wide bay
AUSTRALIA LTD
banking your way

head office Wide Bay Australia House 16-20 Barolin Street or PO Box 1063 Bundaberg Qld 4670 Australia

ABN 40 087 652 060 AFSL No. 239686

telephone (07) 4153 7777 facsimile (07) 4153 7714 email widebay@widebayaust.com.au

www.widebayaust.com.au

wide bay australia ltd annual report and financial statements 2004 » 2005

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annual report and financial statements 2004 » 2005

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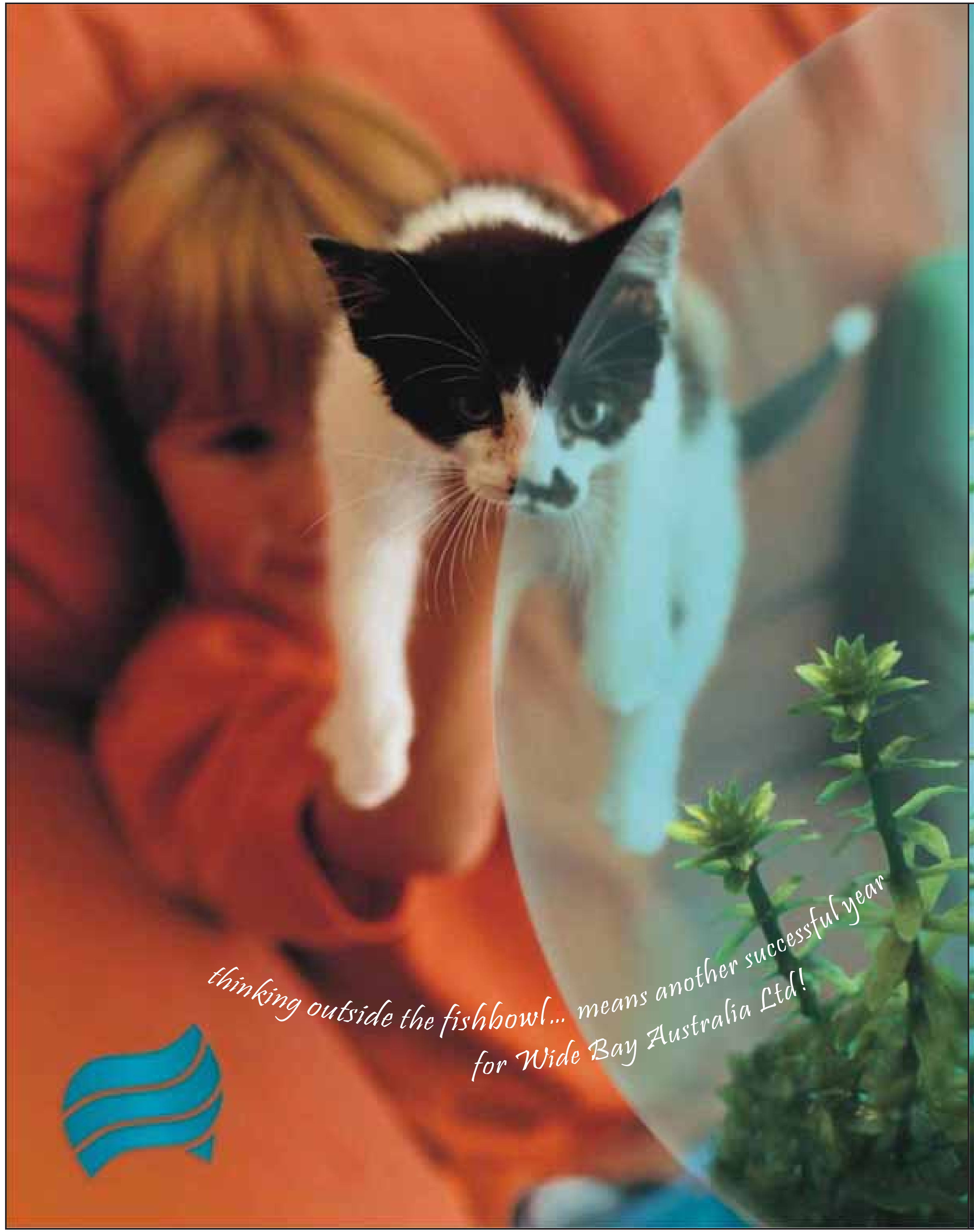


thinking outside the fishbowl... means another successful year for Wide Bay Australia Ltd!

net profit after tax of $12.41 million ($9.89 million in 2004) - an increase of 25.5%

revenue from ordinary activities $108.7 million ($92.2 million in 2004) - an increase of 17.91%

final fully franked dividend of 23 cents per ordinary share providing a total dividend of 42 cents for the year (34 cents in 2004)

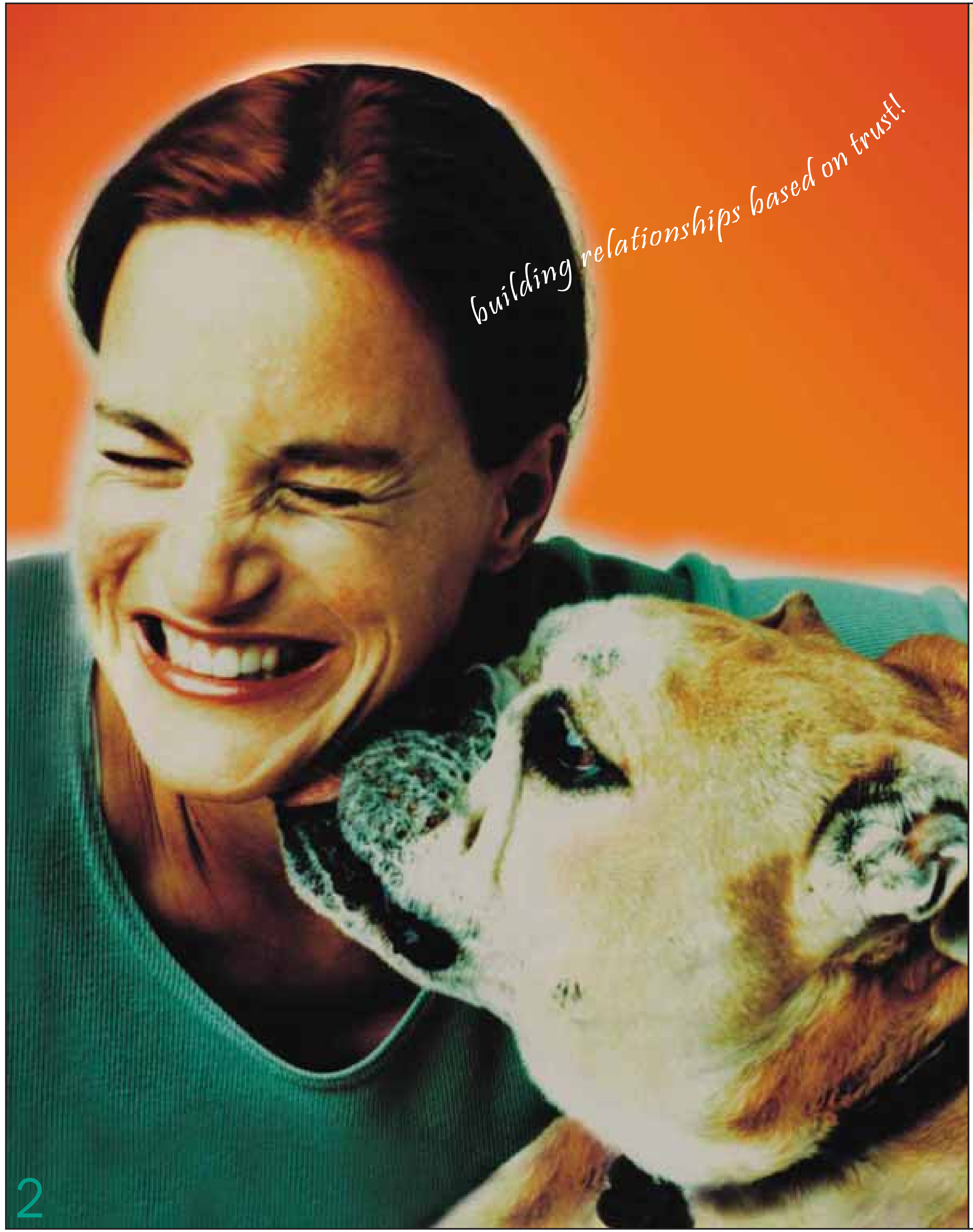
growth in assets and funds under management to $1.52 billion ($1.37 billion in 2004) - an increase of 11.37%

return on equity ratio of 15% (12.4% in 2004)

capital adequacy 14.05% (13.72% in 2004)

cost to income ratio of 57.8% (62.7% in 2004)

contents



Every day at Wide Bay Australia we work to fulfil the commitments we make to our local communities, our valued customers and shareholders, and the dedicated staff who deliver our promise of... *banking your way!*

We are committed to -

- increasing wealth for our customers and shareholders
- creating opportunities for our communities
- a progressive environment for our management and staff

By expanding and improving our services, we build on a track record of strength, growth and profitability. We deliver sound returns for our stakeholders and take seriously our commitment to you.

We play an active part in our communities, and our reputation is built around **a true community banking philosophy.**

As a caring corporate citizen we aim to support local activities, organisations and events wherever we can.

Our dedicated and professional staff are the core to Wide Bay Australia's success as one of Australia's leading financial institutions.

Just as our staff are committed to helping customers build their wealth, we are committed to sustaining and building a progressive, friendly and team-oriented environment, where our staff are supported and motivated to succeed for themselves and their Company.

our commitment to customers, communities and staff is underpinned by our values...

leadership

Strong leadership, expertise, innovation and progress are important to us and ensure we control our own destiny, build our reputation and add to our achievements.

relationships

Our success is built on the relationships we share within our organisation and with our customers, shareholders, community members and business partners. We value their loyalty and are committed to service excellence.

performance

We take seriously our commitment to our shareholders, customers and ourselves to deliver financial strength and consistent profitability.

growth

By growing our business, our products and services and our skills we will be leaders in the competitive banking and financial services industry.

ambition

Our Board and Management team share a drive to succeed as a publicly listed company, as a financial institution, as an employer and as an active member of the communities in which we operate.

flexibility

Being flexible allows us to respond quickly to change, to capitalise on opportunities and deliver financial solutions to meet our customers' changing needs.

The initiatives and developments that Board and Management have introduced and implemented over past years continues to provide the basis for further record profits. Our after tax profit for the year was $12,413,428, which represents an increase of 25.46% over the previous year.

Loan approvals for the year were down on the previous twelve months, however with the slowing in the churning of the loan book and the previous years' high payout level of existing loans, we have been able to achieve an overall growth in outstanding loans of 12%. Our loan book currently stands at $1,311,548,110.

This increase provides an ongoing basis for the expansion of our profit results. We forecast that the current year will show an increase of loan approvals, particularly with the opening of our Upper Mt Gravatt, in Brisbane, branch in August, and the anticipated opening of our Camberwell, in Melbourne, branch in October, which will increase the volume of lending from those areas. We are forecasting an increase in our loan book consistent with that of last year.

directors' report

We continue to insure all of our loans with the society's wholly owned captive, Mortgage Risk Management Pty Ltd. The captive has enjoyed a strong performance for the year and has contributed an after tax surplus of $2,609,916 to the society's consolidated results.

With the expansion of our Sydney and Melbourne operations during the year we have increased our use of brokers, albeit minor. We continue the policy of expensing all loan origination and establishment costs at the time of writing the loan rather than spreading these costs over the expected life of the loan as happens with some of our competitors.

Your Board has resolved to pay a final fully-franked dividend for the year of 23 cents per ordinary share, which will bring our total dividend to 42 cents per share fully-franked.

Our shares continue to trade steadily as evidenced by the graph included with this Report. There is however not a great volume of shares traded, with the majority of our shareholders electing to hold their portfolios. We have continued the Staff Share Plan and that also continues to be well supported and we believe a continuing factor underpinning the strength and commitment of our staff and management.

We have for many years provided lending finance for clients of Financial Technology Securities Pty Ltd, a well established and successful firm of financial planners. After substantial due diligence we completed the acquisition of a 25% interest in that company from the 4 August 2005. We will over the ensuing months be looking at broadening the services we offer in respect of financial planning and wealth generation. At the same time as our acquisition, Aviva also acquired a 25% interest in Financial Technology. Aviva owns Navigator, which is a large investment platform for financial planners throughout Australia. This acquisition will not only ensure that we continue to be one of the principal financiers, but also will provide a very satisfactory yield on our investment.

your board of directors

John Pressler
OAM FAICD FIFS
Chairman

Ron Hancock
FCA FAICD FIFS
Managing Director

Peter Sawyer
FCA FAICD FIFS
Director

John Fell
FCA FAICD FIFS
Director

Frances McLeod
AIFS
Executive Director

We continue to monitor our branch network and, in addition to the opening of the Upper Mt Gravatt and Camberwell branches referred to previously, have also only recently opened a new branch in the Allenstown Shopping Centre in Rockhampton.

The cost of compliance and regulation continues to be a major expense in our operations. The enactment last year of the Financial Services Reform legislation is a continuing large expense requiring constant training of our staff. The industry continues to lobby the Government in an endeavour to have some of the onerous requirements which are considered unreasonable reviewed and varied under that legislation.

The Australian Prudential Regulation Authority (APRA) continues to develop their standards and while we enjoy an excellent relationship with them, their continuing development of standards and compliance places demands on management. Compliance with CLERP 9, the adoption of the International Financial Accounting Reporting Standards, and the implementation of the recommendations of the Basel Committee will continue to require large contributions at significant cost.

I referred last year to the installation of a new software system, which would allow us to carry out a large portion of our mortgage documentation in-house and to streamline loan processing providing us with increased capacity for lending over future years at significant cost savings. This installation is almost complete. A large percentage of our mortgages are now in-house and we have completed training of our loans personnel in the application of the system. Significant cost savings are occurring.

We continue to offer a range of financial services including telephone and internet banking which are showing a high growth rate. Our relationship with Allianz Australia Insurance Limited, Travelex Ltd and Citibank Pty Limited not only enabled us to provide a wider range of services to our customers but also contributes to overall profit performance.

growing stronger every day and ...

The results and achievements of the past year have required significant contributions from our Senior Management team. We are fortunate to have such experienced and committed Senior Managers. To the Managing Director and Senior Managers we extend our appreciation for their continuing contributions. Indeed our total staff throughout our areas of operations are all enthusiastic, committed to our success and play a major role in that regard.

To my fellow Directors, I extend my personal thanks for their cooperation, enthusiasm and commitment throughout the year.

Our forecast for the coming year is very positive and we are confident of further strong results.

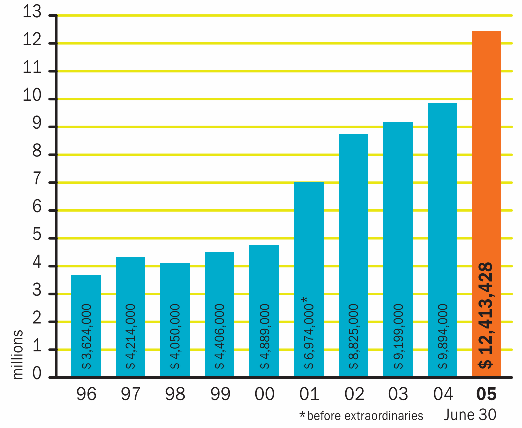
The Board also extends their appreciation and support, not only to our borrowers and investors, but shareholders generally for the confidence they have shown.

