



wide bay capricorn building society ltd.
2001 annual report and financial statements



www.widebaycap.com.au





o u r c o m m i t m e n t

We seek to be a leading mortgage provider and approved deposit taking institution - promoting the well-being of our investors, borrowers, shareholders, staff and communities we serve.

Central to our purpose are the following aims:

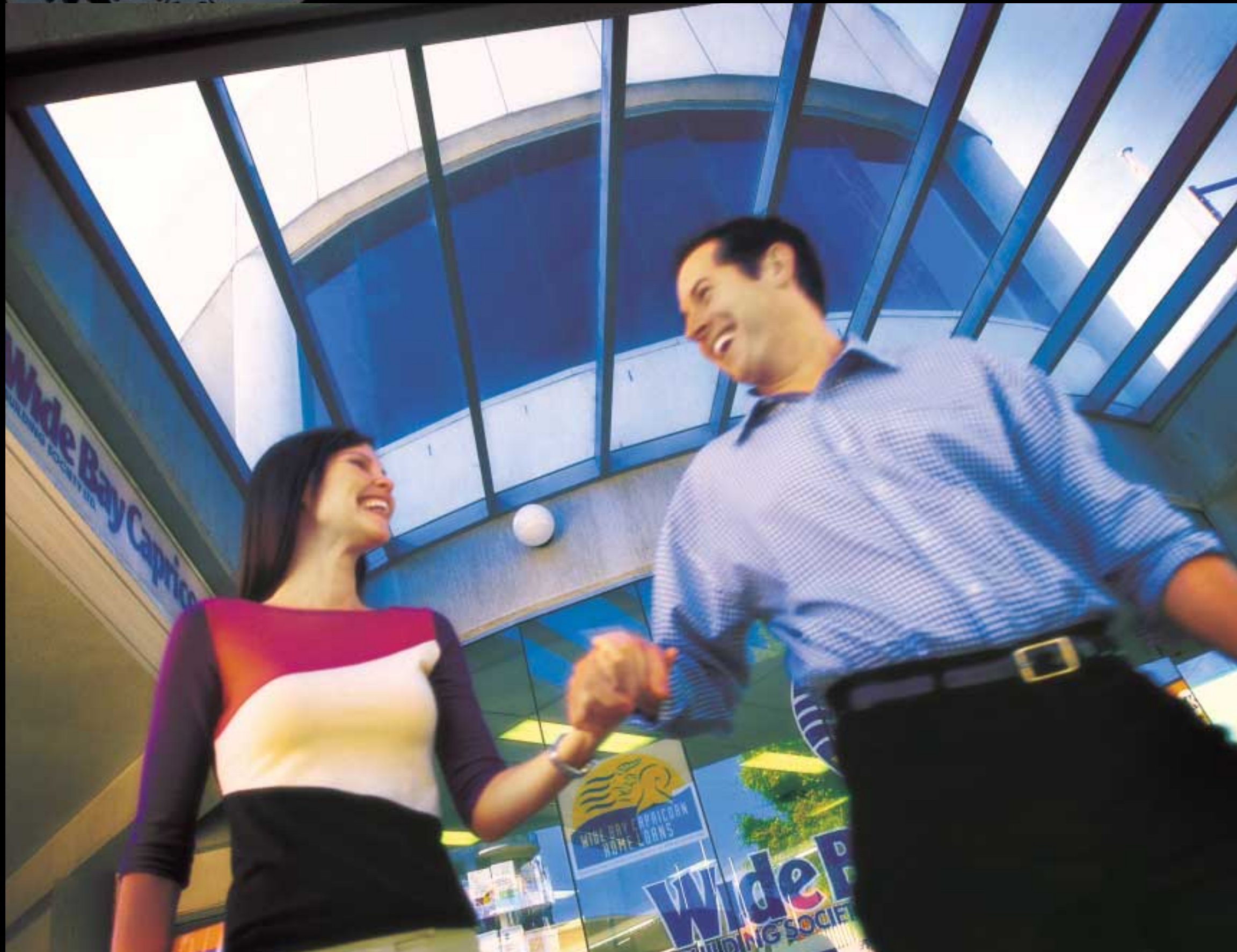
Financial - To achieve sound financial growth and to preserve and improve our position by ensuring a *strong and profitable* Society for the benefit of all.

Service - To achieve high standards of personal, efficient service and presentation meeting the needs of customers in an *efficient and caring* manner and to ensure that our systems and technology are equal to the task.

Products - To ensure our principal investment and lending activities remain *competitive and attractive* while safeguarding our financial stability and security; and to provide associated banking and financial products which are desired by our customers.

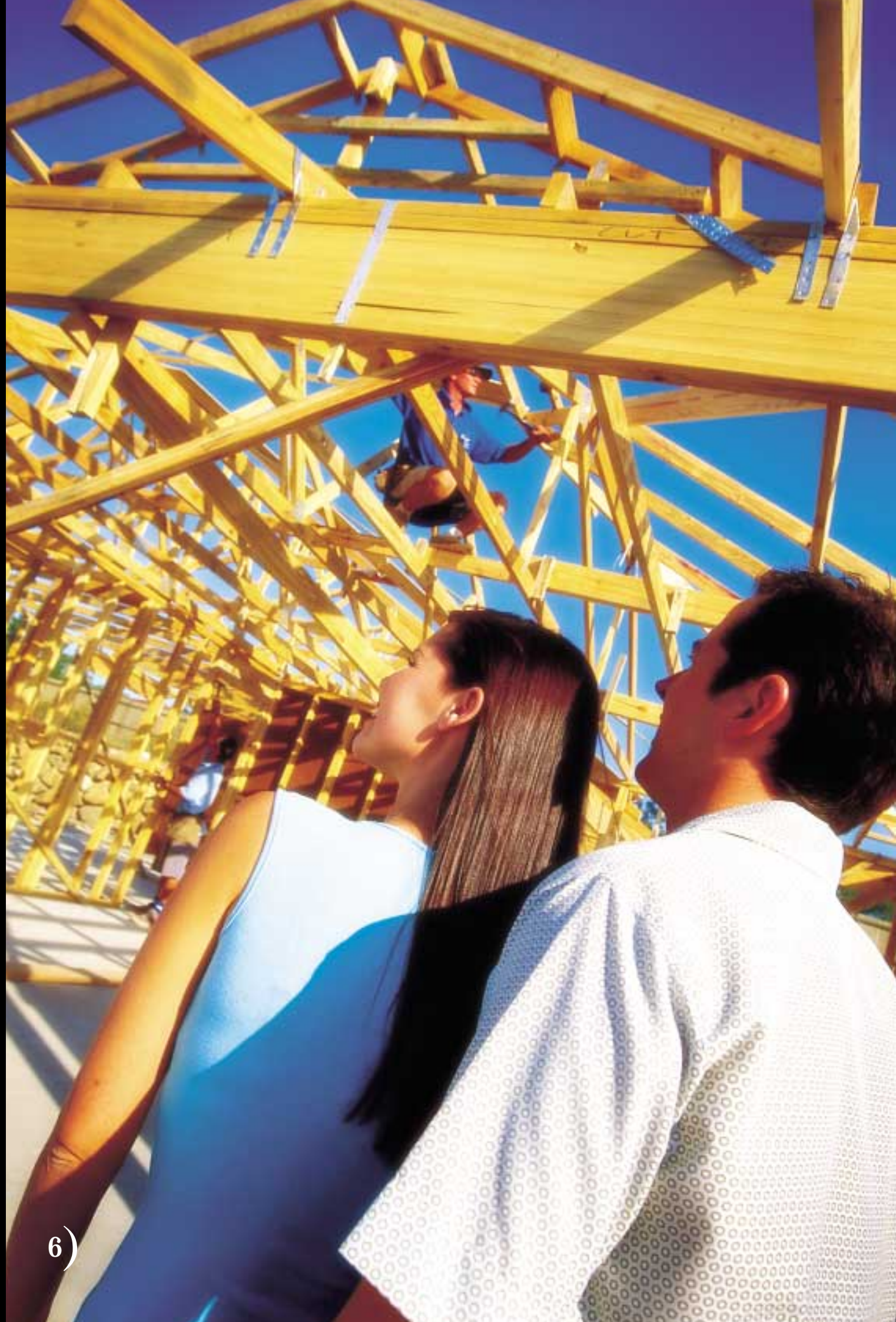
Community - To accept every opportunity to educate account-holders and the public in the importance of saving and achieving eventual home ownership; and to assist and foster our local communities by being a *caring corporate citizen* by involvement with and support of - when possible - community activities, organisations and events.

