

5 OCT 2012
SCANNED

Wyong Town Financial Services Limited
ABN 59 100 313 120

Annual Report
For The Year Ended
30 June 2012

Wyong Town Financial Services Limited
ABN 59 100 313 120

Annual Report
For The Year Ended
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	<i>Page Number</i>
<i>Directors' Report</i>	3
<i>Auditors' Independence Declaration</i>	7
<i>Statement of Comprehensive Income</i>	8
<i>Statement of Financial Position</i>	9
<i>Statement of Changes in Shareholders' Funds</i>	10
<i>Statement of Cash Flows</i>	11
<i>Notes to and forming part of the Financial Statements</i>	13
<i>Directors' Declaration</i>	21
<i>Auditors' Report</i>	22
<i>Detailed Profit and Loss Statement</i>	24

Wyong Town Financial Services Limited
ABN 59 100 313 120

Directors' Report

Your directors submit the financial accounts of the company for the year ended 30 June 2012.

Directors

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

North, Elizabeth Ada (Business Proprietor)

Liz became a director in May 2006 and is one of the proprietors of Add-Vantage Systems Pty Ltd (AVS Windows and Doors) located in Tuggerah. She is a long term resident of the Wyong Shire and business leader.

Liz has been in business in the Wyong area for 35 years and has employed many local people during that time. Liz is well respected in the Wyong Shire, is actively involved in the business community and is currently the Assistant Governor - Membership Mentor for Rotary Upper Central Coast.

Liz is married and has a 21 year old daughter who is now engaged and is studying at Newcastle University. Liz attended 11 of the 12 meetings held.

Davidson, Ray (Business Proprietor)

Ray became a director in February 2008 and is the Managing Director and founder of Ausiports Pty Ltd Home Improvements and has been a resident of the Wyong Shire for 24 years. He is the President of The Entrance Junior Cricket Club and has been President of Wyong District Netball association, Central Coast Junior Cricket association Bateau Bay Dolphins Netball Club & Mingara Killarney Netball Club. He is a life member of The Entrance Junior Cricket Club and Bateau Bay Dolphins Netball Club. Ray brings to the board experience in marketing and general business management gained through running his own business for the last 25 years. Ray is married with two adult children. Ray attended 10 of the 12 meetings held.

McBride, Emma (Pharmacist)

Emma joined the board in August 2009. Emma and her family have a long history within the Wyong Shire. Emma is a Mental Health Pharmacist and Chief Pharmacist of Wyong Hospital. Emma was a Wyong Shire Councillor from 2008-2012 and is patron of the Wyong District Netball Association. This year Emma competed in the NSW Netball Masters. Emma attended 8 of the 12 meetings held.

Brine, David (Accountant)

David became a Director in February 2011 and is a Senior Accountant and Business Advisor of Better Business Advice, a family owned business.

David was born and raised in Noraville and attended Toukley Primary and Gorokan High School. He was actively involved in a variety of community projects and events during his time as School Captain of Gorokan High School.

He is currently completing his CPA Qualification and Diploma of Financial Services, which will enable him to bring practical financial and business knowledge to the Board. David attended all 12 meetings held.

Kebriti, Daniel (Pharmacist/Business Proprietor)

Daniel became a director in December 2010. He completed his Bachelor of Pharmacy at the University of Sydney in 2003 and has held several positions within the retail and pharmaceutical industries. In 2006 he opened his own business, Harrison's Pharmacy located in the Wyong Village Central. He is a member of Australian Institute of Company Directors. He enjoys working as a member of a team either on the sporting field or in the corporate world. Daniel attended 5 of the 12 meetings held.

Directors' Report

Directors (cont'd)

David Harris (MACE Dip Management, Dip Teach Grad Cert Ed Studies)

David joined the board in November 2011. He has lived in Wyong Shire for more than 20yrs is married with two school age children. He is currently the Principal at Point Clare Public School and has over 20 years experience in teaching and school executive roles in very small to large Primary Schools. David was a Member of the NSW Parliament representing the seat of Wyong from 2007 – 2011 and was Parliamentary Secretary for Education and Training and Central Coast parliament. David currently holds the positions of President of Central Coast Men of Football and Vice President of Soldiers Beach SLSC.

He is dedicated to working with charity including Wyong Lions, Iris Foundation (Youth Suicide) and the Pink Butterflies Cancer Charity. David is Patron of Toukley RSL Pipes and Drums, Wyong Hospital Auxiliary, Wyong Family History Association, Wyong Historical Society and Central Coast National Servicemans Association (Toukley). David attended 4 of the 7 meetings held.

