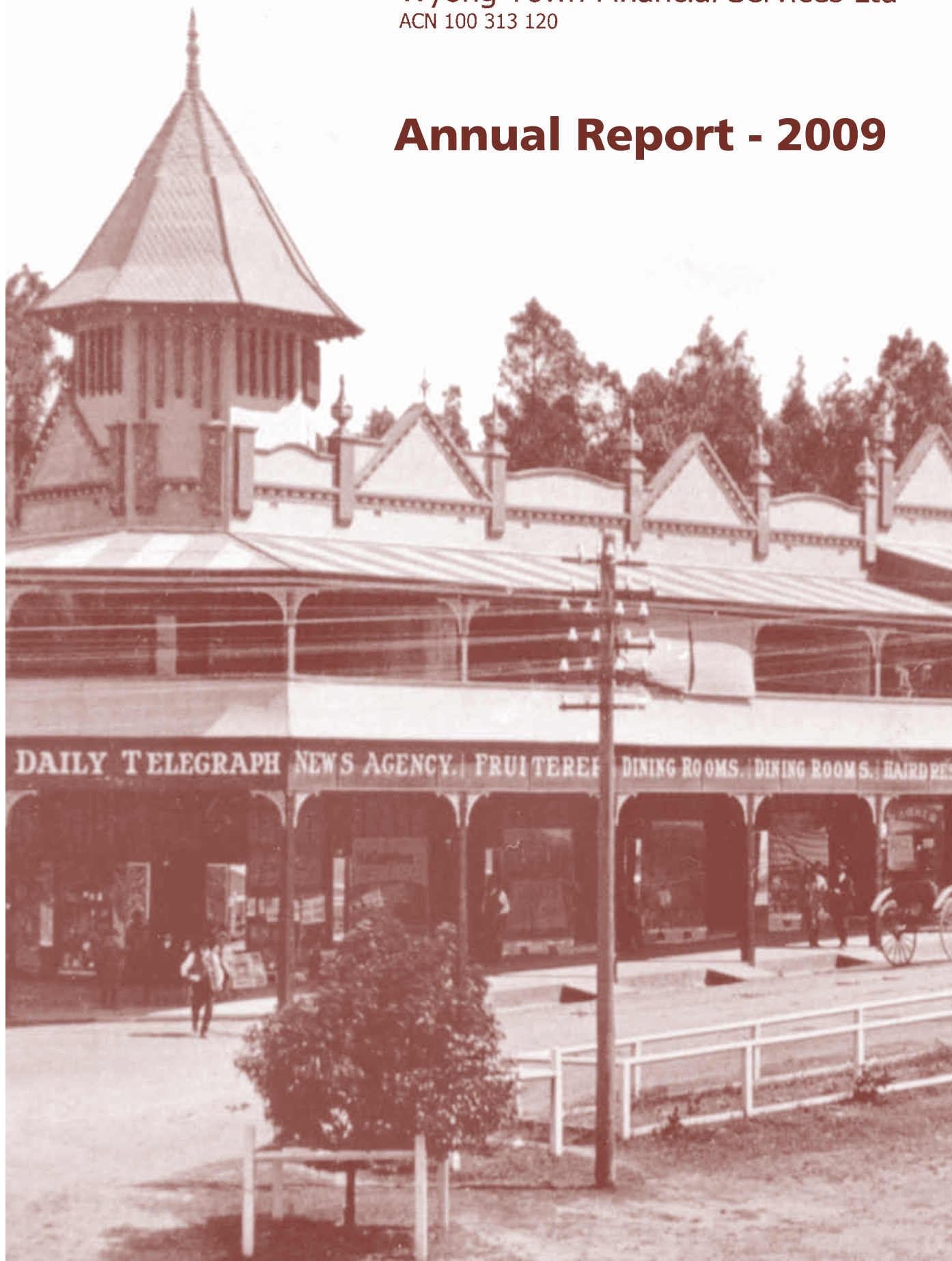


Wyong Town Financial Services Ltd
ACN 100 313 120

Annual Report - 2009



Chairman's Report

This is my first report since being elected chairman in February 2009 following Mark Hoddinott decision not to stand for re election. Mark's involvement over the past 10 years as Project Convenor/Chairman/Treasurer will always be remembered as the person responsible for building the very strong foundation for which our Community Bank can grow and prosper for years to come. From all our Directors and myself thank you Mark for your effort and involvement. Mark continues to be actively involved with the bank both as a volunteer and consultant to the Board.