Staff - To provide a challenging career in a *progressive and successful* environment; and to promote active participation in and a desire to achieve our aims.



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a b o u t u s

Wide Bay Capricorn Building Society Ltd (ABN 40 087 652 060) is based in Bundaberg, Queensland, and is one of that State's larger non-bank Approved Deposit Taking Institutions.

We are earning an Australia-wide reputation for dedication as a specialist provider of banking products and financial services - in particular for the provision of home finance and investment opportunities.

A listed company on the Australian Stock Exchange Limited, we have a solid track record of achievement and growth.

Our reputation for competitive products and customer service is the result of having a genuine interest in each and every account-holder and the flexibility to adapt to our customer's changing needs - something you won't get from a larger financial institution!

In an environment of change, our Society continues to meet the challenge - while retaining the "community banking philosophy" that has been lost by so many of our competitors.

Plus our banking and financial transactions are supported by advanced financial technology and efficient processes and systems.

We are keen to help our client's improve their financial position by providing sound advice, the right service for their individual needs and financial solutions to help them get ahead!

Our Society was formed in Queensland in 1979 as the result of a merger of two building societies.

The Burnett Permanent Building Society (based in Bundaberg) and the Maryborough Permanent Building Society - both of which had operated since the early 1960's.

In 1981, Wide Bay Capricorn also amalgamated with the Gympie and North Coast Building Society. Then again in 1983, another merger occurred with the Gladstone-based Port Curtis Building Society.

Wide Bay Capricorn continued to foster the aims of its predecessor societies - established to co-ordinate the joint savings of members to foster home ownership in the community. As a result, funds and loans under management grew strongly, as the Society made home ownership more achievable for thousands of people by providing affordable, low deposit home loans.

As a result of our history, we enjoy solid support in Central and South-East Queensland - and benefit from the diversification of economies and opportunities.

We have also built on this foundation - offering a broader range of banking and financial services and operations that extend through the greater part of regional Queensland and into Brisbane, Sydney, Melbourne and Adelaide.

Wide Bay Capricorn listed on the Australian Stock Exchange Limited in 1994 and our shares have traded strongly since then - reflecting our record of growth and profitability.

In 1997, the Society was one of the first unrated non-bank financial institutions to use securitisation as a liquidity management tool. Since this date, the Society has increased its securitisation program to include two 'securitisation warehouse facilities' that enable the Society to finance mortgage loans on an ongoing basis. In August 2000, the Society and SG Australia Ltd launched the largest 'AAA' rated high LVR mortgage loan securitisation in the Australian market and was very well received by investors.

Securitisation has enabled the Society to access the Australian capital markets and achieve funding at very competitive rates.

In 2001, Wide Bay Capricorn exceeded \$1billion in assets and loans under management.



security

When our depositors invest their hard-earned money, they're looking for both a sound return and peace-of-mind.

So while striving to provide competitive and attractive products and services, we've also made a commitment to offer quality, safety and security.

Our policies and controls have produced a consistent record of stability and growth and helped form a strong foundation for the future.

Built on a Strong Foundation

Our history demonstrates a solid record of strength, growth and stability.

Supervision and Regulation

Australian Prudential Regulation Authority:

We are supervised by the Australian Prudential Regulation Authority (APRA) - as are other building societies, banks and credit unions.

APRA is responsible for prudential supervision - that is the promotion of safety and soundness by these institutions.

APRA provides a consistent approach to the supervision of both banks and building societies including capital adequacy standards.

Capital is the cornerstone of an Approved Deposit Taking Institution's strength. The maintenance of adequate capital reserves can engender confidence in the financial soundness and stability of the institution by providing continued assurance that the ADI will continue to honour its obligations to depositors and creditors.

APRA Infoline - 13 10 60

APRA Website - www.apra.gov.au

Australian Securities and Investments Commission:

Another body responsible for protecting account-holders and shareholders is the Australian Securities and Investments Commission (ASIC).

ASIC protects consumers from misleading and deceptive conduct, and also regulates matters affecting incorporation, corporate governance and disclosure.

ASIC Infoline - 1300 300 630

ASIC Website - www.asic.gov.au

Australian Stock Exchange Limited:

As a listed company on the Australian Stock Exchange Limited (ASX), we are required to meet strict reporting and disclosure requirements.

Our shares have traded on the ASX since 1994 and have consistently performed strongly.

Quality Loans Portfolio

A significant aspect of our Society's operations is our lending activities.

The majority of our loans have been restricted to residential purposes secured by registered mortgages.

We also have a policy of insuring each and every loan with lenders mortgage insurance - arranged through an approved and registered lenders mortgage insurance company. This insurance helps protect us against loss in the event of default by a borrower and provides additional comfort to depositors and investors.



John Pressler A.I.F.S.
Chairman



Ron Hancock F.C.A., F.I.F.S.
Managing Director



John Fell F.C.A., F.I.F.S.
Director



Kerry McBride A.I.F.S.
Director



Peter Sawyer F.C.A., A.I.F.S.
Director

directors' report

It is indeed a pleasure to present the 2000/2001 Report on behalf of the Board of Directors. The Society has experienced further records and has developed products and services that enable us to compete with other financial institutions and play a major role in our areas of operation. We offer local communities a full range of professional and competitive financial services.

As with any organisation an important measure of our strength is not only our ability to compete and offer services, but to generate a level of profitability and size. This is particularly relevant in the recent tight environment ensuring our financial strength for all of our customers and shareholders.

This aspect is reflected in an after tax profit from ordinary activities of \$7,017,082, which represents an increase of 41.3%. After taking to account a distribution from the Queensland Building Societies Fund of \$1,782,800, that attracted \$606,152 of taxation, our net profit attributable to shareholders of the company was \$8,150,768 - representing an increase of 66.7%.

