

WYONG TOWN FINANCIAL SERVICES LIMITED
ABN: 59 100 313 120

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2013

WYONG TOWN FINANCIAL SERVICES LIMITED

ABN: 59 100 313 120

CHAIRMAN'S REPORT

I am pleased to present my report to you on the progress of the Wyong Community Bank Branch during the 2012/2013 financial year.

The 2012/2013 year has again posed many challenges to our branch however despite these challenges we have followed up last years profit with a profit of \$156,635 and are extremely proud to follow up last years first ever dividend with another dividend this year. We are continually striving to meet the challenges of growing the business despite the volatile economy and with careful planning we will ensure that the business will be successful well in to the future.

This year we have seen the effects of the restoring the balance, had a smaller than expected growth but still managed to increase our profit. This has been due to the hard work by the staff in implementing the strategies and structures of the board. Without the entire staff embracing these ideals we wouldn't be in the position we are. We are now in to the second round of restoring the balance and are again evaluating the effect this will have on the business next year and what we can do to grow other areas of the business to lessen the impact.

We welcome Kim Rowley to the team as our new Customer Relationship Manager. Kim brings a wealth of experience with her and the integration has been seamless. Our customers have also commented on her pleasant and helpful manner.

I am extremely grateful for all of the efforts and input from my fellow directors. I am fortunate to have many dedicated and talented people giving freely of their time to serve the local community.

Thanks to the support of Community Bank customers and shareholders, the Australia-wide network has now returned more than \$100 million to support and strengthen local communities.

This enormous achievement came as the Community Bank network celebrated 15 years of operation. The Community Bank concept was born in the western Victorian farming townships of Rupanyup and Minyip in 1998. The network has since grown to include 298 branches across Australia.

Our Community Bank company has played a key role in this milestone, returning more than \$138,000 to our local community. These community grants and sponsorships have made a significant difference to a number of local organisations including the Wyong Neighbourhood Centre, Darkinjung and the Wyong Netball Association. We look forward to continuing to support these groups and others as more people bank with us and we become more successful.

I would urge all of our shareholders to bank with us and be an advocate for Community banking as these are the best ways to ensure we are not only profitable but are able to contribute significantly to our local community.

I would like to thank our Regional Manager - Tony Gravas, Business Bankers - Steve Deane & Paul Arnold and our Financial Planner - Gina Greenaway for their assistance to the board, staff and our customers throughout the year.

I look forward to seeing you at the AGM, and invite you to feel free to contact me at any time if you have any questions or concerns.

I wish you a safe and Happy Christmas and a prosperous new year.

Ray Davidson
Chairman

WYONG TOWN FINANCIAL SERVICES LIMITED
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DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June, 2013.

Directors

The names of the directors in office at any time during, or since the end of the year are:

Mrs Elizabeth Ada North
Mr Ray Davidson
Mrs Emma McBride
Mr David Brine
Mr Daniel Kebriti (Resigned 8th November 2012)
Mr David Harris
Mr Mark Hoddinott (Resigned 31st August 2012)
Mr David Evans (Appointed 30th October 2012)
Mrs Lisa McDermott (Appointed 12th December 2012)

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

Review of Operations

The profit of the company for the financial year after providing for income tax amounted to \$156,635 (2012: \$102,397).

During the financial year the company operated the Wyong Community Bank. The company has, due to its financial performance, been able to recoup losses incurred during the 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 the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

Principal Activities

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

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

Events Subsequent to the End of the Reporting Period

No matters or circumstances have 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 future financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

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DIRECTORS' REPORT

Environmental Regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends

Dividends paid or declared since the start of the financial year are as follows:

- An unfranked dividend of \$65,001 was paid during the year (10c per share).

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnification of Officers

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 involving 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 end of the financial year for the auditor of the Company.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

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DIRECTORS' REPORT

INFORMATION ON DIRECTORS

Mrs Elizabeth Ada North

Qualifications:

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 actively involved in the business community and is currently the Assistant Governor for Rotary Central Coast. Liz is married and has a 22 year old daughter who is still studying at Newcastle University.

Experience:

Meetings:

Attended 12 of the 12 meetings held.

Mr Ray Davidson

Qualifications:

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 has been President of The Entrance Junior Cricket Club, 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.

