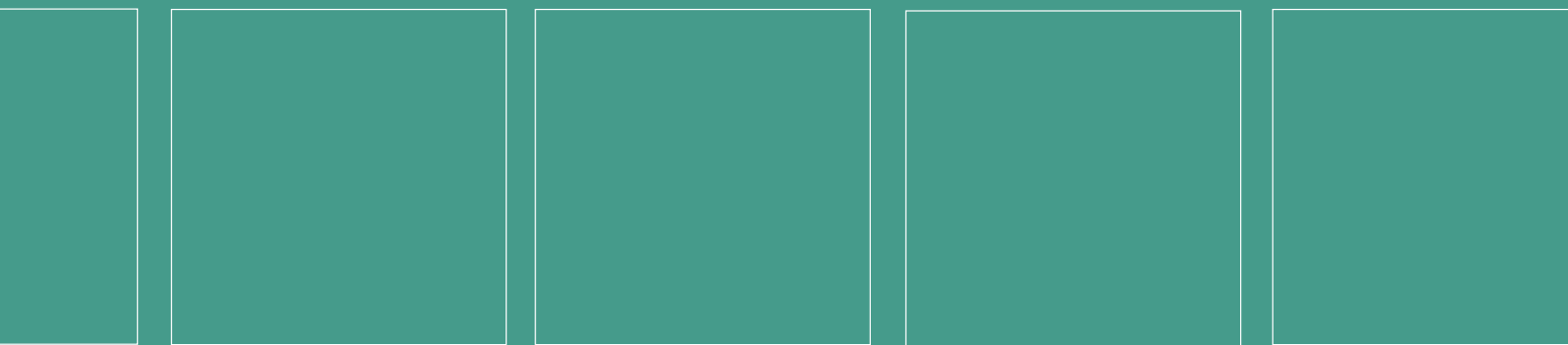


2008
annualreport



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Chairman's report

For year ending 30 June 2008

This is the sixth annual report to you, our shareholders and the general community, and covers most of the fifth year of business for our bank branch.

Business grew steadily throughout the year, with total funds under management in excess of \$55 million. Whilst this fell slightly short of budget targets, it still represents growth of approximately 15 per cent. Accounts, transactions and general banking activities continue to grow steadily. Profit before tax was a healthy \$171,690.

The 25th of February saw the opening of the Yarra Junction **Community Bank**[®] Branch. We wish them well in their endeavors to create a better future for their local community. There can be no doubt, however, that with branches so close, there has, and will continue to be a marginal impact to our business.

The Board was extremely pleased to be able to issue a 7 cents per share dividend payment during the year. Whilst no decision has yet been made regarding a dividend payment for this current year, the Board intends to deal with this issue prior to the shareholders meeting on 18 November 2008.

During the year a significant change occurred with the merger between Bendigo Bank and Adelaide Bank, forming a new Company Bendigo and Adelaide Bank Limited. Whilst this was a major step for Bendigo Bank, it has no direct bearing on our Company, or our franchise. All branding of branches and products remain as Bendigo Bank.

On 19 September 2008 we will celebrate the important milestone of our fifth birthday. Not only is this a significant date for celebration, it is also the end of the first five year term of our franchise agreement with Bendigo Bank. The Board is currently in the process of negotiating the next five year term of this important agreement.

Sponsorships and community support also increased this year to approximately \$38,000. Schools, sporting clubs, events, emergency services and youth projects all received benefits created by local people banking locally. The Ban the Bulb campaign, which was jointly coordinated by six local **Community Bank**[®] branches, saw thousands of low energy light globes installed in over 3000 homes between Mooroolbark and Reefton. It also produced a cash injection in excess of \$120,000 which was distributed to CFA brigades and groups in those areas. The Board has already committed to many ongoing programs for 2008/09 financial year.

The Board has decided to appoint a new share registry. From October 2008 our share register will be managed by AFS & Associates, PO Box 454 Bendigo Vic 3552 Tel (03) 54430344. All current shareholder information will automatically be transferred to the new registry, however, shareholders should be aware of their responsibility to keep their contact details up-to-date and register any changes with AFS & Associates.