Under the provisions of the Harmonised Standards, that came into effect on 1 July 2001 administered by the Australian Prudential Regulation Authority (APRA), the Society was required to generate a general provision for doubtful debts of up to 0.5% of the Society's risk

weighted assets. This general provision is classified under the Standards as Upper Tier 2 capital. Your Board has decided to allocate a full amount of 0.5% to this provision, even though our (provision for) bad debts over the years has been insignificant and with all loans insured, little likelihood of major write offs. This amount has been created as an appropriation from retained profits, with an amount of \$2,297,081 being allocated to comply with this Standard. The actual amount written off for the year for bad and doubtful debt expense was \$994.

Lending activities for the first six months of the financial year were relatively subdued and we believe a direct result of the activity prior to the introduction of GST. Our lending for the first six months was \$111.5 million with total lending for the year \$249.2 million. We are anticipating a stronger result this year, particularly with the introduction of the \$14,000 First Home Owners Grant in respect of new dwellings. We have already seen a significant increase in applications for new homes.

The Society uses a securitisation structure to provide additional funding for the growth in our loan book and loans funded through this program have this year been excluded from the assets. Total assets under management and on balance sheet represent \$1.022 billion, an increase of 10.54% over the previous year.





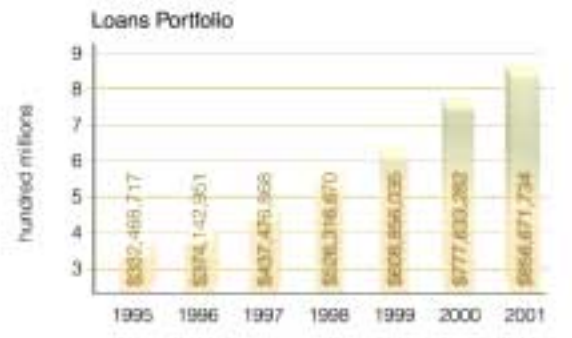
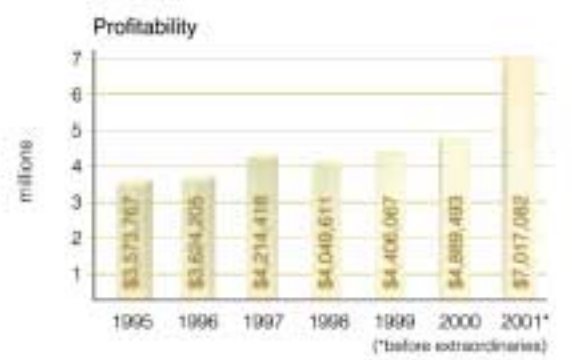
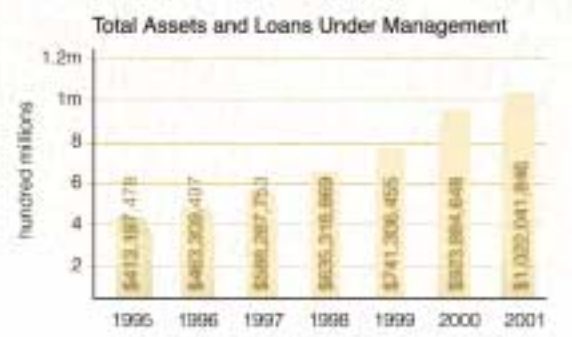
Accessing funding through our securitisation programme with SG Australia Ltd, has enabled us to expand our lending operations to Sydney, Melbourne and Adelaide where there has been strong growth in not only actual loans but in real estate values, particularly Sydney. While we have expanded into these areas, our principal focus remains on our retail base throughout provincial Queensland, where we are committed to the development and expansion of these facilities providing a full range of banking and financial services for our local communities.

Your Board has declared a final fully franked dividend of 15 cents, bringing the total dividend for the year to 27.5 cents. The dividend will be paid on 5 October 2001.

Our licensed lenders mortgage insurance captive, Mortgage Risk Management Pty Ltd, has now been operating in excess of 2 years and has shown strong results and contributed to the Society's overall figures. Its performance in the area of claims has to date been most satisfactory and overall the Society enjoys a very strong arrears position. All new loans are now insured through this captive.

During the year we introduced our web site, www.widebaycap.com.au and Internet Banking. These facilities together with Telephone Banking introduced towards the close of last financial year, have proven very popular and have received many accolades from our users - particularly in regard to Internet Banking. Our computer personnel are currently developing a range of lending products to be available on our website and we will in a very short period be able to accept detailed loan applications on the Internet.

As part of our extension of our range of facilities, we are currently developing a margin lending product which will be available for our customers, in particular those using our financial planning company's plans and products. With respect to our financial planners we now have four full time advisers and anticipate this figure increasing during the year. There has been strong support for this service.





The introduction of the Society's MasterCard facility during the year has also received strong support.

As stated in our previous reports, we have adopted a range of fees and charges for services for those customers using these facilities. We have endeavoured at all times to contain these costs to a minimum and certainly lesser than that of our major banking competitors.

Our Management Team has been able to maintain our operating margin throughout the year, an excellent achievement in the current competitive environment.

During the year we saw the collapse of HIH Insurance, with our Widecover Insurance products underwritten by CIC Insurance - a subsidiary of that company. I am pleased to advise that all of our customers have been covered and transferred to the Allianz group. While the impact of the HIH problem provided some concerns for our insurance department, these issues have all been addressed and Widecover Insurance continues to be very popular.

As advised previously, the control and regulation of the financial services industry, particularly Approved Deposit Taking institutions (ADI's) has been transferred to APRA and recent changes have seen the introduction of the new Harmonised Standards to apply to all ADI's. We particularly welcome the supervision and regulation that emanates from APRA, as it provides for strong prudent management and adherence to specific standards, that provide not only stability for the industry but investor protection and comfort.

Our shares have continued to trade steadily on the market, with an increasing share price as evidenced by the graph included with this Report. Over the past year we have seen our share price increase by approximately \$1 adding substantial value for our shareholders. The Society has currently 20,003,632 fixed shares on issue.

We are currently looking at an instrument to raise additional tier 1 and tier 2 capital, which will eliminate the need to issue further fixed shares for some years.

The Society has currently \$25 million in subordinated debt, which is now classified as lower tier 2 capital. The additional capital raised will be used to increase our capital adequacy and clear this subordinated debt.

Since the year end, our Society acquired a 51% interest in a small lease/rental company and we are using this as an opportunity to establish the opportunities and operations of that market and if considered desirable we will look at expanding this area of lending and financing. This again will assist our policy of extending the range of services and products available to our customers and our local communities.

We continue to maintain our staff share plan, with all staff having the opportunity to acquire shares on attractive terms and conditions and it is pleasing to note the high take up rate of staff participating in this staff share plan.

An organisation such as ours could not achieve the results we have without the performance, competence, dedication and enthusiasm of our Management Team, which includes not only our Senior Management but also all of our staff. On behalf of the Board I extend our appreciation for their efforts.

We believe we have appropriate structures, products and plans in place that will ensure that the year ahead, while again not going to be any less difficult, will see your Society continue to go from strength to strength.

On behalf of the Board I extend our appreciation for the strong support we have received from shareholders and customers throughout the year.