Yours faithfully

J F Pressler
Chairman

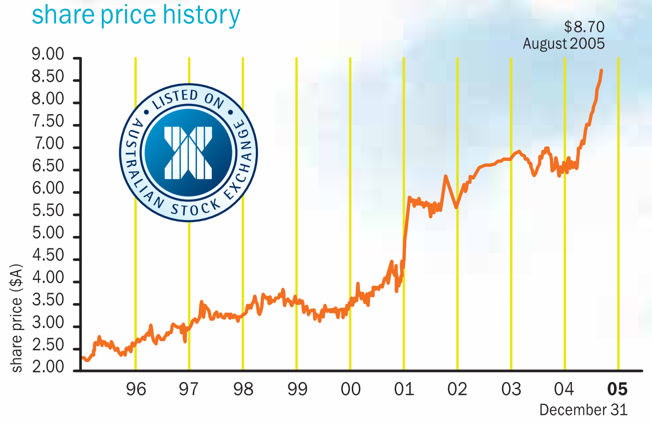
30 August 2005
Bundaberg

profitability

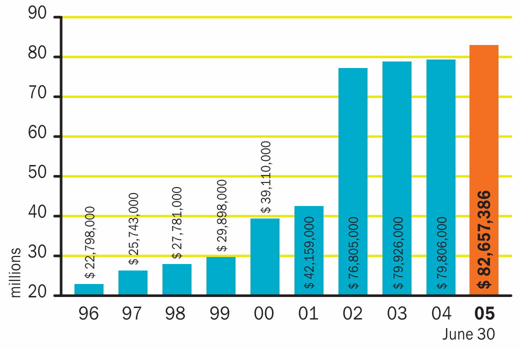


committed to keeping your investment safe!

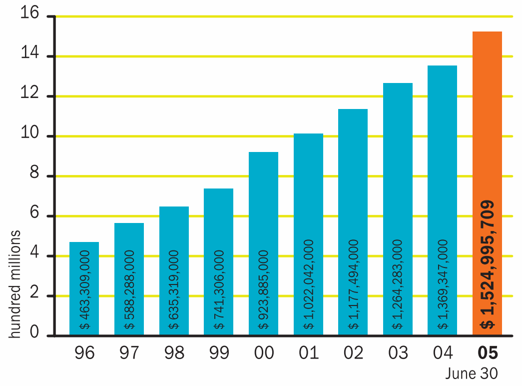
share price history



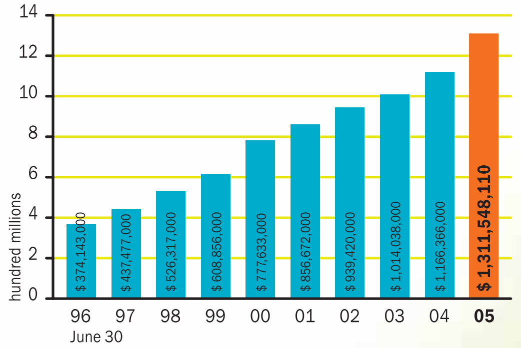
shareholder's equity share capital and accumulated reserves



total assets and loans under management



loans portfolio



managing director's report

The past year has seen a general slowing in the housing market and our approvals for the year were $449.6 million compared to $485.4 million for 2003/2004. While lending approvals were down, the actual loan book grew by 12% to $1.31 billion.

Our capital adequacy as at 30 June 2005 was 14.05%. The society currently uses an off-balance sheet securitisation program and a further issue is expected in October / November 2005 for approximately $300 million, which will see our capital adequacy increase.

The profit for the year is particularly pleasing showing a growth of 25.46% over the previous year, with projections supporting a further strong 2005/2006 year. Mortgage Risk Management Pty Ltd (MRM) our wholly owned lenders mortgage insurer has contributed to these results showing a surplus of $2.6 million after tax.

Our cost ratios are very strong with cost to income for the year at 57.8%, our best performance to date. This compares to 62.7% for 2003/2004. Return on Equity was 15% compared to 12.4% for 2003/2004.

We have all but completed the electronic loans processing system and formal training has been completed with all of our loans personnel. The bulk of our mortgage documentation is now being prepared in-house, with the new procedures not only affecting some considerable cost savings but also providing us with the capacity to handle any reasonable growth in the foreseeable future.

We have opened new branches in Allenstown in Rockhampton and Upper Mt Gravatt in Brisbane, with a further branch scheduled for Camberwell in Melbourne in October/November 2005. These branches will give us a greater geographical spread from a lending perspective and are planned to help increase our level of lending from those areas.

Our Management team is busy assessing and planning for the introduction of the Basel requirements in January 2008 and the International Financial Reporting Standards which officially commenced in July this year. We believe that both these changes will have only a minimal effect on our overall operation and presentations.

We continue to develop our range of products with internet banking now becoming a very large growth area and our recent acquisition of a 25% share of Financial Technology Securities Pty Ltd will see us develop further our involvement in financial planning.

head office - Wide Bay Australia House, Bundaberg

your management team

Ian Pokarier
AIFS
Operations Manager

Frances McLeod
JP(CDec) AIFS
Director/Executive Manager

Bill Schafer
BCom ACA
Chief Financial Officer
and Company Secretary

Stephen Butler
Loans Manager

Gayle Job
Training Manager

Dale Hancock
BBus AAIBF(Snr)
Securitisation and
Interstate Operations
Manager

Ray Linderberg
BBus(Comm) AIFS
Marketing Manager

Bob Ashton
CPFA(UK) CISA(US)
Internal Auditor

Ian Hatton
Branches and Business
Development Manager

Joanne Norris
Administration Manager

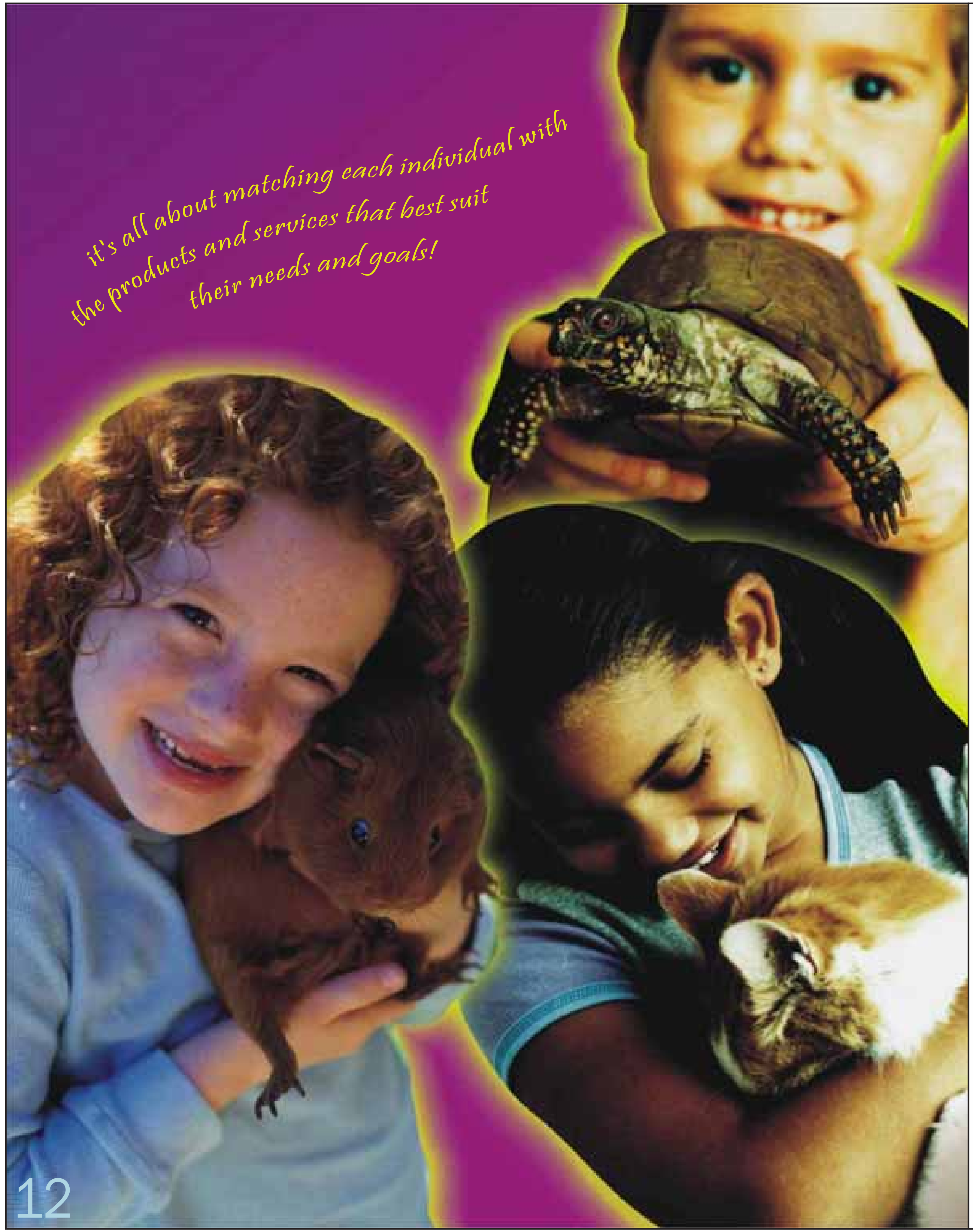
The Board has continued the Staff Share Plan, approved by shareholders some years ago and it is pleasing to see the strong support from all of our staff. It is also pleasing to note the interest and the involvement of the staff in relation to the performance of the society and the movement in our share price. It is a very big positive.

This year we have again seen a very stable workforce with no changes in our Senior Management team. We are very fortunate in having such a stable, qualified and experienced team and I extend my appreciation for their contribution where we work as a coordinated unit. We are very committed to training with all our staff visiting Head Office for training sessions on a regular basis. All staff throughout the organisation, including our branches, are capable. They display an enthusiasm which I believe flows to our customers including borrowers, investors and shareholders.

As is always the case the coming year will continue to be challenging with the slowing in the housing market and more likely increased competition affecting margins. With our branch expansion and our current operations I am confident we will continue to produce strong results.

Yours faithfully

R E Hancock
Managing Director
30 August 2005
Bundaberg



products and services designed... your way!

Home Loans

Owner-Occupied Home Loans
Construction Home Loans
Investment Loans
Loans for Vacant Residential Land
Refinance Loans
Debt Consolidation Loans
Home Equity Loans
Wide Bay Holidays

Lines of Credit

Flexiloan
Freedom Line

Credit Cards

Mastercard Silver
Mastercard Gold

Term Deposits

Deposit Accounts

Transaction Accounts

Today's Choice Account
Today's Options Account
Today's Business Account
Pension Friendly Account
Young Achiever's Account
'Mortgage Muncher' 100% Offset Account

Savings Accounts

Bonus Plus Account
Christmas Club

On-call Investment Accounts

Cash Management Account
Self-Managed Superannuation Fund Account

Banking Services

Electronic Banking

'smartlink' Internet Banking
'smartlink' Telephone Banking
Cashcard
Automatic Teller Machines (ATM's)
Electronic Funds Transfer at Point of Sale (EFTPOS)
BPAY View
EFTPOS facilities for Business

Cheque Payments

Cheque Books
Counter Cheques

Electronic Payments/Transfers

Direct Debits
Direct Credits
Periodical Payments
BPAY
Auto-Sweep

Statement Services

Passbooks
Transaction Statements
Interest Statements
'Banklink' Business Statements

giroPost

Foreign Exchange Services

Cash Passport
Travellers Cheques
Foreign Cash
International Cheque Drafts
Telegraphic Transfers
International Money Transfers

Insurance Services

Home

Buildings
Contents
Personal Valuables
Landlords

Motor Vehicle

Private Motor
Business /Commercial Motor

Caravan/Trailer

Boat/Pleasure Craft

Travel

Commercial/Rural

Business
Farms
Office Professional
Tradespeople
Construction
Goods in Transit

Personal Risk

Mortgage Repayment
Personal Accident and Illness
Income Protection
Total and Permanent Disability (TPD)
Trauma
Term Life
Terminal Illness Benefit

Wide Bay Australia 'Wealthpath'

Wealth Creation
Superannuation
Retirement Planning
Regular Savings Plans
Insurance Advice
Lump Sum Investments

Wide Bay Australia Mini Lease

Leasing
Rental
Vendor Finance

wide bay holidays
smartlink phone and internet banking
mortgage muncher
widecover insurance

Some products and services are offered by arrangement with third parties - full details on application.

our product and service partners

Allianz Australia Insurance Limited
ABN 15 000 122 850 AFSL 234708

Cashcard Australia Limited
ABN 74 002 405 754

BPAY Pty Ltd
ABN 69 079 137 518

Citibank Pty Limited
ABN 88 004 325 080 AFSL 238098

Australian Postal Corporation
ABN 28 864 970 579

Club Marine Limited
ABN 12 007 588 347 AFSL 236916

Banklink Limited
ABN 15 274 466 060

Travelex Ltd
ABN 36 004 179 953 AFSL 222444

our subsidiaries

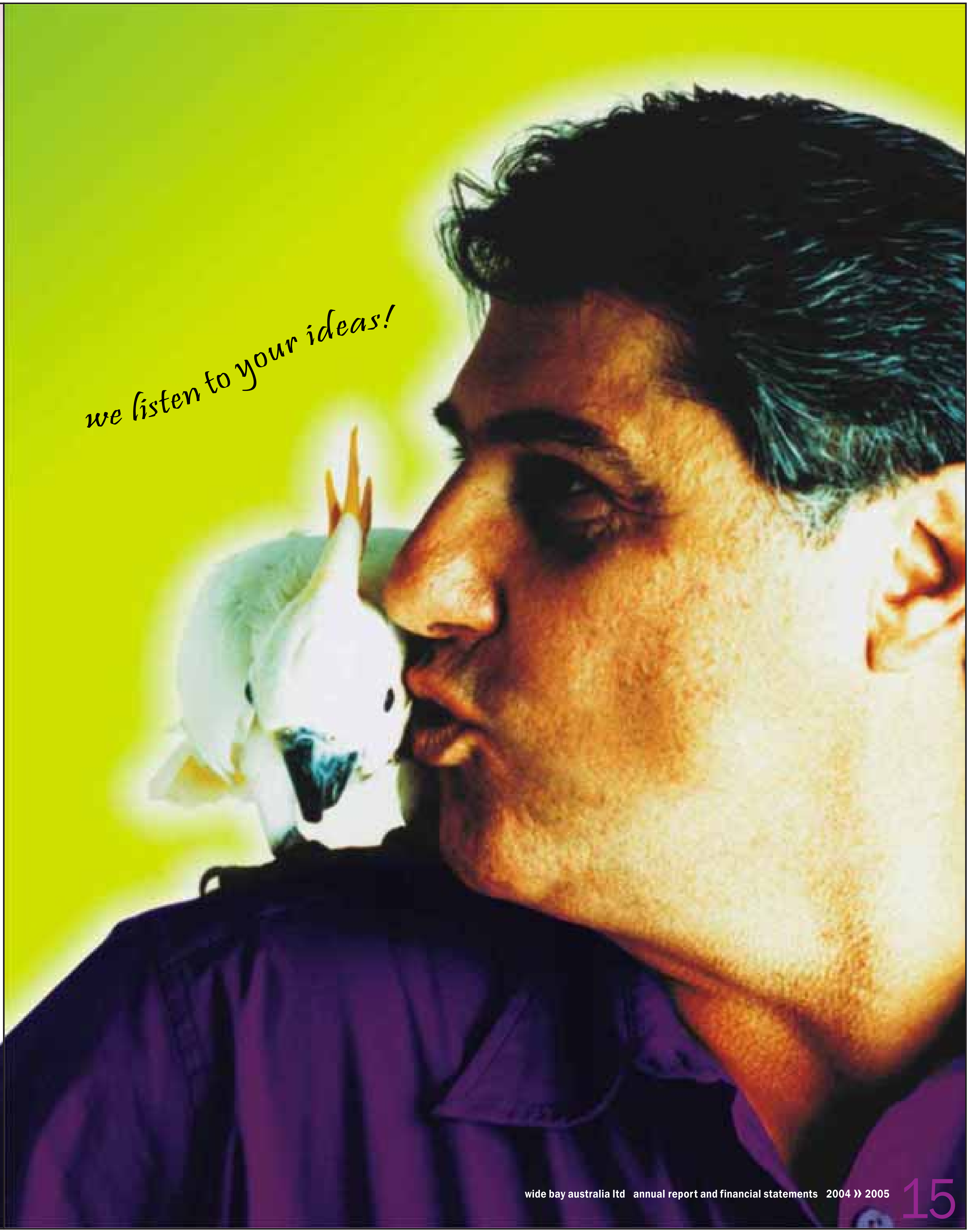
Wide Bay Australia Mini Lease Pty Ltd
ABN 69 068 790 152
telephone (07) 3368 2382
www.minilease.com.au

