Wyong Town Financial Services Ltd

ABN 59 100 313 120

Annual Report - 30 June 2016

Wyong Town Financial Services Ltd
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30 June 2016

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2016.

Directors
The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mrs Elizabeth Ada North
Mr Ray Davidson
Mr David Brine
Mr David Harris
Mr David Evans
Mr Steven Brine
Mr Garry Whitaker

Principal activities
The principal activities in the course of the year were to operate the Wyong Community Bank. No significant change in the nature of these activities occurred during the year.

Review of operations

The profit of the company for the financial year after providing for income tax amounted to $78,329 (2015 profit: $40,859). During the financial year the company operated the Wyong Community Bank.

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

- An unfranked dividend of $19,500 was paid during the year (3c per share).

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

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

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.

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 willful breach to the Company. Insurance premiums were paid during or since the end of the year for the Directors of the Company.

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

Information on directors

Name:	Mrs Elizabeth Ada North
Qualifications:	Business Proprietor
Experience and expertise:	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 36 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 24 year old daughter. Liz attended 10 of the 11 meetings held.

Name:	Mr Ray Davidson
Qualifications:	Business Proprietor
Experience and expertise:	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 many 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 over 28 years. Ray is married with two adult children. Ray attended all 11 meetings held.

Name:	Mr David Brine
Qualifications:	Accountant
Experience and expertise:	David became a director in February 2011 and is a Director, 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. David attended all 11 meetings held.

Name:	Mr David Harris
Qualifications:	MACE Dip Management, Dip Teach Grad Cert Ed Studies
Experience and expertise:	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 a Member of the NSW Legislative Assembly for the seat of Wyong; He holds the positions of Shadow Minister for the Central Coast, Regional Development, Skills and Small Business. Previously he was 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 – 2011and was Parliamentary Secretary for Education and Training and Central Coast. David currently holds the positions of President of Central Coast Men of Football and President of Soldiers Beach SLSC. He is dedicated to working with charity including Wyong Lions, Iris Foundation (Youth Suicide) and the Pink Butterflies Cancer Charity. David is Patron of Toukley RSL Pipes and Drums, Wyong Hospital Auxiliary, Wyong Family History Association, Wyong Historical Society and Central Coast National Serviceman’s Association (Toukley). David attended 3 of the 11 meetings held.

Name:	Mr David Evans
Qualifications:	Sales & Marketing - Business Development
Experience and expertise:	David joined the board in October 2012. David has been working with a local business on the Central Coast since 2007 and has had over 30 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 has 2 teenage daughters. Interests outside of work revolve around family, cars, bikes and boats. David attended 9 of the 11 meetings held.

Name:	Mr Steven Brine
Qualifications:	BSc, Dip. Teaching
Experience and expertise:	Steven became a Director in April 2015 and is a retired school teacher. Steven and his wife Jenny moved to the coast from Sydney in 1984 and have lived in Noraville ever since, raising their three children and now enjoying their retirement. Steven taught at Hornsby Girl's High School when he first arrived on the coast and commuted to Hornsby until he was transferred to Northlakes High School. He spent the last 21 years as Head Teacher Administration at Belmont High School. Apart from teaching duties at Belmont High School Steven was also responsible for the school timetable, administrative and educational computers, the school servers and network and staff and student computer support and training. As a member of the school executive Steven was involved in the day to day organisation of the school, financial budgets and staff supervision. Steven brings to the board technology skills, people management skills and team experience gained over his forty years of teaching. Steven attended 10 of the 11 meetings held.

