WIN Securities Limited

ABN 47 007 346 223

Financial Report for the Period Ended 31 December 2012

WIN SECURITIES LIMITED

ABN 47 007 346 223

DIRECTORS' REPORT

Your directors have pleasure in presenting their report on the company for the period ended 31 December 2012.

The names of the directors in office at any time during or since the end of the period are;

Mr Norman M Thompson

Mr Neil A Stewart

Mr Michael A Noble

Mr Antonino G Ruvolo

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

The profit of the company for the period after providing for income tax amounted to $12,860.

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

The principal activities of the company during the period were mortgage lending, property and general investment.

No significant change in the nature of this activity occurred during the period.

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

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

Dividends paid or declared since the start of the period are as follows;

(a) There were no dividends paid during the period.

(b) There were no dividends declared on 31 December 2012 for payment for the period then ended.

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

During the period, the company paid a premium in respect of a contract insuring the directors of the company, the company secretary, and all executive officers of the company against a liability incurred as a director, secretary or executive officer to the extent deemed appropriate by the directors.

The company has not otherwise, during or since the end of the period, indemnified or agreed to indemnify an officer or auditor of the company against a liability incurred as such as officer or auditor.

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 period.

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 at the end of this financial report.

Signed in accordance with a resolution of the Board of Directors.

Director ....
Antonino Giovanni Ruvolo

Director ....
Michael Andrew Noble

Dated this 4th day of February 2013

WIN SECURITIES LIMITED

ABN 47 007 346 223

INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2012

	NOTE	2012 $	2011 $
Interest revenue	2	1,605,291	1,743,085
Interest expense	3	(1,324,679)	(1,309,105)
Net interest revenue		280,612	433,980
Non interest revenues	2	104,845	104,211
Other expenses		(367,085)	(319,757)
Profit before income tax		18,372	218,434
Income tax expense		(5,512)	(65,530)
Profit after income tax		12,860	152,904

WIN SECURITIES LIMITED

ABN 47 007 346 223

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	NOTE	2012 $	2011 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	12,399,861	13,956,964
Trade and other receivables	6	28,184,902	24,528,905
Current tax assets	12	1,076	-
Other current assets	7	6,397	8,348
TOTAL CURRENT ASSETS		40,592,236	38,494,217
NON CURRENT ASSETS			
Financial assets	8	56,992	15,988
Property, plant and equipment	9	2,404,285	1,545,157
TOTAL NON CURRENT ASSETS		2,461,277	1,561,145
TOTAL ASSETS		43,053,513	40,055,362
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	453,551	503,004
Interest-bearing liabilities	11	35,979,626	36,810,386
Current tax liabilities	12	2,657	43,572
Provisions	13	41,521	47,510
TOTAL CURRENT LIABILITIES		36,477,355	37,404,472
NON CURRENT LIABILITIES			
Interest-bearing liabilities	11	5,600,261	1,546,383
TOTAL NON CURRENT LIABILITIES		5,600,261	1,546,383
TOTAL LIABILITIES		42,077,616	38,950,855
NET ASSETS		975,897	1,104,507
EQUITY			
Issued capital	14	140,932	140,932
Reserves	15	187,212	225,145
Retained earnings	16	647,753	738,430
TOTAL EQUITY		975,897	1,104,507

WIN SECURITIES LIMITED

ABN 47 007 346 223

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED
31 DECEMBER 2012

	Share Capital				
	Ordinary	Redeemable Preference	Retained Earnings	Reserves	Total
Balance at 30 June 2010	140,932	-	783,238	449,145	1,373,315
Profit attributable to members of the company			313,583		313,583
Transfer to lending risk reserve			(227,295)	227,295	
Revaluation increments				(59,000)	(59,000)
Subtotal	140,932	-	869,526	617,440	1,627,898
Dividends paid or provided for			(160,000)		(160,000)
Transfer to provision for impairment				(392,295)	(392,295)
Balance at 30 June 2011	140,932	-	709,526	225,145	1,075,604
Profit attributable to members of the company			93,367		93,367
Revaluation increments				(37,933)	(37,933)
Subtotal	140,932	-	802,893	187,212	1,131,037
Dividends paid or provided for			(168,000)		(168,000)
Balance at 30 June 2012	140,932	-	634,893	187,212	963,037
Profit attributable to members of the company			12,860		12,860
Transfer to lending risk reserve					
Revaluation increments					
Subtotal	140,932	-	647,753	187,212	975,897
Dividends paid or provided for					
Transfer to provision for impairment					
Balance at 31 December 2012	140,932	-	647,753	187,212	975,897

