WIN Securities Limited

ABN 47 007 346 223

Financial Report for the Year Ended 30 June 2013

WIN SECURITIES LIMITED

ABN 47 007 346 223

DIRECTORS' REPORT

Your directors have pleasure in presenting their report on the company for the year ended 30 June 2013.

The names of the directors in office at any time during or since the end of the year 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 year to the date of this report unless otherwise stated.

The profit of the company for the year after providing for income tax amounted to $38,648.

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

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

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

Likely developments in the operations of the company and the expected results of those operations in future years 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 year are as follows;

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

(b) There were no dividends declared on 30 June 2013 for payment for the year then ended.

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.

During the year, 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 year, indemnified or agreed to indemnify an officer or auditor of the company against a liability incurred as such as officer or auditor.

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DIRECTORS' REPORT

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.

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 ....
Norman Maurice Thompson

Dated this 16th day of August 2013

WIN SECURITIES LIMITED

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INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	2013 $	2012 $
Interest revenue	2	3,100,629	3,263,906
Interest expense	3	(2,425,095)	(2,617,501)
Net interest revenue		675,534	646,405
Non interest revenues	2	225,501	235,748
Other expenses		(845,824)	(748,772)
Profit before income tax		55,211	133,381
Income tax expense		(16,563)	(40,014)
Profit after income tax		38,648	93,367

WIN SECURITIES LIMITED

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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	NOTE	2013 $	2012 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	13,763,473	14,435,150
Trade and other receivables	6	23,999,670	25,690,421
Current tax assets	12	7,059	-
Other current assets	7	24,873	22,639
TOTAL CURRENT ASSETS		37,795,075	40,148,210
NON CURRENT ASSETS			
Financial assets	8	56,600	50,424
Property, plant and equipment	9	2,396,420	2,230,404
TOTAL NON CURRENT ASSETS		2,453,020	2,280,828
TOTAL ASSETS		40,248,095	42,429,038
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	329,389	500,016
Interest-bearing liabilities	11	34,497,712	38,397,798
Current tax liabilities	12	30,992	21,028
Provisions	13	46,667	45,249
TOTAL CURRENT LIABILITIES		34,904,760	38,964,091
NON CURRENT LIABILITIES			
Interest-bearing liabilities	11	4,341,650	2,501,910
TOTAL NON CURRENT LIABILITIES		4,341,650	2,501,910
TOTAL LIABILITIES		39,246,410	41,466,001
NET ASSETS		1,001,685	963,037
EQUITY			
Issued capital	14	140,932	140,932
Reserves	15	187,212	187,212
Retained earnings	16	673,541	634,893
TOTAL EQUITY		1,001,685	963,037

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

	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			38,648		38,648
Transfer to lending risk reserve					
Revaluation increments					
Subtotal	140,932	-	673,541	187,212	1,001,685
Dividends paid or provided for					
Transfer to provision for impairment					
Balance at 30 June 2013	140,932	-	673,541	187,212	1,001,685

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CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	2013 $	2012 $
CASH FLOW FROM OPERATING ACTIVITIES			
Interest received		3,132,355	3,221,899
Commission and management fees		53,576	36,421
Interest paid		(2,553,706)	(2,627,304)
Receipts from customers		171,925	199,327
Payments to suppliers and employees		(662,856)	(621,748)
Income tax paid		(45,028)	(105,766)
Net cash provided by operating activities	17(b)	96,266	102,829
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(218,290)	(690,858)
Net decrease/(increase) in loans and advances		1,510,693	902,745
Net increase in debentures		(2,060,346)	4,051,340
Net cash provided by/(used in) investing activities		(767,943)	4,263,227
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid		-	(168,000)
Net cash used in financing activities		-	(168,000)
Net increase/(decrease) in cash held		(671,677)	4,198,056
Cash at beginning of the period		14,435,150	10,237,094
Cash at end of the period	17(a)	13,763,473	14,435,150

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 years presented.

Accounting Policies

(a) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for the year 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 year 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 year 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 year.

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

(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 year. 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 30 June 2013 the net assets of the company were $1,001,685. Included in the net assets are liabilities with respect to debentures of $38,839,362. At balance date the companies total assets were $40,248,095. Included in assets are cash and cash equivalents of $13,763,473.

(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 year 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 year that the impairment arises.