Name:	Mr Gary Whitaker
Qualifications:	Business Proprietor
Experience and expertise:	Garry joined the Board in June 2015 and has over thirty years' experience in training, organisation development and change. He has extensive management experience in executive roles and twenty two years running his own consulting business. Garry's community service appointments include: - Currently Chairman of the Board - Wyong Race Club. - Life Member with fourteen years' as a Director, Vice President, and President of Berowra RSL Bowling & Community Club Ltd. - 2004 to 2008 Hornsby Shire Council - Deputy Mayor (2005/06), "A Ward" Councillor. - 2004 to 2011 MigrantLink Australia - Non-Executive Director. NSW State Emergency Service - 44 years volunteering including four years as Local Controller (Wyong). - NSW Rural Fire Service - 11 years volunteering, currently President of the Yarramalong Brigade. - Currently President Yarramalong School Community Centre Reserve Trust. Garry attended 8 of the 11 meetings held.

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.

Events subsequent to the end of the reporting year

No matters or circumstances have arisen since the end of the 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.

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.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Mr Ray Davidson
Director

Mr David Brine
Director

24 September 2016

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 2016 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: 30 September 2016

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 2016, 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 2016 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: 30 September 2016

Wyong Town Financial Services Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2016

	Note	2016 $	2015 $
Revenue	4	755,188	709,087
Expenses			
Accountancy expenses		(12,532)	(12,280)
ATM fees and maintenance		(9,478)	(32,979)
Advertising expense		(1,496)	(6,095)
Auditors remuneration		(3,200)	(3,200)
Bad and doubtful debts		(310)	(81)
Delivery and courier expenses		(21,778)	(25,150)
Depreciation and amortisation expense		(5,004)	(9,938)
Donations		-	(13,177)
Employee benefits expenses		(366,779)	(305,214)
Finance costs		(1,287)	(840)
Freight and cartage		(11,562)	(11,530)
Insurance		(12,880)	(14,462)
IT expenses		(25,171)	(29,682)
Loss on sale of non current assets		-	(2,247)
Marketing		(4,362)	(9,411)
Motor vehicle expenses		(8,094)	(9,630)
Printing and stationery		(11,710)	(8,137)
Rent expense		(46,957)	(45,569)
Share registry fees		(4,870)	(4,248)
Sponsorship		(35,742)	(39,682)
Other expenses		(58,509)	(66,877)
Profit before income tax expense		113,467	58,658
Income tax expense	7	(35,138)	(17,799)
Profit after income tax expense for the year attributable to the members of Wyong Town Financial Services Ltd	24	78,329	40,859
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of Wyong Town Financial Services Ltd		78,329	40,859
		Cents	**Cents**
Basic earnings per share	5	12.05	6.29
Diluted earnings per share	5	12.05	6.29

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Wyong Town Financial Services Ltd
Statement of financial position
As at 30 June 2016

	Note	2016 $	2015 $
Assets			
Current assets			
Cash and cash equivalents	8	216,244	257,507
Trade and other receivables	9	71,597	51,514
Inventories	10	3,945	1,982
Financial assets	11	101,795	-
Other current assets	12	26,536	41,038
Total current assets		420,117	352,041
Non-current assets			
Other-non current assets	13	-	3,909
Property, plant and equipment	14	18,933	23,936
Tax assets	15	17,956	53,080
Total non-current assets		36,889	80,925
Total assets		457,006	432,966
Liabilities			
Current liabilities			
Trade and other payables	16	26,482	44,532
Financial liabilities	17	13,862	8,595
Income tax	18	14	-
Employee benefits	19	38,189	23,885
Provisions	20	5,515	23,030
Total current liabilities		84,062	100,042
Non-current liabilities			
Financial Liabilities	21	-	13,806
Employee benefits	22	20,320	25,323
Total non-current liabilities		20,320	39,129
Total liabilities		104,382	139,171
Net assets		352,624	293,795
Equity			
Issued capital	23	650,010	650,010
Accumulated losses	24	(297,386)	(356,215)
Total equity		352,624	293,795

The above statement of financial position should be read in conjunction with the accompanying notes

Wyong Town Financial Services Ltd
Statement of changes in equity
For the year ended 30 June 2016