Mark Hoddinott (Accountant and Financial Planner)

Mark was a foundation Director and Chairman of the Board and re-joined in November 2011 after a 2 year break. He has been a resident of Wyong for over 50 years and has operated his Accounting and Financial Planning practice, Hoddinott Consulting, since 1985. Mark is a past president of Wyong/Tuggerah Chamber of Commerce & CPA Australia NSW. Mark attended 5 of the 7 meetings held. Mark resigned as a director of the Company on 31st August, 2012.

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.

Operating Results

The net profit for the company after income tax amounted to \$184,350 (30 June 2011: \$83,606).

Dividends

The directors recommend that a dividend of 10 cents per share (\$65,001) be paid. No dividends were paid during the year ended 30 June, 2012.

Review Of Operations

During the financial year the company operated the Wyong Community Bank. The company has, due to its financial performance, been able to recoup tax losses incurred during previous years and due to this continued improvement in profitability has brought to account a deferred tax asset that recognises the future benefit of the balance of tax losses that are yet to be recouped.

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.

Directors' Report

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.

Indemnifying Officers or Auditor

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. 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.

Director



Director



Dated:

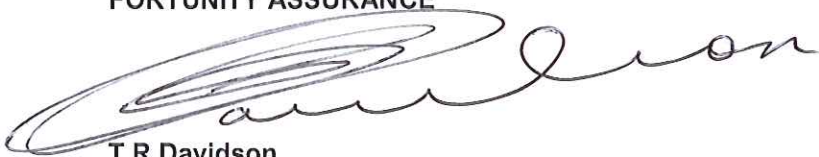
27.09.2012

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 2012 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



T R Davidson
Partner

155 The Entrance Road
ERINA NSW

Dated: *27 September, 2012*

Wyong Town Financial Services Limited
ABN 59 100 313 120

Statement of Comprehensive Income
For The Year Ended 30 June 2012

	Note	2012 \$	2011 \$
Revenues from ordinary activities	3	818,140	743,834
Employee benefits expense		(346,685)	(308,758)
Depreciation and amortisation expense		(19,390)	(18,340)
Borrowing costs		(2,814)	(9,473)
Other expenses from ordinary activities		(342,833)	(323,657)
Profit/(Loss) from ordinary activities before income tax		<u>106,418</u>	<u>83,606</u>
Income tax expense/ (benefit)	6	(77,932)	-
Profit for the period		<u><u>184,350</u></u>	<u><u>83,606</u></u>

The accompanying notes form part of these financial statements.

Wyong Town Financial Services Limited
ABN 59 100 313 120

Statement of Financial Position
as at 30 June 2012

	Note	2012 \$	2011 \$
Current Assets			
Cash and cash equivalents	7	70,981	100
Trade and other receivables	8	59,662	58,693
Other current assets	9	6,360	6,556
Total Current Assets		137,003	65,349
Non Current Assets			
Property, plant & equipment	10	24,008	30,093
Intangible assets	11	8,529	20,034
Deferred tax assets	12	77,932	-
Total Non Current Assets		110,469	50,127
Total Assets		247,472	115,477
Current Liabilities			
Trade and other payables	13	22,287	20,004
Short term borrowings	14	5,795	56,864
Short term borrowings	15	29,095	27,629
Total Current Liabilities		57,177	104,497
Non-Current Liabilities			
Long term borrowings	14	15,252	21,047
Long term provisions	15	17,613	16,853
Total Non-Current Liabilities		32,865	37,900
Total Liabilities		90,042	142,397
Net Assets		157,430	(26,920)
Equity			
Contributed Equity	16	650,010	650,010
Accumulated Losses		(492,580)	(676,930)
Total Equity		157,430	(26,920)

The accompanying notes form part of these financial statements.