	2013 $	2012 $
NOTE 2: INTEREST REVENUE AND INTEREST EXPENSE		
Interest Revenue		
Investment securities, cash and liquid assets	584,263	625,840
Loans and advances	2,516,366	2,638,066
	3,100,629	3,263,906
Non Interest Revenue		
Application fees	71,884	117,462
Commission and management fees	53,576	36,421
Rents received	100,041	81,865
	225,501	235,748
Total Revenue	3,326,130	3,499,654
NOTE 3: PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities before income tax expense has been determined after:		
Depreciation of non-current assets		
- Building additions	6,466	3,717
- Plant and equipment	7,876	7,531
Total depreciation	14,342	11,248
Remuneration of accountants and auditors	19,800	18,755
Interest Expense		
Debentures	2,425,095	2,617,501
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:		
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2012: 30%)	16,563	40,014
Income tax expense attributable to profit from ordinary activities	16,563	40,014

WIN SECURITIES LIMITED

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

	2013 $	2012 $
NOTE 5: CASH AND CASH EQUIVALENTS		
CURRENT		
Cash at bank	260,376	1,353,771
Interest bearing deposits	13,503,097	13,081,379
	13,763,473	14,435,150
NOTE 6: TRADE AND OTHER RECEIVABLES		
CURRENT		
Accrued income	48,169	79,895
Bond paid	600	600
Loans (secured by mortgage)	24,168,901	26,119,221
Less provision for loan impairment	(218,000)	(509,295)
	23,999,670	25,690,421
NOTE 7: OTHER ASSETS		
CURRENT		
Prepayments	23,326	22,161
GST paid	1,547	478
	24,873	22,639
NOTE 8: OTHER FINANCIAL ASSETS		
NON CURRENT		
Deferred tax asset	56,600	50,424

	2013 $	2012 $
NOTE 9: PROPERTY, PLANT AND EQUIPMENT		
Building and improvements at independent valuation	2,373,951	2,215,000
Less accumulated depreciation	(31,276)	(24,810)
	2,342,675	2,190,190
Plant an equipment at cost	231,576	210,170
Less accumulated depreciation	(177,831)	(169,956)
	53,745	40,214
Total property, plant and equipment	2,396,420	2,230,404

(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 year

	Building Improvements	Plant and Equipment
Balance at the beginning of the year	2,190,190	40,214
Additions	158,951	21,407
Disposals	-	-
Revaluation increments/(decrements)	-	-
Depreciation expense	(6,466)	(7,876)
Carrying amount at the end of the year	2,342,675	53,745

	2013 $	2012 $
NOTE 10: TRADE AND OTHER PAYABLES		
CURRENT		
Trade creditors	5,485	49,494
Other creditors	1,993	-
Accrued interest	321,911	450,522
	329,389	500,016
NOTE 11: INTEREST BEARING LIABILITIES		
CURRENT		
Loans - unsecured	34,497,712	38,397,798
NON CURRENT		
Loans - unsecured	4,341,650	2,501,910

	2013 $	2012 $
NOTE 12: TAX		
ASSETS		
CURRENT		
Income tax	7,059	-
LIABILITIES		
CURRENT		
Income tax	-	17,175
Goods and services tax	30,992	3,853
	30,992	21,028
NOTE 13: PROVISIONS		
CURRENT		
Long service leave	30,006	28,207
Holiday pay	16,661	17,042
	46,667	45,249
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	234,433
	187,212	187,212
NOTE 16: RETAINED EARNINGS		
Retained earnings at the beginning of the year	634,893	709,526
Net profit attributable to members of the company	38,648	93,367
Dividends provided for or paid	-	(168,000)
Retained earnings at the end of the year	673,541	634,893

	2013 $	2012 $

NOTE 17: CASH FLOW INFORMATION

(a) Reconciliation of Cash

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

	2013 $	2012 $
Cash on hand	260,376	1,353,771
Interest bearing deposits	13,503,097	13,081,379
	13,763,473	14,435,150

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

	2013 $	2012 $
Profit from ordinary activities after income tax	38,648	93,367
Non-cash flows in profit from ordinary activities:		
Depreciation	14,342	11,248
Changes in assets and liabilities		
(Increase)/decrease in accrued interest receivable	31,726	(42,007)
(Increase)/decrease in other assets	(1,165)	3,891
(Increase)/decrease in deferred tax assets	(6,176)	(33,642)
Increase/(decrease) in provision for employee entitlements	1,418	(5,074)
Increase/(decrease) in provision for loan impairment	173,770	117,000
Increase/(decrease) in payables	(4,083)	(1,466)
Increase/(decrease) in accrued interest payable	(128,611)	(9,803)
Increase/(decrease) in income tax payable	(24,234)	(32,109)
Increase/(decrease) in GST payable	918	968
(Increase)/decrease in GST refundable	(287)	456
Cash flows from operations	96,266	102,829

