638

Secured liabilities:

Chattel Mortgage

7,470	7,470
7,470	7,470

Total current borrowings

7,470	13,108
-------	--------

NON-CURRENT

Unsecured liabilities:

Secured liabilities:

Chattel Mortgage

6,676	13,207
6,676	13,207

Total non-current borrowings

6,676	13,207
-------	--------

Total borrowings

14,146	26,316
--------	--------

(a) The carrying amounts of non-current assets pledged as collateral for liabilities are:

	2019	2018
	\$	\$
First Mortgage:		
- plant & equipment (motor vehicles)	11,872	16,960

The chattel mortgage is secured by a first registered mortgage over the motor vehicles owned by the Company.

13 Employee Benefits

	2019	2018
	\$	\$
Current liabilities		
Annual leave	18,874	16,963
	18,874	16,963

Notes to the Financial Statements

For the Year Ended 30 June 2019

13 Employee Benefits

	2019	2018
	\$	\$
Non-current liabilities		
Long service leave	30,072	24,293
	<u>30,072</u>	<u>24,293</u>

14 Issued Capital

	2019	2018
	\$	\$
750 000 Ordinary shares fully paid of \$1 each	750,000	750,000
Less preliminary expenses	(4,997)	(4,997)
Total	<u>745,003</u>	<u>745,003</u>

15 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Company does not speculate in financial assets.

The most significant financial risks to which the Company is exposed to are described below:

Specific risks

- Market risk - interest rate risk
- Credit risk
- Liquidity risk

Financial instruments used

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank
- Trade and other payables
- Interest bearing liabilities

Notes to the Financial Statements

For the Year Ended 30 June 2019

15 Financial Risk Management

Objectives, policies and processes

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Specific information regarding the mitigation of each financial risk to which the Company is exposed is provided below.

Liquidity risk

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

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

The Company's liabilities have contractual maturities which are summarised below:

	Not later than 1 year		1 to 5 years	
	2019	2018	2019	2018
	\$	\$	\$	\$
Trade payables	14,279	15,494	-	-
Other short term financial liabilities	7,470	13,108	6,676	13,207
Total	21,749	28,602	6,676	13,207

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.

(i) 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.

The Company is exposed to interest rate risk as funds are borrowed at floating rates.

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +2.00% and -2.00% (2018: +2.00%/-2.00%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions and economist reports.

The calculations are based on the financial instruments held at each reporting date. All other variables are held constant.

Notes to the Financial Statements

For the Year Ended 30 June 2019

15 Financial Risk Management

	2019		2018	
	+2.00%	-2.00%	+2.00%	-2.00%
	\$	\$	\$	\$
Net Profit	283	(283)	414	(414)
Equity	283	(283)	414	(414)

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 Company's exposure to credit risk is limited to Australia by geographic area. None of the assets of the Company are past due (2018: 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.

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:

	Gross amount	Past due and impaired	Within initial trade terms
	\$	\$	\$
2019			
Trade and term receivables	109,955	-	109,955
Cash Assets	515,097	-	515,097
Total	<u>625,052</u>	<u>-</u>	<u>625,052</u>
2018			
Trade and other receivables	122,202	-	122,202
Cash assets	570,806	-	570,806
Total	<u>693,008</u>	<u>-</u>	<u>693,008</u>

16 Dividends

No dividends were proposed prior to financial statements being authorised for issue.

17 Remuneration of Auditors

	2019	2018
	\$	\$
Remuneration of the auditor for:		
- auditing or reviewing the financial statements	4,140	4,050

Notes to the Financial Statements

For the Year Ended 30 June 2019

18 Contingencies

In the opinion of the Directors, the Company did not have any contingencies or commitments at 30 June 2019 not otherwise disclosed in the financial statements (30 June 2018:None).

19 Related Parties

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

(a)

	<u>2019</u>	<u>2018</u>
	<u>No.</u>	<u>No.</u>
Name		
Wayne Dedden	-	-
Justine Cox	-	-
Matt Dell	2,000	2,000
Jeremy Penrose	-	-
Ross Earby	-	-
Suzanne Jones	-	-
Gillian Drury	-	-
Stuart Emslie	-	-
Gaven Dorrell	-	-
Peter Arndell	-	-
Donna Payne	-	-
Alison Murray	5,000	5,000
	<u>7,000</u>	<u>7,000</u>

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

Notes to the Financial Statements

For the Year Ended 30 June 2019

20 Cash Flow Information

(a) Reconciliation of result for the year to cash flows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2019	2018
	\$	\$
Profit after income tax	89,289	177,392
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- amortisation	16,549	19,184
- depreciation	46,850	33,372
- net gain on disposal of property, plant and equipment	-	(6,273)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	11,471	(1,657)
- increase/(decrease) in trade and other payables	(94,960)	21,613
- (increase)/decrease in deferred tax assets	(10,134)	1,825
- increase/(decrease) in provisions & employee benefits	9,027	(5,433)
Cash flow from operations	<u>68,092</u>	<u>240,023</u>

21 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

22 Company Details

The registered office of the company is:

Woodstock Financial Services Limited
41 Deering Street
Ulladulla NSW 2539

The principal places of business are:

Milton Branch
83 Princes Highway
Milton NSW 2538


Sussex Inlet Branch
4/168 Jacobs Drive
Sussex Inlet NSW 2540

Directors' Declaration

The directors of the Company declare that:

1. the financial statements and notes for the year ended 30 June 2019 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards, which, as stated in accounting policy note 2 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position and performance of the Company;
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.


Director

Name Wayne Deery - Chairman


Director

Name Matthew C Dell - Director

Dated this 10th day of September 2019



BSP
Advisory

Chartered Accountants • Business Advisory

BSP Advisory Group Pty Ltd
Established 1967

ABN 93 001 950 625



Mark D Burcher
F.C.A. B.Com. JP
Director

John C Nevin
CA. B.Bus (Acc/Mkt)
Grad Dip(ICA)
Dip FP, JP
Director

Carl Rokiltzer
B.Com(Acc)
Dip FP
Director

INDEPENDENT AUDITOR'S REPORT

Woodstock Financial Services Limited
ABN 61 105 527 697

Opinion

We have audited the financial report of the Woodstock Financial Services Limited (the Entity), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the accompanying financial report presents fairly, in all material respects, (or gives a true and fair view of) the financial position of the Entity as at 30 June 2019, and (of) its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Entity's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

PO Box 48
Office 1
134 Princes Hwy
Ulladulla NSW 2539

p. 02 4455 1377
f. 02 4455 5641
e. reception@
bspadvisory.com.au

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Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

BSP ADVISORY GROUP



MARK D BURCHER

Partner

Dated this 10th day of September 2019
Ulladulla NSW 2539





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