

WYONG TOWN FINANCIAL SERVICES LIMITED
ABN: 59 100 313 120

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2014

Chairman's Report

I am pleased to present my report to you on the progress of the Wyong Community Bank Branch during the 2013/2014 financial year.

The 2013/2014 year has been an interesting year full of challenges for the branch with a number of strategies implemented by the board to ensure the business continues to grow during this volatile economic period. However despite these challenges we have followed up last years profit with a profit of \$68,877 and we have also paid our third straight dividend.

Over the past 18 months the board has been monitoring all aspects of the business to determine a strategy and structure that will make us profitable well in to the future. We have come to the conclusion that the changing nature of the business, the changing client/bank interaction dynamics and reduced foot-traffic (traditional bank business) were the primary drivers for the need to restructure the branch structure and personnel.

Kim Rowley has been promoted to Branch Manager and is doing a great job. We welcome to the team Goran Simic. Goran has been appointed to the newly created role of Business Development Officer. Goran brings a wealth of experience with him in the business banking sector and we look forward to strong growth for this part of the business over the coming year.

This year we have again felt the effects of the restoring the balance, we had a smaller than expected growth, but still managed a healthy profit. This has been due to the hard work by Kim and the staff in implementing the strategies and structures of the board.

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 \$120 million to support and strengthen local communities.

Our **Community Bank**[®] company has played a key role in this milestone, returning more than \$217,000 to our local community. These community grants and sponsorships have made a significant difference to a number of local projects & organisations including the Pathway along Wyong River, Soldiers Beach Surf Club, The Iris Foundation, Wyong Neighbourhood Centre and the Mens Shed. 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, Jeff Downie from regional office 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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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, 2014.

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 (Resigned 7th November 2013)
Mr David Brine
Mr David Harris
Mr David Evans
Mrs Lisa McDermott

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 \$68,877 (2013 profit: \$156,635).

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.

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.

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DIRECTORS' REPORT

Dividends

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

- An unfranked dividend of \$32,501 was paid during the year (5c 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 23 year old daughter who is still studying at Newcastle University.

Experience:

Meetings:

Attended 11 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 27 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 all 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 Noraville and attended Toukley Primary and Gorokan High School. He has completed his Bachelor of Accounting and Diploma of Financial Services and is a Member of CPA Australia, thus allowing him to bring practical financial and business knowledge to the board.

Experience:

Meetings:

Attended all 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 20 years. He 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 7 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 works on the Central Coast 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 and negotiation. David is married and has 2 teenage daughters. Interests outside of work revolve around family, cars, bikes and boats.

Experience:

Meetings:

Attended 10 of the 12 meetings held.

Mrs Lisa McDermott

Qualifications:

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 9 of the 12 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 2014 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: 29 September 2014

WYONG TOWN FINANCIAL SERVICES LIMITED
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
Revenue	2	768,061	812,011
Accountancy expenses		(11,180)	(9,962)
ATM fees and maintenance		(48,748)	(61,578)
Advertising expenses		(4,206)	-
Auditor's remuneration	3	(2,000)	(4,200)
Bad and doubtful debt expenses		(516)	(1,345)
Delivery and courier expenses		(26,145)	(27,204)
Depreciation and amortisation expenses		(6,202)	(6,767)
Employee benefits expenses		(306,452)	(339,780)
Freight and cartage		(11,441)	(11,402)
Insurance		(17,655)	(20,357)
IT expenses		(28,919)	(31,464)
Marketing		(1,641)	(15,006)
Rent expense		(39,271)	(39,085)
Sponsorship		(68,522)	(36,840)
Other expenses		(96,207)	(73,412)
Profit before income tax	4	98,956	133,609
Income tax expense / (benefit)	5	30,079	(23,026)
Profit after income tax		68,877	156,635
Other comprehensive income		-	-
Total comprehensive income		68,877	156,635
Total comprehensive income attributable to members of the entity		68,877	156,635
Earnings Per Share			
Basic earnings per share	7	0.1060	0.2410
Diluted earnings per share	7	0.1060	0.2410