	2013 $	2012 $
NOTE 18: REMUNERATION AND RETIREMENT BENEFITS		
The names of the Directors who have held office, and the remuneration paid during the year were:		
<u>Neil A Stewart</u>		
Director's Fees	10,500	-
Retirement and Superannuation Benefits	23,835	35,425
Dividends	-	42,000
<u>Norman M Thompson</u>		
Director's Fees	33,240	32,790
Dividends	-	42,000
<u>Michael A Noble</u>		
Director's Fees	32,000	32,500
Retirement and Superannuation Benefits	2,880	2,925
Dividends	-	42,000
<u>Antonino G Ruvolo</u>		
Director's Fees	32,000	32,500
Salary	72,000	74,769
Leave Entitlements	37,470	39,177
Retirement and Superannuation Benefits	9,360	9,654
Dividends		42,000

NOTE 19: SCHEDULE OF DEBTS RECEIVABLE AND DEBTS PAYABLE

	2013 $	2012 $
Debts payable:-		
(a) Not later than 1 year	34,497,712	38,397,799
(b) Later than 1 year but not later than 5 years	4,341,650	2,501,910
(c) Later than 5 years	Nil	Nil
Debts receivable:-		
(a) Not later than 1 year	22,256,611	26,119,421
(b) Later than 1 year but not later than 5 years	174,266	Nil
(c) Later than 5 years	1,738,023	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 2013	2012
Financial assets		$	$
Cash and cash equivalents	5	13,763,473	14,435,150
Loans and other receivables	6	23,999,670	25,690,421
Total financial assets		37,763,143	40,125,571
Financial liabilities			
Trade and other payables	10	329,389	500,016
Interest bearing liabilities	11	38,839,362	40,899,708
Total financial liabilities		39,168,751	41,399,724

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 2013	2012
		$	$
Cash and cash equivalents	5	13,763,473	14,435,150
Trade and other receivables	6	23,999,670	25,690,421
		37,763,143	40,125,571

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	< 30	Past Due but Not Impaired (Days Overdue) 30 - 60	61 - 90	> 90	Within Initial Terms
2013							
Loans Secured by Mortgage	24,168,901	217,123	-	2,315,282	718,916	2,171,327	18,746,253
Provision for Impairment	(218,000)	(218,000)	-	-	-	-	-
Other receivables	48,769	-	-	-	-	-	48,769
Total	23,999,670	-877	-	2,315,282	718,916	2,171,327	18,795,022

	Gross Amount	Past Due and Impaired	< 30	Past Due but Not Impaired (Days Overdue) 30 - 60	61 - 90	> 90	Within Initial Terms
2012							
Loans Secured by Mortgage	26,119,221	2,586,289	-	-	160,253	164,042	23,208,637
Provision for Impairment	(509,295)	(509,295)	-	-	-	-	-
Other receivables	80,495	-	-	-	-	-	80,495
Total	25,690,421	2,076,994	-	-	160,253	164,042	23,289,132

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 is one impaired loan as at the date of this report. Recovery action with respect to the impaired loan is ongoing. The company does not expect losses with respect to the impaired loan 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.

2013	Carrying Amount $	Within 1 Year $	1 to 5 Years $	Over 5 Years $
Financial liabilities				
Trade and other payables	329,389	329,389	-	-
Interest bearing liabilities	38,839,362	34,497,712	4,341,650	-
	39,168,751	34,827,101	4,341,650	-

2012	Amount $	Within 1 Year $	1 to 5 Years $	Over 5 Years $
Financial liabilities				
Trade and other payables	500,016	500,016	-	-
Interest bearing liabilities	40,899,709	38,397,799	2,501,910	-
	41,399,725	38,897,815	2,501,910	-

(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 2012.

	Profit or loss		Equity	
	1% p.a. Increase	1% p.a. Decrease	1% p.a. Increase	1% p.a. Decrease
2013	$	$	$	$
Interest bearing financial assets	379,324	(379,324)	379,324	(379,324)
Interest bearing financial liabilities	(388,394)	388,394	(388,394)	388,394
Cash flow sensitivity (net)	(9,070)	9,070	(9,070)	9,070

	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	405,544	(405,544)	405,544	(405,544)
Interest bearing financial liabilities	(408,997)	408,997	(408,997)	408,997
Cash flow sensitivity (net)	(3,453)	3,453	(3,453)	3,453

NOTE 21: SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the year 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 years.

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

WIN SECURITIES LIMITED

ABN 47 007 348 223

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 30 June 2013 and its performance for the year 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...

Norman Maurice Thompson

Dated this 16th day of August 2013