WIN SECURITIES LIMITED
ABN 47 007 346 223

CASH FLOW STATEMENT
FOR THE PERIOD ENDED
31 DECEMBER 2012

	NOTE	2012 $	2011 $
CASH FLOW FROM OPERATING ACTIVITIES			
Interest received		1,573,052	1,699,432
Commission and management fees		22,813	17,713
Interest paid		(1,354,995)	(1,291,500)
Receipts from customers		82,032	86,498
Payments to suppliers and employees		(287,810)	(286,496)
Income tax paid		(45,028)	(73,084)
Net cash provided by operating activities	17(b)	(9,936)	152,563
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(218,290)	-
Net decrease/(increase) in loans and advances		(2,487,242)	2,182,906
Net increase in debentures		680,179	1,508,401
Net cash provided by/(used in) investing activities		(2,025,353)	3,691,307
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid		-	(124,000)
Net cash used in financing activities		-	(124,000)
Net increase/(decrease) in cash held		(2,035,289)	3,719,870
Cash at beginning of the period		14,435,150	10,237,094
Cash at end of the period	17(a)	12,399,861	13,956,964

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

WIN Securities Limited is a company limited by shares, incorporated and domiciled in Australia.

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.

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 and 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 accounting policies set out below have been consistently applied to all periods presented.

Accounting Policies

(a) Income Tax

The charge for current income tax expense is based on the profit for the period adjusted for the period for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

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

(b) Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at their value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction) based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their estimated useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired financial period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

Class of fixed asset	Depreciation Rate
Buildings and improvements	2.5%
Plant and equipment	5% - 40%

(c) 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 entity are classified as finance leases.

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

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

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(d) Investments

Investments are measured at market value. The carrying amount of investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for shares in listed companies or the underlying net assets for other non-listed corporations. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

(e) 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 as 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. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with similar terms to maturity that match the expected timing of the cash flows.

Contributions are made by the company to employee superannuation funds and are charged as expenses when incurred.

(f) Cash

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

(g) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Dividend revenue is recognised when the right to receive a dividend has been established. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

(h) Goods and Services Tax (GST)

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

(i) Comparative Figures

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

(j) **Loans and Advances**

Loans and advances are recognised at recoverable amount, after assessing required provisions for impairment, impairment of a loan is recognised when there is reasonable doubt that not all the principal and interest can be collected in accordance with the terms of the loan agreement. Impairment is assessed by specific identification in relation to individual loans.

Bad debts are written off when identified. If a provision for impairment has been recognised in relation to a loan, write-offs for bad debts are made against the provision. If no provision for impairment has previously been recognised, write-offs for bad debts are recognised as expenses in the profit and loss account.

Loans are included in current assets, except for those that are not expected to mature within 12 months after the end of the reporting period. All other loans are classified as non current assets.

(k) **Investment Securities**

Investment securities are intended to be held to maturity, and are recorded at the lower of cost and recoverable amount.

(l) **Provisions**

Provisions are recognised when the entity 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.

(m) **Going Concern**

The financial report has been prepared on a going concern basis that considers the continuity of normal operating activities and the realisation of assets and settlement of liabilities in the normal course of business.

The companies main activities are to accept deposits of monies via debentures from investors and the on lend the funds invested on the security of registered mortgages over real property in Australia.

At 31 December 2012 the net assets of the company were $975,897. Included in the net assets are liabilities with respect to debentures of $41,579,887. At balance date the companies total assets were $43,053,513. Included in assets are cash and cash equivalents of $12,399,861.

(n) **Financial Instruments**

Financial assets and financial liabilities are recognised when then entity becomes party to the contractual provisions of the instrument. For financial assets this is equivalent to the date that the company commits itself to either purchase or sell the asset.

At the end of each reporting period the company assesses whether there is clear objective evidence that a financial instrument has been impaired. Impairment losses are recognised in profit and loss in the period that the impairment arises.