The successes of this year, as with those of the past, have only been achieved by the commitment and hard work of many people. Firstly the Board of Directors, who put in so much time and effort to run the Company, for no financial reward. Our dedicated staff, who provide such efficient and friendly service, make banking a

Chairman's report continued

pleasure. Bendigo Bank, and their staff, who support us so well in all areas of our activities. On behalf of all shareholders, and myself personally, I wish to extend sincere thanks to each and every one.

I would also like to thank our customers, many of whom are shareholders. Without them there would be no business, no profits and no community financial support.

As we head toward our fifth anniversary, it is important to reflect on where we began, and realise where we can be in the next five years. Even in today's difficult times, I believe we are in an excellent position to grow and profit, as shareholders and as a community.



Rick Shaw
Chairman.

Manager's report

For year ending 30 June 2008

Here we are again with our annual update to you, our shareholders. Can you believe we are coming up to our fifth birthday in September? Thanks for the vision you supported.

As at 30 June 2008 we had \$55.5 million in footings, with \$20.8 million in deposits and \$34.7 million in lending. This is a great position to be in with the income generation from these balances. We have missed our stretch targets this year with the main impact coming from the opening of Yarra Junction branch. This allowed existing customers who conducted their banking with Woori Yallock to transfer to Yarra Junction as they are residents of the area.

We have set a growth target of \$7.70 million this financial year, which is down on past levels, but we must take into account the impact the new branch at Yarra Junction will have on our branch. As we renew our Franchise Agreement for the next 5 years in September, we have set our target of achieving growth to \$85 million over this time.

Some \$38,000 has been contributed this year to our local community including schools, clubs, youth initiatives and the broader community to support festivals and events. These contributions are as a result of the strong support we receive from the broader banking community and the profits we achieve from the growth in our banking business.

Our "Ban the Bulb" campaign that was conducted through May-July, in conjunction with the other branches in the area, saw us make a contribution of \$120,535 to the local CFA brigades. We managed to have 48,214 new light globes installed into 3009 local residences at no cost to them. This was a bold initiative and I am sure all those who had their light bulbs replaced were most appreciative of the work the local CFA volunteers did in completing the task so efficiently.

To my staff, I again say a heartfelt thank you for all your support and genuine concern you show for our customers. The business grows on a daily basis due to the fine work and reputation you have established in our community. We welcome Carolyn Humphreys to our staff this year.

To the Board, I, along with the staff, say thank you for the work that you have done over the year to support us as we grow our business. As volunteers, you show genuine commitment to our local communities to see them prosper.

As we celebrate our fifth birthday this year we look forward to the next 5 years with much enthusiasm and commitment.



Rick Tolsher
Manager

Directors' report

For year ending 30 June 2008

Your Directors submit the financial report of the Company for the financial year ended 30 June 2008.

Directors

The names and details of the Company's Directors who held office during or since the end of the financial year:

Richard Warden Shaw

Chairman

Age: 57

Occupation: Proprietor

Experience and expertise: Experienced in Operating Own Business for 30 years.