Mortgage Risk Management Pty Ltd
ABN 99 082 740 010
telephone (07) 4153 7702

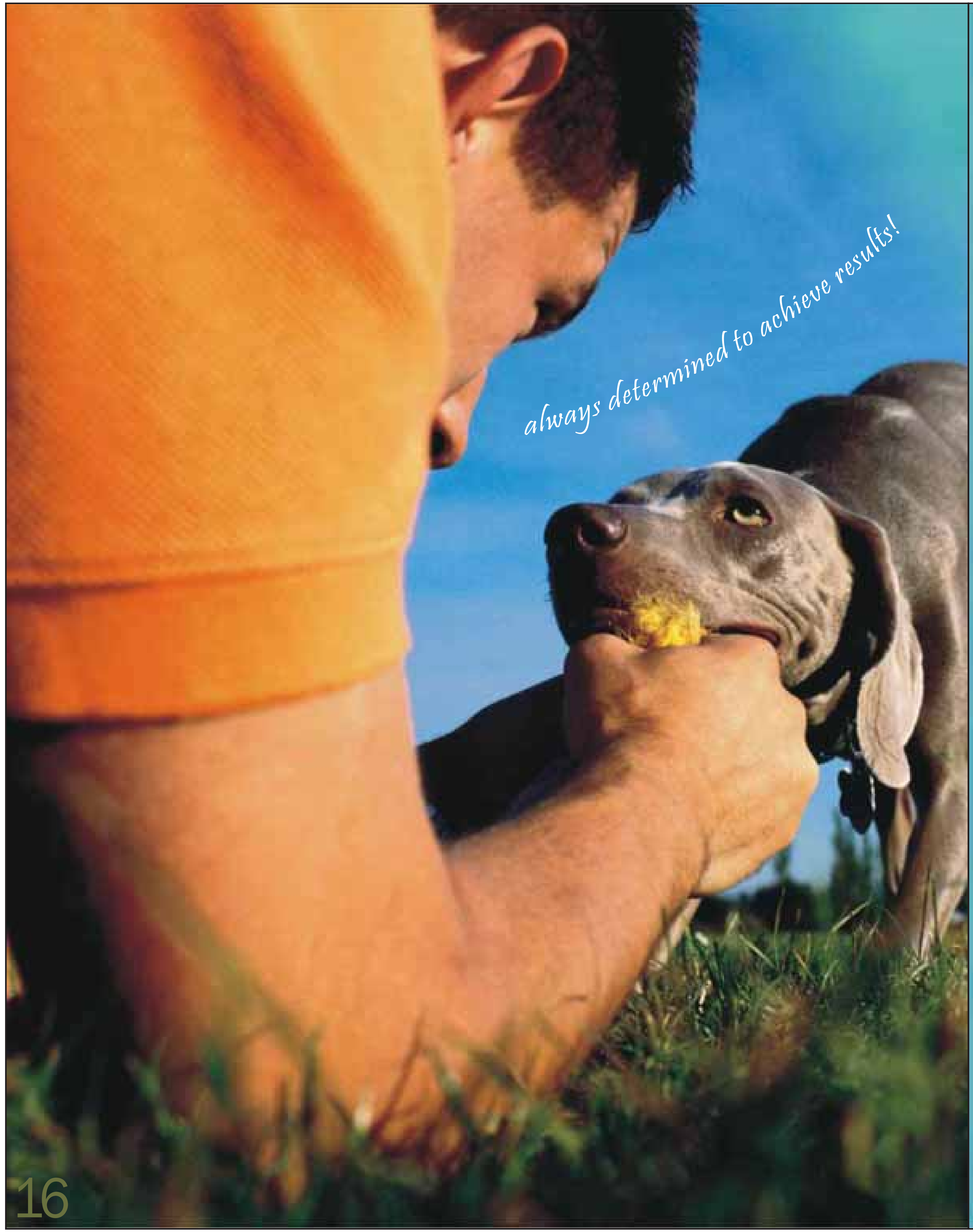
our joint venture

Wide Bay Australia Financial Planning Services Pty Ltd
ABN 69 068 790 152
telephone 1300 138 832

working together... to build your future!



we listen to your ideas!



wide bay australia ltd

financial statements » for the year ended 30 June 2005

statement of financial performance

for the year ended 30 June 2005

	Note	CONSOLIDATED 2005 $	CONSOLIDATED 2004 $	CHIEF ENTITY 2005 $	CHIEF ENTITY 2004 $
Interest revenue	2	**96,039,700**	81,694,747	**94,876,007**	80,995,816
Borrowing costs	2	**67,091,413**	54,750,742	**66,822,112**	54,420,867
Net interest revenue		**28,948,287**	26,944,005	**28,053,895**	26,574,949
Other revenue from ordinary activities	3	**12,685,469**	10,518,318	**10,777,717**	10,149,787
Employee benefits expense		**9,543,704**	9,255,176	**9,354,182**	9,045,270
Depreciation expense		**823,647**	734,881	**809,959**	720,306
Amortisation expense		**307,778**	295,321	**307,778**	295,321
Occupancy expense - operating leases		**1,153,645**	1,051,831	**1,153,645**	1,051,831
Bad and doubtful debts expense	10	**32,292**	51,971	**1,593**	(586)
Other expenses from ordinary activities	3	**12,211,940**	12,117,400	**11,475,794**	11,473,225
Profit from ordinary activities before income tax		**17,560,750**	13,955,743	**15,728,661**	14,139,369
Income tax expense relating to ordinary activities	4	**5,186,473**	4,120,877	**4,085,809**	4,016,808
Profit from ordinary activities after income tax		**12,374,277**	9,834,866	**11,642,852**	10,122,561
Outside equity interest in net profit		**(39,151)**	(58,869)		
Net profit attributable to shareholders of the company		**12,413,428**	9,893,735	**11,642,852**	10,122,561
Retained profits at the beginning of the financial year		**10,964,162**	10,201,340	**9,783,887**	8,792,239
Total available for appropriation		**23,377,590**	20,095,075	**21,426,739**	18,914,800
Transfer to/(from) asset revaluation reserve	22	**(307,918)**	-	**(307,918)**	-
Dividends paid - Ordinary shares	5	**7,442,191**	6,597,103	**7,442,191**	6,597,103
Dividends paid - Resetting Convertible Preference shares	5	**2,653,697**	2,533,810	**2,653,697**	2,533,810
Retained profits at the end of the financial year		**13,589,620**	10,964,162	**11,638,769**	9,783,887
Earnings per share					
Basic earnings per share (cents per share)	28	**47.84**	36.24		
Diluted earnings per share (cents per share)	28	**48.14**	37.93		

statement of financial position

as at 30 June 2005

	Note	CONSOLIDATED 2005 $	CONSOLIDATED 2004 $	CHIEF ENTITY 2005 $	CHIEF ENTITY 2004 $
ASSETS					
Cash and liquid assets	6	**43,400,631**	29,992,953	**28,091,632**	20,235,708
Due from other financial institutions	7	**1,959,894**	1,905,519	**1,959,894**	1,905,519
Accrued receivables	8	**8,671,559**	12,345,541	**8,140,557**	9,941,108
Investment securities	9	**135,998,903**	142,407,399	**130,891,098**	140,972,319
Loans and advances	10	**683,718,287**	638,912,409	**679,698,064**	635,759,495
Other investments	11	**141,761**	141,694	**10,400,287**	10,400,287
Property, plant and equipment	12	**11,787,292**	11,299,954	**11,760,834**	11,259,997
Deferred tax assets	13	**601,787**	567,264	**286,775**	269,966
Other assets	14	**5,610,479**	4,320,599	**4,190,889**	3,843,956
Total assets		**891,890,593**	841,893,332	**875,420,030**	834,588,355
LIABILITIES					
Deposits and short term borrowings	15	**701,723,251**	655,031,795	**703,662,711**	662,009,323
Due to other financial institutions	16	**65,222,251**	64,266,932	**60,000,000**	60,000,000
Payables and other liabilities	17	**21,618,976**	23,887,469	**17,729,142**	20,811,802
Tax liabilities	18	**2,435,083**	1,595,805	**1,610,617**	1,551,843
Provisions	19	**8,233,646**	7,304,905	**1,253,047**	1,170,409
Subordinated capital notes	20	**10,000,000**	10,000,000	**10,000,000**	10,000,000
Total liabilities		**809,233,207**	762,086,906	**794,255,517**	755,543,377
Net assets		**82,657,386**	79,806,426	**81,164,513**	79,044,978
EQUITY					
Parent entity interest in equity					
Contributed equity	21	**57,918,485**	57,345,914	**57,918,485**	57,345,914
Reserves	22	**11,607,259**	11,915,177	**11,607,259**	11,915,177
Retained profits		**13,589,620**	10,964,162	**11,638,769**	9,783,887
Total parent entity interest in equity		**83,115,364**	**80,225,253**	**81,164,513**	**79,044,978**
Outside equity interest in controlled entities	23				
Contributed equity		**6,555**	6,555		
Retained profits		**(464,533)**	(425,382)		
Total outside equity interest		**(457,978)**	(418,827)		
Total equity		**82,657,386**	79,806,426	**81,164,513**	79,044,978

statement of consolidated cash flows

for the year ended 30 June 2005

	Note	CONSOLIDATED $ 2005	CONSOLIDATED $ 2004	CHIEF ENTITY $ 2005	CHIEF ENTITY $ 2004
CASH FLOWS FROM OPERATING ACTIVITIES					
Interest received		**95,966,329**	81,351,646	**94,802,636**	80,652,715
Dividends received		**25,000**	15,858	**1,825,000**	615,858
Borrowing costs		**(66,592,922)**	(54,817,297)	**(66,323,621)**	(54,487,422)
Other non interest income received		**18,427,703**	13,771,535	**9,110,345**	8,972,733
Cash paid to suppliers and employees		**(25,950,796)**	(23,906,634)	**(22,187,726)**	(21,433,936)
Income tax paid		**(4,592,981)**	(4,445,748)	**(4,043,844)**	(3,483,750)
Net cash flows from operating activities	24	**17,282,333**	11,969,360	**13,182,790**	10,836,198
CASH FLOWS FROM INVESTING ACTIVITIES					
Net increase in investment securities		**4,592,729**	44,253,484	**8,265,454**	44,660,813
Net increase in amounts due from other financial institutions		**1,815,766**	(986,049)	**1,815,766**	(986,049)
Net increase in loans		**9,272,436**	(21,568,200)	**10,139,745**	(21,823,085)
Net increase in other investments		**(54,442)**	-	**(54,375)**	(5,000,000)
Purchase of non current assets		**(1,619,650)**	(1,174,806)	**(1,618,574)**	(1,173,482)
Proceeds from sale of investments, property, plant & equipment		**182**	3,867,411	**182**	3,867,629
Net cash used in investing activities		**14,007,021**	24,391,840	**18,548,198**	19,545,826
CASH FLOWS FROM FINANCING ACTIVITIES					
Net increase in deposits and other borrowings		**49,638,032**	58,555,933	**44,599,964**	63,950,233
Purchase (redemption) of subordinated capital notes		**-**	5,000,000	**-**	5,000,000
Net increase in amounts due to other financial institutions and other liabilities		**(57,959,051)**	(93,138,791)	**(58,914,370)**	(93,035,945)
Proceeds from share issue		**535,230**	(810,481)	**535,230**	(810,481)
Dividends paid		**(10,095,887)**	(9,130,913)	**(10,095,888)**	(9,130,913)
Net cash flows from financing activities		**(17,881,676)**	(39,524,252)	**(23,875,064)**	(34,027,106)
NET INCREASE IN CASH HELD		**13,407,678**	(3,163,052)	**7,855,924**	(3,645,082)
Cash at beginning of financial year		**29,992,953**	33,156,005	**20,235,708**	23,880,790
CASH AT END OF FINANCIAL YEAR		**43,400,631**	29,992,953	**28,091,632**	20,235,708

For the purposes of the Statement of Cash Flows, cash includes cash on hand and deposits on call. The cash at the end of the year can be agreed directly to the Statement of Financial Position.

notes to and forming part of the accounts

for the year ended 30 June 2005

note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report has been prepared in accordance with the historical cost convention except for certain assets which are at valuation. The accounting policies adopted are consistent with those of previous years except where indicated.

The accounts have been prepared in accordance with the accounting concepts, standards and disclosure requirements of the Australian accounting bodies, Urgent Issues Group Consensus Views, Accounting Standards and the requirements of law, so far as they are applicable to Building Societies.

a) Assets on balance sheet and under management

The accounts have been prepared excluding assets funded under the securitisation program from assets shown in the statement of financial position. The accounts should be read taking both these figures into consideration. Assets and loans under management at 30 June 2005 totalled $1,524,995,709. (2004 - $1,369,346,938)

b) Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment other than freehold land. Depreciation periods for major categories are:

- Buildings - 40 years
- Plant and equipment - 4 to 6 years
- Leasehold improvements - 4 to 6 years or the term of the lease, whichever the lesser.

c) Employee entitlements

Contributions made to employee superannuation funds are charged as an expense when incurred.

d) Changes in comparative figures

Where necessary comparative figures for 2004 have been adjusted to conform with financial statements disclosures adopted in 2005.

e) Loans and advances - doubtful debts

All society loans, excluding staff share loans, are protected with either one of the recognised mortgage insurers or through the society's wholly owned subsidiary Mortgage Risk Management Pty Ltd, an approved lenders' mortgage insurer, and secured by registered mortgage over residential property.