Experience:

Meetings:

Attended 9 of the 12 meetings held.

Mrs Emma McBride

Qualifications:

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.

Experience:

Meetings:

Attended 12 of the 12 meetings held.

Mr David Brine

Qualifications:

Accountant

David became a director in February 2011 and is a Senior Accountant, Business Advisor and Financial Planner of Better Business Advice, a family owned business in Wyong. David was born and raised in Norville and attended Toukley Primary and Gorokan High School. He has completed his Bachelor of Accounting and Diploma of Financial Services and is an Associate Member of the CPA Australia, thus allowing him to bring practical financial and business knowledge to the board.

Experience:

Meetings:

Attended 11 of the 12 meetings held.

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DIRECTORS' REPORT

Mr David Harris

Qualifications:

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

Experience:

Auxiliary, Wyong Family History Association, Wyong Historical Society and Central Coast National Servicemen's Association (Toukley).

Meetings:

Attended 8 of the 12 meetings held.

Mr David Evans

Qualifications:

Sales & Marketing - Business Development

David joined the board in October 2012. Whilst David does not reside on the coast, he has been working with a local business on the Central Coast for the past 6 years and has had over 25 years of business exposure on the coast in previous roles. David's past positions include Board Level Executive Management - Sales & Marketing as well as Sales based roles. David offers the board his experience in business development through marketing, sales, management and negotiation. David is married and has 2 teenage daughters. Interests outside of work revolve around family, cars, bikes and boats.

Experience:

Meetings:

Attended 9 of the 12 meetings held.

Mrs Lisa McDermott

Qualifications:

(Appointed 12th December 2012)

Business Proprietor

Lisa became a director in December 2012 and lives locally in the Wyong Shire with her husband and two young children. She runs her own communications business and manages a range of projects involving communications, consultation and community relations programs for local government, business and infrastructure projects. Lisa was also a former Communications Manager for Wyong Shire Council and the Gosford/Wyong Councils Water Authority for six years. She has also spent time working for State and Federal Government Members, including five years as a senior media advisor to a State Government Minister.

Experience:

Meetings:

Attended 4 of the 6 meetings held.

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
WYONG TOWN FINANCIAL SERVICES LIMITED
ABN 59 100 313 120**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2013 there have been:

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

FORTUNITY ASSURANCE



TR Davidson
Partner

Dated: 24 September, 2013

WYONG TOWN FINANCIAL SERVICES LIMITED
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
Revenue	2	812,011	818,140
Accountancy expenses		(9,962)	(6,845)
ATM fees and maintenance		(61,578)	(75,387)
Auditor's remuneration	3	(4,200)	(3,750)
Bad and doubtful debt expenses		(1,345)	(375)
Delivery and courier expenses		(27,204)	(25,929)
Depreciation and amortisation expenses		(6,767)	(7,885)
Employee benefits expenses		(339,785)	(357,263)
Freight and cartage		(11,402)	(11,505)
Insurance		(20,357)	(19,344)
IT expenses		(31,464)	(41,674)
Marketing		(15,006)	(16,603)
Rent expense		(39,085)	(38,521)
Sponsorship		(36,840)	(44,114)
Other expenses		(73,407)	(66,566)
Profit before income tax	4	133,609	102,379
Income tax expense / (benefit)	5	(23,026)	(77,932)
Profit after income tax		156,635	180,311
Other comprehensive income		-	-
Total comprehensive income		156,635	180,311
Total comprehensive income attributable to members of the entity		156,635	180,311
 Earnings Per Share			
Basic earnings per share	7	0.1900	0.2774
Diluted earnings per share	7	0.1900	0.2774

The accompanying notes form part of these financial statements.