Other current [public Company] Directorships: Nil

Special responsibilities: Chairman & Member of Finance & Audit Committee

Interests in shares: 7,001

Lisa Maree Kennedy

Treasurer

Age: 41

Occupation: Proprietor & Bookkeeper

Experience and expertise: Employed Full Time and Operates Own Business

Other current [public Company] Directorships: Nil

Special responsibilities: Treasurer & Member of Finance & Audit Committee

Interests in shares: 700

Lynette Joy Collier

Secretary

Age: 53

Occupation: School Principal

Experience and expertise: Employed Full Time in Education

Other current [public Company] Directorships: Nil

Special responsibilities: Sponsorship Committee

Interests in shares: 5000

Robert George Thompson

Director

Age: 46

Occupation: Orchardist

Experience and expertise: Experienced in Operating Own Business

Other current [public Company] Directorships: Nil

Special responsibilities: Nil

Interests in shares: 10,000

William Edward Cadle

Director

Age: 70

Occupation: Retired Vigneron

Experience and expertise: Experienced in Operating Own Business

Other current [public Company] Directorships: Nil

Special responsibilities: Deputy Chairman

Interests in shares: 1,001

Angela Marie Spicer

Director

Age: 41

Occupation: Teacher

Experience and expertise: Conveyancing, Rotary Volunteer, Student Host Family

Other current [public Company] Directorships: Nil

Special responsibilities: Sponsorship Committee

Interests in shares: 2,501

Directors' report continued

Raymond Richard Gregson

Director

Age: 61

Occupation: Cabinet Maker

Experience and expertise: Experienced in Operating Own Business and volunteer at local sporting clubs

Other current [public Company] Directorships: Nil

Special responsibilities: Member of Marketing &

Sponsorship Committee

Interests in shares: 2,501

Peter Cownley

Director (Appointed 18 September 2007)

Age: 56

Occupation: Civil Engineer

Experience and expertise: Member and current president of Kiwanis International of Port Phillip

Other current [public Company] Directorships: Nil

Special responsibilities: Marketing and Policy

Committee Member

Interests in shares: 1,000

Donna Leanne Jeffrey

Director (Resigned 16 October 2007)

Age: 45

Occupation: Real Estate Director

Experience & expertise: Experienced in Real Estate Industry

Other current [public Company] Directorships: Nil

Special responsibilities: Member of Marketing &

Sponsorship Committee

Interests in shares: 500

Directors were in office for this entire year unless otherwise stated.

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

Company Secretary

The Company Secretary is Lisa Kennedy who was appointed to the position of Secretary on 18 December 2007.

Occupation: Proprietor and bookkeeper.

Experience and expertise: Employed full time and operates own business.

Principal activities

The principal activities of the Company during the course of the financial year were in facilitating **Community Bank**[®] services under management rights to operate a franchised branch of Bendigo Bank Limited.

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

Directors' report continued

Operating results

Operations have continued to perform in line with expectations. The profit/(loss) of the Company for the financial year after provision for income tax was:

Year ended 30 June 2008	Year ended 30 June 2007
\$	\$
118,056	75,468

Remuneration report

Lisa Kennedy, the Company Treasurer performs bookkeeping services to the Company through her business, Lisken Secretarial Services. She was paid \$1,310 for her services (2007: \$530).

The Branch Manager attends Board meetings and presents any important issues to the Board of Directors. The Branch Manager advises the Directors on a number of issues but does not have any voting rights.

Dividends	Year ended 30 June 2008	
	Cents	\$'000
Dividends paid in the year:		
- Interim for the year	7	37,100

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 or the financial report.

Matters subsequent to the end of the financial year

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company, in future years.

Likely developments

The Company will continue its policy of facilitating banking services to the community.

Environmental regulation

The Company is not subject to any significant environmental regulation.

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 except as disclosed in note 17 to the financial statements. This statement excludes a benefit included in the aggregate amount

Directors' report continued

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 Manager 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 Board meetings eligible to attend	Number attended
Richard Warden Shaw	12	9
Lisa Maree Kennedy	12	10
Lynette Joy Collier	12	9
Robert George Thompson	12	9
William Edward Cadle	12	12
Angela Marie Spicer	12	8
Raymond Richard Gregson	12	11
Peter Cownley (Appointed 21 August 2007)	11	9
Donna Leanne Jeffrey (Resigned 18 September 2007)	3	0

Non Audit services

The Company may decide to employ the Auditor on assignments additional to their statutory duties where the Auditor's expertise and experience with the Company are important. Details of the amounts paid or payable to the Auditor (Andrew Frewin & Stewart) for audit and non audit services provided during the year are set out in the notes to the accounts.

The Board of Directors has considered the position, in accordance with the advice received from the audit committee and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for Auditors imposed by the Corporations Act 2001.

The Directors are satisfied that the provision of non-audit services by the Auditor, as set out in the notes did not compromise the Auditor independence requirements of the Corporations Act 2001 for the following reasons:

Directors' report continued

- all non-audit services have been reviewed by the audit committee to ensure they do not impact on the impartiality and objectivity of the Auditor;
- none of the services undermine the general principles relating to Auditor independence as set out in Professional Statement F1, including reviewing or auditing the Auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

Auditors' independence declaration

A copy of the Auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 10.