The 2009 year ended as a very successful one for us, however along the way we experienced some ups and downs. In the first 4 months (July to October 2008) our business increased by 25% well ahead of our target. We were all very optimistic about the future and then along came the global financial crisis in November 2008 which the banking industry was not truly expecting. All the good business growth Adele and her team had achieved in the first half of the financial year was now subject to a gross revenue reduction (the money/profits we earned from our business). The amount of revenue from our business was reduced from Nov to April at an alarming rate. This revenue reduction continued right through to April 2009, thus resulting in losses from November 2008 to April 2009. To the credit of Adele and her staff our business continued to grow in these very difficult times with a very pleasing increase in business at the end of June 2009 of approx. \$62 million which represents approximately a 40% increase in business from 2008. With the continued business increase we finished the year with small profits in April May and June 2009 thus incurring an end of year loss of \$14k. This loss was however \$23k improvement over 2008. The result would have been very different if normal gross revenue profits were maintained for the year. It is reasonable to conclude we were likely to earn \$60k profit had it not been for the Global Financial Crisis.

2009 expenses were up by 7.5%. This increase was mainly due to interest on our overdraft, increase on our ATM expenses, staff allocations and general housekeeping expenditure. However I think this figure reflects in a very positive view in which we operate and run our business here at Wyong. We are always very vigilant with all our expenses and outgoings. Our ATM's increased to 7 with the installation of a new machine at the Zenith Building Complex in the Tuggerah Business Park and as mentioned in previous reports, this now completes our network of ATM's for the foreseeable future. The board are now satisfied that our ATM network complements and strengthens our business strategy for future business growth. Despite the Global Financial Crisis we still finished the year with revenue 13% higher than 2008 – another great result.

There have been many changes on our executive board since our 2009 elections with Ray Davison elected as Vice Chairman, Elizabeth North elected as Treasurer and Sharon Vaughan elected as Secretary. This has given a very even mixture of business experience in all matters and continues the tradition of our business being run in a very professional way and with the utmost care to issues of governance. Adele and her team have continued their very high work ethic winning many awards throughout the year for business achievements with Bendigo (insurance sales, staff appraisals and branch performances). Adele also celebrated her 5th year as Manager of Wyong Community Bank®. I would also like to thank Bendigo Bank's Rob Chittick (Regional Manager), Tim Wilks their Financial Planner along with Steve Deane and Paul Arnold from the Business Banking team for all their assistance to Adele and her staff.

2009/10 has commenced on a positive note with the first 3 months registering profits. Our business growth looks strong, gross revenue margins getting back to normal, corporate advertising in place, an enthusiastic board of directors and hopefully a more stable financial environment. In Mark's report last year 2008 he indicated that a dividend, the first to our loyal shareholders, was very much a reality. However no one could have predicted the financial crisis that impacted that financial year 2008/2009. I am more than confident that with our current improving financial climate and business structure the Wyong Community Bank® will issue our first dividend in 2010. Rest assured your board and staff has this as their number 1 priority for this financial year 2010. I have personally been involved with the company since its inception in March 2003 and 2 years prior. My focus is to see our first "dividend".

My thanks to all those shareholders who have supported our bank and become customers and to those who are thinking of coming on board. Remember our community bank is like any business, the more customers that support us the more our whole community will benefit from your support. A very

Wyong Town Financial Services Limited
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special thank you to my fellow directors who give their precious volunteer time, week after week. Thanks too of course to Adele and all her staff for all their hard work and achievements and to our Juniors Directors for their involvement 2008/2009.

I look forward to seeing you at our AGM in November and as always if you have any questions or concerns please contact me through our Branch Manager Adele or her staff, Remember supporting your bank will secure our community for the future.

My best wishes for a safe and peaceful Christmas with your families.

James Cowden
Chairman

Wyong Town Financial Services Limited

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Manager's Report

Another year has passed, and to say it was an interesting one is an understatement!

We started the financial year extremely well, getting ahead of budget early. Then came the collapse of several major long standing banks in the USA, the UK and Europe. This led to the stock market having the biggest crash since the 1930's, which had a ripple effect that extended over the rest of the world including Australia.

You would think doom and gloom from this? Well, yes lots of things happened - however the most prolific was the movement of funds from the stock market into Government guaranteed term deposits. This, along with our previous good start, gave us business growth for the financial year of 40%, which is truly amazing. As such our staff and I believe we had our most successful year.