With respect to the staff share loans, these loans are secured by a lien over the relevant shares and dividends. There are no loans on which interest is not being accrued and no specific provision for doubtful debts for any type of loan.

Specific provisions for doubtful debts and write-off of debts are in respect of overdrawn savings accounts, leases and relevant non recoverable amounts.

f) Leases

As lessor, Wide Bay Australia Mini Lease Pty Ltd classifies leases at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

As direct financing leases, an asset is recognised at the beginning of the lease term at an amount equal to the aggregate of the present value of the minimum lease payments and the present value of any unguaranteed residual value expected to accrue to the benefit of the lessor at the end of the lease term.

Lease finance revenue is recognised progressively over the lease term to achieve a constant periodic rate of return on the carrying amount of the lease receivable at the beginning of each lease payment period.

Due to the immaterial nature of total leases receivable, the asset has been included in loans and advances of the group.

g) Recoverable amount

The carrying amounts of all assets are reviewed at least annually to determine whether they are in excess of their recoverable amount. If the carrying amounts of the assets exceed the recoverable amount, the asset is written down to the lower value. Expected net cash flows have not been discounted in determining recoverable amounts.

h) Revenue recognition

Interest revenue is recognised on a proportional basis taking into account the interest rate applicable to financial assets. Dividend income is taken into profit when received. Fees and commissions are recognised as revenue or expenses on an accrual basis.

Premium Revenue - Mortgage Risk Management Pty Ltd

Premiums have been brought to account as income from the date of attachment of risk. Direct Premiums comprise amounts charged to the policy holder, excluding stamp duties collected on behalf of the statutory authorities. The earned portion of premiums received and receivable is recognised as revenue.

Change in accounting policy

During the 2003/2004 year Mortgage Risk Management Pty Ltd changed its earning pattern to take into account the high loan termination rate of recent years. The change was based on independent actuarial advice. The change in earning pattern resulted in additional net premium income in 2003/04 of $855,109 which was brought forward from previous years.

i) Income tax

Tax-effect accounting is applied using the liability method whereby income tax is regarded as an expense and is calculated on the accounting profit after allowing for permanent differences. The timing differences that occur on items between accounting treatment and taxation treatment are reflected as a future income tax benefit or a provision for deferred income tax calculated at the prevailing income tax rates.

The income tax expense has been calculated at 30% (2004 - 30%), and the future tax benefit and deferred tax balances have been calculated at 30% (2004 - 30%). Future income tax benefits are not brought to account unless realisation of the asset is assured beyond any reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

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 tax legislation, and the anticipation that the society will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

j) Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising Wide Bay Australia Ltd (the parent entity) and all entities controlled by Wide Bay Australia Ltd during the year and at balance date.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full.

k) Securitised loans

The society has since June 1997 funded its loan activities by an increasing use of securitisation of the society's mortgages. For the purposes of capital adequacy, the on-balance sheet programs are not considered at arm's length and are taken to account within the society's risk weighted assets and appropriate capital held. These loans have been precluded from the assets of the chief entity and the consolidated group, having been sold into the securitisation programs but at the same time managed by the society.

The accounts should be read in conjunction with the amount of loans under management (see note 10). On 16 August 2002, 3 December 2003 and 25 October, 2004 the society commenced off-balance sheet securitisation programs. These loans are precluded from both the loans and loans under management disclosed in the notes to the accounts. For the purposes of capital adequacy, these loans are excluded from risk weighted assets of the society. The costs associated with each securitisation program are amortised over the life of the program.

l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST included.

m) International Financial Reporting Standards (AIFRS)

For reporting periods beginning on or after 1 January 2005, the consolidated entity must comply with Australian equivalents to International Financial Reporting Standards (AIFRS) as issued by the Australian Accounting Standards Board.

This financial report has been prepared in accordance with Australian accounting standards and other financial reporting requirements (Australian GAAP) applicable for reporting periods ended 30 June 2005.

The transition to AIFRS has being managed by regular dialogue between management, the accounting department and audit staff. The aim of the transition management was to assess the impact of transition to AIFRS and to achieve compliance with AIFRS reporting for the financial year commencing 1 July 2005. The project is achieving its scheduled objectives and the consolidated entity is expected to be in a position to fully comply with the requirements of AIFRS for the 30 June 2006 financial year.

The assessment and planning phase incorporated an overview of the impacts of conversion to AIFRS on existing accounting and reporting policies and procedures, system and processes, and business structures. This phase included:

- identification of the key differences in accounting policies and disclosures that are expected to arise from adopting AIFRS;
- assessment of new information requirements affecting management information systems; and
- evaluation of the staff training requirements.

The design phase formulated the changes required to existing accounting policies and procedures and systems and processes in order to transition to AIFRS. This phase included:

- formulation of revised accounting policies and procedures for compliance with AIFRS requirements;
- identification of potential financial impacts as at the transition date and for subsequent reporting periods prior to adoption of AIFRS;
- development of revised AIFRS disclosures; and
- identification of required changes to financial reporting systems.

The impact of transition to AIFRS, including the transitional adjustments disclosed, are based on AIFRS standards that management expect to be in place when preparing the first complete AIFRS financial report (being the half-year ending 31 December 2005). Only a complete set of financial statements and notes together with comparative balances can provide a true and fair presentation of the society's and consolidated entity's financial position, results of operations and cash flows in accordance with AIFRS. This note provides only a summary and further disclosure will be required in the first complete AIFRS financial report for a true and fair view to be presented under AIFRS.

There is a significant amount of judgement involved in the preparation of the reconciliations from current Australian GAAP to AIFRS, consequently the final reconciliations presented in the first financial report prepared in accordance with AIFRS may vary materially from the reconciliations provided in this Note. Revisions to the application of the AIFRS accounting policies may be required as a result of changes in financial reporting requirements relevant to the society's and consolidated entity's first complete AIFRS financial report arising from new or revised accounting standards or interpretations issued by the Australian Accounting Standards Board subsequent to the preparation of the 30 June 2005 financial report.

Where the application or interpretation of an accounting standard is currently being debated, the accounting policy adopted reflects management's current assessment of the likely outcome of those deliberations.

The rules for first time adoption of AIFRS are set out in AASB 1 First Time Adoption of Australian Equivalents to International Financial Reporting Standards. In general, AIFRS accounting policies must be applied retrospectively to determine the opening AIFRS balance sheet as at transition date, being 1 July 2004.

The significant changes in accounting policies expected to be adopted in preparing the AIFRS reconciliations and the elections expected to be made under AASB 1 are set out below:

i) *Taxation*

On transition to AIFRS the balance sheet method of tax effect accounting will be adopted, rather than the liability method applied currently under Australian GAAP. Under the balance sheet approach, income tax on the profit and loss for the year comprises current and deferred taxes. Income tax will be recognised in the income statement except to the extent that it relates to items recognised directly in equity in which case it will be recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences will not be provided for: goodwill for which amortisation is not tax deductible, the initial recognition of assets and liabilities that affect neither accounting or taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided will be based on the expected manner of realisation of the asset or settlements of the liability, using tax rates enacted or substantively enacted at reporting date.

A deferred tax asset will be recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets will be reduced to the extent it is no longer probable that the related tax benefit will be realised.

The expected impact on the consolidated entity at 01 July 2004, of the change in basis and the transition adjustments, is an increase in deferred tax liabilities of $350,390 and a decrease in asset revaluation reserve of $350,390.

ii) *Securitisation of assets*

Under AIFRS loans and receivables that have been securitised are expected to be brought back onto balance sheet as the special purpose entity established for the securitisation is considered to be controlled in accordance with UIG Interpretation 112 Consolidation - Special Purpose Entities. AIFRS considers the probability of risks and benefits in determining control, not just the possibility.

The expected impact on the consolidated entity at 01 July 2004 is an increase in assets of $527,000,000 and an increase in liabilities of $527,000,000. The adjustments in respect of the society are expected to be an increase in assets of $527,000,000 and an increase in liabilities of $527,000,000.

Currently, the costs associated with the establishment of each securitisation program are capitalised and amortised over the expected life of the underlying assets in each trust under GAAP. The policy of accounting for establishment costs of each program has been reassessed under AIFRS, and there is no expected impact on the profit and loss of the consolidated entity.

iii) *Make good provisions*

The society has certain operating leases that require the asset to be returned to the lessor in its original condition. The operating lease payments do not include an element for repairs. Under current Australian GAAP the costs of refurbishment are not recognised until the expenditure is incurred, whereas under AIFRS a provision for refurbishment costs must be recognised over the period of the lease, measured at the expected cost of refurbishment at each reporting date.

At 01 July 2004 a provision for make good costs associated with these operating leases of $20,000 is expected to be recognised in the consolidated entity and the society.

iv) *Earnings per share*

Under AIFRS basic and diluted earnings per share are calculated using the profit or loss from continuing operations attributable to the ordinary equity holders of the parent entity. The basic and diluted earnings per share for any discontinued operations is calculated and disclosed separately.

Basic and diluted earnings per share for the financial year ending 30 June 2005 are expected to remain unchanged when calculated under AIFRS adjusted results.

v) *Summary of impact of transition to AIFRS on retained profits*

The impact of the transition to AIFRS on retained profits as at 01 July 2004 is summarised below:

	CONSOLIDATED $	CHIEF ENTITY $
Retained profits as at 01 July 2004 under AGAAP	**10,964,162**	**9,783,887**
AIFRS reconciliation - make good provisions	**20,000**	**20,000**
Retained profits as at 01 July 2004 under AIFRS	**10,944,162**	**9,763,887**

note 2 INTEREST REVENUE AND INTEREST EXPENSE

The following tables show the average balance for each of the major categories of interest bearing assets and liabilities, the amount of interest revenue or expense and the average interest rate. Month end averages are used as they are representative of the entity's operations during the period.

	$ Average balance	$ Interest	% Average interest rate
INTEREST REVENUE 2005			
Deposits with other financial institutions	**20,085,727**	**1,168,976**	**5.82**
Investment securities	**119,618,561**	**6,906,129**	**5.77**
Loans and advances	**1,248,900,200**	**87,509,697**	**7.01**
Other	**10,116,031**	**454,898**	**4.50**
	1,398,720,519	**96,039,700**	**6.87**
BORROWING COSTS 2005			
Deposits from other financial institutions	**656,825,927**	**38,016,803**	**5.79**
Customer deposits	**692,315,761**	**28,354,347**	**4.10**
Subordinated notes	**10,000,000**	**720,263**	**7.20**
	1,359,141,688	**67,091,413**	**4.94**
Net interest revenue 2005		**28,948,287**	
INTEREST REVENUE 2004			
Deposits with other financial institutions	20,203,753	1,013,051	5.01
Investment securities	105,952,130	5,799,055	5.47
Loans and advances	1,098,006,598	74,515,004	6.79
Other	8,254,541	367,637	4.45
	1,232,417,022	81,694,747	6.63
BORROWING COSTS 2004			
Deposits from other financial institutions	581,602,977	30,289,104	5.21
Customer deposits	648,012,173	24,065,591	3.71
Subordinated notes	5,833,333	396,047	6.79
	1,235,448,483	54,750,742	4.43
Net interest revenue 2004		26,944,005	

note 3 PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities before income tax includes the following revenues and expenses whose disclosure is relevant in explaining the financial performance of the consolidated group.

	CONSOLIDATED $ 2005	$ 2004	CHIEF ENTITY $ 2005	$ 2004
Profit relating to investment activities (also refer Note 11)				
Revenue from sale of non-current investments	**-**	3,791,410	**-**	3,791,410
Expense from sale of non-current investments	**-**	2,880,000	**-**	2,880,000
Gain on sale of non-current investments	**-**	911,410	**-**	911,410
Profit relating to mortgage insurance activities (also refer Note 1h)				
Premium revenue	**2,980,618**	3,141,358	**-**	-
Premium earned on termination of reinsurance agreement	**-**	2,359,013	**-**	-
Reinsurance expense	**(54,221)**	(1,054,649)	**-**	-
Write back of unearned reinsurance expense due to termination of reinsurance agreement	**-**	(4,195,866)	**-**	-
	2,926,397	249,856	**-**	-
Included in the profit from ordinary activities are the following revenue items:				
Other revenue from ordinary activities				
Dividends				
Controlled entities	**-**	-	**1,800,000**	600,000
Other corporations	**25,000**	15,858	**25,000**	15,858
Fees and commissions	**8,225,862**	7,859,497	**8,225,862**	7,859,497
Other revenue	**1,508,210**	1,481,697	**726,855**	763,022
	12,685,469	10,518,318	**10,777,717**	10,149,787
The profit from ordinary activities before income tax is arrived at after charging the following items:				
Other expenses from operating activities				
Fees and commissions	**3,656,840**	3,965,240	**3,656,840**	3,965,240
Provisions for employee entitlements	**95,000**	134,002	**95,000**	134,002
General and administration expenses	**8,328,710**	7,869,142	**7,723,954**	7,373,983
Underwriting expenses	**131,390**	149,016	**-**	-
	12,211,940	12,117,400	**11,475,794**	11,473,225

note 4 INCOME TAX

The prima facie tax on profit from ordinary activities differs from the income tax provided as follows:

	CONSOLIDATED $ 2005	$ 2004	CHIEF ENTITY $ 2005	$ 2004
Prima facie tax on profit from ordinary activities at 30% (2004 - 30%)	**5,268,225**	4,186,723	**4,718,598**	4,241,811
Tax effect of permanent differences				
Depreciation of buildings	**11,086**	10,976	**11,086**	10,976
Capital gain on sale of assets	**(55)**	91,797	**(55)**	91,797
Franked dividends	**(7,500)**	(4,757)	**(547,500)**	(184,757)
Other items - net	**13,930**	(18,492)	**2,893**	2,351
Capital raising expenses	**(99,213)**	(99,213)	**(99,213)**	(99,213)
Overprovision for taxation in prior year	**-**	(46,157)	**-**	(46,157)
Income tax expense attributable to profit from ordinary activities	**5,186,473**	4,120,877	**4,085,809**	4,016,808

	CONSOLIDATED $ 2005	$ 2004	CHIEF ENTITY $ 2005	$ 2004
note 5 DIVIDENDS PAID				
Dividends paid during the year				
Interim for current year				
Fully franked dividend on ordinary shares	**3,559,582**	3,356,176	**3,559,582**	3,356,176
Final for previous year				
Fully franked dividend on ordinary shares	**3,882,609**	3,240,927	**3,882,609**	3,240,927
	7,442,191	6,597,103	**7,442,191**	6,597,103
Dividends paid during the year				
Fully franked dividends on non-cumulative perpetual resetting convertible preference shares	**2,653,697**	2,533,810	**2,653,697**	2,533,810
	2,653,697	2,533,810	**2,653,697**	2,533,810

In accordance with Accounting Standards, dividends are only provided for as declared or paid. Subsequent to the reporting date, the Board declared a dividend of 23.0 cents per ordinary share ($4.700 million), for the six months to 30 June 2005, payable on 23 September 2005.

The final dividend for the six months to 30 June 2004 ($3.560 million) was paid on 24 September 2004, and was disclosed in the 2003/04 financial accounts in accordance with Accounting Standards.