Signed in accordance with a resolution of the Board of Directors at Woori Yallock on 22 September 2008.



Richard Warden Shaw
Chairman



Lisa Maree Kennedy
Director

Auditor's independence declaration



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Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the directors of Wydcom Financial Services Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2008 there have been:

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

David Hutchings
Auditor

Andrew Frewin & Stewart
Bendigo, Victoria

Dated this 22nd day of September 2008

Financial statements

Income statement For year ending 30 June 2008

	Note	2008 \$	2007 \$
Revenues from ordinary activities	3	595,628	505,208
Salaries and employee benefits expense		(260,030)	(225,636)
Advertising and promotion expenses		(26,767)	(27,355)
Occupancy and associated costs		(26,294)	(26,002)
Systems costs		(20,333)	(21,523)
Depreciation and amortisation expense	4	(18,039)	(21,059)
General administration expenses		(72,475)	(71,536)
Profit before income tax expense		171,690	112,097
Income tax expense	5	(48,482)	(36,629)
Profit for the period		123,208	75,468
Profit attributable to members of the entity		123,208	75,468
Earnings per share (cents per share)		¢	¢
- basic for profit for the year	19	23.25	14.24
- dividends paid per share	18	7.0	5.0

The accompanying notes form part of these financial statements.

Financial statements continued

Balance sheet As at 30 June 2008

	Note	2008 \$	2007 \$
Assets			
Current assets			
Cash assets	6	404,271	249,240
Trade and other receivables	7	122,710	45,800
Total current assets		526,981	295,040
Non-current assets			
Property, plant and equipment	8	92,650	103,741
Intangible assets	9	13,696	9,167
Deferred tax assets	10	8,852	25,175
Total non-current assets		115,198	138,083
Total assets		642,179	433,123
Liabilities			
Current liabilities			
Trade and other payables	11	116,247	23,312
Provisions	12	25,575	22,913
Current tax liability	10	19,903	-
Total current liabilities		161,725	46,225
Non-current liabilities			
Provisions	12	7,448	-
Total non-current liabilities		7,448	-
Total liabilities		169,173	46,225
Net assets		473,006	386,898
Equity			
Issued capital	13	512,969	512,969
Accumulated losses	14	(39,963)	(126,071)
Total equity		473,006	386,898

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of cash flows As at 30 June 2008

	Note	2008 \$	2007 \$
Cash flows from operating activities			
Receipts from customers		563,979	480,303
Payments to suppliers and employees		(387,474)	(373,769)
Interest received		15,626	9,396
Net cash provided by operating activities	16	192,131	115,930
Cash flows from financing activities			
Dividends paid		(37,100)	(26,500)
Net cash used in financing activities		(37,100)	(26,500)
Net increase in cash held		155,031	89,430
Cash at the beginning of the financial year		249,240	159,810
Cash at the end of the financial year	6(a)	404,271	249,240

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of changes in equity As at 30 June 2008

	Note	2008 \$	2007 \$
Total equity at the beginning of the period		386,898	337,930
Net profit for the period		123,208	75,468
Net income/expense recognised directly in equity		-	-
Dividends provided for or paid		(37,100)	(26,500)
Shares issued during period		-	-
Total equity at the end of the period		473,006	386,898

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ending 30 June 2008

Note 1. Summary of significant accounting policies

Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS). These financial statements and notes comply with IFRS.

Historical cost convention

The financial report has been prepared under the historical cost conventions on an accruals basis as modified by the revaluation of financial assets and liabilities at fair value through profit or loss and where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Revenue

Interest and fee revenue is recognised when earned. All revenue is stated net of the amount of Goods and Services Tax (GST). The gain or loss on disposal of property, plant and equipment is recognised on a net basis and is classified as income rather than revenue.