	2012 $	2011 $
NOTE 2: INTEREST REVENUE AND INTEREST EXPENSE		
Interest Revenue		
Investment securities, cash and liquid assets	359,363	285,585
Loans and advances	1,245,928	1,457,500
	1,605,291	1,743,085
Non Interest Revenue		
Application fees	40,650	49,872
Commission and management fees	22,813	17,713
Rents received	41,382	36,626
	104,845	104,211
Total Revenue	1,710,136	1,847,296

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities before income tax expense has been determined after:

	2012 $	2011 $
Depreciation of non-current assets		
- Building additions	2,204	1,868
- Plant and equipment	4,273	3,769
Total depreciation	6,477	5,637
Remuneration of accountants and auditors	10,010	9,735
Interest Expense		
Debentures	1,324,679	1,309,105

NOTE 4: INCOME TAX EXPENSE

(a) The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

	2012 $	2011 $
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2011: 30%)	5,512	65,530
Income tax expense attributable to profit from ordinary activities	5,512	65,530

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2012

	2012 $	2011 $
NOTE 5: CASH AND CASH EQUIVALENTS		
CURRENT		
Cash at bank	310,984	1,093,469
Interest bearing deposits	12,088,877	12,863,495
	12,399,861	13,956,964
NOTE 6: TRADE AND OTHER RECEIVABLES		
CURRENT		
Accrued income		
Bond paid	112,134	81,541
Others Debtors	600	600
Loans (secured by mortgage)	28,606,463	24,839,059
Less Provision for loan impairment	(534,295)	(392,295)
	28,184,902	24,528,905
NOTE 7: OTHER ASSETS		
CURRENT		
Prepayments	5,887	6,724
GST paid	510	1,624
	6,397	8,348
NOTE 8: OTHER FINANCIAL ASSETS		
NON CURRENT		
Deferred tax asset	56,992	15,988

	2012 $	2011 $
NOTE 9: PROPERTY, PLANT AND EQUIPMENT		
Building and improvements at independent valuation	2,373,951	1,525,000
Less accumulated depreciation	(27,014)	(22,961)
	2,346,937	1,502,039
Plant an equipment at cost	231,576	209,312
Less accumulated depreciation	(174,228)	(166,194)
	57,348	43,118
Total property, plant and equipment	2,404,285	1,545,157

(a) **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 period

	Building Improvements	Plant and Equipment
Balance at the beginning of the period	2,190,190	40,214
Additions	158,951	21,407
Disposals	-	-
Revaluation increments/(decrements)	-	-
Depreciation expense	(2,204)	(4,273)
Carrying amount at the end of the period	2,346,937	57,348

	2012 $	2011 $
NOTE 10: TRADE AND OTHER PAYABLES		
CURRENT		
Trade creditors	33,345	25,074
Accrued interest	420,206	477,930
	453,551	503,004

	2012 $	2011 $
NOTE 11: INTEREST BEARING LIABILITIES		
CURRENT		
Loans - unsecured	35,979,626	36,810,386
NON CURRENT		
Loans - unsecured	5,600,261	1,546,383

	2012 $	2011 $
NOTE 12: TAX		
ASSETS		
CURRENT		
Income tax	1,076	-
LIABILITIES		
CURRENT		
Income tax	-	40,935
Goods and services tax	2,657	2,637
	2,657	43,572
NOTE 13: PROVISIONS		
CURRENT		
Long service leave	28,804	27,407
Holiday pay	12,717	20,103
	41,521	47,510
NOTE 14: ISSUED CAPITAL		
140,932 A Class fully paid ordinary shares	140,932	140,932
NOTE 15: RESERVES		
Share premium reserve	(47,221)	(47,221)
Asset revaluation reserve	234,433	272,366
	187,212	225,145
NOTE 16: RETAINED EARNINGS		
Retained earnings at the beginning of the period	634,893	709,526
Net profit attributable to members of the company	12,860	152,904
Dividends provided for or paid	-	(124,000)
Retained earnings at the end of the period	647,753	738,430

	2012 $	2011 $

NOTE 17: CASH FLOW INFORMATION

(a) Reconciliation of Cash

Cash at the end of the period as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows;

	2012 $	2011 $
Cash on hand	310,984	1,093,469
Interest bearing deposits	12,088,877	12,863,495
	12,399,861	13,956,964