Other highlights for the branch were:

- We had the highest number of sales in all categories of insurance in the region and were one of the top five branches in the State.
- We earned over \$20,000 in income from insurance sales.
- Highest number of referrals in our Region to our Financial Planner Tim Wilkes.
- Operational checks (audit) results were rated as Meets all Requirements.
- Lending audit result were rated as Meets all Requirements
- Installing the first ATM in a business park on the Central Coast at the Zenith Centre, Reliance Drive, Tuggerah.
- We celebrated our sixth birthday
- On a lighter note, Wyong branch won the Central Coast Social Bare Foot Bowls event, (we entered two teams) and took out second place as well. We even do well without our shoes!

However the most pleasing result of all was that we met and exceeded our business growth budget by over \$2 million, (you could say we were a little excited about this one).

I would like to thank and congratulate all of my staff for the huge effort they put in to make this financial year so successful and without their dedication and hard work we would not have achieved the level of new business we did.

I would also like to thank Steve Deane and Paul Arnold for their continued assistance with business banking. They are both such an integral part of our branch and we are lucky to have them. To Rob Chittick, our Regional Manager, and Julie Yap our Customer and Community Officer, your support and assistance over the year has also been greatly appreciated by us all.

To Mark Hoddinott, I would like to say thank you for all the assistance and guidance he has given me over the last five years (and continues to do so). He has been an untiring and dedicated mentor to me personally, assisting with my business and personal development, not only as Branch Manager but as the CEO of your Community Bank® branch. I now have a lot more confidence in myself and in the management of the business, so again thank you Mark.

The financial year ahead looks promising, with our margin income returning to more 'normal'

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levels. With the return of business and retail confidence now starting to show, we can only presume that the 2009 / 2010 financial year will be a good one for us as well.

On a lighter yet important 'community' note, we are planning a Carols by Candlelight event on Saturday 19 December to be held in Wyong Park (the old school ground on the hill). We would love to see as many shareholders, customers and their families attend on the night to sing, and celebrate this wonderful time of the year. Please consider joining us.

On behalf of all the staff I would like to wish you all a very Merry Christmas and a safe and peaceful New Year.

Adele Alessio
Manager

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Annual Report
For The Year Ended
30 June 2009

Wyong Town Financial Services Limited
ABN 59 100 313 120

Annual Report
For The Year Ended
30 June 2009

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Directors' Report

Your directors submit the financial accounts of the company for the year ended 30 June 2009.

Directors

The names and details of directors in office at the date of this report are:

Cowden, James Alexander (Sales Executive)

Jim is a long-standing member of the Wyong Community and a business owner for some 20 years. He is the former proprietor of Tuggerah Boating and now a Senior Sales Executive with the Central Coast Motor Group. Jim has been an active member of the Wyong/Tuggerah Chamber of Commerce for some 15 years, five of which was served as Vice President. Attended nine (9) of the eleven (11) directors meetings held during the year.

Hogger, George Frederick (Retired)

George moved to the central coast in 1971, and in 1977 was actively involved in re-establishing the 1st Ourimbah Scout Group where he was Venturer leader for many years. In 1984 he commenced his own business at Tuggerah, Coastwide Steel and Metalwork Pty Ltd, which is still active in the Construction Industries of Sydney and Newcastle to this day. In 2007 George retired from work but not from life. He is a founding Director of Wyong Community Bank. He enjoys his involvement in establishing and now building the future of the bank and supporting the Greater Wyong Community. He has a large family and lives in Chittaway Bay. Attended five (5) of the eleven (11) directors meetings held during the year.

Conte, Gwenyth Gladys (Business Proprietor)

Gwen is the proprietor of Legends Bakery one of Wyong's most acclaimed businesses. Gwen has been in business for 12 years and was born and raised in Wyong, the town that is still her home. Through her bakery Gwen provides employment for some 12 local residents. Gwen is also a member of the Wyong/Tuggerah Chamber of Commerce. Attended nine (9) of the eleven (11) directors meetings held during the year.

Vaughan, Sharon (Retired)

Sharon became a director in May 2006 and her family run Lakes Printers & Stationers Pty Ltd, a family business established in Wyong for over 70 years. She has lived in Wyong all her life, attending both Wyong Public and High Schools. Sharon is active in community affairs and is highly regarded for her dedication and commitment. Along with her role as Director, Sharon volunteers 2 days a week at Wesley Seniors Day Centre at Tuggerah. Sharon is married with 3 adult children and lives at Wyong Creek. Attended nine (9) of the eleven (11) directors meetings held during the year.

North, Elizabeth Ada (Business Proprietor)

Liz became a Director in May 2006 and is one of the Proprietors of Add-Vantage Systems Pty Limited (AVS Windows & Doors) located at Tuggerah. She is a long term resident of the Wyong Shire and business leader. Liz was part owner and Director of another local company for 25 years which, at its peak, employed over 200 local people. Liz is well respected in the Wyong Shire and is actively involved in the business community and is currently Secretary of the Rotary Club of Wyong. Liz is married and has a 17 year old daughter, Kiera who is studying for the HSC this year. Attended eight (8) of the eleven (11) directors meetings held during the year.