WYONG TOWN FINANCIAL SERVICES LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	133,569	70,981
Trade and other receivables	9	53,113	59,662
Inventories	10	1,182	840
Other current assets	11	60,294	5,520
TOTAL CURRENT ASSETS		<u>248,158</u>	<u>137,003</u>
NON-CURRENT ASSETS			
Property, plant and equipment	12	18,129	24,008
Intangible assets	13	-	8,529
Tax assets	14	100,958	77,932
TOTAL NON-CURRENT ASSETS		<u>119,087</u>	<u>110,469</u>
TOTAL ASSETS		<u>367,245</u>	<u>247,472</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	65,615	22,290
Financial liabilities	16	5,795	5,795
Provisions	17	21,594	29,095
TOTAL CURRENT LIABILITIES		<u>93,004</u>	<u>57,180</u>
NON-CURRENT LIABILITIES			
Financial liabilities	16	9,457	15,252
Provisions	17	15,723	17,613
TOTAL NON-CURRENT LIABILITIES		<u>25,180</u>	<u>32,865</u>
TOTAL LIABILITIES		<u>118,184</u>	<u>90,045</u>
NET ASSETS		<u>249,061</u>	<u>157,427</u>
EQUITY			
Issued capital	18	650,010	650,010
Accumulated losses	19	(400,949)	(492,583)
TOTAL EQUITY		<u>249,061</u>	<u>157,427</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Note	(Accumulated losses) \$	Total \$
Balance at 1 July 2011		(672,894)	(672,894)
Profit for the year		180,311	180,311
Dividends paid or provided for out of 2012 profits	6	(65,001)	(65,001)
Profit attributable to equity shareholders		115,310	(557,584)
Balance at 30 June 2012		(557,584)	(557,584)
Profit attributable to equity shareholders		156,635	156,635
Balance at 30 June 2013		(400,949)	(400,949)
 Issued Capital	 18		 <u>650,010</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

		2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		898,741	817,104
Payments to suppliers and employees		(749,144)	(687,627)
Dividends received		13	-
Interest received		1,077	67
Interest paid		(1,443)	-
Net cash provided by operating activities	21	<u>149,244</u>	<u>129,544</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(888)	(1,800)
Payments for intangibles		(14,972)	-
Net cash used in investing activities		<u>(15,860)</u>	<u>(1,800)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(5,795)	(5,372)
Dividends paid		(65,031)	-
Net cash used in financing activities		<u>(70,826)</u>	<u>(5,372)</u>
Net increase in cash held		62,558	122,372
Cash at beginning of financial year		70,981	(51,391)
Cash at end of financial year	8	<u><u>133,539</u></u>	<u><u>70,981</u></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 2013

1 Statement of Significant Accounting Policies

This financial report covers Wyong Town Financial Services Limited as an individual entity. Wyong Town Financial Services Limited is a company limited by shares, incorporated and domiciled in Australia.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The financial report has been prepared in the entities functional currency being the Australian Dollar.

Accounting Policies

Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax assets and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

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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 and 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.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where:

- (a) a legally enforceable right of set-off exists; and
- (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Leasehold Improvements

Leasehold Improvements are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment.

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.

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NOTES TO THE FINANCIAL STATEMENTS
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Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment.

In the event the carrying value of plant and equipment is greater than the estimated recoverable amount, the carrying value is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

The cost of fixed assets constructed within the company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by the company. Depreciation commences from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation method and useful life of assets is reviewed annually to ensure they are still appropriate.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	20%
Office furniture and equipment	25%
Motor vehicle	15%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of the reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

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Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the company, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised over the life of the lease term.

Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

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Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Intangibles

Franchise Fee Renewal

The franchise fee renewal is valued in the accounts at cost of acquisition and amortised over the renewal term of 5 years.

Training Fee

The training fee is valued in the accounts at cost of acquisition and amortised on a systematic basis matched to the future economic benefits.

Employee Benefits

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.

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. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

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Superannuation

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred. The entity has no legal obligation to provide benefits to employees on retirement.

Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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Trade and Other Payables

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the company that remain unpaid.

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

Comparative Figures

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

New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company. The company has decided not to early adopt any of the new and amended pronouncements. The company's assessment of the new and amended pronouncements that are relevant to the company but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments (December 2010) and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;

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- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

These Standards are mandatorily applicable for annual reporting periods commencing on or after 1 January 2013. However, AASB 2012-6: Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures (issued September 2012) defers the mandatory application date of AASB 9 from 1 January 2012 to 1 January 2015.

- AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (applicable for annual reporting periods commencing on or after 1 July 2013).

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards - Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement, and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

This standard is not expected to significantly impact the company's financial statements.

WYONG TOWN FINANCIAL SERVICES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

- AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127 Separate Financial Statements (August 2011) and AASB 128: Investments in Associates and Joint Ventures (August 2011) (as amended by AASB 2012-10: Amendments to Australian Accounting Standards - Transition Guidance and Other Amendments), and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (applicable to financial reporting periods commencing on or after 1 January 2013).

AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation - Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. This standard is not expected to significantly impact the company's financial statements.

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as "joint operations" (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed). This standard is not expected to impact the company's financial statements.

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This standard will affect disclosures only but is not expected to significantly impact the company's financial statements.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These standards are not expected to significantly impact the company's financial statements.

- AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and

- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) to be measured at fair value.

WYONG TOWN FINANCIAL SERVICES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

These standards are expected to result in more detailed fair value disclosures, but are not expected to significantly impact the amounts recognised in the company's financial statements.

- AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) (applicable for annual reporting periods commencing on or after 1 January 2013).

These standards introduce a number of changes to accounting and presentation of defined benefit plans. The company does not have any defined benefit plans and so is not impacted by the amendment.

AASB 119 (September 2011) also includes changes to:

- require only those benefits that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service to be classified short-term employee benefits. All other employee benefits are to be classified as other term employee benefits, post-employment benefits or termination benefits, as appropriate; and

- the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:

- (i) for an offer that may be withdrawn - when the employee accepts;

- (ii) for an offer that cannot be withdrawn - when the offer is communicated to the affected employees; and

- (iii) where the termination is associated with a restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets, and if earlier than the first two conditions when the related restructuring costs are recognised.

These standards are not expected to significantly impact the company's financial statements.

- AASB 2012-2: Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities (applicable to financial reporting periods commencing on or after 1 January 2013).

AASB 2012-2 principally amends AASB 7: Financial Instruments: Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights to set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This standard is not expected to significantly impact the company's financial statements.

- AASB 2012-3: Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities (applicable for financial reporting periods commencing on or after 1 January 2014).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

This standard adds application guidance to AASB 132: Financial Instruments: Presentation to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right to set-off" and that some gross settlement systems may be considered equivalent to net settlement.

This standard is not expected to significantly impact the company's financial statements.

- AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle (applicable for financial reporting periods commencing on or after 1 January 2013).

This standard amends a number of Australian Accounting Standards as a consequence of the issuance of Annual Improvements to IFRSs 2009-2011 Cycle by the International Accounting Standards Board, including:

- AASB 1: First-time Adoption of Australian Accounting Standards to clarify the requirements in respect of the application of AASB 1 when an entity discontinues and then resumes applying Australian Accounting Standards;

- AASB 101: Presentation of Financial Statements and AASB 134: interim Financial Reporting to clarify the requirements for presenting comparative information.

- AASB 116: Property, Plant and Equipment to clarify the accounting treatment of spare parts, stand-by equipment and servicing equipment;

- AASB 132 and Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments to clarify the accounting treatment of any tax effect of a distribution to holders of equity instruments; and

- AASB 134 to facilitate consistency between the measures of total assets and liabilities an entity reports for its segments in its interim and annual financial statements.

This standard is not expected to significantly impact the company's financial statements.

The financial report was authorised for issue on 1 September 2013 by the board of directors.

WYONG TOWN FINANCIAL SERVICES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
2 Revenue and Other Income		
Revenue		
Sales revenue:		
Rendering of services	807,688	818,073
Other revenue:		
Dividends received	13	-
Insurance recoveries	658	-
Interest received	1,077	67
Sponsorship	2,545	-
Other revenue	30	-
	<u>4,323</u>	<u>67</u>
Total revenue	<u>812,011</u>	<u>818,140</u>
Dividend revenue from:		
Other Corporations	<u>13</u>	<u>-</u>
Total dividend revenue	<u>13</u>	<u>-</u>
Interest revenue from:		
Financial Institutions	<u>1,077</u>	<u>67</u>
Total interest revenue on financial assets	<u>1,077</u>	<u>67</u>
Other revenue from:		
Sundry Income	<u>30</u>	<u>-</u>
Total other revenue	<u>30</u>	<u>-</u>
3 Auditor's Remuneration		
Auditor's Remuneration	<u>4,200</u>	<u>3,750</u>
4 Profit for the year		
Profit before income tax from continuing operations includes the following specific expenses:		
Expenses		
Depreciation of property, plant and equipment	6,767	7,885
Amortisation	11,402	11,505
Bad Debts	1,345	375