	Issued Capital $	Accumulated Losses $	Total equity $
Balance at 1 July 2014	650,010	(364,573)	285,437
Profit after income tax expense for the year	-	40,859	40,859
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	40,859	40,859
Transactions with members in their capacity as members:			
Dividends paid	-	(32,501)	(32,501)
Balance at 30 June 2015	650,010	(356,215)	293,795

	Issued Capital $	Accumulated Losses $	Total equity $
Balance at 1 July 2015	650,010	(356,215)	293,795
Profit after income tax expense for the year	-	78,329	78,329
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	78,329	78,329
Transactions with members in their capacity as members:			
Dividends paid	-	(19,500)	(19,500)
Balance at 30 June 2016	650,010	(297,386)	352,624

The above statement of changes in equity should be read in conjunction with the accompanying notes

Wyong Town Financial Services Ltd
Statement of cash flows
For the year ended 30 June 2016

	Note	2016 $	2015 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		801,013	709,598
Payments to suppliers and employees (inclusive of GST)		(723,822)	(609,503)
		77,191	100,095
Dividends received		6,225	15
Interest received		3,555	3,718
Interest and other finance costs paid		(1,287)	(840)
Net cash from operating activities	30	85,684	102,988
Cash flows from investing activities			
Payments for property, plant and equipment	14	-	(23,715)
Payments for intangibles		-	(4,400)
Loan to related party		(102,817)	(8,400)
Repayments of loan		3,909	1,819
Proceeds from disposal of property, plant and equipment		-	7,637
Net cash used in investing activities		(98,908)	(27,059)
Cash flows from financing activities			
Proceeds from borrowings		1,033	26,500
Dividends paid		(19,500)	(32,501)
Repayment of borrowings		(9,572)	(4,099)
Net cash used in financing activities		(28,039)	(10,100)
Net increase/(decrease) in cash and cash equivalents		(41,263)	65,829
Cash and cash equivalents at the beginning of the financial year		257,507	191,678
Cash and cash equivalents at the end of the financial year	8	216,244	257,507

The above statement of cash flows should be read in conjunction with the accompanying notes

1. General information

The financial statements cover Wyong Town Financial Services Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Wyong Town Financial Services Ltd's functional and presentation currency.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 September 2016. The directors have the power to amend and reissue the financial statements.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted
The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Rendering of services
Rendering of services revenue from computer maintenance fees is recognised by reference to the stage of completion of the contracts.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

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.

2. Significant accounting policies (continued)

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.

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.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

2. Significant accounting policies (continued)

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Inventories
Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are either: i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or ii) designated as such upon initial recognition, where they are managed on a fair value basis or to eliminate or significantly reduce an accounting mismatch. Except for effective hedging instruments, derivatives are also categorised as fair value through profit or loss. Fair value movements are recognised in profit or loss.

The amount of the impairment allowance for financial assets carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for similar financial assets.

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

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Office furniture and equipment	4 years
Leasehold improvements	5 years
Motor vehicle	5-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

2. Significant accounting policies (continued)

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Leases
The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Trade and other payables
These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

2. Significant accounting policies (continued)

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Earnings per share

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

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2016. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for impairment of inventories
The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Estimation of useful lives of assets
The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax
The company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax audit issues based on the company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Employee benefits provision
As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

4. Revenue

	2016 $	2015 $
Sales revenue		
Rendering of services	738,728	698,486
Sponsorship	6,680	6,336
Insurance recoveries	-	532
	745,408	705,354
Other revenue		
Interest received	3,555	3,718
Dividends recieved	6,225	15
	9,780	3,733
Revenue	755,188	709,087

5. Earnings per share

	2016 $	2015 $
Profit after income tax attributable to the members of Wyong Town Financial Services Ltd	78,329	40,859
	Cents	**Cents**
Basic earnings per share	12.05	6.29
Diluted earnings per share	12.05	6.29

6. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by , the auditor of the company:

	2016 $	2015 $
Audit services -		
Audit of the financial statements	3,200	3,200

7. Income tax expense

	2016 $	2015 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	113,467	58,658
Tax at the statutory tax rate of 28.5% (2015: 30%)	32,338	17,597
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	342	198
Employee entitlement provisions	2,651	4,164
Other provisions and accruals	(5,176)	6,448
Fines and penalties	12	3
Sundry items	(497)	-
	29,670	28,410
Adjustment to deferred tax balances as a result of change in statutory tax rate	2,654	-
Timing differences	3,145	(10,611)
Franking credits	(331)	-
Income tax expense	35,138	17,799

8. Current assets - cash and cash equivalents

	2016 $	2015 $
Cash on hand	100	100
Cash at bank	216,144	257,407
	216,244	257,507

9. Current assets - trade and other receivables

	2016 $	2015 $
Trade receivables	67,515	48,842
Loan- Related Party	4,082	3,060
Less: Unexpired Interest	-	(388)
	4,082	2,672
	71,597	51,514

10. Current assets - inventories

	2016 $	2015 $
Stock on hand - Security tokens	3,945	1,982

11. Current assets - financial assets

	2016 $	2015 $
Sandhurst trustees - managed fund investment	101,795	-

12. Current assets - Other current assets

	2016 $	2015 $
Prepayments	26,536	41,038

13. Non-current assets - Other-non current assets

	2016 $	2015 $
Trade receivables	-	4,001
Less: Provision for impairment of receivables	-	(92)
	-	3,909

14. Non-current assets - property, plant and equipment

	2016 $	2015 $
Fixtures and fittings - at cost	30,176	30,176
Less: Accumulated depreciation	(28,749)	(27,305)
	1,427	2,871
Motor vehicles - at cost	23,715	23,715
Less: Accumulated depreciation	(6,209)	(2,650)
	17,506	21,065
	18,933	23,936

14. Non-current assets - property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Furniture & equipment $	Motor vehicle $	Total $
Balance at 1 July 2014	4,670	10,973	15,643
Additions	-	23,715	23,715
Disposals	-	(9,884)	(9,884)
Depreciation expense	(1,799)	(3,739)	(5,538)
Balance at 30 June 2015	2,871	21,065	23,936
Depreciation expense	(1,444)	(3,559)	(5,003)
Balance at 30 June 2016	1,427	17,506	18,933

15. Non-current assets - Tax assets

	2016 $	**2015 $**
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses	-	30,868
Temporary differences	17,956	22,212
Deferred tax asset	17,956	53,080

16. Current liabilities - trade and other payables

	2016 $	**2015 $**
Trade Payables	2,775	26,199
Other Creditors	2,905	1,515
Accrued Charges	1,156	1,803
GST Payable	13,920	10,797
PAYG Amounts Withheld	5,726	4,218
	26,482	44,532

Refer to note 25 for further information on financial instruments.

17. Current liabilities - Financial liabilities

	2016 $	2015 $
Hire purchase	18,648	9,572
Less: unexpired interest charges	(4,786)	(977)
	13,862	8,595

Refer to note 21 for further information on assets pledged as security and financing arrangements.

Refer to note 25 for further information on financial instruments.

18. Current liabilities - income tax

	2016 $	2015 $
Provision for income tax	14	-

19. Current liabilities - employee benefits

	2016 $	2015 $
Annual leave	38,189	23,885

20. Current liabilities - Provisions

	2016 $	2015 $
Provisions for community Project	5,515	23,030

21. Non-current liabilities - Financial Liabilities

	2016 $	2015 $
Hire purchase	-	14,358
Lease liability	-	(552)
	-	13,806

Refer to note 25 for further information on financial instruments.

21. Non-current liabilities - Financial Liabilities (continued)

Total secured liabilities
The total secured liabilities (current and non-current) are as follows:

	2016 $	2015 $
Hire purchase	18,648	23,930
Lease liability	(4,786)	(1,529)
	13,862	22,401

Assets pledged as security
The lease liabilities are effectively secured as the rights to the leased assets, recognised in the statement of financial position, revert to the lessor in the event of default.