The tax rate at which the dividends have been franked is 30% (2004 - 30%).

The amount of franking credits available for the subsequent financial year are:

	CONSOLIDATED $ 2005	$ 2004	CHIEF ENTITY $ 2005	$ 2004
Balance as at the end of the financial year	**3,551,377**	3,543,011	**3,455,825**	2,942,363
Credits that will arise from the payment of income tax payable per the financial statements	**1,746,595**	802,573	**922,129**	768,956
Debits that will arise from the payment of the proposed dividend	**(2,014,286)**	(1,525,535)	**(2,014,286)**	(1,525,535)
	3,283,686	2,820,049	**2,363,668**	2,185,784
Dividends - cents per share				
Dividend proposed				
Fully franked dividend on ordinary shares	**23.0**	17.5	**23.0**	17.5
Interim dividend paid during the year				
Fully franked dividend on ordinary shares	**19.0**	16.5	**19.0**	16.5
Fully franked dividends on non-cumulative perpetual resetting convertible preference shares	**790.0**	753.0	**790.0**	753.0
Final dividend paid for the previous year				
Fully franked dividend on ordinary shares	**17.5**	16.0	**17.5**	16.0
note 6 CASH AND LIQUID ASSETS				
Cash on hand and at banks	**10,150,631**	11,292,953	**10,091,632**	11,235,708
Deposits on call	**33,250,000**	18,700,000	**18,000,000**	9,000,000
	43,400,631	29,992,953	**28,091,632**	20,235,708

	CONSOLIDATED $ 2005	$ 2004	CHIEF ENTITY $ 2005	$ 2004
note 7 DUE FROM OTHER FINANCIAL INSTITUTIONS				
Deposits with SSP's	**1,835,309**	1,780,934	**1,835,309**	1,780,934
Subordinated loans	**124,585**	124,585	**124,585**	124,585
	1,959,894	1,905,519	**1,959,894**	1,905,519
Maturity analysis				
No maturity specified	**1,959,894**	1,905,519	**1,959,894**	1,905,519
note 8 ACCRUED RECEIVABLES				
Interest receivable	**1,079,575**	974,035	**978,766**	928,616
Other	**7,591,984**	11,371,506	**7,161,791**	9,012,492
	8,671,559	12,345,541	**8,140,557**	9,941,108
note 9 INVESTMENT SECURITIES				
Bills of exchange and promissory notes	**73,837,021**	70,969,556	**73,837,021**	70,969,556
Certificates of deposit	**23,799,862**	18,732,781	**23,799,862**	18,732,781
Notes - Securitisation program & other	**38,362,020**	52,705,062	**33,254,215**	51,269,982
	135,998,903	142,407,399	**130,891,098**	140,972,319
Maturity analysis				
Up to 3 months	**97,636,883**	89,702,337	**97,636,883**	89,702,337
Later than 5 years	**38,362,020**	52,705,062	**33,254,215**	51,269,982
	135,998,903	142,407,399	**130,891,098**	140,972,319
note 10 LOANS AND ADVANCES				
Term loans	**663,200,391**	703,519,747	**663,200,391**	703,519,747
Securitised loans under management (refer note 1k and below)	**(187,347,326)**	(239,292,208)	**(187,347,326)**	(239,292,208)
Loan to controlled entity	**-**	-	**974,047**	1,368,652
Other commercial loan	**282,621**	306,281	**282,621**	306,281
Continuing credit loans	**202,596,970**	169,864,069	**202,596,970**	169,864,069
Leases receivable	**5,036,525**	4,537,704	**-**	-
	683,769,181	638,935,593	**679,706,703**	635,766,541
Provision for impairment	**(50,894)**	(23,184)	**(8,639)**	(7,046)
Net loans and advances per Statement of Financial Position	**683,718,287**	638,912,409	**679,698,064**	635,759,495
Securitised loans under management	**187,347,326**	239,292,208	**187,347,326**	239,292,208
Total loans	**871,065,613**	878,204,617	**867,045,390**	875,051,703
Provision for impairment				
Specific provision				
Opening balance	**(23,184)**	(34,143)	**(7,046)**	(7,632)
Bad and doubtful debts provided for during the year	**(27,710)**	10,959	**(1,593)**	586
Total provision for impairment	**(50,894)**	(23,184)	**(8,639)**	(7,046)

note 10 continued

	CONSOLIDATED $ 2005	CONSOLIDATED $ 2004	CHIEF ENTITY $ 2005	CHIEF ENTITY $ 2004
Charge to profit and loss for bad and doubtful debts comprises:				
Specific provision	**27,710**	(10,959)	**1,593**	(586)
Bad debts recognised directly	**4,582**	62,930	**-**	-
	32,292	51,971	**1,593**	(586)

At 30 June 2005 the balance of the off-balance sheet loans was $445,757,789 (2004 - $288,161,398). Loans in the off-balance sheet securitisation programs are excluded from loans and loans under management and, accordingly, are not recorded in this note.

Maturity analysis	CONSOLIDATED $ 2005	CONSOLIDATED $ 2004	CHIEF ENTITY $ 2005	CHIEF ENTITY $ 2004
Up to 3 months	**334,497**	320,077	**302,102**	236,866
From 3 to 12 months	**270,192**	245,068	**12,692**	133,084
From 1 to 5 years	**6,682,697**	7,653,252	**1,936,067**	3,310,745
Later than 5 years	**676,430,901**	630,694,012	**677,447,203**	632,078,800
	683,718,287	638,912,409	679,698,064	635,759,495

Concentration of risk

The loan portfolio of the society does not include any loan which represents 10% or more of capital.

note 11 OTHER INVESTMENTS

	CONSOLIDATED $ 2005	CONSOLIDATED $ 2004	CHIEF ENTITY $ 2005	CHIEF ENTITY $ 2004
Unlisted shares - at Directors' valuation 2003	**126,761**	126,694	**164,246**	164,246
Controlled entities - at cost	**-**	-	**10,221,041**	10,221,041
Interest in joint venture - at cost	**15,000**	15,000	**15,000**	15,000
	141,761	141,694	**10,400,287**	10,400,287

Investment in controlled entities comprises:

Name	Country of incorporation	% 2005	% 2004	Contribution to consolidated operating profit after income tax 2005	Contribution to consolidated operating profit after income tax 2004	Investment carrying value 2005	Investment carrying value 2004
Chief entity							
Wide Bay Australia Ltd	Australia			**9,842,852**	9,522,561		
Controlled entities							
Fincom Pty Ltd	Australia	**44**	44	**(4,687)**	(526)	**-**	-
Mortgage Risk Management Pty Ltd	Australia	**100**	100	**2,609,916**	432,288	**10,220,000**	10,220,000
Wide Bay Australia Mini Lease Pty Ltd	Australia	**51**	51	**(34,653)**	(60,588)	**1,041**	1,041
				12,413,428	9,893,735	**10,221,041**	10,221,041

The carrying amounts of unlisted shares were reassessed by the Directors as at 30 June 2003 with the reassessments being based on the projections of the current market values of the shares.

Mortgage Risk Management Pty Ltd (MRM) is a wholly owned subsidiary of Wide Bay Australia Ltd and is a registered lenders' mortgage insurance provider. The company acts solely for the purpose of insuring the society's residential mortgages and has received APRA approval. The operations of MRM are subject to and under the supervision of APRA in respect of compliance and capital requirements. MRM meets the S&P model for an "A" rated lenders' mortgage insurance company.

The society controls a 51% share in Wide Bay Australia Mini Lease Pty Ltd. This company provides leasing and rental finance for businesses to acquire plant and equipment.

The society has entered into a joint venture with Tamsu Pty Ltd as trustee for the FT(WBC) Unit Discretionary Trust to establish a vehicle for the provision of financial planning and services. The company, Wide Bay Australia Financial Planning Services Pty Ltd, is a 50/50 structure and acts as an authorised representative of an Australian Financial Services licence holder.

note 12 PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED $ 2005	CONSOLIDATED $ 2004	CHIEF ENTITY $ 2005	CHIEF ENTITY $ 2004
Freehold land and buildings				
At independent valuation - June 2003	**8,180,000**	8,180,000	**8,180,000**	8,180,000
Provision for depreciation	**310,353**	154,403	**310,353**	154,403
	7,869,647	8,025,597	**7,869,647**	8,025,597
Movement in carrying amount				
Carrying amount at beginning of year	**8,025,597**	8,470,000	**8,025,597**	8,470,000
Depreciation	**155,950**	155,584	**155,950**	155,584
Sale of property at 214 Mary Street, Gympie	**-**	288,819	**-**	288,819
Carrying amount at end of year	**7,869,647**	8,025,597	**7,869,647**	8,025,597
Plant and equipment				
At cost	**15,689,085**	14,070,822	**15,594,508**	13,976,434
Provision for depreciation	**11,771,440**	10,796,465	**11,703,321**	10,742,034
	3,917,645	3,274,357	**3,891,187**	3,234,400
Movement in carrying amount				
Carrying amount at beginning of year	**3,274,357**	2,685,350	**3,234,400**	2,632,142
Additions	**1,618,763**	1,449,586	**1,618,574**	1,448,262
Depreciation	**975,475**	860,579	**961,787**	846,004
Carrying amount at end of year	**3,917,645**	3,274,357	**3,891,187**	3,234,400
	11,787,292	11,299,954	**11,760,834**	11,259,997

Land and buildings were all revalued as at 30 June 2003 by independent registered valuers:

- G W Litherland FAPI, C L Roffey AAPI and A J Bailey AAPI of Herron Todd White Valuers
- L H Horswood of Horswood & Rickards Pty Ltd

The valuations were based on current market values. The society's policy is to revalue freehold land and buildings every three years.
In valuing freehold land and buildings, the Directors have not taken into account the potential impact of capital gains tax on the grounds that the effects of any such tax would be immaterial.

note 13 DEFERRED TAX ASSETS

	CONSOLIDATED $ 2005	CONSOLIDATED $ 2004	CHIEF ENTITY $ 2005	CHIEF ENTITY $ 2004
Deferred tax assets attributable to timing differences	**601,787**	567,264	**286,775**	269,966

note 14 OTHER ASSETS

	CONSOLIDATED $ 2005	CONSOLIDATED $ 2004	CHIEF ENTITY $ 2005	CHIEF ENTITY $ 2004
Prepayments	**5,610,479**	4,320,599	**4,190,889**	3,843,956
	5,610,479	4,320,599	**4,190,889**	3,843,956

note 15 DEPOSITS AND SHORT TERM BORROWINGS

	CONSOLIDATED $ 2005	CONSOLIDATED $ 2004	CHIEF ENTITY $ 2005	CHIEF ENTITY $ 2004
Call deposits	**249,580,153**	230,698,804	**251,519,613**	237,676,332
Term deposits	**452,143,098**	424,332,991	**452,143,098**	424,332,991
	701,723,251	655,031,795	**703,662,711**	662,009,323
Maturity analysis				
On call	**249,580,153**	230,698,804	**251,519,613**	237,676,332
Up to 3 months	**290,301,930**	281,847,318	**290,301,930**	281,847,318
From 3 to 12 months	**152,272,277**	128,679,544	**152,272,277**	128,679,544
From 1 to 5 years	**9,568,891**	13,806,129	**9,568,891**	13,806,129
	701,723,251	655,031,795	**703,662,711**	662,009,323

The society's deposit portfolio does not include any deposit which represents 10% or more of total liabilities.

note 16 DUE TO OTHER FINANCIAL INSTITUTIONS

	CONSOLIDATED $ 2005	CONSOLIDATED $ 2004	CHIEF ENTITY $ 2005	CHIEF ENTITY $ 2004
Secured loans	**65,222,251**	64,266,932	**60,000,000**	60,000,000
Maturity analysis				
Up to 3 months	**60,000,000**	60,000,000	**60,000,000**	60,000,000
From 1 to 5 years	**5,222,251**	4,266,932	**-**	-
	65,222,251	64,266,932	**60,000,000**	60,000,000

The loans to the chief entity are secured by charges held over registered mortgage documents.
The carrying amount of these mortgages is $62,457,690 (2004 - $63,699,511).

note 17 PAYABLES AND OTHER LIABILITIES

	CONSOLIDATED $ 2005	CONSOLIDATED $ 2004	CHIEF ENTITY $ 2005	CHIEF ENTITY $ 2004
Trade creditors	**4,025,578**	2,489,438	**4,025,578**	2,489,438
Accrued interest payable	**6,542,168**	5,378,492	**6,542,168**	5,378,492
Other creditors	**11,051,230**	16,019,539	**7,161,396**	12,943,872
	21,618,976	23,887,469	**17,729,142**	20,811,802
Maturity analysis				
Up to 3 months	**19,251,291**	22,099,654	**15,361,457**	19,023,987
From 3 to 12 months	**2,231,332**	1,614,585	**2,231,332**	1,614,585
From 1 to 5 years	**136,353**	173,230	**136,353**	173,230
	21,618,976	23,887,469	**17,729,142**	20,811,802

note 18 TAX LIABILITIES

	CONSOLIDATED $ 2005	CONSOLIDATED $ 2004	CHIEF ENTITY $ 2005	CHIEF ENTITY $ 2004
Provision for taxation	**1,746,595**	812,918	**922,129**	768,956
Deferred taxation	**688,488**	782,887	**688,488**	782,887
	2,435,083	1,595,805	**1,610,617**	1,551,843

note 19 PROVISIONS

	CONSOLIDATED $ 2005	CONSOLIDATED $ 2004	CHIEF ENTITY $ 2005	CHIEF ENTITY $ 2004
Employee entitlements				
Balance at beginning of year	**1,163,174**	1,028,754	**1,163,174**	1,028,754
Annual leave and long service leave provided for during the year	**101,403**	134,420	**101,403**	134,420
Balance at end of year	**1,264,577**	1,163,174	**1,264,577**	1,163,174
Unearned Direct Premiums and Outstanding Claims				
Balance at beginning of year	**6,139,116**	8,070,005	**-**	-
Transfers to the provision during the year	**4,274,129**	6,282,738	**-**	-
Payments from the provision during the year	**3,432,646**	8,213,627	**-**	-
Balance at end of year	**6,980,599**	6,139,116	**-**	-
Other provisions	**(11,530)**	2,615	**(11,530)**	7,235
Total provisions	**8,233,646**	7,304,905	**1,253,047**	1,170,409

note 20 SUBORDINATED CAPITAL NOTES

	CONSOLIDATED $ 2005	CONSOLIDATED $ 2004	CHIEF ENTITY $ 2005	CHIEF ENTITY $ 2004
Inscribed debenture stock	**10,000,000**	10,000,000	**10,000,000**	10,000,000
Maturity analysis				
Up to 3 months	**10,000,000**	10,000,000	**10,000,000**	10,000,000

note 21 CONTRIBUTED EQUITY

	SHARES 2005 No.	SHARES 2005 $	SHARES 2004 No.	SHARES 2004 $
Fully paid ordinary shares				
All ordinary shares have equal voting, dividend and capital repayment rights.				
Balance at beginning of year	**20,340,461**	**25,602,005**	20,255,796	25,082,162
Issued during the year				
Staff share plan	**94,328**	**572,571**	84,665	519,843
Balance at end of year	**20,434,789**	**26,174,576**	20,340,461	25,602,005
Fully Paid Non-cumulative Perpetual Resetting Convertible Preference (RCP) Shares				
Balance at beginning of year	**335,911**	**31,743,909**	347,819	33,086,894
Share buy-back				
Buy back	**-**	**-**	(11,908)	(1,328,374)
Buy-back costs		**-**		(14,611)
Balance at end of year	**335,911**	**31,743,909**	335,911	31,743,909
		57,918,485		57,345,914

note 21 continued

Staff share plan

9 November 2004 - 94,328 ordinary shares were issued. Shares issued pursuant to the society's staff share plan were at a price of 90% of the weighted average price of the society's shares traded on the Australian Stock Exchange for the 10 days prior to the issue of the invitation to subscribe for the shares.