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
5 Income Tax Expense		
The components of tax expense comprise:		
Income Tax Expense	(23,026)	(77,932)
The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:		
Prima facie tax payable on profit before income tax at 30% (2012: 30%):	40,083	30,714
Add:		
Tax effect of:		
Amortisation	-	3,452
Entertainment	146	438
Employee entitlement provisions	(1,992)	1,211
Other provisions	(1,598)	-
	36,638	35,815
Income tax expense attributable to company	36,638	35,815
Tax losses recouped	36,638	35,815
Prior year losses brought to account	(36,638)	63,920
Timing differences	(2,816)	14,012
Reversal of uncertainty adjustment	62,480	-
Income tax benefit	23,026	77,932
6 Dividends		
Distributions paid:		
Interim Dividend Paid	65,001	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
7 Earnings Per Share		
Profit attributable to members of the entity	123,500	180,311
Earnings used to calculate basic EPS	123,500	180,311
Earnings used to calculate diluted EPS	123,500	180,311
Weighted average number of ordinary shares during the year used in calculating basic EPS	650,010	650,010
Weighted average number of ordinary shares during the year used in calculating diluted EPS	650,010	650,010
8 Cash and Cash Equivalents		
Current		
Petty Cash	100	100
Bendigo - General Account	2,714	9,511
Bendigo Trust Account	1,035	1,041
Bendigo - Cash Common Fund	127,542	60,000
Payroll Cheque Account	2,178	329
	<u>133,569</u>	<u>70,981</u>
Reconciliation of cash		
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 and cash equivalents	133,569	70,981
	<u>133,569</u>	<u>70,981</u>
9 Trade and Other Receivables		
Current		
Trade Debtors	-	500
Other Debtors	53,113	59,162
	<u>53,113</u>	<u>59,662</u>

The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

WYONG TOWN FINANCIAL SERVICES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
10 Inventories		
Current		
At cost:		
Security tokens	1,182	800
U's piggy banks	-	40
	<u>1,182</u>	<u>840</u>
11 Other Current Assets		
Current		
Ettalong Beach Bendigo Bank - Shares	500	500
Prepayments	59,794	5,020
	<u>60,294</u>	<u>5,520</u>
12 Property, Plant and Equipment		
PROPERTY		
Leasehold Improvements at:		
At cost	225,479	225,479
Less accumulated depreciation	(225,479)	(225,444)
Total Property	<u>-</u>	<u>35</u>
PLANT AND EQUIPMENT		
Furniture and Equipment:		
At cost	26,460	25,572
Accumulated depreciation	(23,622)	(21,207)
	<u>2,838</u>	<u>4,365</u>
Motor Vehicle:		
At cost	28,789	28,789
Accumulated depreciation	(13,498)	(9,181)
	<u>15,291</u>	<u>19,608</u>
Total Plant and Equipment	<u>18,129</u>	<u>23,973</u>
Total Property, Plant and Equipment	<u>18,129</u>	<u>24,008</u>

WYONG TOWN FINANCIAL SERVICES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$

Movements in Carrying Amounts

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

	Leasehold Improvements at cost	Furniture & Equipment	Motor Vehicle	Total
	\$	\$	\$	\$
Balance at 1 July 2011	557	5,609	23,927	30,093
Additions	-	1,800	-	1,800
Depreciation expense	(522)	(3,044)	(4,319)	(7,885)
Balance at 30 June 2012	35	4,365	19,608	24,008
Additions	-	888	-	888
Depreciation expense	(35)	(2,415)	(4,317)	(6,767)
Carrying amount at 30 June 2013	-	2,838	15,291	18,129

13 Intangible Assets

Franchise Fee Renewal	-	57,424
Less: Accumulated Amortisation	-	(48,895)
Net carrying value	-	8,529
Training Fee	7,334	8,800
Less: Accumulated Amortisation	(7,334)	(8,800)
Net carrying value	-	-
Total	-	8,529