Yours faithfully,

J.F. Pressler, **Chairman**

11th September 2001, Bundaberg.



managing director's report

It is with great satisfaction that I take this opportunity of providing an overview of the Society's operations for the year 2000/2001.

The strong growth in our assets of approximately \$470 million at 30 June 1996 to assets and loans under management at 30 June 2001 of \$1.022 billion has been the springboard for the Society's achievements. A large percentage of this growth has been funded through our securitisation program with SG Australia Limited, which has enabled us to achieve this growth without developing a large high cost network of additional branches and agencies. We have continued to focus very strongly on our branches and agencies and the services and facilities offered. They continue to be the core of the Society's operations.

Our move interstate, particularly in relation to our lending operations, has proven very successful with strong figures experienced in Melbourne, Sydney and Adelaide. During the year an additional amount of \$162.4 million was funded through our securitisation program and warehouse facility with SG Australia Limited.

Our lending for the year of \$249.2 million, while down marginally on previous years was, given the impact of GST and the economy generally, quite a satisfactory result. I expect to see this figure increase this year.

Wide Bay Capricorn's strong growth over the years, together with our containment of costs has seen efficiency ratios at the lowest levels ever. Our cost to income was 61.5%, which outperforms most of the building societies sector and is more than comparable with many of the regional banks. Our cost to average assets at 1.7% is another major achievement.

During the year we saw our more recent products widely used, in particular Telephone Banking, BPAY, our website and Internet Banking. We have received many compliments in respect to the development of our website under the supervision of our Computer and Operations Manager, Mr Ian Pokarier. The introduction of our MasterCard in conjunction with Citibank has also proven a success and is now widely used. Our financial planners continue to expand their operations and I anticipate substantial growth in that area of our operations for the coming year.

We have acquired a 51% equity in a small lease and rental operation and will be using that acquisition to establish the benefits, disadvantages and market potential to perhaps expand that product further, providing an additional service to our customer base.

There has been an increasing trend over recent years for financial institutions to promote their range of services to customers in a much more focused environment. We are currently in the stages of introducing a new customer service facility, which will provide an expanded database of our customers' use of products and services and assist our customer service staff in promoting our products. When operational we expect to see substantial financial benefits flow to the Society as well as improved service.

Our lenders' mortgage insurance captive continues to perform well and we are very pleased with the level of claims experienced to date.

We have almost completed the development of our on-line loan facility and within the next few weeks expect that borrowers will be able to apply direct through the Internet for one of our various home loan products.

Ron Hancock
Managing Director at Wide Bay Capricorn House, Bundaberg



Ian Pokarier
A.I.F.S.
Operations Manager



Frances McLeod
A.I.F.S., J.P. (C.dec)
Executive Manager



Bill Schafer
B.Com., A.C.A.
Secretary and Financial Accountant



Joanne Norris
Administration Supervisor



Barry Lambooy
C.A. (S.A.)
Internal Auditor

Ray Linderberg
B.Bus (Comm.), A.I.F.S.
Marketing Manager



Ian Hatton
Business Development Manager



Gayle Job
Training Manager



Dale Hancock
B.Bus (Acc.), A.I.F.S.
Manager - Securitisation and
Interstate Operations



We continue to monitor and review our fee structure. We have adopted the principle of "user-pays," where the high cost of many of these services and transactions we now offer, are passed on to the actual user rather than subsidised from interest income, where we are continually battling to maintain our margin. While introducing costs and charges we do make a very conscious effort to ensure that our charges are below that of our major competitors.

Our shares have traded steadily on the Australian Stock Exchange, although at times there have not been a large number of sellers. This is no doubt a reflection on the dividend paid last year of 22 cents, which has now been increased to 27.5 cents fully franked for the current year.

Our operations are now supervised and regulated by the Australian Prudential Regulation Authority (APRA) and I believe this has been a most beneficial move providing stability for the Industry and confidence to our customers. They ensure compliance with a wide range of standards and procedures.

The ensuing year will see the Society under further pressure in meeting new legislative requirements, in particular the Privacy Act and the Financial Services Reform Bill scheduled to be introduced this calendar year - as is new Uniform Stamp Duties Legislation. While these Bills will place pressure on the Society and other organisations to comply, they are being introduced after a great deal of consultative discussions and submissions. We are particularly concerned at the possibility under the Financial Services Reform Bill of our base core products, such as term deposits, not

being excluded from this legislation. We have in place various committees reviewing the requirements and obligations under the proposed changes.

During the year we attended the Australian Finance Conference meetings as members. We are most impressed with the facilities and services available for a wide range of administrative and legislative issues.

The Society has always focused on customer service and relationships and all staff attend our Head Office regularly for in house training to ensure their capabilities with computer systems and new products.

While we are directed and guided by a very successful Board of Directors, there is no doubt in my mind that one of the Society's real strengths is our Management Team, particularly Senior Management, the attitude they display and the enthusiasm and commitment that they apply.

I extend my personal appreciation to them for their support and assistance and also to all of the staff throughout our total operation. I am very confident that Wide Bay Capricorn will produce another strong year for 2001/2002.

Yours faithfully,

R.E. HANCOCK, *Managing Director*

11th September 2001, Bundaberg

corporate directory

Directors

John F. Pressler A.I.F.S. (Chairman)
 Ronald E. (Ron) Hancock F.C.A., F.I.F.S. (Managing Director)
 John H. Fell F.C.A., F.I.F.S.
 Kerry G. McBride A.I.F.S.
 Peter J. Sawyer F.C.A., A.I.F.S.

Secretary

William R. (Bill) Schafer B.Com., A.C.A

Registered Office

Level 5
 Wide Bay Capricorn House
 16-20 Barolin Street
 Bundaberg Queensland 4670
 Telephone - 07 4153 7777
 Facsimile - 07 4153 7714
 E-mail - widebaycap@widebaycap.com.au
 Website - www.widebaycap.com.au

Australian Stock Exchange Code

WBB

Principal Banker

Westpac Banking Corporation

Auditor

Bentleys MRI
 Chartered Accountants
 Level 26
 AMP Place
 10 Eagle Street
 Brisbane Queensland 4000
 Telephone - 07 3222 9777
 Facsimile - 07 3221 9250
 E-mail - admin@bris.bentleys.com.au

Principal Lawyers

McCullough Robertson Hancock
 Level 6
 Wide Bay Capricorn House
 16-20 Barolin Street
 Bundaberg Queensland 4670
 Telephone - 07 4154 5500
 Facsimile - 07 4152 8819
 E-mail - info@mrh.com.au

Queensland Stock Broker

Wilson HTM Ltd
 Level 21
 123 Eagle Street
 Riverside Centre
 Brisbane Queensland 4000
 Telephone - 07 3212 1333
 Facsimile - 07 3212 1399
 E-mail - info@wilsonhtm.com.au

Interstate Stock Broker

Cameron Securities Limited
 Level 5
 CGU House
 10 Spring Street
 Sydney New South Wales 2000
 Telephone - 02 9232 7700
 Facsimile - 02 9232 7272
 E-mail - mail@camstock.com.au