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Directors' Report

Directors (cont'd)

Davis, Jodie (Appointed November 2008)

Jodie is the Funding and Sponsorship Coordinator for local charity, Breakaway. Jodie has been a resident in the Wyong Shire for the past 27 years. She also contributes to the community by volunteering at Breakaway during their camps for children with high medical needs. Jodie brings to the Board her marketing and business management experience gained locally. Attended nine (9) of the eleven (11) directors meetings held during the year.

Woodberry, Keith (Appointed February 2009)

Keith is the Purchasing Manager for Parchem Construction Products, a Construction Chemical Manufacturer based at North Wyong. He has been living on the Central Coast for 28 years; was a past President of Wyong Netball Association and was instrumental in founding the Central Coast Indian Myna Action Group – a community based environmental organisation formed to help preserve and protect native birds and fauna. Keith brings a broad spectrum of skills and expertise to the board with his background in Business and Procurement principles; Sales and Marketing experience; and a thorough knowledge of several diverse career paths. Attended eight (8) of the eleven (11) directors meetings held during the year.

Davidson, Ray (Appointed February 2009)

Ray is the Managing Director and founder of Ausiports Pty Ltd Home Improvements and has been a resident of the Wyong area for a period of 20 years. He is the President of The Entrance Junior Cricket Club and has been involved in many other community and sporting activities and organisations. Ray brings to the board experience in marketing and general business management gained through running his own business for the last 25 years. Attended ten (10) of the eleven (11) directors meetings held during the year.

Haxton, John Douglas (Resigned 12 February 2009)

John became a director in December 2006. John is a Chemical Engineer and worked for CSR in that role. He is also qualified in Real Estate Management and retired in 1999. He has been active in Wyong Family History Group, Fellowship of First Fleeters and is currently attempting a Diploma with Society of Australian Genealogists. Attended two (2) of the eight (8) directors meetings held whilst in office.

Hoddinott, Mark James (Resigned 30 April 2009)

Mark has been a resident of Wyong for over 40 years and has operated his Accounting & Financial Planning practice, Hoddinott Consulting, since 1985. Mark is a past President of the Wyong/Tuggerah Chamber of Commerce, and is a past President of CPA Australia (NSW). Attended nine (9) of the eleven (11) directors meetings held during the year.

Principal Activities

The principal activities in the course of the financial period were to operate the Wyong Community Bank.

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

Wyang Town Financial Services Limited
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Directors' Report

Operating Results

The net loss of the Company for the financial year was \$14,903.

Dividends

The directors recommend that no dividend be paid.

Review Of Operations

During the financial year the company operated the Wyong Community Bank.

Significant Changes In State Of Affairs

No significant changes in the Company's state of affairs, not otherwise dealt with occurred during the period, other than that referred to in the accounts or notes thereto.

After Balance Date Events

There were no matters or circumstances, not otherwise dealt with in this report or the accounts that has arisen since the end of the financial year, which 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 subsequent financial years.

Environmental Issues

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Directors' Benefits

No director has received or become entitled to receive, other than a benefit included in the aggregate amount of remuneration received or due and receivable by the Director a benefit because of a contract that the Director, or a firm of which the Director is a member or an entity in which a Director has a substantial financial interest, other than the benefits in the notes to and forming part of the accounts.

This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors and shown in the accounts, or the fixed salary of a full-time employee of the company or related body corporate.

Wyong Town Financial Services Limited
ABN 59 100 313 120

Directors' Report

The Company has indemnified each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach to the Company. No insurance premiums were paid during or since the end of the financial year for the directors of the company.

No indemnities or insurance premiums were paid during or since the financial year for the auditor of the Company.

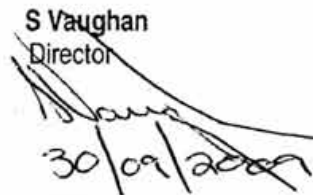
Signed in accordance with a resolution of the Board of Directors. On behalf of all the Directors.

J Cowden
Director



Dated: 30.9.2009

S Vaughan
Director



30/09/2009

Wyong Town Financial Services Limited
ABN 59 100 313 120

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors of Wyong Town Financial Services Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2009 there have been:

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

FORTUNITY ASSURANCE

A large, stylized handwritten signature in black ink, appearing to read 'T R Davidson', is written over the company name.