14 Tax

Assets

Deferred Tax Asset	100,958	77,932
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WYONG TOWN FINANCIAL SERVICES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
15 Trade and Other Payables		
Current		
Trade Creditors	51,116	2,358
Other Creditors	2,829	869
Provision for Staff Share Scheme	-	2,000
Input Tax Credits	(7,695)	(7,910)
GST Payable	16,001	20,875
PAYG Amounts Withheld	3,364	4,098
	<u>65,615</u>	<u>22,290</u>
16 Borrowings		
Current		
Hire Purchase Liability	<u>5,795</u>	<u>5,795</u>
Non-Current		
Hire Purchase Liability	<u>9,457</u>	<u>15,252</u>
Total borrowings	<u>15,252</u>	<u>21,047</u>
17 Provisions		
Provision for Holiday Pay	14,804	19,554
Provision for Long Service Leave	15,723	17,613
Provision for Community Project	6,790	9,541
Total provisions	<u>37,317</u>	<u>46,708</u>
Analysis of Total Provisions		
Current	21,594	29,095
Non-current	15,723	17,613
	<u>37,317</u>	<u>46,708</u>
18 Issued Capital		
10 Fully Paid Ordinary Shares of \$1	10	10
650,000 Fully Paid Ordinary Shares of \$1	650,000	650,000
	<u>650,010</u>	<u>650,010</u>

WYONG TOWN FINANCIAL SERVICES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
19 Accumulated Losses		
Accumulated losses at the beginning of the financial year	(492,583)	(672,894)
Net profit attributable to members of the company	156,635	180,311
Dividends provided for or paid	(65,001)	-
Accumulated losses at the end of the financial year	<u>(400,949)</u>	<u>(492,583)</u>
20 Contingent Liabilities		
Estimates of the potential financial effect of contingent liabilities that may become payable:		
Contingent Liabilities		
Legal Claim		
Subsequent to the end of financial year a claim has been made against the company in regards to an employment matter, no value or assessment can be made about the validity of this claim at this stage.	<u>-</u>	<u>-</u>

WYONG TOWN FINANCIAL SERVICES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
21 Cash Flow Information		
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit after income tax	156,635	180,311
Non-cash flows in loss		
Amortisation	12,272	11,505
Depreciation	6,767	7,885
Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries		
(Increase) Decrease in current inventories	(342)	56
(Increase) Decrease in other assets	-	250
(Increase) Decrease in current receivables	6,579	(969)
(Increase) Decrease in prepayments	39	(110)
Increase (Decrease) in trade creditors	(1,590)	2,283
Increase (Decrease) in current provisions	2,049	2,226
Increase (Decrease) in non-current provisions	-	4,039
Increase (Decrease) in deferred tax	-	(77,932)
	<u>182,409</u>	<u>129,544</u>

WYONG TOWN FINANCIAL SERVICES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$

22 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 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's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements are as follows:

	6 Months 2013 \$	12 Months 2012 \$
Financial Assets		
Cash and cash equivalents	133,569	70,981
Trade receivables	53,083	59,662
Total Financial Assets	<u>186,652</u>	<u>130,643</u>
Financial Liabilities		
Trade payables	(20,700)	(22,290)
Interest bearing liabilities	(15,252)	(21,047)
Total Financial Liabilities	<u>(35,952)</u>	<u>(43,337)</u>

Financial Risk Management Policies

The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These included the credit risk policies and future cash flow requirements.

The company does not have any derivative instruments at 30 June, 2013.

Specific Financial Risk Exposures and Management

Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss.

WYONG TOWN FINANCIAL SERVICES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment.

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 in Note 9.

Market Risk

Interest rate risk

The exposure to interest rate risk on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

All interest bearing liabilities are held at fixed rates.

	2013	2012
	\$	\$
Floating Rate Instruments		
Cash and cash equivalents	133,469	70,881
Total floating rate financial assets	<u>133,469</u>	<u>70,881</u>

Liquidity Risk

Liquidity risk arises from the risk that the company may encounter difficulty in settling its debt or otherwise meeting its obligations related to financial liabilities. The company manages this risk through prudent liquidity risk management policies which imply maintaining sufficient cash and available funding through an adequate amount of committed credit facilities.