WYONG TOWN FINANCIAL SERVICES LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	191,678	133,569
Trade and other receivables	9	55,758	53,113
Inventories	10	909	1,182
Other current assets	11	48,773	60,294
TOTAL CURRENT ASSETS		<u>297,118</u>	<u>248,158</u>
NON-CURRENT ASSETS			
Property, plant and equipment	12	15,643	18,129
Tax assets	13	70,879	100,958
TOTAL NON-CURRENT ASSETS		<u>86,522</u>	<u>119,087</u>
TOTAL ASSETS		<u>383,640</u>	<u>367,245</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	58,633	65,615
Financial liabilities	15	-	5,795
Provisions	16	18,146	21,594
Other current liabilities	17	901	-
TOTAL CURRENT LIABILITIES		<u>77,680</u>	<u>93,004</u>
NON-CURRENT LIABILITIES			
Financial liabilities	15	-	9,457
Provisions	16	20,523	15,723
TOTAL NON-CURRENT LIABILITIES		<u>20,523</u>	<u>25,180</u>
TOTAL LIABILITIES		<u>98,203</u>	<u>118,184</u>
NET ASSETS		<u>285,437</u>	<u>249,061</u>
EQUITY			
Issued capital	18	650,010	650,010
Accumulated losses	19	(364,573)	(400,949)
TOTAL EQUITY		<u>285,437</u>	<u>249,061</u>

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	(Accumulated losses)	Total
	\$	\$
Balance at 1 July 2012	(557,584)	(557,584)
Profit attributable to equity shareholders	156,635	156,635
Balance at 30 June 2013	(400,949)	(400,949)
Profit attributable to equity shareholders	68,877	68,877
Dividends paid or provided for	6 (32,501)	(32,501)
Balance at 30 June 2014	<u>(364,573)</u>	<u>(364,573)</u>
 Issued Capital	 18	 <u>650,010</u>

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

		2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		762,615	898,741
Payments to suppliers and employees		(654,865)	(749,144)
Dividends received		13	13
Interest received		2,788	1,077
Interest paid		(973)	(1,443)
Net cash provided by operating activities	20	<u>109,578</u>	<u>149,244</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(3,716)	(888)
Payments for intangibles		-	(14,972)
Net cash used in investing activities		<u>(3,716)</u>	<u>(15,860)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(15,252)	(5,795)
Dividends paid		(32,501)	(65,031)
Net cash used in financing activities		<u>(47,753)</u>	<u>(70,826)</u>
Net increase in cash held		58,109	62,558
Cash at beginning of financial year		133,569	70,981
Cash at end of financial year	8	<u><u>191,678</u></u>	<u><u>133,539</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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 is presented in the entities functional currency being the Australian Dollar.

Accounting Policies

Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income relates to current income tax expense plus deferred tax expense (being the movement in deferred tax assets and liabilities and unused tax losses during the year).

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

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

Deferred tax is not provided for the following:

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

WYONG TOWN FINANCIAL SERVICES LIMITED
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FOR THE YEAR ENDED 30 JUNE 2014

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

Deferred tax consequences relating to a non-monetary asset carried at fair value are determined using the assumption that the carrying amount of the asset will be recovered through sale.

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

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

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

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

Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and are net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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.

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.

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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.

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.

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 Non-Financial Assets

At the end of each reporting period the company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the assets is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

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.

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.

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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 are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting year. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of other comprehensive income.

Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

Revenue and Other Income

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

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

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Dividend revenue

Dividends are recognised when the right to receive payment is established.

Rendering of services

Revenue in relation to rendering of services is recognised depends on whether the outcome of the services can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are 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 goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

Cash flows in the statement of cash flows are included on a gross basis and the GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

The financial report was authorised for issue on 30 September 2014 by the board of directors.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
2 Revenue and Other Income		
Revenue		
Sales revenue:		
Rendering of services	753,724	807,688
Other revenue:		
Dividends received	13	13
Insurance recoveries	7,354	658
Interest received	2,788	1,077
Sponsorship	4,182	2,545
Other revenue	-	30
	<u>14,337</u>	<u>4,323</u>
Total revenue	<u>768,061</u>	<u>812,011</u>
Dividend revenue from:		
Other Corporations	13	13
Total dividend revenue	<u>13</u>	<u>13</u>
Interest revenue from:		
Financial Institutions	2,788	1,077
Total interest revenue on financial assets	<u>2,788</u>	<u>1,077</u>
Other revenue from:		
Sundry Income	-	30
Total other revenue	<u>-</u>	<u>30</u>
3 Auditor's Remuneration		
Auditor's Remuneration	<u>2,000</u>	<u>4,200</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	3,112	6,767
Amortisation	5,718	11,402
Bad Debts	546	1,345