T R Davidson
Partner

155 The Entrance Road
ERINA NSW

Dated: 30 September, 2009

Wyong Town Financial Services Limited
ABN 59 100 313 120

Income Statement
For The Year Ended 30 June 2009

	Note	2009 \$	2008 \$
Revenues from ordinary activities	3	556,924	493,908
Employee benefits expense		(219,573)	(192,244)
Depreciation and amortisation expense		(27,458)	(54,935)
Other expenses from ordinary activities		(324,796)	(284,596)
Loss from ordinary activities before income		<u>(14,903)</u>	<u>(37,867)</u>
Income tax expense		-	-
Profit for the period	4	<u>(14,903)</u>	<u>(37,867)</u>

The accompanying notes form part of these financial statements.

Wyong Town Financial Services Limited
ABN 59 100 313 120

Balance Sheet
as at 30 June 2009

	Note	2009 \$	2008 \$
Current Assets			
Cash assets	6	100	100
Receivables	7	49,719	38,607
Other	8	1,124	1,188
Total Current Assets		<u>50,943</u>	<u>39,895</u>
Non Current Assets			
Property, plant & equipment	9	28,433	31,986
Intangible assets	10	43,043	54,548
Total Non Current Assets		<u>71,476</u>	<u>86,534</u>
Total Assets		<u>122,419</u>	<u>126,429</u>
Current Liabilities			
Payables	11	29,361	20,472
Interest bearing liabilities	12	158,699	158,824
Provisions	13	17,027	11,587
Total Current Liabilities		<u>205,087</u>	<u>190,883</u>
Non-Current Liabilities			
Interest bearing liabilities	12	64,948	70,660
Provisions	13	8,992	6,591
Total Non-Current Liabilities		<u>73,940</u>	<u>77,251</u>
Total Liabilities		<u>279,027</u>	<u>268,134</u>
Net Assets		<u>(156,608)</u>	<u>(141,705)</u>
Equity			
Contributed Equity	14	650,010	650,010
Accumulated Losses	15	(806,618)	(791,715)
Total Equity		<u>(156,608)</u>	<u>(141,705)</u>

Wyong Town Financial Services Limited
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Statement of Changes in Members' Funds
For The Year Ended 30 June 2009

	Retained Earnings \$	Total \$
Balance 1 July 2007	(101,285)	(101,285)
Deficit for year	(37,867)	(37,867)
Prior year adjustment	(2,553)	(2,553)
	<hr/>	<hr/>
Balance 30 June 2008	(141,705)	(141,705)
Deficit for year	(14,903)	(14,903)
	<hr/>	<hr/>
Balance 30 June 2009	(156,608)	(156,608)
	<hr/>	<hr/>

The accompanying notes form part of these financial statements

Wyong Town Financial Services Limited
ABN 59 100 313 120

Statement of Cash Flows
For The Year Ended 30 June 2009

	Note	2009 \$	2008 \$
<i>Cash Flows from Operating Activities</i>			
Margin & Fee Income		569,133	510,779
Interest received		48	7
Other income		-	-
Payments to employees & suppliers		(550,944)	(490,752)
		<hr/>	<hr/>
Net cash provided by/(used in) operating activities	(b)	18,237	20,034
		<hr/>	<hr/>
<i>Cash Flows from Investing Activities</i>			
Purchase of other non-current assets		(8,800)	(60,003)
Purchase of property, plant & equipment		(3,600)	(8,124)
		<hr/>	<hr/>
Net cash used in investing activities		(12,400)	(68,127)
		<hr/>	<hr/>
<i>Cash Flows from Financing Activities</i>			
Proceeds from borrowings		-	64,604
Repayment of borrowings		(5,277)	(18,920)
		<hr/>	<hr/>
Net cash provided by financing activities		(5,277)	45,684
		<hr/>	<hr/>
<i>Net increase/(decrease) in cash held</i>		560	(2,409)
<i>Cash at 1 July 2008</i>		(153,447)	(151,038)
		<hr/>	<hr/>
<i>Cash at 30 June 2009</i>	(a)	(152,887)	(153,447)
		<hr/>	<hr/>