Institutional Stock Broker

Macquarie Equities
 Level 2
 No 1 Martin Place
 Sydney New South Wales 2000
 Telephone - 02 8232 4565
 Facsimile - 02 8232 4200
 E-mail - rduggan@macquarie.com.au

Share Register

Computershare Investor Services Pty Limited
 Level 27
 Central Plaza One
 345 Queen Street
 Brisbane Queensland 4000
 Telephone - 07 3237 2100
 Facsimile - 07 3229 9860
 E-mail - brisbane.services@computershare.com.au

Products and Services

Home Loans
 Owner-Occupied Home Loans
 Construction Home Loans
 Investment Loans
 Loans for Vacant Residential Land
 Re-finance Loans
 Debt Consolidation Loans
 Home Equity Loans

Lines-of-Credit

'Freedom Gold' Line-of-Credit
 'Freedom Plus' Line-of-Credit

Credit Cards

MasterCard Silver
 MasterCard Gold

Banking Services

Electronic Banking:
 "smartlink" Internet Banking
 "smartlink" Telephone Banking
 Cashcard
 Automatic Teller Machines (ATM's)
 Electronic Funds Transfer at Point Of Sale (EFTPOS)

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

Term Deposits

Deposit Accounts

Transaction Accounts:

Top Account
 Pension Friendly Account
 Young Achiever's Account
 "Mortgage Muncher" 100%
 Offset Account

Savings Accounts:

Bonus Plus Account
 Christmas Club

Investment Accounts:

Cash Management Account
 Self-Managed Superannuation
 Fund Account

Foreign Exchange Services

Visa 'TravelMoney' Card
 Travellers Cheques
 Foreign Cash
 International Cheque Drafts
 Telegraphic Transfers
 'MoneyGram' International Money
 Transfers

Insurance Services

Home Insurance:

Buildings
 Contents
 Personal Valuables
 Rental Properties

Motor Vehicle Insurance:

Private Motor
 Business/Commercial Motor

Caravan/Trailer Insurance

Boat/Pleasure Craft Insurance

Commercial/Rural Insurance:

Business
 Farms
 Office Professionals
 Tradespeople
 Construction
 Goods In Transit

Travel Insurance

Private Health Insurance

Funeral Benefits Fund

Personal Risk Insurance:

Term Life
 Personal Accident and Illness

"Wealthpath" Financial Planning Services

Wealth Generation

Superannuation

Retirement Planning


Regular Savings Plans

Insurance Advice

Lump Sum Investments

Agents for


 Allianz Australia Insurance Limited
 ABN 15 000 122 850


 Cashcard Australia Limited
 ABN 74 002 405 754


 Medibank Private Limited
 ABN 47 080 890 259


 Thomas Cook Limited
 ABN 36 004 179 953


 Citibank Limited
 ABN 88 004 325 080


 Australian Independent
 Friendly Society Ltd
 ABN 98 087 649 198


 Banklink Limited
 ABN 15 274 466 060


 BPAY Pty Ltd
 ABN 69 079 137 518


 ING Australia Ltd
 ABN 60 000 000 779

Subsidiaries


 Fincom Pty Ltd
 ABN 44 070 598 828

Mortgage Risk Management Pty Ltd
 ABN 99 082 740 010

Wide Bay Capricorn Mini Lease Pty Ltd
 ABN 69 068 790 152

Joint Venture


 Wide Bay Capricorn Financial
 Planning Services Pty Ltd
 ABN 15 088 124 172

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

branches and agencies

PLEASE NOTE

- Cashcards lost or stolen only
Freecall 1800 072 111

• CASHCARD MAY ALSO BE USED AT OTHER
AUTOMATIC TELLER MACHINES INCLUDING:

- Suncorp Metway ATMs
- ANZ Night and Day Banks
- Westpac Handybanks
- Commonwealth Autobanks
- National Australia Bank FlexiTellers
- Credit Union Redi-tellers
- St George Bank ATMs
- American Express-Express Cash ATMs

• Cashcard may be used to pay for goods or
services at any retail outlet where an EFTPOS
symbol is displayed.

CODE INFORMATION

- Cashcard Automatic Teller Machine
- Cashcard Cash Dispenser
- Home Loans Consultant available for
consultation at this location
- Home Loans Consultant available for
consultation at this location by appointment
- Medibank Private – Full service agency
(new memberships, premium payments,
cheque or cash claims, cover alterations)
- Medibank Private – Service agency
(new memberships, premium payments,
cover alterations)
- 'Wealthpath' Financial Planning Consultant
available for consultation at this location
- 'Wealthpath' Financial Planning Consultant
available for consultation at this location by
appointment

BUNDABERG/BURNETT

BUNDABERG 4670

- ● ● ● Head Office (Branch 1)
Wide Bay Capricorn House
16-20 Barolin Street or PO Box 1063
Phone: (07) 4153 7777 Facsimile: (07) 4153 7714
Administration
Direct Line (07) 4153 3644
Direct Facsimile (07) 4153 7714
Loans Consultant
Bill Beimers & Paul Rehbein
Direct Line (07) 4153 3650
Direct Facsimile (07) 4153 7711
Mobile - 0407 760 622
Financial Planning Consultant
Mary Walsh
Phone 1300 138 832 Facsimile (07) 4153 7799
Phone Direct (07) 4153 7598

- ● 124 Bourbong Street (Branch 2)
Phone (07) 4153 7730 Facsimile (07) 4151 0701

- ● ● Shop 24 Hinkler Place (Branch 9)
Corner George & Maryborough Streets
Phone (07) 4152 0571 Facsimile (07) 4152 0823
Cashcard Cash Dispenser only
Hinkler Mall Cnr George & Maryborough Streets

- ● ● ● Shop 321 Sugarland Shoppingtown (Branch 72)
Takalvan Street
Phone (07) 4152 3632 Facsimile (07) 4151 3892

BARGARA 4670

- ● ● Bargara Beach Plaza (Branch 80)
Shop 3 See Street or PO Box 8110
Phone (07) 4159 0088 Facsimile (07) 4159 0288

GAYNDAH 4625

- 28 Capper Street or PO Box 45 (Branch 45)
Phone (07) 4161 1738

MONTO 4630

- 36-38 Newton Street (Branch 55)
Phone (07) 4166 1436 Facsimile (07) 4166 1263

MARYBOROUGH/FRASER COAST

MARYBOROUGH 4650

- ● ● ● 230 Adelaide Street or PO Box 147 (Branch 7)
Phone (07) 4121 2297 Facsimile (07) 4123 3526
Loans Consultant
Barry Hancock - Mobile 0438 705 283

- ● ● ● Shop 33 Station Square Shopping Centre (Branch 70)
Corner Alice & Lennox Streets
Phone (07) 4122 3655 Facsimile (07) 4121 0882

PIALBA, HERVEY BAY 4655

- ● ● ● 5 Torquay Road (Branch 10)
Phone (07) 4128 3210 Facsimile (07) 4124 6182
Loans Consultant
Lisa Manskie - Mobile 0419 021 294

URANGAN, HERVEY BAY 4655

- ● ● Urangan Central (Branch 76)
Shop 2A, Corner Boat Harbour Dr & Elizabeth St
Phone (07) 4124 9400 Facsimile (07) 4125 5678