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	2014 \$	2013 \$
<hr/>		
5 Income Tax Expense		
The components of tax expense comprise:		
Income Tax Expense	30,079	(23,026)
	<hr/>	<hr/>
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% (2013: 30%):	29,687	40,083
Add:		
Tax effect of:		
Entertainment	199	146
Employee entitlement provisions	1,440	(1,992)
Other provisions	(1,034)	(1,598)
Fines and penalties	193	-
	<hr/>	<hr/>
	30,485	36,638
	<hr/>	<hr/>
Income tax expense attributable to company	30,485	36,638
	<hr/>	<hr/>
Tax losses recouped	30,485	36,638
	<hr/>	<hr/>
Prior year losses brought to account	30,485	(36,638)
Timing differences	(406)	(2,816)
Reversal of uncertainty adjustment	-	62,480
	<hr/>	<hr/>
Income tax benefit	30,079	23,026
	<hr/>	<hr/>
6 Dividends		
Distributions paid:		
Dividends Paid	32,501	65,001
	<hr/>	<hr/>

WYONG TOWN FINANCIAL SERVICES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
7 Earnings Per Share		
Profit attributable to members of the entity	68,877	156,635
Earnings used to calculate basic EPS	68,877	156,635
Earnings used to calculate diluted EPS	68,877	156,635
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	28,268	2,714
Bendigo Trust Account	750	1,035
Bendigo - Cash Common Fund	154,312	127,542
Payroll Cheque Account	8,248	2,178
	<u>191,678</u>	<u>133,569</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	191,678	133,539
	<u>191,678</u>	<u>133,539</u>
9 Trade and Other Receivables		
Current		
Other Debtors	<u>55,758</u>	<u>53,113</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 2014

	2014 \$	2013 \$
10 Inventories		
Current		
At cost:		
Security tokens	909	1,182
11 Other Current Assets		
Current		
Ettalong Beach Bendigo Bank - Shares	500	500
Prepayments	48,273	59,794
	48,773	60,294
12 Property, Plant and Equipment		
PROPERTY		
Leasehold Improvements at:		
At cost	225,479	225,479
Less accumulated depreciation	(225,479)	(225,479)
Total Property	-	-
PLANT AND EQUIPMENT		
Furniture and Equipment:		
At cost	30,176	26,460
Accumulated depreciation	(25,506)	(23,622)
	4,670	2,838
Motor Vehicle:		
At cost	28,789	28,789
Accumulated depreciation	(17,816)	(13,498)
	10,973	15,291
Total Plant and Equipment	15,643	18,129
Total Property, Plant and Equipment	15,643	18,129

WYONG TOWN FINANCIAL SERVICES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

		2014	2013
		\$	\$
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
	\$	\$	\$
Balance at 1 July 2012	35	4,364	19,609
Additions	-	888	-
Depreciation expense	(35)	(2,415)	(4,317)
Balance at 30 June 2013	-	2,837	15,292
Additions	-	3,716	-
Depreciation expense	-	(1,884)	(4,318)
Carrying amount at 30 June 2014	-	4,669	10,974
			15,643

13 Tax

Assets

Deferred Tax Asset	70,879	100,958
--------------------	--------	---------

14 Trade and Other Payables

Current

Trade Creditors	42,570	51,116
Other Creditors	1,916	2,829
Input Tax Credits	(7,010)	(7,695)
GST Payable	18,809	16,001
PAYG Amounts Withheld	2,348	3,364
	58,633	65,615

WYONG TOWN FINANCIAL SERVICES LIMITED
ABN: 59 100 313 120

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
15 Borrowings		
Current		
Hire Purchase Liability	-	5,795
Non-Current		
Hire Purchase Liability	-	9,457
Total borrowings	-	15,252
16 Provisions		
Provision for Holiday Pay	14,804	14,804
Provision for Long Service Leave	20,523	15,723
Provision for Community Project	3,342	6,790
Total provisions	38,669	37,317
Analysis of Total Provisions		
Current	18,146	21,594
Non-current	20,523	15,723
	38,669	37,317
17 Other Liabilities		
Current		
Accrued Charges	901	-
18 Issued Capital		
10 Fully Paid Ordinary Shares of \$1	10	10
650,000 Fully Paid Ordinary Shares of \$1	650,000	650,000
	650,010	650,010
19 Accumulated Losses		
Accumulated losses at the beginning of the financial year	(400,949)	(492,583)
Net profit attributable to members of the company	68,877	156,635
Dividends provided for or paid	(32,501)	(65,001)
Accumulated losses at the end of the financial year	(364,573)	(400,949)

WYONG TOWN FINANCIAL SERVICES LIMITED
ABN: 59 100 313 120

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
<hr/>		
20 Cash Flow Information		
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit after income tax	68,877	156,635
Non-cash flows in loss		
Amortisation	5,718	12,272
Depreciation	6,202	6,767
Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries		
(Increase) Decrease in current inventories	273	(342)
(Increase) Decrease in current receivables	(2,645)	6,579
(Increase) Decrease in prepayments	5,803	(56,152)
Increase (Decrease) in creditors & accruals	(6,081)	(1,590)
Increase (Decrease) in current provisions	1,352	2,049
Increase (Decrease) in deferred tax	30,079	23,026
	<u>109,578</u>	<u>149,244</u>