The accompanying notes form part of these financial statements

Wyong Town Financial Services Limited
ABN 59 100 313 120

Statement of Cash Flows
For The Year Ended 30 June 2009

	2009 \$	2008 \$
(a) Reconciliation of Cash		
For the purpose of the statement of cash flows, cash includes:		
(i) cash on hand and in at call deposits with banks or financial institutions; and		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash on hand	100	100
Cash at bank	(152,987)	(153,547)
	<u>(152,887)</u>	<u>(153,447)</u>
(b) Reconciliation of Cash Flow from Operations with Operating Profit after Income Tax		
Operating loss after income tax	(14,903)	(37,867)
<i>Non-cash flows in operating profit</i>		
Depreciation and amortisation	27,458	54,935
<i>Changes in assets and liabilities</i>		
Increase in receivables	(11,112)	(4,299)
(Increase)/decrease in other assets	64	904
Increase/(decrease) in accounts payable	8,889	1,223
Increase in provisions	7,841	5,138
Cash flows from operations	<u>18,237</u>	<u>20,034</u>

The accompanying notes form part of these financial statements

Wyong Town Financial Services Limited
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Notes To The Financial Statements
For The Year Ended 30 June 2009

1. Statement Of Significant Accounting Policies

The Annual Report is a general purpose Annual Report that has been prepared in accordance with Accounting Standards, Urgent Issues' Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The Annual Report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the Annual Report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Income Tax

The company adopts the liability method of tax-effect accounting whereby the income expense shown in the profit and loss statement is based on the operating profit before income tax adjusted for any permanent differences. Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of operating profit before income tax and taxable income are brought to account as either a provision for deferred income tax or an asset described as future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is vital certainty of realisation of the benefit.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(b) Segment reporting

The company operates predominantly in one industry, that being the operation of a Community Bank. The Company operates predominantly in one geographical location, being Wyong, NSW.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

(d) Leases

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases (note 12). Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated on a straight-line basis over the period of the lease.

Wyong Town Financial Services Limited
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Notes To The Financial Statements
For The Year Ended 30 June 2009

(e) *Impairment of assets*

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

(f) *Cash*

For the purpose of the statement of cash flows, cash includes:

- i) cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts; and
- ii) investments in money market instruments with less than 14 days to maturity.

(g) *Trade receivables*

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

(h) *Property, plant and equipment*

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost over their estimated useful lives, as follows:

- Building improvements	20%
- Office furniture and equipment	25%
- Motor vehicle	15%

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

(i) *Trade payables*

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) *Employee benefits*

(i) *Annual leave*

Liabilities for annual leave are expected to be settled within 12 months of the reporting date and are recognised in other current provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Wyong Town Financial Services Limited
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Notes To The Financial Statements
For The Year Ended 30 June 2009

(j) *Employee benefits (continued)*

(ii) *Long service leave*

The liability for long service leave is measured as the present value of the expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(k) *Goods and Services Tax (GST)*

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST included is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

(l) *Comparative Figures*

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures presented for the current financial year.

2. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity 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 Company. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk and aging analysis for credit risk.

The Company holds the following financial instruments:

	2009	2008
Financial assets		
Cash and cash equivalents	100	100
Trade receivables	49,719	38,607
	<u>49,819</u>	<u>38,707</u>
Financial liabilities		
Trade payables	29,361	20,472
Interest bearing liabilities	223,647	229,484
	<u>253,008</u>	<u>249,956</u>

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Notes To The Financial Statements
For The Year Ended 30 June 2009

2. Financial risk management (cont.)

(a) Fair value interest rate risk

The Company's main interest rate risk arises from long-term interest bearing liabilities. Interest bearing liabilities issued at fixed rates expose the Company to fair value interest rate risk.

As at the reporting date, the Company had the following variable rate liabilities outstanding:

	2009		2008	
	Weighted average interest rate %	Balance	Weighted average interest rate %	Balance
Bank overdrafts	9.64	152,987	11.60	153,547

Sensitivity

At 30 June 2009, if interest rates had changed by +/- 80 basis points from the year-end rates with all other variables held constant, profit for the year would have been \$1,225 lower/higher mainly as a result of higher/lower interest paid on the bank overdraft.

(b) Credit risk

Credit risk arises from credit exposure on outstanding receivables. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised on page 15.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and available funding through an adequate amount of committed credit facilities.

Financing arrangements

The Company had access to the following undrawn borrowing facilities at the reporting date:

	2009 \$	2008 \$
Floating rate		
Expiring within one year		
- bank overdraft	105,833	35,974

The bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.