The members of the society approved a staff share plan in 1992 enabling the staff to participate to a maximum of 10% of the shares of the society. The share plan is available to all employees under the terms and conditions as decided from time to time by the Directors, but in particular, limits the maximum loan to each participating employee to 40% of their gross annual income. The plan requires employees to provide a deposit of 10% with the balance able to be repaid over a period of 5 years at no interest.

	CONSOLIDATED		CHIEF ENTITY	
	$ 2005	$ 2004	**$ 2005**	$ 2004
The total number of shares issued to employees since the inception of the staff share plan was	**1,728,587**	1,634,259	**1,728,587**	1,634,259
The total number of shares issued to employees during the financial year was	**94,328**	84,665	**94,328**	84,665
The total market value at date of issue, 9 November 2004 (12 November 2003) was	**613,132**	562,176	**613,132**	562,176
The total amount paid or payable for the shares at that date was	**572,571**	519,843	**572,571**	519,843

Non-cumulative Perpetual Resetting Convertible Preference shares

On 17 December 2001, the society issued 350,000 non-cumulative perpetual resetting convertible preference shares by way of private placement to sophisticated and professional investors. The 350,000 preference shares were issued at a price of $100, raising $35,000,000.

On 20 December 2002, the company announced its intention to buy back a maximum number of 70,000 Resetting Convertible Preference shares. A total of 14,089 preference shares were repurchased, and the Final Share Buy-back Notice was issued on 28 October 2003, cancelling further buy-backs.

The principal terms applicable to these shares are as follows:

Dividends

Dividends are non-cumulative.
A holder of RCP shares will be entitled to receive a dividend subject to:

a) the Directors, at their discretion, declaring a dividend to be payable;
b) the aggregate amount of dividends or distributions paid in any financial year does not exceed the distributable profits (unless otherwise agreed by APRA);
c) the society being in compliance with APRA's prevailing prudential standards and guidelines (unless otherwise agreed by APRA) at the time of declaration of the dividend; and
d) at the time of the declaration of the dividend, APRA not having announced or issued to the society any objection to the dividend payment or not having stated that if the dividend is paid the RCP shares will cease to be treated as Tier 1 or Upper Tier 2 Capital.

Ranking

RCP shares rank equally amongst themselves in all respects and are subordinated in right of:

a) return of capital (not exceeding the Issue Price); and
b) payment of any dividend declared but unpaid, to all creditors and depositors of the society.

Voting rights

The holders of RCP shares will not be entitled to speak or to vote at general meetings of the society except in each of the following circumstances:

a) if at the time of the meeting, a dividend (or part of a dividend) in respect of RCP shares has been declared but not been paid in full by the relevant dividend payment date;
b) on any proposal to reduce the capital of the society;
c) on any resolution to approve the terms of a buy-back agreement;
d) on any proposal that affects the rights or privileges attaching to the RCP shares;
e) on any proposal to wind-up the society;
f) on any proposal for the disposal of the whole of the society's business, undertaking and assets;
g) during the winding-up of the society; and
h) in any other circumstance in relation to which, at any time, the ASX Listing Rules require the holders of the RCP shares to be entitled to vote, in which case a holder of RCP shares has the same rights as to manner of attendance as to voting in respect of each RCP share as those conferred on ordinary shareholders in respect of each ordinary share.

note 22 RESERVES

	CONSOLIDATED		CHIEF ENTITY	
	$ 2005	$ 2004	**$ 2005**	$ 2004
Movements in reserves				
Asset revaluation reserve				
Balance at beginning of year	**1,475,883**	1,475,883	**1,475,883**	1,475,883
Decrease due to transfer to retained profits of revaluation of assets since sold	**(307,918)**	-	**(307,918)**	-
Balance at end of year	**1,167,965**	1,475,883	**1,167,965**	1,475,883
The balance of this reserve represents the excess of the independent valuation over the original cost of the land and buildings.				
Statutory reserve - Building Societies Fund Act 1993				
Balance at end of year	**2,676,071**	2,676,071	**2,676,071**	2,676,071
This is a statutory reserve created on a distribution from the Queensland Building Society Fund.				
General reserve				
Balance at end of year	**5,833,939**	5,833,939	**5,833,939**	5,833,939
A special reserve was established upon the society issuing fixed share capital in 1992. The special reserve represented accumulated members profits at that date and was transferred to the general reserve over a period of 10 years being finalised in 2001/2002.				
Doubtful debts reserve				
Balance at end of year	**1,929,284**	1,929,284	**1,929,284**	1,929,284
Under APRA Harmonised Standards the society is required to establish a general reserve for doubtful debts. The amount is generally up to 0.5% of Risk Weighted Assets.				
Total Reserves	**11,607,259**	11,915,177	**11,607,259**	11,915,177

note 23 OUTSIDE EQUITY INTEREST

	CONSOLIDATED $ 2005	CONSOLIDATED $ 2004	CHIEF ENTITY $ 2005	CHIEF ENTITY $ 2004
Reconciliation of outside equity interest in controlled entities:				
Opening balance	**(418,827)**	(359,957)		
Share of operating (profit)/loss	**(39,151)**	(58,870)		
Closing balance	**(457,978)**	(418,827)		

note 24 STATEMENT OF CASH FLOWS

Reconciliation of profit from ordinary activities after tax to the net cash flows from operations:

	CONSOLIDATED $ 2005	CONSOLIDATED $ 2004	CHIEF ENTITY $ 2005	CHIEF ENTITY $ 2004
Profit from ordinary activities after income tax	**12,374,277**	9,834,866	**11,642,852**	10,122,561
Depreciation & amortisation	**1,131,425**	1,030,202	**1,117,737**	1,015,627
(Profit)/Loss on disposal of non-current assets	**(182)**	(987,629)	**(182)**	(987,629)
(Increase)/Decrease in Assets				
Accrued interest on investments	**(3,935)**	294,999	**(3,935)**	294,999
Prepayments	**(527,215)**	(10,322)	**(527,215)**	(10,322)
Inventories	**5,988**	(15,410)	**5,988**	(15,410)
Sundry debtors	**7,131,607**	4,723,852	**(2,524,466)**	7,094,783
Future income tax benefit	**(34,523)**	(99,692)	**(16,809)**	(35,022)
Increase/(Decrease) in Liabilities				
Increase in creditors & accruals	**(3,389,206)**	(3,230,429)	**3,446,254**	(7,341,794)
Increase in deferred tax payable	**(94,399)**	31,345	**(94,399)**	31,345
Increase in income tax payable	**593,496**	263,576	**41,965**	533,058
Increase in employee entitlement provisions	**95,000**	134,002	**95,000**	134,002
Net cash flows from operating activities	**17,282,333**	11,969,360	**13,182,790**	10,836,198

Cash flows arising from the following activities are presented on a net basis:

Deposits to and withdrawals from customer deposit accounts.
Advances and repayments on loans, advances and other receivables.
Sales and purchases of investment securities.
Insurance and reinsurance premiums.
(Profit)/Loss on disposal of fixed assets

note 25 EXPENDITURE COMMITMENTS

	CONSOLIDATED $ 2005	CONSOLIDATED $ 2004	CHIEF ENTITY $ 2005	CHIEF ENTITY $ 2004
Capital expenditure commitment				
Capital expenditure contracted for within one year	**1,101,233**	785,607	**1,101,233**	785,607
Lease expenditure commitments				
Non cancellable operating leases				
Up to 1 year	**884,708**	830,592	**884,708**	830,592
From 1 to 2 years	**693,873**	723,398	**693,873**	723,398
From 2 to 5 years	**888,248**	1,034,200	**888,248**	1,034,200
Later than 5 years	**195,237**	94,894	**195,237**	94,894
Total lease expenditure	**2,662,066**	2,683,084	**2,662,066**	2,683,084

note 26 EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS

	CONSOLIDATED $ 2005	CONSOLIDATED $ 2004	CHIEF ENTITY $ 2005	CHIEF ENTITY $ 2004
Employee entitlements				
The aggregate employment entitlement liability is comprised of:				
Provisions - (note 19)	**1,264,577**	1,163,174	**1,264,577**	1,163,174

note 27 CONTINGENT LIABILITIES AND CREDIT COMMITMENTS

	CONSOLIDATED $ 2005	CONSOLIDATED $ 2004	CHIEF ENTITY $ 2005	CHIEF ENTITY $ 2004
Approved but undrawn loans	**73,108,629**	72,760,551	**73,063,929**	72,739,389
Approved but undrawn credit limits	**46,790,123**	39,806,028	**46,790,123**	39,806,028
	119,898,752	112,566,579	**119,854,052**	112,545,417

note 28 EARNINGS PER SHARE

	CONSOLIDATED $ 2005	CONSOLIDATED $ 2004	CHIEF ENTITY $ 2005	CHIEF ENTITY $ 2004
Basic earnings per share (cents per share)	**47.84**	36.24		
Diluted earnings per share (cents per share)	**48.14**	37.93		

Information relating to the calculation of the earnings per share is as follows:	BASIC $ 2005	BASIC $ 2004	DILUTED $ 2005	DILUTED $ 2004
Calculation of numerator				
Net profit attributable to shareholders	**12,413,428**	9,893,735	**12,413,428**	9,893,735
Less dividends paid on preference shares	**2,653,697**	2,533,810	**-**	-
Numerator	**9,759,731**	7,359,925	**12,413,428**	9,893,735
Weighted average number of shares				
Ordinary shares	**20,400,934**	20,309,463	**20,400,934**	20,309,463
Potential ordinary shares	**-**	-	**5,382,623**	5,771,570
Total weighted average ordinary shares	**20,400,934**	20,309,463	**25,783,557**	26,081,033

note 29 RELATED PARTY DISCLOSURES

Directors

The Directors of Wide Bay Australia Ltd who served during the year were Messrs. J H Fell, R E Hancock, J F Pressler, P J Sawyer and Mrs F M McLeod.

Each of the Directors, relatives of Directors and related business entities which hold share capital and/or deposits with the society do so on the same conditions as those applying to all other members of the society.

Transactions with other related parties

The following persons and entities related to Directors have provided services to the society. In each case the transactions have occurred within a normal supplier - customer relationship on terms and conditions no more favourable than those available to other suppliers.

note 29 continued

	CONSOLIDATED $ 2005	CONSOLIDATED $ 2004	CHIEF ENTITY $ 2005	CHIEF ENTITY $ 2004
L R Hancock, a related party by virtue of being a brother of R E Hancock, was a partner of McCullough Robertson Hancock, Solicitors until 31 January 2005. Up to this date, the society paid fees to McCullough Robertson Hancock, predominantly for the preparation of mortgage documentation in addition to general professional advice aggregating:	**218,709**	1,027,652	**200,314**	1,024,849
L R Hancock became a partner in BCI Law on 1 February 2005. From this date, the society paid fees to BCI Law for professional advice aggregating:	**45,791**	-	**45,791**	-

Loans Disclosure

The following table outlines the aggregate of loans to Specified Directors and the aggregate of loans to Specified Executives. Details are provided on an individual basis for each Specified Director and Specified Executive whose indebtedness exceeded $100,000 at any time during this reporting period.

Loans have been made in accordance with the normal terms and conditions offered by the society and charged at the Benchmark Interest Rate for the Fringe Benefits Tax year as set by the Australian Taxation Office. This Benchmark Interest Rate would approximate an arms' length interest rate offered by the society.

Loans are also made in accordance with the Staff Share Plan approved by shareholders in 1992. The loans are repayable over 5 years at 0% interest, with the loans being secured by a lien over the relevant shares. Such loans are only available to employees of the society and there is no applicable arm's length interest to take to account in this note.

Wide Bay Australia Ltd - year ended 30 June 2005		Balance 01 July 2004	Interest* Charged	Write-off	Balance 30 June 2005	Number in Group 30 June 2005
Specified Directors	2004/2005	(302,558)	16,799	-	**(678,588)**	2
	2003/2004	(455,229)	13,611	-	**(302,558)**	2
Specified Executives	2004/2005	(1,020,981)	57,780	-	**(1,038,707)**	5
	2003/2004	(695,073)	56,504	-	**(1,020,981)**	5
Total: Specified Directors and Specified Executives	2004/2005	(1,323,539)	74,579	-	**(1,717,295)**	7
	2003/2004	(1,150,302)	70,115	-	**(1,323,539)**	7

Individuals with loans above $100,000 in reporting period	Balance 01 July 2004	Interest* Charged	Write-off	Balance 30 June 2005	Highest in Period
Specified Directors					
Hancock, RE	(206,275)	4,287	-	**(438,444)**	(491,078)
McLeod, FM	(96,283)	12,512	-	**(240,144)**	(240,144)
Specified Executives					
Pokarier, IR	(208,649)	8,555	-	**(204,456)**	(227,367)
Schafer, WR	(241,774)	14,744	-	**(237,590)**	(263,645)
Butler, SV	(232,187)	15,420	-	**(223,058)**	(232,187)
Hancock, DA	(319,560)	19,061	-	**(354,792)**	(410,530)

*Actual interest charged is affected by the use of the society's offset account.

Equity Holdings and Transactions

The following table is in respect of ordinary shares held directly, indirectly or beneficially by each Specified Director and Specified Executive.

Wide Bay Australia Ltd - year ended 30 June 2005
Number of Shares held: Specified Directors & Executives & Personally Related Entities

	Balance 01 July 2004	Received as Remuneration	Options Exercised	Net Change Other	Balance 30 June 2005
Specified Directors					
Pressler, JF	-	-	-	-	**-**
Hancock, RE	1,623,757	-	-	22,748	**1,646,505**
Fell, JH	455,075	-	-	-	**455,075**
Sawyer, PJ	433,001	-	-	-	**433,001**
McLeod, FM	86,956	-	-	3,500	**90,456**
Specified Executives					
Ashton, AR	4,537	-	-	-	**4,537**
Butler, SV	250	-	-	-	**250**
Hancock, DA	18,902	-	-	2,550	**21,452**
Pokarier, IR	240,898	-	-	8,229	**249,127**
Schafer, WR	4,925	-	-	1,700	**6,625**
Total	2,868,301	-	-	38,727	**2,907,028**

While Mr J F Pressler does not hold shares individually or in a related body corporate he is a director of Hestearn Pty Ltd, which holds 303,743 shares. Mr Pressler does not have a controlling interest in Hestearn Pty Ltd.

note 30 REMUNERATION OF AUDITORS

	CONSOLIDATED $ 2005	CONSOLIDATED $ 2004	CHIEF ENTITY $ 2005	CHIEF ENTITY $ 2004
Amounts received or due and receivable by the auditors of the society for:				
An audit or review of the financial statements of the entity and any other entity in the economic entity	**78,510**	78,510	**78,510**	78,510
Other services	**32,338**	10,885	**28,163**	7,635
	110,848	89,395	**106,673**	86,145

note 31 EVENTS SUBSEQUENT TO BALANCE DATE

Equity Stake in Financial Technology Securities Pty Ltd

On 29 July, 2005, Wide Bay Australia Ltd and Aviva Australia (a wholly owned subsidiary of UK listed Aviva Plc) announced that following extensive due diligence, they had agreed to each acquire a 25% interest in Financial Technology Securities Pty Ltd (Financial Technology) giving a collective interest of 50.01%. The financial effect of this aquisition has not been reflected in these financial statements.