WYONG TOWN FINANCIAL SERVICES LIMITED
ABN: 59 100 313 120

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
--	------------	------------

21 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 2014 \$	12 Months 2013 \$
Financial Assets		
Cash and cash equivalents	191,678	133,569
Trade receivables	55,758	53,113
Total Financial Assets	<u>247,436</u>	<u>186,682</u>
Financial Liabilities		
Trade payables	(42,570)	(51,116)
Interest bearing liabilities	-	(15,252)
Total Financial Liabilities	<u>(42,570)</u>	<u>(66,368)</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, 2014.

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
ABN: 59 100 313 120

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
--	------------	------------

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.

	2014 \$	2013 \$
Floating Rate Instruments		
Cash and cash equivalents	191,578	133,469
Total floating rate financial assets	<u>191,578</u>	<u>133,469</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:

	2014 \$	2014 \$
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
ABN: 59 100 313 120

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
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 2014, 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:		
	2014 \$	2013 \$
Change in profit		
Increase in Interest rates by 1%	1,992	1,335
Decrease in Interest rates by 1%	(1,992)	(1,335)

22 Company Details

Wyang Town Financial Services Limited

The registered office and principal place of business is:

88 Pacific Highway
WYONG NSW 2259

23 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.

WYONG TOWN FINANCIAL SERVICES LIMITED
ABN: 59 100 313 120

DIRECTOR'S DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 2 to 27, 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 2014 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 30th day of September 2014

**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 2014, 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.

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**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 2014 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: 29 September 2014

WYONG TOWN FINANCIAL SERVICES LIMITED
ABN: 59 100 313 120

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
INCOME		
Margin & Fee Income	703,724	757,688
Market Development Fund	50,000	50,000
	<u>753,724</u>	<u>807,688</u>
OTHER INCOME		
Dividends Received	13	13
Interest Received	2,788	1,077
Insurance Recoveries	7,354	658
Sponsorship	4,182	2,545
Sundry Income	-	30
	<u>14,337</u>	<u>4,323</u>
	<u>768,061</u>	<u>812,011</u>

WYONG TOWN FINANCIAL SERVICES LIMITED
ABN: 59 100 313 120

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
EXPENSES		
Accountancy Fees	11,180	9,962
Advertising	4,206	-
AGM Expenses	-	367
Annual Reports	4,500	1,050
ATM Fees & Maintenance	48,748	61,578
Auditor's Remuneration	2,000	4,200
Bad Debts	516	1,345
Bank Charges	238	387
Cash Delivery Expenses	8,355	9,106
Cleaning	7,175	7,172
Commission Paid	239	1,533
Courier Expenses	17,790	18,098
Conference Expenses	35	4,844
Credit Reference Fees	999	2,038
Depreciation	6,202	6,767
Donations	10,588	1,625
Electricity	7,073	6,619
Entertainment Expenses	663	825
Fringe Benefits Tax	5,885	2,696
Filing Fees	1,113	1,378
Fines & Penalties	644	-
Franchise Fees	11,441	11,402
Hire of Plant & Equipment	702	892
Holiday Pay	-	50
Insurance	17,655	20,357
Interest Paid	973	1,443
IT Expenses	28,919	31,464
Legal Costs	2,762	1,400
Long Service Leave	4,800	(6,690)
Marketing	1,641	15,006
Membership Fees	664	682
Motor Vehicle Expenses	5,830	6,515
Payroll Service Fee	1,510	1,395
Postage	1,283	2,415
Printing & Stationery	12,239	9,516
Procedural Write-off	3,499	222
Rent	39,271	39,085
Repairs & Maintenance	2,472	2,891
Salaries & Wages	266,212	293,905
Secretarial Services	5,445	-

WYONG TOWN FINANCIAL SERVICES LIMITED
ABN: 59 100 313 120

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
Security Costs	7,704	4,543
Share Registry Fees	4,296	-
Sponsorship	68,522	36,840
Staff Training & Welfare	10,944	16,135
Staff Share Scheme	520	540
Subcontractors	-	1,176
Sundry Expenses	234	-
Superannuation Contributions	24,496	36,380
Telephone	6,308	6,608
Travelling Expenses	385	1,663
Uniforms	229	977
	<u>669,105</u>	<u>678,402</u>
Profit before income tax	<u><u>98,956</u></u>	<u><u>133,609</u></u>