Wyong Town Financial Services Limited
ABN 59 100 313 120

Notes To The Financial Statements
For The Year Ended 30 June 2009

2. Financial risk management (cont.)

Maturities of financial liabilities

At 30 June 2009	< 6 months	6-12 months	1-2 years	> 2 years	Total contractual cash flows	Carrying amount
Non-interest bearing	29,361	-	-	-	29,361	29,361
Variable rate	152,987	-	-	-	152,987	152,987
Fixed rate	3,553	3,553	15,280	-	22,386	20,126
Total	185,901	3,553	15,280	-	204,734	202,474

At 30 June 2008	< 6 months	6-12 months	1-2 years	> 2 years	Total contractual cash flows	Carrying amount
Non-interest bearing	20,472	-	-	-	20,472	20,472
Variable rate	153,547	-	-	-	153,547	153,547
Fixed rate	3,553	3,553	7,107	15,280	29,493	25,403
Total	177,572	3,553	7,107	15,280	203,512	199,422

	2009 \$	2008 \$
3. Revenue		
Operating Activities		
Margin and Fee income	556,876	493,901
Interest received	48	7
Sundry income	-	-
Total Revenue	556,924	493,908

4. Profit from Ordinary Activities

Profit from ordinary activities has been determined after:

(a) Expenses		
Depreciation	7,153	40,058
Amortisation	20,305	14,876
Bad debts	117	725

5. Auditors Remuneration

Remuneration of the auditor for - auditing the financial report	3,160	2,800
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Wyong Town Financial Services Limited
ABN 59 100 313 120

Notes To The Financial Statements
For The Year Ended 30 June 2009

	2009 \$	2008 \$
6. Cash Assets		
Cash on hand	100	100
	<u>100</u>	<u>100</u>
7. Receivables		
Trade Debtors	-	-
Sundry debtors	49,719	38,607
	<u>49,719</u>	<u>38,607</u>
<i>Impaired trade receivables</i>		
As at 30 June 2009, no circumstances were in existence which would indicate any impairment of the above receivable. The aging of this balance is less than 30 days.		
8. Other Assets		
Security deposit	250	250
Stock on hand	374	438
Investment	500	500
Prepaid expenses	-	-
	<u>1,124</u>	<u>1,188</u>
9. Property, Plant & Equipment		
Building improvements – at cost	225,479	225,479
Accumulated depreciation	(223,300)	(222,571)
	<u>2,179</u>	<u>2,908</u>
Furniture & equipment – at cost	21,204	17,603
Accumulated depreciation	(13,811)	(11,555)
	<u>7,393</u>	<u>6,048</u>
Motor vehicle – at cost	27,793	27,793
Accumulated depreciation	(8,932)	(4,763)
	<u>18,861</u>	<u>23,030</u>
Total Property, Plant & Equipment	<u>28,433</u>	<u>31,986</u>

Wyong Town Financial Services Limited
ABN 59 100 313 120

Notes To The Financial Statements
For The Year Ended 30 June 2009

9. Property, Plant & Equipment (cont.)

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

	Building Improvements at cost	Furniture & Equipment	Motor Vehicle	Total
Balance at the beginning of the year	2,908	6,048	23,030	31,986
Additions	-	3,600	-	3,600
Disposals	-	-	-	-
Depreciation expense	(729)	(2,255)	(4,169)	(7,153)
Carrying amount at the end of the year	2,179	7,393	18,861	28,433

	2009 \$	2008 \$
10. Intangible Assets		
Franchise fee	57,424	107,424
Accumulated amortisation	(14,381)	(52,876)
	<u>43,043</u>	<u>54,548</u>
Training fee	30,000	30,000
Accumulated amortisation	(30,000)	(30,000)
	<u>-</u>	<u>-</u>
Total Intangible Assets	<u>43,043</u>	<u>54,548</u>
11. Payables		
Sundry creditors	-	2,040
Accrued expenses	29,361	18,432
	<u>29,361</u>	<u>20,472</u>
12. Interest bearing liabilities		
Current		
Bank overdraft	152,987	153,547
Lease liability	5,712	5,277
	<u>158,699</u>	<u>158,824</u>
Non-Current		
Loan	50,534	50,534
Lease liability	14,414	20,126
	<u>64,948</u>	<u>70,660</u>

Wyong Town Financial Services Limited
ABN 59 100 313 120

Notes To The Financial Statements
For The Year Ended 30 June 2009

	2009 \$	2008 \$
13. Provisions		
<i>Current Liability</i>		
Provision for Annual Leave	15,427	11,587
Community Project	1,600	-
	<u>17,027</u>	<u>11,587</u>
<i>Non-Current Liability</i>		
Provision for Long Service Leave	<u>8,992</u>	<u>6,591</u>
14. Contributed Equity		
Issued capital	<u>650,010</u>	<u>650,010</u>
15. Accumulated Losses		
Balance 1 July	(791,715)	(751,295)
Loss for year	(14,903)	(37,867)
Adjustment for prior year	-	(2,553)
Balance 30 June	<u>(806,618)</u>	<u>(791,715)</u>

16. Remuneration of Directors & Executive Officers

Directors

The names of the Directors in office during the financial year were as follows:

J Cowden	G Conte
S Vaughan	J Davis
K Woodbury	G Hogger
E North	R Davidson
M Hoddinott (resigned)	J Haxton (resigned)

Other Benefits

No amounts have been paid or agreed to be paid (and no benefits have been given or agreed to be given) to a Director (or a proposed Director) to induce them to become, or to qualify as, a director of the Company.