Financial Technology has operated since 1993 as financial planners using a plan that utilises investor equity for wealth creation, with Wide Bay Australia being one of their preferred lenders and Navigator their investment platform, during that period. The company is a very successful operation primarily based in South East Queensland and New South Wales, with a large clientele developed over the years. The acquisition will strengthen Wide Bay's presence in the financial planning industry, extending the range of services available to customers and shareholders.

note 32 BUSINESS AND GEOGRAPHICAL SEGMENT INFORMATION

The society operates predominantly in one industry. The principal activities of the society are confined to the raising of funds and the provision of finance for housing.

The society operates within the States of Queensland, New South Wales, Victoria and South Australia.

note 33 CONCENTRATION OF ASSETS AND LIABILITIES

The Directors are satisfied that there is no undue concentration of risk by way of geographical area, customer group or industry group.

note 34 FINANCIAL INSTRUMENTS

Terms, conditions and accounting policies

The economic entity's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at the balance date, are as follows:

Recognised Financial Instrument	Notes to Accounts	Accounting Policies	Terms and Conditions
Financial assets			
Short term deposits	6 7	Short term deposits are stated at the lower of cost and net realisable values. Interest is recognised when earned.	Short term deposits have an effective interest rate of 6.01% (2004 - 5.25%)
Accrued Receivables	8	Amounts receivable are recorded at their recoverable amount.	
Bills of exchange and promissory notes	9	Bills of exchange and promissory notes are stated at the lower of cost and net realisable value.	Bills of exchange and promissory notes have an effective interest rate of 5.66% (2004 - 5.40%)
Certificates of deposit	9	Certificates of deposit are carried at cost. Interest revenue is recognised when earned.	Certificates of deposit have an effective interest rate of 4.63% (2004 - 4.60%)
Notes	9	Notes are carried at the principal amount.	These notes are an overcover required as part of the securitisation of loans. They have an effective interest rate of 6.54% (2004 - 6.30%)

Recognised Financial Instrument	Notes to Accounts	Accounting Policies	Terms and Conditions
Financial assets continued			
Loans and advances	10	Loan interest is calculated on the closing daily outstanding balance and is charged in arrears to the customer's account on a monthly basis. Loans and advances are recorded at their recoverable amount.	All home loans and home equity loans are protected with either one of the recognised mortgage insurers or through the society's wholly owned subsidiary Mortgage Risk Management Pty Ltd, an approved lenders mortgage insurer, and are secured by first mortgage over residential property. Loans made for the purchase of staff shares are secured by the shares themselves. The loan to subsidiary is secured by a fixed and floating charge over all property, assets and rights of the subsidiary. Certain of the society's loans have been securitised and continue to be managed by the society. Further details are disclosed in note 10.
Financial liabilities			
Deposits	15	Deposits are recorded at the principal amount.	Details of maturity of the deposits are set out in note 15. Interest is calculated on the daily balance.
Due to other financial institutions	16	The borrowings are carried at the principal amount. Interest is charged as an expense as it accrues.	The borrowings of the chief entity are secured by charges held over registered mortgage documents.
Trade creditors, other creditors and accruals.	17	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the economic entity.	Trade creditors are normally settled on 30 day terms.
Dividends payable	5	Dividends payable are recognised when declared by the company.	Details of the final dividend declared by the company for the financial year ended 30 June 2005 are disclosed in note 5.
Subordinated capital notes	20	The subordinated capital notes are inscribed debenture stock.	These notes are issued for an initial period of 5 years and thereafter can be redeemed on an annual basis until the final redemption date of 10 years.

notes to and forming part of the accounts for the year ended 30 June 2005

note 34 continued

Interest rate risk

The economic entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

	Floating interest rate		Fixed interest rate maturing in 1 year or less		Fixed interest rate maturing in 1 to 5 years		Non interest bearing		Total carrying amount per statement of financial position		Weighted average effective interest rate	
	$ 2005	$ 2004	$ 2005	$ 2004	$ 2005	$ 2004	$ 2005	$ 2004	$ 2005	$ 2004	% 2005	% 2004
Financial assets												
Cash and liquid assets	41,982,432	27,835,646	-	-	-	-	1 ,418,199	2,157,307	43,400,631	29,992,953	6 .08	5 .33
Receivables due from other financial institutions	1,864,894	1,810,519	-	-	-	-	95,000	95,000	1,959,894	1,905,519	4.14	3 .59
Receivables	-	-	-	-	-	-	8,652,954	12,322,019	8,652,954	12,322,019	-	-
Investment securities	9,654,215	11,469,981	97,636,883	89,702,338	28,707,805	41,235,080	-	-	135,998,903	142,407,399	5.55	5.67
Loans and advances	447,336,495	382,796,694	85,503,054	75,484,371	150,929,632	180,631,344	-	-	683,769,181	638,912,409	6.93	6.68
Other investments	-	-	-	-	-	-	214,531	214,464	214,531	214,464	-	-
Other	-	-	-	-	-	-	4,190,889	3,843,956	4,190,889	3,843,956	-	-
Total financial assets	500,838,036	423,912,840	183,139,937	165,186,709	179,637,437	221,866,424	14,571,573	18,632,746	878,186,983	829,598,719		
Financial liabilities												
Deposits	249,580,152	228,551,753	442,574,208	412,874,962	9,568,891	13,605,080	-	-	701,723,251	655,031,795	4.10	3.71
Payables due to other financial institutions	-	-	60,000,000	60,000,000	5,222,251	4,266,932	-	-	65,222,251	64,266,932	6.43	6.04
Accounts payable and other liabilities	-	-	-	-	-	-	21,618,976	23,887,469	21,618,976	23,887,469	-	-
Provisions	-	-	-	-	-	-	8,233,646	7,304,905	8,233,646	7,304,905	-	-
Subordinated capital notes	-	-	10,000,000	10,000,000	-	-	-	-	10,000,000	10,000,000	7.20	6.79
Total financial liabilities	249,580,152	228,551,753	512,574,208	482,874,962	14,791,142	17,872,012	29,852,622	31,192,374	806,798,124	760,491,101		

note 34 continued

Net fair values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at the balance date are as follows:

	Total carrying amount per statement of financial position		Aggregate net fair value	
	$ 2005	$ 2004	$ 2005	$ 2004
Financial assets				
Cash and liquid assets	**43,400,631**	29,992,953	**43,400,631**	29,992,953
Receivables due from other financial institutions	**1,959,894**	1,905,519	**1,959,894**	1,905,519
Receivables	**8,652,954**	12,322,019	**8,652,954**	12,322,019
Investment securities	**135,998,903**	142,407,399	**136,962,019**	143,305,061
Loans and advances	**683,769,181**	638,912,409	**686,919,748**	641,709,999
Other investments	**214,531**	214,464	**214,531**	214,464
Other	**4,190,889**	3,843,956	**4,190,889**	3,843,956
Total financial assets	**878,186,983**	829,598,719	**882,300,666**	833,293,971
Financial liabilities				
Deposits	**701,723,251**	655,031,795	**699,884,181**	653,228,419
Payables due to other financial institutions	**65,222,251**	64,266,932	**64,899,334**	63,961,927
Accounts payable and other liabilities	**21,618,976**	23,887,469	**21,618,976**	23,887,475
Provisions	**8,233,646**	7,304,905	**8,233,646**	7,304,905
Subordinated capital notes	**10,000,000**	10,000,000	**10,000,000**	10,000,000
Total financial liabilities	**806,798,124**	760,491,101	**804,636,137**	758,382,726

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

Cash and liquid assets

The carrying amount approximates fair value because these assets are receivable on demand or have a short term to maturity.

Receivables due from other financial institutions

The fair values of receivables are estimated using discounted cash flow analysis, based on current lending rates for similar types of investments.

Receivables

The carrying amount approximates fair value as they are short term in nature.

Investment securities

For the financial instruments traded in organised financial markets, fair value is the current quoted market price adjusted for any realisation costs.

Loans and advances

The fair values of loans receivable are estimated using discounted cash flow analysis, based on current lending rates for similar types of loans.

Other investments

The carrying amount for other investments is considered to be the reasonable estimate of net fair value.

Other

The carrying amount for these prepaid fees and expenses is considered to be the reasonable estimate of net fair value.

Deposits

The fair values of deposits are estimated using discounted cash flow analysis, based on current lending rates for similar types of deposits.

Payables due to other financial institutions

The fair values of these liabilities are estimated using discounted cash flow analysis, based on current borrowing rates for similar types of borrowing arrangements.

Accounts payable and other liabilities

This includes interest payable and trade payables for which the carrying amount is considered to be a reasonable estimate of net fair value. For the liabilities which are long term the fair value is estimated using discounted cash flow analysis, based on current rates for similar types of liability.

Provisions

The carrying amount approximates fair value.

Subordinated capital notes

The carrying amount approximates fair value.

Credit risk exposure

The economic entity's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the balance sheet. The maximum credit risk exposure does not take into account the value of any security held or the value of any mortgage or other insurance to cover the risk exposure.

Concentration of credit risk

The society minimises concentrations of credit risk in relation to loans receivable by undertaking transactions with a large number of customers within the states of Queensland, New South Wales, Victoria and South Australia. The majority of customers are concentrated in Australia.

Credit risk in loans receivable is managed by protecting all home loans and home equity loans with either one of the recognised mortgage insurers or through the society's wholly owned subsidiary Mortgage Risk Management Pty Ltd, an approved lenders mortgage insurer, and by securing the loans by first mortgages over residential property.

directors' declaration

1 In the opinion of the Directors of Wide Bay Australia Ltd ("the company"):

a) the financial statements and notes are in accordance with the Corporations Act 2001, including:

i) giving a true and fair view of the financial position of the company and consolidated entity as at 30 June 2005 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date; and

ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

2 The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Managing Director and Chief Financial Officer for the financial year ended 30 June 2005.

Signed on behalf of the Board of Directors of Wide Bay Australia Ltd in accordance with a resolution of the Directors.

R E Hancock
Director

J F Pressler
Director

30 August 2005
Bundaberg

independent audit report

to the members of Wide Bay Australia Ltd

for the year ended 30 June 2005

Scope

The financial report, remuneration disclosures and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and the directors' declaration for Wide Bay Australia Ltd (the company) and Wide Bay Australia Ltd (the consolidated entity), for the year ended 30 June 2005. The consolidated entity comprises both the company and the entities it controlled during that year.

The company has disclosed information about the remuneration of directors and executives ("remuneration disclosures"), as required by Accounting Standard AASB 1046 Director and Executive Disclosures by Disclosing Entities, under the heading of "Remuneration Disclosures" in the Directors' Statutory Report, as permitted by the Corporations Regulations.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The directors are also responsible for the remuneration disclosures contained in the Directors' Statutory Report.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement and the remuneration disclosures comply with Accounting Standard AASB 1046 and the Corporations Regulations 2001. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows and whether the remuneration disclosures comply with Accounting Standard AASB 1046 and the Corporations Regulations 2001.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Audit Opinion

In our opinion, the financial report of Wide Bay Australia Ltd is in accordance with:

a) the Corporations Act 2001, including:

i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2005 and of their performance for the year ended on that date; and

ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

b) other mandatory professional reporting requirements in Australia; and

c) the remuneration disclosures that are contained in the Directors' Statutory Report comply with Accounting Standard AASB 1046 and the Corporations Regulations 2001.

BENTLEYS MRI
Brisbane Partnership
Chartered Accountants

R J Forbes
Partner

30 August 2005
Brisbane

directors' statutory report

Review and Results of Operations

The consolidated net profit after income tax for the year was $12,413,428. This compares with a figure of $9,893,735 from last year. The society's captive LMI Mortgage Risk Management Pty Ltd contributed an after tax surplus for the year of $2,609,916. Total assets of the society and funds under management now total $1,524,995,709 representing an increase of 11.2%. Loans for the year totalled $449,645,362.

Principal Activities and Significant Changes

There have been no significant changes in the principal activities of the society during the financial year, which is the provision of banking facilities and financial services, including the raising of funds on deposits and the provision of housing finance over mortgages secured by residential property and insured with a registered lender's mortgage insurer.

During the year the society insured all new mortgage loans approved with the society's wholly owned subsidiary, Mortgage Risk Management Pty Ltd, a registered lender's mortgage insurer.

The society continued to raise a portion of its funding for loans through the expansion of a securitisation program.

Wide Bay Australia Ltd is a company limited by shares and incorporated in Australia.

The number of full time equivalent employees at 30 June 2005 was 174.

Matters Subsequent to the End of the Financial Year and Future Developments

Since the end of the year, the society has completed an acquisition of a 25% share of Financial Technology Securities Pty Ltd, a well established financial planning organisation operating predominately in south-east Queensland, Sydney and Northern New South Wales market. It is expected that this acquisition will provide a satisfactory yield on the investment as well as introducing additional new business.

Likely Developments

The projections for the next 12 months are consistent with the trend for 2004/2005 and with the anticipated growth of the society's assets and loan books, a further increase in trading results is projected.

With the society's securitisation program now moving to off balance sheet, the Board and Management will continue to review the future capital management plan and requirements. Capital Adequacy at 30 June 2005 was 14.05%.

The Upper Mt Gravatt branch was opened on 01 August 2005 and is now fully operational. Camberwell in Melbourne, which will supply a full range of banking services, is anticipated to be open in October/November 2005.

Dividends

Ordinary Shares

Dividends paid or declared by the society, since the end of the last financial year, are as follows:

- An interim fully franked dividend of 19 cents per ordinary share was paid on 18 March 2005 (11 March 2004 16.5 cents).
- A final fully franked dividend of 23 cents per ordinary share has been declared by the Directors and will be paid on 23 September 2005 (24 September 2004 - 17.5 cents).

Resetting Convertible Preference (RCP) Shares

A total amount of $2,653,697 fully franked was paid quarterly in respect of RCP Shares for the year. ($2,533,810 - 2004)

Directors

The Directors of the society in office during this period:

Mr John H Fell FCA, FAICD, FIFS

Mr Fell was a director and secretary of the Gympie and North Coast Building Society from 1976 until merger with the society in 1981. He is Chairman of Mortgage Risk Management Pty Ltd and was a practising Chartered Accountant for many years. He is a member of the Institute of Chartered Accountants. Mr Fell is an independent director and is aged 55.

Mr Ronald E Hancock FCA, FAICD, FIFS

Mr Hancock is the Managing Director. He was a foundation director and manager of the Burnett Permanent Building Society formed in 1966, which subsequently merged with other Queensland societies to form Wide Bay Capricorn Building Society Ltd, subsequently Wide Bay Australia Ltd.