GLADSTONE/PORT CURTIS

GLADSTONE 4680

- ● ● 78 Goondoon Street or PO Box 518 (Branch 3)
Phone (07) 4972 3400 Facsimile (07) 4972 2130
Loans Consultant
Cheryl Lee - Mobile 0418 736 569

KIN KORA 4680

- ● ● ● Shop 19 Kin Kora Centre (Branch 15)
Phillip Street
Phone (07) 4978 3000 Facsimile (07) 4978 6974

BOYNE ISLAND 4680

- ● ● Shop 8 Boyne Plaza Shoppingtown (Branch 62)
Corner Centenary Dr & Wyndham Av
Ph/Fax (07) 4973 7750

GYMPIE

GYMPIE 4570

- ● ● ● 102 Mary Street or PO Box 393 (Branch 20)
Phone (07) 5482 5555 Facsimile (07) 5482 1835
Loans Consultant
Margaret Fleming

- ● ● Shop 14 Goldfields Plaza (Branch 67)
Monklands Street

- Phone (07) 5482 5555 Facsimile (07) 5482 7122

SUNSHINE COAST/HINTERLAND

COOROY 4563

- ● ● Shop 1, 1 Emerald Street (Branch 59)
Phone (07) 5447 6872 Facsimile (07) 5447 7822
Society Preferred ATM
ANZ Bank
Corner Emerald St & Maple Lane

TEWANTIN 4565

- ● ● 94 Poinciana Avenue or PO Box 998 (Branch 18)
Phone (07) 5449 7149 Facsimile (07) 5474 3133

NOOSA HEADS 4567

- ● ● Shop 18A, Noosa Junction Plaza (Branch 19)
Sunshine Beach Road
Phone (07) 5447 4755 Facsimile (07) 5449 2430
Society Preferred ATM
ANZ Bank
23 Sunshine Beach Road

NAMBOUR 4560

- ● ● Shop 12, Nambour Central Mall (Branch 83)
Lowe Street
Phone (07) 5476 2099 Facsimile (07) 5476 2699
Financial Planning Consultant
Linda Harrington
Phone 1300 138 832 Facsimile (07) 5476 2699
Mobile - 0416 254 009
Society Preferred ATM
ANZ Bank
66 Currie Street

MAROOCHYDORE 4558

- ● ● Shop 2, Ryan's Plaza (Branch 69)
Corner Ocean Street & Horton Parade
or PO Box 592
Phone (07) 5479 2077 Facsimile (07) 5443 9225
Loans Consultant
Tony Pearson Phone 1300 138 831
or Mobile - 0419 647 281
Society Preferred ATM
Westpac Bank
Corner Ocean Street & Horton Parade

CALOUNDRA 4551

- ● ● Shop 1, Caloundra City Centre (Branch 66)
Corner Bulcock & Minchinton Streets or PO Box 781
Phone (07) 5491 7761
Facsimile (07) 5491 7827
Society Preferred ATM
ANZ Bank
55 Bulcock Street

ROCKHAMPTON, THE CAPRICORN COAST & EMERALD

ROCKHAMPTON 4700

- ● ● 124 East Street (Branch 73)
(On the mall) or PO Box 1491
Phone (07) 4927 1944 Facsimile (07) 4922 7054

NORTH ROCKHAMPTON 4701

- ● ● Shop 83, Rockhampton Shopping Fair (Branch 74)
Yaamba Road or PO Box 3201
Phone (07) 4928 0502 Facsimile (07) 4928 1050
Loans Consultant
Sally Fairley
Mobile 0409 614 038
Direct Line (07) 4928 0522

YEPPOON 4703

- ● ● 6 James Street or PO Box 1240 (Branch 65)
Phone (07) 4939 4700 Facsimile (07) 4939 1077
Loans Consultant
Chris Ward - Mobile 0408 779 767
Society Preferred ATM
The Rock Building Society
Keppel Bay Plaza, James Street

EMERALD 4720

- ● ● 50 Borilla Street or PO Box 787 (Branch 31)
Phone (07) 4980 7735 Facsimile (07) 4980 7739

MACKAY

MACKAY 4740

- ● Shop 35, Caneland Shoppingtown (Branch 82)
Corner Victoria St & Mangrove Rd
or PO Box 35, Caneland Shoppingtown
Phone (07) 4951 1992 Facsimile (07) 4951 1958
Society Preferred ATM
Mackay Permanent Building Society
71 Victoria Street

SOUTH EAST

SOUTHPORT/GOLD COAST 4215

- ● Level 3, Connaught Centre (Branch 61)
26 Marine Parade or PO Box 1827
Phone (07) 5591 7988 Facsimile (07) 5591 5754
Loans Consultant
Carmel Gibb
Society Preferred ATM
ANZ Bank
81 Scarborough Street

CABOOLTURE/MORAYFIELD/BRIBIE ISLAND

- ● ● Suite 1, 156 Morayfield Road (Branch 57)
Morayfield 4506 or PO Box 25
Phone (07) 5495 5499 Facsimile (07) 5495 3801
Loans Consultant
Keith Murray - Mobile 0417 732 599
Society Preferred ATM
ANZ Bank
156 Morayfield Road

INTERSTATE

- Sydney
- 7/30 Foundry Road, Seven Hills NSW 2147
or PO Box 6222, Blacktown NSW 2148
Phone: (02) 9842 1202 Facsimile (02) 9842 1270
Loans Consultant
Jaki Smith - Mobile 0412 311 482
- Melbourne
- 195A Middleborough Road, Box Hill VIC 3128
Phone: (03) 9899 7544 Facsimile (03) 9899 4755
Loans Consultants
Rob Hutchinson - Mobile 0417 545 500
Mario Stepanic - Mobile 0417 546 517
- Adelaide
- Pioneer Court
Corner Main North Road & The Grove Way
Salisbury Heights SA 5109
Phone: (08) 8283 0699 Facsimile (08) 8283 0799
Loans Consultants
John Mudie - Mobile 0408 820 660
Ron Michalski - Mobile 0411 712 000