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	2016 $	2015 $
Total facilities		
Bank overdraft	250,000	250,000
Used at the reporting date		
Bank overdraft	-	-
Unused at the reporting date		
Bank overdraft	250,000	250,000

22. Non-current liabilities - Employee benefits

	2016 $	2015 $
Employee benefits	20,320	25,323

23. Equity - issued capital

	2016 Shares	2015 Shares	2016 $	2015 $
Fully paid ordinary shares	10	10	10	10
Fully paid ordinary shares	650,000	650,000	650,000	650,000
	650,010	650,010	650,010	650,010

24. Equity - accumulated losses

	2016 $	2015 $
Accumulated losses at the beginning of the financial year	(356,215)	(364,573)
Profit after income tax expense for the year	78,329	40,859
Dividends paid	(19,500)	(32,501)
Accumulated losses at the end of the financial year	(297,386)	(356,215)

25. Financial instruments

Financial risk management objectives

The company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk and ageing 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 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 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:

	2016 $	2015 $
Financial assets		
Cash and cash equivalents	216,244	257,507
Trade receivables	173,392	51,514
Total financial assets	389,636	309,021
Financial liabilities		
Trade payables	(26,482)	(26,197)
Interest bearing liabilities	(13,862)	(23,930)
Total financial liabilities	(40,344)	(50,127)

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.

	2016 $	2015 $
Floating rate instruments		
Cash and cash equivalents	216,244	257,407

Sensitivity analysis

25. Financial instruments (continued)

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.

At 30 June 2016, 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:

	Basis points increase			Basis points decrease		
2016	**Basis points change**	**Effect on profit before tax**	**Effect on equity**	**Basis points change**	**Effect on profit before tax**	**Effect on equity**
Cash and cash equivalents	1	2,162	2,162	1	(2,162)	(2,162)

	Basis points increase			Basis points decrease		
2015	**Basis points change**	**Effect on profit before tax**	**Effect on equity**	**Basis points change**	**Effect on profit before tax**	**Effect on equity**
Cash and cash equivalents	1	2,574	2,574	1	(2,574)	(2,574)

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.

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 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 summarised above.

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
Unused borrowing facilities at the reporting date:

	2016 $	2015 $
Bank overdraft	250,000	250,000

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

26. Contingent liabilities

The company had no contingent liabilities as at 30 June 2016 and 30 June 2015.

27. Commitments

	2016 $	2015 $
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	45,937	45,937
One to five years	34,359	80,296
	80,296	126,233

The property lease is a non-cancellable lease with a 3 year term to 31 March 2018 and an option exists to renew the lease for an additional term after the 3 year period. The board of directors will assess their options and requirements prior to the expiry date. Rent is payable monthly in advance. Contingent rental provisions within the lease agreement provide for a CPI increase in April each year, the amounts disclosed above do not include any potential future CPI increases.

28. Related party transactions

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
Loans to related parties are on normal commercial terms and conditions.

Loan - Kim Rowley - Branch Manager
Commercial based loan agreement provided for the personal acquisition of her company motor vehicle.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

29. Events after the reporting period

No matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

30. Reconciliation of profit after income tax to net cash from operating activities

	2016 $	2015 $
Profit after income tax expense for the year	78,329	40,859
Adjustments for:		
Depreciation and amortisation	5,003	9,938
Loss on sale of non-current assets	-	2,247
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(19,061)	4,244
Increase in inventories	(1,963)	(1,073)
Decrease in deferred tax assets	35,124	17,799
Decrease in prepayments	14,502	10,407
Decrease in creditors and accruals	(18,050)	(15,002)
Increase in provision for income tax	14	-
Increase/(decrease) in other provisions	(8,214)	33,569
Net cash from operating activities	85,684	102,988

31. 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.

32. 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 Ltd
Directors' declaration
30 June 2016

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, including compliance with the accounting standards and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Mr Ray Davidson
Director

Mr David Brine
Director

24 September 2016