Wyong Town Financial Services Limited
ABN 59 100 313 120

Statement of Changes In Equity
For The Year Ended 30 June 2012

	Share Capital	Retained Earnings \$	Total
Balance 1 July 2010	650,010	(760,536)	(110,526)
Profit for year	-	83,606	83,606
	<u>650,010</u>	<u>(676,930)</u>	<u>(26,920)</u>
Balance 30 June 2011	650,010	(676,930)	(26,920)
Surplus for year	-	184,350	184,350
	<u>650,010</u>	<u>(492,580)</u>	<u>157,430</u>
Provision for proposed dividend	-	(65,001)	(65,001)
	<u>650,010</u>	<u>(556,581)</u>	<u>92,429</u>
Balance 30 June 2012	<u>650,010</u>	<u>(556,581)</u>	<u>92,429</u>

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 2012

	Note	2012 \$	2011 \$
<i>Cash Flows from Operating Activities</i>			
Margin & Fee Income		817,104	681,635
Interest received		67	-
Payments to employees & suppliers		(687,627)	(581,746)
Net cash provided by/(used in) operating activities	(b)	129,544	99,889
<i>Cash Flows from Investing Activities</i>			
Purchase of other non-current assets			-
Purchase of property, plant & equipment		(1,800)	(2,202)
Proceeds from disposal of non-current assets	-	-	
Net cash used in financing activities		(1,800)	(2,202)
<i>Cash Flows from Financing Activities</i>			
Proceeds from borrowings		-	-
Repayment of borrowings		(5,372)	(4,980)
Net cash provided by financing activities		(5,372)	(4,980)
<i>Net increase/(decrease) in cash held</i>		122,372	92,707
<i>Cash at 1 July 2011</i>		(51,391)	(144,098)
<i>Cash at 30 June 2012</i>	(a)	70,981	(51,391)

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 2012

	2012	2011
	\$	\$
(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 with a maturity of three months or less; 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 and on deposit	70,881	(51,491)
	70,981	(51,391)
	70,981	(51,391)
(b) Reconciliation of Cash Flow from Operations with Operating Profit after Income Tax		
Operating profit after income tax	184,350	83,606
<i>Non-cash flows in operating profit</i>		
Depreciation and amortisation	19,390	18,340
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in receivables	(969)	(12,200)
(Increase)/decrease in other assets	196	(1,847)
Increase/(decrease) in accounts payable	2,283	6,060
Increase in provisions	2,226	5,930
Increase in deferred tax	(77,932)	-
Cash flows from operations	129,544	99,889
	129,544	99,889

The accompanying notes form part of these financial statements

Notes To The Financial Statements
For The Year Ended 30 June 2012

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 charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted at reporting date.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting and taxable profit or loss.

Deferred tax assets and liabilities are calculated 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 enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. The Directors are of the view that, based on current and budgets for future years that it is probable that the deferred tax assets will be utilised.

(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. 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

Notes To The Financial Statements
For The Year Ended 30 June 2012

(d) *Leases(continued)*

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.

(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, with a maturity of three months or less, 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.

Notes To The Financial Statements
For The Year Ended 30 June 2012

(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.

(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.

(m) *Critical Accounting Estimates and Judgements*

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

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 affects 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.

Notes To The Financial Statements
For The Year Ended 30 June 2012

2. Financial risk management (cont.)

The Company holds the following financial instruments:

	2012	2011
Financial assets		
Cash and cash equivalents	70,981	100
Trade receivables	59,662	58,693
	130,643	58,793
Financial liabilities		
Trade payables	22,287	20,004
Interest bearing liabilities	21,047	77,911
	43,334	97,915

(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:

	2012		2011	
	Weighted average interest rate %	Balance	Weighted average interest rate %	Balance
Bank overdrafts	7.84	-	8.76	51,491

(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:

	2012	2011
	\$	\$
Floating rate		
Expiring within one year		
- bank overdraft	250,000	198,509
	250,000	198,509

Wyong Town Financial Services Limited
ABN 59 100 313 120

Notes to the Financial Statements
for the Year Ended 30 June 2012

	2012 \$	2011 \$
3. Revenue		
Operating Activities		
Margin and Fee income	768,073	693,834
Interest received	67	-
Market Development Fund	50,000	50,000
Total Revenue	818,140	743,834
4. Profit from Ordinary Activities		
Profit from ordinary activities has been determined after:		
(a) Expenses		
Depreciation	7,885	6,835
Amortisation	11,505	11,505
Bad debts	375	1,432
	19,765	19,772
5. Auditors Remuneration		
Remuneration of the auditor for - auditing the financial report	3,750	3,400
	3,750	3,400
6. Income Tax		
Reconciliation of income tax expense and tax at the statutory rate.		
Profit before income tax expense	106,418	83,606
Tax at the statutory rate of 30%	31,925	25,082
Tax effect amounts which are not deductible in calculating taxable income:		
Amortisation	3,452	3,452
Entertainment	438	-
	35,815	28,534
Tax losses recouped	35,815	28,534
	-	-
Prior year tax losses brought to account	63,920	-
Timing differences	14,012	-
Income tax benefit	77,932	-