(b) Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax

	2012 $	2011 $
Profit from ordinary activities after income tax	12,860	152,904
Non-cash flows in profit from ordinary activities:		
Depreciation	6,477	5,637
Changes in assets and liabilities		
(Increase)/decrease in accrued interest receivable	(32,239)	(43,653)
(Increase)/decrease in other assets	16,274	19,328
(Increase)/decrease in deferred tax assets	(6,568)	794
Increase/(decrease) in provision for employee entitlements	(3,728)	(2,813)
Increase/(decrease) in provision for loan impairment	25,000	-
Increase/(decrease) in payables	36,482	12,047
Increase/(decrease) in accrued interest payable	(30,316)	17,605
Increase/(decrease) in income tax payable	(32,950)	(8,348)
Increase/(decrease) in GST payable	(1,196)	(248)
(Increase)/decrease in GST refundable	(32)	(690)
Cash flows from operations	(9,936)	152,563

	2012 $	2011 $
NOTE 18: REMUNERATION AND RETIREMENT BENEFITS		
The names of the Directors who have held office, and the remuneration paid during the period were:		
Neil A Stewart		
Director's Fees	-	16,000
Retirement and Superannuation Benefits	17,440	1,440
Dividends	-	31,000
Norman M Thompson		
Director's Fees	16,094	16,440
Dividends	-	31,000
Michael A Noble		
Director's Fees	16,000	16,000
Retirement and Superannuation Benefits	1,440	1,440
Dividends	-	31,000
Antonino G Ruvolo		
Director's Fees	16,000	16,000
Salary	36,000	36,000
Leave Entitlements	34,591	42,013
Retirement and Superannuation Benefits	4,680	4,680
Dividends	-	31,000
NOTE 19: SCHEDULE OF DEBTS RECEIVABLE AND DEBTS PAYABLE		
Debts payable:-		
(a) Not later than 1 year	35,979,626	36,810,386
(b) Later than 1 year but not later than 5 years	5,600,261	1,546,383
(c) Later than 5 years	Nil	Nil
Debts receivable:-		
(a) Not later than 1 year	26,137,530	24,839,059
(b) Later than 1 year but not later than 5 years	Nil	Nil
(c) Later than 5 years	2,468,933	Nil

NOTE 20: FINANCIAL RISK MANAGEMENT

The companies financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans and debentures.

The totals for each category of financial instruments held by the company are as follows:

	Note	Carrying Amount 2012	2011
Financial assets		**$**	**$**
Cash and cash equivalents	5	12,399,861	13,956,964
Loans and other receivables	6	28,184,902	24,528,905
Total financial assets		40,584,763	38,485,869
Financial liabilities			
Trade and other payables	10	453,551	503,004
Interest bearing liabilities	11	41,579,887	38,356,769
Total financial liabilities		42,033,438	38,859,773

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 reviewed by the directors on a regular basis. These include credit risk policies and cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks that the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk in relation to interest rate risk.

(a) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Company has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Exposure to credit risk

The carrying amount of the Companies financial assets represents the maximum credit exposure. The Companies maximum exposure to credit risk at the reporting date was:

	Note	Carrying Amount 2012 $	2011 $
Cash and cash equivalents	5	12,399,861	13,956,964
Trade and other receivables	6	28,184,902	24,528,905
		40,584,763	38,485,869

Cash and cash equivalents are held with major Australian owned banks, which are regulated by the Australian Prudential Regulation Authority. Bankruptcy or insolvency by those banks may cause the Companies rights with respect to the cash held by those banks to be delayed or limited.

NOTE 20: FINANCIAL RISK MANAGEMENT (Continued)

Credit risk associated with trade and other receivables is considered small as the company holds first mortgage security to minimise the risk of a borrower failing to discharge its obligations or commitments to the company. The companies outstanding loans are regularly reviewed to ensure compliance with required payments and conditions.