financial statements
for the year ended 30 june 2001



statement of financial performance
for the year ended 30 june 2001

	Notes	CONSOLIDATED		CHIEF ENTITY	
		\$ 2001	\$ 2000	\$ 2001	\$ 2000
Interest revenue	2	68,478,044	53,470,695	68,365,049	53,754,049
Borrowing costs	2	47,673,302	35,448,028	47,816,983	35,626,188
Net interest revenue		20,804,742	18,022,667	20,548,066	18,127,861
Other revenue from ordinary activities	3	6,664,227	6,127,405	5,358,456	4,772,033
Employee benefits expense		6,184,422	5,690,853	6,184,422	5,690,853
Depreciation expense		966,190	925,415	966,190	925,415
Amortisation expense		129,363	54,340	129,363	54,340
Occupancy expense - operating leases		861,822	823,961	861,822	823,961
Bad and doubtful debts expense		994	1,335	994	1,335
Other expenses from ordinary activities	3	8,724,180	9,126,050	8,130,039	8,140,250
Profit from ordinary activities before income tax		10,601,998	7,528,118	9,633,692	7,263,740
Income tax expense relating to ordinary activities	4	3,584,916	2,562,500	3,324,162	2,448,351
Profit from ordinary activities after income tax		7,017,082	4,965,618	6,309,530	4,815,389
Extraordinary item - distribution from former Queensland Building Societies Fund		1,782,800	-	1,782,800	-
Income tax relating to extraordinary item		606,152	-	606,152	-
Profit on extraordinary item after income tax		1,176,648	-	1,176,648	-
Net profit		8,193,730	4,965,618	7,486,178	4,815,389
Outside equity interest in net profit		42,962	76,125	-	-
Net profit attributable to shareholders of the company		8,150,768	4,889,493	7,486,178	4,815,389
Retained profits at the beginning of the financial year		4,840,280	4,338,302	4,970,650	4,503,199
Total available for appropriation		12,991,048	9,227,795	12,456,828	9,318,588
Transfer to statutory claims equalisation reserve	22	117,719	39,577	-	-
Transfer to doubtful debts reserve	22	2,297,081	-	2,297,081	-
Dividends provided for or paid	5	5,500,999	4,347,938	5,500,999	4,347,938
Retained profits at the end of the financial year		5,075,249	4,840,280	4,658,748	4,970,650

statement of financial position
as at 30 june 2001

	Notes	CONSOLIDATED		CHIEF ENTITY	
		\$ 2001	\$ 2000	\$ 2001	\$ 2000
ASSETS					
Cash and liquid assets	6	14,316,702	5,301,884	11,528,858	4,330,535
Due from other financial institutions	7	2,822,108	3,507,195	2,822,108	3,507,195
Accrued receivables	8	4,168,358	4,332,585	4,075,616	4,277,679
Investment securities	9	126,275,615	111,327,268	126,275,615	111,327,268
Loans and advances	10	417,561,549	391,575,120	417,561,549	396,679,455
Other investments	11	1,789,640	1,778,171	4,325,503	4,310,221
Property, plant & equipment	12	12,615,484	12,610,095	12,615,484	12,610,095
Deferred tax assets	13	655,423	734,063	655,423	734,063
Other assets	14	2,726,781	7,394,168	2,445,328	2,430,436
TOTAL ASSETS		582,931,660	538,560,549	582,305,484	540,206,947
LIABILITIES					
Deposits and short term borrowings	15	467,113,774	424,561,029	470,545,135	433,067,229
Due to other financial institutions	16	30,000,000	30,900,000	30,000,000	30,900,000
Payables and other liabilities	17	10,535,049	12,315,543	8,904,255	6,872,528
Tax liabilities	18	2,751,807	2,266,954	2,472,345	2,266,954
Provisions	19	5,371,950	4,407,438	3,846,739	2,905,170
Subordinated capital notes	20	25,000,000	25,000,000	25,000,000	25,000,000
TOTAL LIABILITIES		540,772,580	499,450,964	540,768,474	501,011,881
NET ASSETS		\$42,159,080	\$39,109,585	\$41,537,010	\$39,195,066
EQUITY					
Parent entity interest in equity					
Contributed equity	21	23,916,252	23,559,487	23,916,252	23,559,487
Reserves	22	13,120,726	10,705,926	12,962,010	10,664,929
Retained profits		5,075,249	4,840,280	4,658,748	4,970,650
Total parent entity interest in equity		42,112,227	39,105,693	41,537,010	39,195,066
Outside equity interest in controlled entities	23				
Contributed equity		5,555	5,555		
Retained profits		41,298	(1,663)		
Total outside equity interest		46,853	3,892		
TOTAL EQUITY		\$42,159,080	\$39,109,585	\$41,537,010	\$39,195,066

statement of cash flows

for the year ended 30 june 2001

	Notes	CONSOLIDATED		CHIEF ENTITY	
		\$ 2001	\$ 2000	\$ 2001	\$ 2000
CASH FLOWS FROM OPERATING ACTIVITIES					
Interest received		68,452,281	53,768,051	68,339,288	54,391,105
Dividends received		-	4,163	-	39,723
Borrowing costs		(47,028,403)	(36,204,228)	(47,172,084)	(36,380,966)
Other non interest income received		12,231,443	10,850,721	7,777,057	5,483,016
Cash paid to suppliers & employees		(18,259,630)	(20,040,313)	(15,584,153)	(16,595,900)
Income tax paid		(3,839,690)	(1,926,431)	(3,646,282)	(1,844,060)
NET CASH FLOWS FROM OPERATING ACTIVITIES	24	11,556,001	6,451,963	9,713,826	5,092,918
CASH FLOWS FROM INVESTING ACTIVITIES					
Net increase in investment securities		(17,013,763)	(22,384,170)	(17,013,763)	(22,384,170)
Net increase in amounts due from other financial institutions		3,815,416	10,369,586	3,815,416	10,369,586
Net increase in loans		(71,249,876)	(167,939,745)	(71,249,876)	(168,333,639)
Net increase in other investments		(1,061,382)	(1,647,661)	(1,065,195)	(1,575,266)
Purchase of non current assets		(1,100,943)	(677,099)	(1,100,943)	(677,099)
Proceeds from sale of property, plant & equipment		-	1,000	-	1,000
NET CASH USED IN INVESTING ACTIVITIES		(86,610,548)	(182,278,089)	(86,614,361)	(182,599,588)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net increase in deposits and other borrowings		42,633,410	(1,974,334)	37,558,571	(1,112,123)
Net increase in amounts due to other financial institutions and other liabilities		45,769,452	171,325,597	50,873,784	171,325,595
Proceeds from share issue		354,190	5,277,643	354,190	5,277,643
Dividends paid		(4,687,687)	(1,623,104)	(4,687,687)	(1,578,663)
Refund of capital to outside interest		-	(83,325)	-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		84,069,365	172,922,477	84,098,858	173,912,452
NET INCREASE IN CASH HELD		9,014,818	(2,903,649)	7,198,323	(3,594,218)
Cash at beginning of financial year		5,301,884	8,205,533	4,330,535	7,924,753
CASH AT END OF FINANCIAL YEAR		\$14,316,702	\$5,301,884	\$11,528,858	\$4,330,535

For the purposes of the Statement of Cashflows, 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 2001

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 of the Society 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 IN STATEMENT OF FINANCIAL POSITION 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 account. Assets and loans under management at 30 June 2001 totalled \$1,022,041,846

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 2000 have been adjusted to conform with financial statements disclosures adopted in 2001.

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 and relevant non recoverable amounts.

f) 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.

notes to and forming part of the accounts
for the year ended 30 June 2001

g) 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.

h) 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 34% (2000 - 36%), however the future tax benefit and deferred tax balances have been calculated at 30%, recognising the year to which the majority of these balances are attributed. This adjustment has been charged to the income tax expense.

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.

i) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements are those of the consolidated entity, comprising Wide Bay Capricorn Building Society Ltd (the parent entity) and all entities controlled by Wide Bay Capricorn Building Society 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.

j) 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, these 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 Society's 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).

The above is a change in accounting policy when, at 30 June 2000, the securitised loans were excluded from the assets of the chief entity only.

The disclosure at 30 June 2001 is considered by the directors to more fully reflect the substance of the securitisation program.