Wyong Town Financial Services Limited
ABN 59 100 313 120

Notes to the Financial Statements
for the Year Ended 30 June 2012

	2012 \$	2011 \$
7. Cash and cash equivalents		
Cash on hand	100	100
Cash at bank and on deposit	70,881	-
	70,981	100
	70,981	100
8. Trade and other receivables		
Sundry debtors	59,662	58,693
	59,662	58,693
	59,662	58,693
<i>Impaired trade receivables</i>		
As at 30 June 2012, no circumstances were in existence which would indicate any impairment of the above receivable. The aging of this balance is less than 30 days.		
9. Other current assets		
Security deposit	-	250
Stock on hand	840	896
Investment	500	500
Prepaid expenses	5,020	4,910
	6,360	6,556
	6,360	6,556
10. Property, Plant & Equipment		
Building improvements – at cost	225,479	225,479
Accumulated depreciation	(225,444)	(224,922)
	35	557
	35	557
Furniture & equipment – at cost	25,572	23,772
Accumulated depreciation	(21,207)	(18,163)
	4,365	5,609
	4,365	5,609
Motor vehicle – at cost	28,789	28,789
Accumulated depreciation	(9,181)	(4,862)
	19,608	23,927
	19,608	23,927
Total Property, Plant & Equipment	24,008	30,093

Wyong Town Financial Services Limited
ABN 59 100 313 120

Notes To The Financial Statements
For The Year Ended 30 June 2012

	2012 \$	2011 \$
14. Borrowings		
<i>Short Term liability</i>		
Bank overdraft	-	51,491
Chattel mortgage	5,795	5,373
	5,795	56,864
<i>Long term liability</i>		
Chattel mortgage	15,252	21,047
	15,252	21,047
15. Provisions		
<i>Short term liability</i>		
Provision for Annual Leave	19,554	15,512
Community Project	9,541	12,117
	29,095	27,629
<i>Long term liability</i>		
Provision for Long Service Leave	17,613	16,853
16. Contributed Equity		
Issued capital	650,010	650,010

Notes To The Financial Statements
For The Year Ended 30 June 2012

17. Remuneration of Directors & Executive Officers

Directors

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

R Davidson
E North
D Brine
D Kebriti
G Hogger
E McBride
D Harris
M Hoddinott

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.

18. 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

Directors' Declaration

The Directors of the Company declare that:

6. 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 2012 and performance for the period ended on that date of the Company;
7. 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.

Director



Director



Dated: 27.09.2012 .

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 statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in shareholders' funds and the statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

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

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*.

**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 2012 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: *27 September, 2012*

Wyong Town Financial Services Limited
ABN 59 100 313 120

Profit & Loss Statement
For The Period Ended 30 June 2012

	2012 \$	2011 \$
Income		
Margin & Fee Income	768,073	693,834
Market Development Fund	50,000	50,000
Interest received	67	-
Total Income	818,140	743,834
Expenses		
Accounting fees	6,845	10,718
Advertising expenses	16,603	14,810
Amortisation	11,505	11,505
Annual general meeting	1,099	1,011
ATM Fees/Maintenance	75,387	80,368
Audit fees	3,750	3,400
Bad debts	375	1,432
Bank charges	624	284
Cash delivery expenses	8,824	8,973
Cleaning & Waste removal	7,176	5,820
Conference	5,284	5,143
Credit reference fees	1,703	1,633
Depreciation	7,885	6,835
Electricity	4,602	5,004
Filing fees	1,069	1,029
Fringe benefit tax	3,237	3,313
Indoor plant hire	808	787
Insurance	18,357	17,599
Interest	2,814	9,473
IT expenses	41,172	44,136
Legal & Professional fees	91	73
Membership	690	788
Motor vehicle expenses	5,112	4,564
Music on hold	1,004	1,025
Other expenses	3,451	575
Postage & Couriers	19,171	18,497
Rent	38,521	37,443
Repairs & maintenance	1,325	625
Security monitoring	4,520	6,537
Sponsorship	44,114	20,775
Staff amenities	847	1,435
Stationery	10,512	9,065
Telephone	5,364	5,431
Training costs	10,181	9,485

Wyong Town Financial Services Limited
ABN 59 100 313 120

Profit & Loss Statement
For The Period Ended 30 June 2012

	2012 \$	2011 \$
Uniform	1,015	1,879
Wages & associated costs	346,685	308,758
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Total expenses	711,722	660,228
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Net profit/(loss) for year	106,418	83,606
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