Financing arrangements

The company has access to the following undrawn borrowing facilities at the reporting date:

	2013	2013
	\$	\$
Floating rate		
Expiring within one year		
- Bank overdraft	250,000	250,000
	<u>250,000</u>	<u>250,000</u>

WYONG TOWN FINANCIAL SERVICES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
Sensitivity Analysis		
Interest rates		
The company has performed a sensitivity analysis relating to its exposure to Interest rates risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.		
Interest rates Sensitivity Analysis:		
At 30 June 2013, the effect on profit and equity as a result of changes in the Interest rates, with all other variables remaining constant would be as follows:		
	2013 \$	2012 \$
Change in profit		
Increase in Interest rates by 1%	1,335	709
Decrease in Interest rates by 1%	(1,335)	(709)

23 Company Details

Wyong Town Financial Services Limited

The registered office and principal place of business is:

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 2 to 32, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - (b) give a true and fair view of the financial position as at 30 June, 2013 and of the performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director: 
Mr Ray Davidson

Director: 
Mr David Brine

Dated this 24th day of September 2013

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WYONG TOWN FINANCIAL SERVICES LIMITED
ABN 59 100 313 120**

Report on the Financial Report

We have audited the accompanying financial report of Wyong Town Financial Services Limited, which comprises the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 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: designing, implementing and maintaining internal control 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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company'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.

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. We confirm that the independence declaration required by the Corporations Act 2001, provided to the Directors Wyong Town Financial Services Limited would be in the same terms if provided to the Directors as at the date of this auditor's report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WYONG TOWN FINANCIAL SERVICES LIMITED
ABN 59 100 313 120**

Auditor's Opinion

In our opinion:

- (a) 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 2013 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

FORTUNITY ASSURANCE



TR Davidson
Partner

Dated: 24 September, 2013

WYONG TOWN FINANCIAL SERVICES LIMITED
ABN: 59 100 313 120

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
INCOME		
Margin & Fee Income	757,688	768,073
Market Development Fund	50,000	50,000
	<u>807,688</u>	<u>818,073</u>
OTHER INCOME		
Dividends Received	13	-
Interest Received	1,077	67
Insurance Recoveries	658	-
Sponsorship	2,545	-
Sundry Income	30	-
	<u>4,323</u>	<u>67</u>
	<u>812,011</u>	<u>818,140</u>

The accompanying notes form part of these financial statements.

WYONG TOWN FINANCIAL SERVICES LIMITED
ABN: 59 100 313 120

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
EXPENSES		
Accountancy Fees	9,962	6,845
AGM Expenses	367	139
Annual Reports	1,050	960
ATM Fees & Maintenance	61,578	75,387
Auditor's Remuneration	4,200	3,750
Bad Debts	1,345	375
Bank Charges	387	910
Cash Delivery Expenses	9,106	8,824
Cleaning	7,172	7,176
Commission Paid	1,533	43
Courier Expenses	18,098	17,105
Conference Expenses	4,844	5,285
Credit Reference Fees	2,038	1,703
Depreciation	6,767	7,885
Donations	1,625	-
Electricity	6,619	4,602
Entertainment Expenses	825	1,459
Fringe Benefits Tax	2,696	3,237
Filing Fees	1,378	1,069
Franchise Fees	11,402	11,505
Hire of Plant & Equipment	892	808
Holiday Pay	50	4,800
Insurance	20,357	19,344
Interest Paid	1,443	2,814
IT Expenses	31,464	41,674
Legal Costs	1,400	91
Long Service Leave	(6,690)	4,039
Marketing	15,006	16,603
Membership Fees	682	690
Motor Vehicle Expenses	6,515	5,112
Payroll Service Fee	1,395	995
Postage	2,415	2,067
Printing & Stationery	9,516	10,512
Procedural Write-off	222	668
Rent	39,085	38,521
Repairs & Maintenance	2,891	1,325
Salaries & Wages	293,905	294,929
Security Costs	4,543	4,520
Sponsorship	36,840	44,114

The accompanying notes form part of these financial statements.

WYONG TOWN FINANCIAL SERVICES LIMITED
ABN: 59 100 313 120

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
Staff Training & Welfare	16,140	11,414
Staff Share Scheme	540	3,500
Subcontractors	1,176	-
Superannuation Contributions	36,380	42,081
Telephone	6,608	5,866
Travelling Expenses	1,663	-
Uniforms	972	1,015
	<u>678,402</u>	<u>715,761</u>
Profit before income tax	<u><u>133,609</u></u>	<u><u>102,379</u></u>

The accompanying notes form part of these financial statements.