Mr Hancock was a practising Chartered Accountant for 32 years and is a member of the Institute of Chartered Accountants and a director of Fincom Pty Ltd, Wide Bay Australia Financial Planning Services Pty Ltd and Mortgage Risk Management Pty Ltd. He is Chairman of Wide Bay Australia Mini Lease Pty Ltd. Mr Hancock is an executive director and is aged 63.

Mr John F Pressler OAM, FAICD, FIFS

Mr Pressler is Chairman. He was appointed to the Board in 1988. He is a prominent figure in Emerald's agricultural and horticultural industries and is the Chairman of the listed Lindsay Australia Ltd. He is a director of Mortgage Risk Management Pty Ltd. Mr Pressler is an independent director and is aged 63.

Mr Peter J Sawyer FCA, FAICD, FIFS

Mr Sawyer has been a director since 1987. He is a partner of the firm Ulton, Chartered Accountants of Bundaberg, Hervey Bay and Maryborough. He is involved in a wide range of business activities.

Mr Sawyer is the Chairman of the Audit Committee. Mr Sawyer is an independent director and is aged 55.

Mrs Frances M McLeod AIFS

Mrs McLeod was appointed to the Board in 2003. She is currently Executive Manager of Wide Bay Australia Ltd and has a wide range of experience based on her involvement with the society for over 30 years. She is a director of Mortgage Risk Management Pty Ltd and Wide Bay Australia Financial Planning Services Pty Ltd.

Mrs McLeod is an executive director and is aged 47.

All Directors are members of the Audit Committee.

Company Secretary

Mr William R Schafer B.Com CA

Mr Schafer was appointed Company Secretary in August 2001. He has extensive experience in public accounting and management (law firms).

Directors' Meetings

During the financial year, 13 meetings of the Directors, 6 meetings of the Audit Committee and 1 meeting of the Remuneration Committee were held, in respect of which each Director attended the following number:

	Board	Audit	Remuneration
Pressler, JF	13	6	1
Hancock, RE	13	6	1
Fell, JH	12	6	n/a
Sawyer, PJ	13	6	n/a
McLeod, FM	13	6	n/a

Directors' Shareholdings

The Directors currently hold shares of the company in their own name or a related body corporate as follows:

	Ordinary Shares
Hancock, RE	1,646,505
Fell, JH	455,075
Sawyer, PJ	433,001
McLeod, FM	90,456

While Mr J F Pressler does not hold shares individually or in a related body corporate he is a director of Hestearn Pty Ltd, which holds 303,743 shares. Mr Pressler does not have a controlling interest in Hestearn Pty Ltd.

Related Party Disclosure

No Directors have during or since the end of the financial year received or become entitled to receive a benefit by reason of a contract made by the society.

Remuneration Report

The fees payable for non-executive Directors are determined with reference to industry standards, the size of the society, performance and profitability. The Directors' fees are approved by the shareholders at the Annual General Meeting in the aggregate and the individual allocation is approved by the Board.

The remuneration of the Managing Director is a matter for the non-executive Directors and is linked to his performance and responsibilities.

Remuneration of senior executives and other Executive Directors is subject to the Remuneration Panel and ratified by the Board. Relevant remuneration is based on the individual's performance throughout the year, the duties and responsibilities undertaken and is set so as to reflect the remuneration commensurate with the market place, given those duties and performances.

Details of the nature and amount of each major element of the remuneration of each director and each of the named officers of the society receiving the highest remuneration are:

Remuneration Disclosures

		PRIMARY		POST EMPLOYMENT		
Wide Bay Australia Ltd - year ended 30 June 05		Salary and Fees	Non-Monetary	Superannuation	Retirement Benefits	**Total**
Specified Directors						
Hancock, RE	2004/2005	673,295	9,782	95,980	-	779,057
Managing Director	2003/2004	644,682	8,722	89,149		742,553
Pressler, JF	2004/2005	64,000	-	16,000	-	80,000
Chairman (non-exec)	2003/2004	60,861	-	8,465		69,326
Sawyer, PJ	2004/2005	44,000	-	11,000	-	55,000
Director (non-exec)	2003/2004	38,861	-	8,465		47,326
Fell, JH	2004/2005	44,000	-	11,000	-	55,000
Director (non-exec)	2003/2004	38,861	-	8,465		47,326
McLeod, FM	2004/2005	128,440	1,505	11,560	-	141,505
Director & Executive Manager	2003/2004	108,165	1,433	9,735		119,333
McBride, KM	2004/2005	-	-	-	-	-
Director (non-exec)	2003/2004	-	-	5,242	58,247	63,489
Retired 14/10/03						
Total Remuneration - Specified Directors						
	2004/2005	953,735	11,287	145,540	-	1,110,562
	2003/2004	891,430	10,155	129,521	58,247	1,089,353
Specified Executives						
Pokarier, IR	2004/2005	157,415	2,709	94,585	-	254,709
Operations Manager	2003/2004	153,998	3,001	91,002		248,001
Schafer, WR	2004/2005	128,440	1,505	11,560	-	141,505
Chief Financial Officer	2003/2004	114,679	1,531	10,321		126,531
Butler, SV	2004/2005	105,505	-	9,495	-	115,000
Loans Manager	2003/2004	95,413	123	8,587		104,123
Ashton, AR	2004/2005	97,706	-	8,794	-	106,500
Internal Auditor	2003/2004	93,119	1,243	8,381		102,743
Hancock, DA	2004/2005	93,578	1,097	8,422	-	103,097
Manager - Securitisation and Interstate Operations	2003/2004	86,239	735	7,761		94,735
Total Remuneration - Specified Executives						
	2004/2005	582,644	5,311	132,856	-	720,811
	2003/2004	543,448	6,633	126,052	-	676,133

Indemnities and Insurance Premiums for Officers and Auditors

During the financial year the society has paid premiums to indemnify Directors and Officers against personal losses arising from their respective positions within the society. During the reporting period and subsequent to 30 June 2005, no amounts have been paid under the indemnities by the society.

Premiums paid during the financial year were in respect of Directors' and Officers' Liability and Company Reimbursement, Directors' and Officers' Legal Expenses and Employment Practices Liability. These policies insure Directors and senior officers against certain liabilities arising in the course of their duties. The total premium paid was $71,003.15.

Non-Audit Services

During the year, Bentleys MRI, the society's Auditor, has performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the Auditor, and in accordance with advice provided by the Audit Committee, is satisfied that the provision of those non-audit services during the year by the Auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by the society and have been reviewed by the Audit Committee to ensure they do not impact the integrity and objectivity of the Auditor, and
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in Professional Statement F1 Professional Independence, as they did not involve reviewing or auditing the Auditor's own work, acting in a management or decision making capacity for the society, acting as an advocate for the society or jointly sharing risks and rewards.

A copy of the Auditor's Independence Declaration, as required under Section 307C of the Corporations Act, is included in the Director's Report.

Non-audit services paid to Bentleys MRI are as follows:

	$ **2004/2005**	$ 2003/2004
Due Diligence Fees	**28,163**	3,345
Tax Return Subsidiaries	**4,175**	3,250
Tax Advice	**-**	4,290
Total	**32,338**	10,885

auditor's independence declaration

under Section 307C of the Corporations Act 2001

to the directors of Wide Bay Australia Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2005 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.

Bentleys MRI

BENTLEYS MRI
Brisbane Partnership
Chartered Accountants

30 August 2005
Brisbane

R J Forbes
Partner

This Report is signed for and on behalf of the Board of Directors in accordance with a resolution of the Board of Directors.

R E Hancock
Director

30 August 2005
Bundaberg

J F Pressler
Director

Corporate Governance Practices

The Board of Directors of Wide Bay Australia Ltd has always had a commitment to a high level of ethical standards and corporate governance.

The Board of Directors and Management are aware of and have had regard to the Australian Stock Exchange (ASX) Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations.

The Board has adopted a Board Charter, which sets out the society's compliance with those principles. The Board Charter is available on the company's website, www.widebayaust.com.au.

The independent non-executive directors each have many years of service and with that experience and knowledge of the industry together with their diversified backgrounds they continue to make an integral contribution to the ongoing development of the society.

Issued Shares

Wide Bay Australia Ltd shares are listed on the Australian Stock Exchange. The securities are permanent ordinary shares and at the date of this Report there were 20,434,789 shares.

Also listed are Wide Bay Australia Ltd Resetting Convertible Preference Shares, and at the date of this Report there were 335,911 shares.

Voting Rights of Shareholders

A shareholder is entitled to exercise one vote in respect of each fully paid ordinary permanent share held in accordance with the provisions of the Constitution.

Under the terms of issue a holder of Resetting Convertible Preference Shares is only entitled to vote in the following circumstances:

a) if at the time of the meeting, a Dividend (or part of a Dividend) in respect of RCP Shares has been declared but has not been paid in full by the relevant Dividend Payment Date;

b) on any proposal to reduce the capital of Wide Bay Australia;

c) on any resolution to approve the terms of a buy-back agreement;

d) on any proposal that affects the rights or privileges attaching to the RCP Shares;

e) on any proposal to wind-up Wide Bay Australia;

f) on any proposal for the disposal of the whole of Wide Bay Australia's business, undertaking and assets;

g) during the winding-up of Wide Bay Australia; and

h) in any other circumstance in relation to which, at any time, the ASX Listing Rules require the holders of the RCP Shares to be entitled to vote,

in which case a holder of RCP Shares has the same rights as to manner of attendance and as to voting in respect of each RCP Share as those conferred on ordinary shareholders in respect of each Ordinary Share.

Substantial Shareholders

The society's register of substantial shareholders recorded the following substantial shareholders interests:

Permanent Ordinary Shares

As at 31 August 2005	No. of Shares	% of Total
Hancock, R E	1,646,505	8.06
Drenwood Pty Ltd / Skipglen Pty Ltd (associated entities & associates)	1,276,910	6.25

Distribution of Shareholders

Permanent Ordinary Shares

As at 31 August 2005

Range	No. of Shareholders
1 - 1,000	861
1,001 - 5,000	1,234
5,001 - 10,000	310
10,001 - 100,000	255
100,001 - over	31
Total number of shareholders	2691

16 shareholders held less than a marketable parcel.

Resetting Convertible Preference Shares

As at 31 August 2005

Range	No. of Shareholders
1 - 1,000	296
1,001 - 5,000	23
5,001 - 10,000	1
10,001 - 100,000	3
100,001 - over	0
Total number of shareholders	323

List of Top 20 Permanent Shareholders

Permanent Ordinary Shares

As at 31 August 2005

	Name	No. of Shares	%
1	Hancock, RE	834,965	4.09
2	Hancock, RE & LP	785,998	3.85
3	Drenwood Pty Ltd	517,972	2.53
4	Skipglen Pty Ltd	499,953	2.45
5	Sawyer, K	400,000	1.96
6	Sawyer, PJ ATF P Sawyer Family Fund	400,000	1.96
7	Olsen, RC	330,520	1.62
8	Kennedy, J W & G J	308,710	1.51
9	Hestearn Pty Ltd	303,743	1.49
10	McBride, KG & PA	300,888	1.47
11	Australian Executor Trustees Ltd	282,889	1.39
12	Drenwood Pty Ltd	258,985	1.27
13	Mertan Pty Ltd	250,422	1.23
14	DR & CA Emmerton (Warambul Super)	207,989	1.02
15	Runge, B	205,477	1.01
16	G & S Messer (G Messer Super Fund)	200,625	0.98
17	JH & CR Fell	158,405	0.78
18	WG Loeskow	135,595	0.66
19	NW Pressler	134,881	0.66
20	LC Smith	133,408	0.65
Top 20 Permanent Shareholders		**6,651,425**	**32.58**

Resetting Convertible Preference Shares

As at 31 August 2005

	Name	No. of Shares	%
1	J P Morgan Nominees Australia Ltd	100,000	29.77
2	Australian Executor Trustees Ltd	45,045	13.41
3	Executor Trustee Australia Ltd	42,790	12.74
4	National Nominees Ltd	7,500	2.23
5	Woodduck Pty Ltd (Super Fund)	5,000	1.49
6	TA & JM Cook	3,700	1.10
7	EJ & S M Hanson (Hanson Super Fund)	3,393	1.01
8	Trust Company Superannuation Services	3,059	0.91
9	Warman Investments Pty Ltd	2,800	0.83
10	Brencorp No 11 Pty Ltd	2,500	0.74
11	UBS Private Clients Australia Nominees	2,500	0.74
12	J Grace (Grace Family Super Fund)	2,140	0.64
13	Dixon Trust P/L (No 1 A/c)	2,050	0.61
14	The Aged and Disabled Persons Hostel & Welfare Association	2,000	0.60
15	TAG Hilton	2,000	0.60
16	IW & GJ Bailey (Bailey Family Super Fund)	1,750	0.52
17	Nivesa Pty Ltd	1,600	0.48
18	E Darin	1,500	0.45
19	Equity Trustees Ltd (Accumulation A/C)	1,500	0.45
20	Thorn-Seshold Holdings Pty Ltd	1,500	0.45
Top 20 RCP Shareholders		**234,327**	**69.77**

Registered Office

The registered office and principal place of business of Wide Bay Australia Ltd is 5th Floor, Wide Bay Australia House, 16-20 Barolin Street, Bundaberg, telephone (07) 4153 7777.

Secretary

The Secretary is Mr William Ray Schafer.

Share Register

The registers of holders of Permanent Ordinary and Resetting Convertible Preference shares are kept at the office of Computershare Investor Services Pty Ltd, Central Plaza One, Level 27, 345 Queen Street, Brisbane, Queensland, telephone (07) 3237 2100.

On-Market Buy Back

There is no on-market buy back.

our corporate directory

Directors

John F Pressler OAM FAICD FIFS (Chairman)
Ronald E (Ron) Hancock FCA FAICD FIFS (Managing Director)
John H Fell FCA FIFS
Peter J Sawyer FCA FAICD FIFS
Frances McLeod AIFS

Secretary

William R (Bill) Schafer BCom ACA

Registered Office

Level 5 Wide Bay Australia House
16-20 Barolin Street
Bundaberg QLD 4670
telephone (07) 4153 7777
facsimile (07) 4153 7714
email widebay@widebayaust.com.au
website www.widebayaust.com.au

Australian Stock Exchange Code

WBB (ordinary shares)
WBBPB (non-cumulative perpetual resetting convertible preference shares)

Principal Banker

Westpac Banking Corporation

Auditors

Bentleys MRI
Brisbane Partnership
Chartered Accountants
Level 26 AMP Place
10 Eagle Street
Brisbane Qld 4000
telephone (07) 3222 9777
facsimile (07) 3221 9250
email admin@bris.bentleys.com.au

Principal Lawyers

MRH Lawyers
Level 6 Wide Bay Australia House
16-20 Barolin Street
Bundaberg Qld 4670
telephone (07) 4154 5500
facsimile (07) 4152 8819
email info@mrh.com.au

Queensland Stock Broker

Wilson HTM Ltd
Level 21 Riverside Centre
123 Eagle Street
Brisbane Qld 4000
telephone (07) 3212 1333
facsimile (07) 3212 1399
email info@wilsonhtm.com.au

Share Register

Computershare Investor Services Pty Limited
Level 27 Cental Plaza One
345 Queen Street
Brisbane Qld 4000
telephone (07) 3237 2100
facsimile (07) 2118 9860
email brisbane.services@computershare.com.au

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