Goods and services tax

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

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

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

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

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax and when the balances relate to taxes levied by the same taxation authority and the Company/consolidated entity intends to settle its tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Employee entitlements

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

The Company contributes to a defined contribution plan. Contributions to employee superannuation funds are charged against income as incurred.

Intangibles

The cost of the Company's franchise fee has been recorded at cost and is amortised on a straight line basis at a rate of 20% per annum.

Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Property, plant and equipment

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated at the rate equivalent to the available building allowance using the straight line method. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

- leasehold improvements	40 years
- plant and equipment	2.5 - 40 years
- furniture and fittings	4 - 40 years

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

There are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Payment terms

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days.

Trade receivables and payables

Receivables are carried at their amounts due. The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts. Liabilities for trade creditors and other amounts are carried at cost that is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

Borrowings

All loans are initially measured at the principal amount. Interest is recognised as an expense as it accrues.

Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

Contributed equity

Ordinary shares are 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.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Note 2. Financial risk management

The Company's activities expose it to a limited variety of financial risks: market risk (including currency risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity. The entity does not use derivative instruments.

Risk management is carried out directly by the Board of Directors.

(i) Market risk

The Company has no exposure to any transactions denominated in a currency other than Australian dollars.

(ii) Price risk

The Company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. The Company is not exposed to commodity price risk.

(iii) Credit risk

The Company has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The Company's franchise agreement limits the Company's credit exposure to one financial institution, being Bendigo Bank Limited.

(iv) Liquidity risk

Prudent liquidity management implies maintaining sufficient cash and marketable securities and the availability of funding from credit facilities. The Company believes that its sound relationship with Bendigo Bank Limited mitigates this risk significantly.

(v) Cash flow and fair value interest rate risk

Interest-bearing assets are held with Bendigo Bank Limited and subject to movements in market interest. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest-rate risk. The Company believes that its sound relationship with Bendigo Bank Limited mitigates this risk significantly.

Notes to the financial statements continued

	2008 \$	2007 \$
Note 3. Revenue from ordinary activities		
Operating activities:		
- services commissions	573,204	492,643
- other revenue	-	5
Total revenue from operating activities	573,204	492,648
Non-operating activities:		
- interest received	22,424	12,560
Total revenue from non-operating activities	22,424	12,560
Total revenues from ordinary activities	595,628	505,208

Note 4. Expenses

Depreciation of non-current assets:		
- plant and equipment	6,786	6,766
- leasehold improvements	4,305	4,293
Amortisation of non-current assets:		
- franchise agreement	6,948	10,000
	18,039	21,059
Bad debts	-	514

Note 5. Income tax expense

The components of tax expense comprise:

- Current tax	32,159	-
- Deferred tax on provisions	(8,852)	-
- Recoupment of prior year tax losses	25,175	36,629
	48,482	36,629

Notes to the financial statements continued

	Note	2008 \$	2007 \$
Note 5. Income tax expense (continued)			
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:			
Operating profit		171,690	112,097
Prima facie tax on profit from ordinary activities at 30%		51,507	33,629
Add tax effect of:			
- non-deductible expenses		2,084	3,000
- timing difference expenses		8,852	-
- other deductible expenses		(5,109)	-
Current tax		57,334	36,629
Movement in deferred tax	10.	(8,852)	(36,629)
		48,482	0
Tax liabilities			
Current tax payable/(receivable)		19,903	-

Note 6. Cash assets

Cash at bank and on hand	34,271	9,240
Term deposits	370,000	240,000
	404,271	249,240

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cashflows as follows:

6(a) Reconciliation of cash

Cash at bank and on hand	34,271	9,240
Term deposit	370,000	240,000
	404,271	249,240

Notes to the financial statements continued

	2008 \$	2007 \$
Note 7. Trade and other receivables		
Trade receivables	48,814	40,967
Prepayments	67,098	1,669
Accrued Income - interest	6,798	3,164
	122,710	45,800

Note 8. Property, plant and equipment

Plant and equipment

At cost	80,295	80,295
Less accumulated depreciation	(34,259)	(27,473)
	46,036	52,822

Leasehold improvements

At cost	66,752	66,752
Less accumulated depreciation	(20,138)	(15,833)
	46,614	50,919