The following table details the companies trade and other receivables exposed to credit risk with ageing analysis and impairment provided thereon. Amounts are considered past due when the debt has not been settled within the terms and conditions agreed between the company and the counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining the solvency of the counterparty to the transaction and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

	Gross Amount	Past Due and Impaired	Past Due but Not Impaired (Days Overdue) < 30	30 - 60	61 - 90	> 90	Within Initial Terms
2012							
Loans Secured by Mortgage	28,606,463	1,928,124	-	990,672	-	161,389	25,526,278
Provision for Impairment	(534,295)	(534,295)	-	-	-	-	-
Other receivables	112,734	-	-	-	-	-	112,734
Total	28,184,902	1,393,829	-	990,672	-	161,389	25,639,012

	Gross Amount	Past Due and Impaired	Past Due but Not Impaired (Days Overdue) < 30	30 - 60	61 - 90	> 90	Within Initial Terms
2011							
Loans Secured by Mortgage	24,839,059	2,526,498	-	103,608	158,818	788,408	21,261,727
Provision for Impairment	(392,295)	(392,295)	-	-	-	-	-
Other receivables	82,141	-	-	-	-	-	82,141
Total	24,528,905	2,134,203	-	103,680	158,818	788,408	21,343,868

Impairment losses

A provision for impairment is recognised when there is objective evidence that an individual loan is impaired. The company has assessed that there are two impaired loans as at the date of this report. Recovery action with respect to impaired loans is ongoing. The company does not expect losses with respect impaired loans to exceed the provision raised.

The company holds first mortgage collateral security over all mortgages.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Companies approach to managing liquidity is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Companies reputation.

The Company is exposed to the liquidity risk of meeting at call debenture holder withdrawals at any time.

NOTE 20: FINANCIAL RISK MANAGEMENT (Continued)

The following are the contractual maturities of financial liabilities of the company.

2012	Carrying Amount $	Within 1 Year $	1 to 5 Years $	Over 5 Years $
Financial liabilities				
Trade and other payables	453,551	453,551	-	-
Interest bearing liabilities	41,579,887	35,979,626	5,600,261	-
	42,033,438	36,433,177	5,600,261	-

2011	Amount $	Within 1 Year $	1 to 5 Years $	Over 5 Years $
Financial liabilities				
Trade and other payables	503,004	503,004	-	-
Interest bearing liabilities	38,356,769	36,810,386	1,546,383	-
	38,859,773	37,313,390	1,546,383	-

(c) Foreign exchange risk

There is no significant direct foreign exchange risk to the Company.

(d) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The company is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed using a mix of fixed rate and floating rate debt.

Sensitivity analysis

The following table illustrates sensitivities to the companies exposure to changes in interest rates. The company does not account for any fixed rate financial assets or liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis

A change of +/- 1% in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2011.

	Profit or loss		Equity	
	1% p.a. Increase	1% p.a. Decrease	1% p.a. Increase	1% p.a. Decrease
2012	$	$	$	$
Interest bearing financial assets	410,063	(410,063)	410,063	(410,063)
Interest bearing financial liabilities	(415,799)	415,799	(415,799)	415,799
Cash flow sensitivity (net)	(5,736)	5,736	(5,736)	5,736

	Profit or loss		Equity	
	1% p.a. Increase	1% p.a. Decrease	1% p.a. Increase	1% p.a. Decrease
2011	$	$	$	$
Interest bearing financial assets	387,960	(387,960)	387,960	(387,960)
Interest bearing financial liabilities	(383,568)	383,568	(383,568)	383,568
Cash flow sensitivity (net)	4,393	(4,393)	4,393	(4,393)

NOTE 21: SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the period and the date of this report any item, transaction or event of a material and unusual nature likely to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent periods.

NOTE 22: CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There are no capital commitments or contingent liabilities at balance date.

NOTE 23: SEGMENT REPORTING

Win Securities Limited operates predominantly in the debenture issuing (unlisted, unrated mortgage financing) finance industry within Australia. Customers and clients are predominantly based in regional areas of New South Wales and Victoria.

NOTE 24: COMPANY DETAILS

The registered office of the company is:
WIN Securities Limited
37 Reid Street
Wangaratta Vic 3677

DIRECTORS' DECLARATION

The directors of the company declare that:

1 the financial statements and notes, as set out on pages 1 to 20, present fairly the company's financial position as at 31 December 2012 and its performance for the period ended on that date in accordance with Accounting Standards and other mandatory professional reporting requirements; and

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..
Antonino Giovanni Ruvolo

Director..
Michael Andrew Noble

Dated this 4th day of February 2013