17. Company Details

The registered office and principal place of business of the Company is:

Wyong Town Financial Services Ltd
88 Pacific Highway
WYONG NSW 2259

Wyong Town Financial Services Limited
ABN 59 100 313 120

Directors' Declaration

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 8 to 20 are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2009 and performance for the period ended on that date of the Company;
2. in the Director's 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.

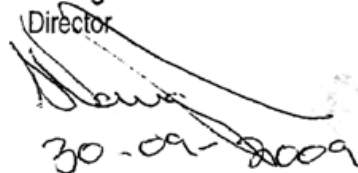
This declaration is made in accordance with a resolution of the Board of Directors.

J Cowden
Director



Dated: 30.9.2009

S Vaughan
Director


30-09-2009

Wyong Town Financial Services Limited

ABN 59 100 313 120

Independent Audit Report To The Members Of Wyong Town Financial Services Limited

Report on the Financial Report

We have audited the financial report of Wyong Town Financial Services Limited which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in shareholders' funds and the cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's 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, the auditor considers internal control 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. 16 An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Wyang Town Financial Services Limited
ABN 59 100 313 120

**Independent Audit Report To The Members
Of Wyong Town Financial Services Limited**

Audit Opinion

In our opinion, the financial report of Wyong Town Financial Services Limited is 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 2009 and of its performance for the year ended on that date; and
- (ii) complying with Accounting Standards and the Corporations Regulations.

FORTUNITY ASSURANCE



T R Davidson
Partner

155 The Entrance Road
ERINA

Dated: 30 September, 2009

Wyong Town Financial Services Limited
ABN 59 100 313 120

Profit & Loss Statement
For The Period Ended 30 June 2009

	2009 \$	2008 \$
Income		
Interest	48	7
Margin & Fee Income	556,875	493,901
Sundry income	-	-
Total Income	<u>556,923</u>	<u>493,908</u>
Expenses		
Accounting fees	3,224	422
Advertising expenses	3,941	720
Amortisation	20,304	14,876
Annual general meeting	1,283	1,375
ATM Fees/Maintenance	77,070	45,520
Audit fees	3,160	2,800
Bad debts	117	725
Bank charges	562	664
Carbon emission offset	-	477
Cash delivery expenses	7,346	6,657
Cleaning & Waste removal	5,193	4,919
Conference	3,663	2,386
Credit reference fees	720	856
Depreciation	7,153	40,058
Electricity	4,879	4,543
Entertainment	427	525
Filing fees	1,000	1,270
Freight	-	-
Fringe benefit tax	6,419	-
Indoor plant hire	972	972
Insurance	15,919	15,982
Interest	18,945	17,213
IT expenses	47,265	44,336
Legal & Professional fees	1,997	850
Marketing – Loyalty	-	-
Membership	223	-
Motor vehicle expenses	4,812	3,812
Music on hold	1,244	1,299
Other expenses	1,238	5,619
Postage & Couriers	16,309	18,064
Promotional costs	1,952	2,490
Rent	36,183	37,872
Repairs & maintenance	1,571	963
Security monitoring	4,644	10,464
Sponsorship	4,479	3,145
Staff amenities	983	2,172
Stationery	6,881	5,792
Telephone	7,021	5,850
Training costs	878	1,409

Wyong Town Financial Services Limited
ABN 59 100 313 120

Profit & Loss Statement
For The Period Ended 30 June 2009

	2009 \$	2008 \$
Travel	16	281
Uniform	1,774	4,557
Wages & associated costs	<u>250,059</u>	<u>219,840</u>
Total expenses	571,826	531,775
Net loss for year	<u>(14,903)</u>	<u>(37,867)</u>

Wyong Community Bank

Franchisee: Wyong Town Financial Services Ltd
ACN 100 313 120
88 Pacific Highway Wyong NSW 2259 (PO Box 688 Wyong)
Ph: 02 4353 8800 Fx: 02 4353 8899

Franchisor: Bendigo Bank Limited
ACN 68 049 178
Fountain Court (PO Box 480) Bendigo Victoria 3552
Ph: 1300 366 666