Total written down amount **92,650** **103,741**

Movements in carrying amounts:

Plant and equipment

Carrying amount at beginning	52,822	59,588
Additions	-	-
Disposals	-	-
Less: depreciation expense	(6,786)	(6,766)
Carrying amount at end	46,036	52,822

Leasehold improvements

Carrying amount at beginning	50,919	55,212
Additions	-	-
Disposals	-	-
Less: depreciation expense	(4,305)	(4,293)
Carrying amount at end	46,614	50,919

Total written down amount **92,650** **103,741**

Notes to the financial statements continued

	2008 \$	2007 \$
Note 9. Intangible assets		
Franchise fee		
At cost	61,477	50,000
Less: accumulated amortisation	(47,781)	(40,833)
	13,696	9,167

Note 10. Deferred tax

Deferred tax asset/(liability)		
Opening Balance	25,175	61,804
Recoupment of prior year tax losses	(25,175)	(36,629)
Deferred tax on provisions	8,852	-
Closing Balance	8,852	25,175

Note 11. Trade and other payables

Trade creditors	116,050	15,896
Other creditors & accruals	196	7,416
	116,246	23,312

Note 12. Provisions

Current		
Employee provisions	25,575	22,913
Non-current		
Employee provisions	7,448	-
Number of employees at year end	6	6

Note 13. Contributed equity

530,000 Ordinary shares fully paid of \$1 each (2007: 530,000)	530,000	530,000
Less: equity raising expenses	(17,031)	(17,031)
	512,969	512,969

Notes to the financial statements continued

	2008 \$	2007 \$
Note 14. Accumulated losses		
Balance at the beginning of the financial year	(126,071)	(175,039)
Net profit from ordinary activities after income tax	118,056	75,468
Dividends paid	(37,100)	(26,500)
Balance at the end of the financial year	(45,115)	(126,071)

Note 15. Statement of cash flows

Reconciliation of loss from ordinary activities after tax to net cash provided by operating activities

Profit from ordinary activities after income tax	123,208	75,468
Non cash items:		
- depreciation	11,091	11,059
- amortisation	6,948	10,000
Changes in assets and liabilities:		
- increase in receivables	(16,249)	(14,896)
- (increase)/decrease in other assets	(35,910)	36,629
- increase/(decrease) in payables	92,933	(4,688)
- increase in provisions	10,110	2,358
Net cash flows provided by operating activities	192,131	115,930

Note 16. Auditors' remuneration

Amounts received or due and receivable by the Auditor of the Company for:

- audit & review services	6,170	3,000
- non audit services	680	-
	6,850	3,000

Notes to the financial statements continued

Note 17. Director and related party disclosures

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

Richard Warden Shaw
Lisa Maree Kennedy
Lynette Joy Collier
Robert George Thompson
William Edward Cadle
Angela Marie Spicer
Raymond Richard Gregson
Peter Cownley (Appointed 21 August 2007)
Donna Leanne Jeffrey (Resigned 18 September 2007)

Company Treasurer performs bookkeeping services to the Company through her business, Lisken Secretarial Services. She was paid \$1,310 for her services (2007: \$530).

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

Directors shareholdings	2008	2007
Richard Warden Shaw	7,001	7,001
Lisa Maree Kennedy	700	700
Lynette Joy Collier	5,000	5,000
Robert George Thompson	10,000	10,000
William Edward Cadle	1,001	1,001
Angela Marie Spicer	2,501	2,501
Raymond Richard Gregson	1,001	1,001
Peter Cownley (Appointed 21 August 2007)	1,000	1,000
Donna Leanne Jeffrey (Resigned 18 September 2007)	500	500

There was no movement in Directors shareholdings during the year. Each share held is valued at \$1.

Notes to the financial statements continued

	2008 \$	2007 \$
Note 18. Dividends paid or provided		
(a) Ordinary shares		
Unfranked - 7 cents per share (2007: 5 cents per share)	37,100	26,500
(b) Dividends not recognised at year end		
In addition to the above dividends, since year end the Directors have recommended the payment of a final dividend of 9 cents per fully paid ordinary share, partly franked based on tax paid at 30%. The aggregate amount proposed dividend expected to be paid on 1 February 2009 out of retained profits at 30 June 2008, but not recognised as a liability at year end, is	47,700	-

Note 19. Earnings per share

(a) Profit attributable to the ordinary equity holders of the Company used in calculating earnings per share	118,056	75,468
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	2008 \$	2007 \$
(b) Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	530,000	530,000

Note 20. Events occurring after the balance sheet date

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

Note 21. Contingent liabilities

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

Note 22. Segment reporting

The economic entity operates in the service sector where it facilitates **Community Bank**[®] services pursuant to a franchise agreement with Bendigo Bank Limited. The economic entity operates in one geographic area being Woori Yallock district, Victoria.

Notes to the financial statements continued

Note 23. Registered office/principal place of business

The registered office and principal place of business is:

Registered office	Principal place of business
Shop 13, 1585 Warburton Highway, Woori Yallock VIC 3139	Shop 13, 1585 Warburton Highway, Woori Yallock VIC 3139

Note 24. Financial instruments

Net fair values

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the Statement of Financial Position. The Company does not have any unrecognised financial instruments at the year end.

Credit risk

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount of those assets as disclosed in the Statement of Financial Position and notes to the financial statements.

There are no material credit risk exposures to any single debtor or group of debtors under financial instruments entered into by the economic entity.

Interest rate risk

Financial instrument	Floating interest rate		Fixed interest rate maturing in						Non interest bearing		Weighted average effective interest rate	
			1 year or less		Over 1 to 5 years		Over 5 years					
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Financial assets												
Cash account	34,271	9,240	-	-	-	-	-	-	-	-	1.65	0.06
Investment account	370,000	240,000	-	-	-	-	-	-	-	-	6.37	6.35
Receivables	-	-	-	-	-	-	-	-	- 122,937	45,800	N/A	N/A
Financial liabilities												
Payables	-	-	-	-	-	-	-	-	- 116,247	23,312	N/A	N/A

Director's declaration

In accordance with a resolution of the Directors of Wydcom Financial Services Limited, we state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2008 and of its performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) the audited remuneration disclosures set out in the remuneration report section of the Directors' report comply with Accounting Standard AASB174 Related Party Disclosures and the Corporations Regulations 2001.

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



Richard Warden Shaw
Chairman



Lisa Maree Kennedy
Director

Signed on 22 September 2008.

Independent audit report



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INDEPENDENT AUDITOR'S REPORT

To the members of Wydcom Financial Services Limited

We have audited the accompanying financial report of Wydcom Financial Services Limited, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes and the director's declaration.

The company has disclosed information as required by paragraphs Aus 25.4 to Aus 25.7.2 of Accounting Standard 124 Related Party Disclosures ("Remuneration disclosures"), under the heading "Remuneration Report" in the directors' report, as permitted by Corporations Regulation 2M.6.04.

Directors Responsibility for the Financial Report

The Directors 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 designing, implementing 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. The directors are also responsible for the remuneration disclosures contained in the director's report.

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 and that the remuneration disclosures comply with Accounting Standards AASB 124 Related Party Disclosures.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, 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 control. 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.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent audit report continued

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 director's report. In addition to our audit of the financial report and the remuneration disclosures, 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 is in accordance with the Corporations Act 2001 including giving a true and fair view of the financial position of Wydcom Financial Services Limited as of 30 June 2008 and of its financial performance and its cash flows for the year then ended in accordance 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 disclosed in Note 1.
- 3) The remuneration disclosures that are contained in the director's report comply with Accounting Standards AASB 124 Related Party Disclosures.



DAVID HUTCHINGS
ANDREW FREWIN & STEWART
61-65 Bull Street, Bendigo, 3550

Dated this 22nd day of September 2008

Woori Yallock & District **Community Bank**[®] Branch
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Shop 13, 1585 Warburton Highway, Woori Yallock VIC 3139
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ABN 11 068 049 178. AFSL 237879. (BMPAR8060) (09/08)