The costs associated with each securitisation program are amortised over the life of the program.

k) 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.

notes to and forming part of the accounts
for the year ended 30 June 2001

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.

INTEREST REVENUE 2001

	Average Balance \$	Interest \$	Average Interest Rate %
Deposits with other financial institutions	17,101,154	902,240	5.28
Investment securities	60,354,518	3,439,458	5.70
Loans and advances	832,370,627	64,022,008	7.69
Other	2,045,484	114,338	5.59
	911,871,783	68,478,044	7.51

BORROWING COSTS 2001

Deposits from other financial institutions	436,881,697	24,053,832	5.51
Customer deposits	472,646,556	21,678,783	4.59
Subordinated notes	25,000,000	1,940,687	7.76
	934,528,253	47,673,302	5.10

NET INTEREST REVENUE 2001

20,804,742

INTEREST REVENUE 2000

Deposits with other financial institutions	12,777,622	795,016	6.22
Investment securities	50,529,064	2,638,378	5.22
Loans and advances	699,196,227	49,968,929	7.15
Other	1,353,862	68,372	5.05
	763,856,775	53,470,695	7.00

BORROWING COSTS 2000

Deposits from other financial institutions	249,544,917	15,739,874	6.31
Customer deposits	472,151,694	17,895,597	3.79
Subordinated notes	25,000,000	1,812,557	7.25
	746,696,611	35,448,028	4.75

NET INTEREST REVENUE 2000

18,022,667

notes to and forming part of the accounts
for the year ended 30 june 2001

	CONSOLIDATED		CHIEF ENTITY	
	\$ 2001	\$ 2000	\$ 2001	\$ 2000
NOTE 3				
PROFIT FROM ORDINARY ACTIVITIES				
Included in the profit from ordinary activities are the following revenue items:				
Other revenue from ordinary activities				
Dividends				
Controlled entities			-	35,560
Other corporations	-	4,163	-	4,163
Fees and commissions	4,778,853	4,092,223	4,778,853	4,092,223
Other revenue	758,188	1,006,867	579,603	639,087
Profit on disposal of property, plant and equipment	-	1,000	-	1,000
Net earned premium revenue	1,127,186	1,023,152	-	-
	6,664,227	6,127,405	5,358,456	4,772,033
The profit from ordinary activities before income tax is arrived at after charging the following items:				
Other expenses from ordinary activities				
Fees and commissions	3,138,176	3,292,619	3,138,176	3,292,619
Provisions for employee entitlements	86,689	94,624	86,689	94,624
General and administration expenses	4,855,955	4,860,040	4,905,174	4,753,007
Underwriting expenses	643,360	878,767	-	-
	8,724,180	9,126,050	8,130,039	8,140,250
NOTE 4				
INCOME TAX				
The prima facie tax on profit from ordinary activities differs from the income tax provided as follows:				
Prima facie tax on profit from ordinary activities at 34% (2000 - 36%)	3,604,679	2,710,121	3,275,455	2,614,945
Tax effect of permanent differences				
Depreciation of buildings	28,986	30,115	28,986	30,115
Tax losses transferred from controlled entities	(133,427)	(249,093)	(133,427)	(262,583)
Underprovision in prior year	15,358	21,762	15,358	21,762
Other items - net	69,320	(53,672)	137,790	(72,645)
Amortisation of r & d investment	-	122,292	-	122,292
Put option surplus	-	(13,490)	-	-
Change of tax rate from 36% to 30%	-	(5,535)	-	(5,535)
Income tax expense attributable to profit from ordinary activities	3,584,916	2,562,500	3,324,162	2,448,351

notes to and forming part of the accounts
for the year ended 30 june 2001

	CONSOLIDATED		CHIEF ENTITY	
	\$ 2001	\$ 2000	\$ 2001	\$ 2000
NOTE 5				
DIVIDENDS PROVIDED FOR OR PAID				
Dividend proposed				
Fully franked dividend on ordinary shares	3,000,545	2,187,230	3,000,545	2,187,230
Dividend paid during the year				
Interim for current year	2,500,454	2,160,708	2,500,454	2,160,708
Fully franked dividend on ordinary shares	5,500,999	4,347,938	5,500,999	4,347,938
Dividend paid during the year				
Final for previous year	2,187,230	1,995,359	2,187,230	1,995,359
Fully franked dividend on ordinary shares	2,187,230	1,995,359	2,187,230	1,995,359
The tax rate at which the interim dividend has been franked is 34% (2000 - 36%). The final dividend will be franked at 30% (2000 - 34%).				
The amount of franking credits available for the subsequent financial year are:				
Balance as at the end of the financial year	3,417,475	412,310	3,417,475	412,310
Credits that will arise from the payment of income tax payable per the financial statements	4,260,065	2,921,889	4,260,065	2,921,889
Debits that will arise from the payment of the proposed dividend	3,000,545	2,187,230	3,000,545	2,187,230
	4,676,995	1,146,969	4,676,995	1,146,969
Dividends - cents per share				
Dividend proposed				
Fully franked dividend on ordinary shares	15.0	11.0	15.0	11.0
Interim dividend paid during the year				
Fully franked dividend on ordinary shares	12.5	11.0	12.5	11.0
Final dividend paid for the previous year				
Fully franked dividend on ordinary shares	11.0	11.5	11.0	11.5

notes to and forming part of the accounts
for the year ended 30 june 2001

	CONSOLIDATED		CHIEF ENTITY	
	\$ 2001	\$ 2000	\$ 2001	\$ 2000
NOTE 6				
CASH AND LIQUID ASSETS				
Cash on hand and at banks	8,116,702	5,201,884	5,328,858	4,230,535
Deposits on call	6,200,000	100,000	6,200,000	100,000
	14,316,702	5,301,884	11,528,858	4,330,535
NOTE 7				
DUE FROM OTHER FINANCIAL INSTITUTIONS				
Interest earning deposits	250,000	2,000,000	250,000	2,000,000
Deposits with SSP's	2,463,867	1,398,954	2,463,867	1,398,954
Subordinated loans	108,241	108,241	108,241	108,241
	2,822,108	3,507,195	2,822,108	3,507,195
Maturity analysis				
No maturity specified	2,822,108	3,507,195	2,822,108	3,507,195
NOTE 8				
ACCRUED RECEIVABLES				
Interest receivable	542,265	868,891	542,265	868,891
Other	3,626,093	3,463,694	3,533,351	3,408,788
	4,168,358	4,332,585	4,075,616	4,277,679
NOTE 9				
INVESTMENT SECURITIES				
Bills of exchange and promissory notes	36,746,171	29,279,310	36,746,171	29,279,310
Certificates of deposit	8,898,573	-	8,898,573	-
Notes - Securitisation programme	80,630,871	82,047,958	80,630,871	82,047,958
	126,275,615	111,327,268	126,275,615	111,327,268
Maturity analysis				
Up to 3 months	45,644,744	29,279,310	45,644,744	29,279,310
Later than 5 years	80,630,871	82,047,958	80,630,871	82,047,958
	126,275,615	111,327,268	126,275,615	111,327,268

notes to and forming part of the accounts
for the year ended 30 june 2001

	CONSOLIDATED		CHIEF ENTITY	
	\$ 2001	\$ 2000	\$ 2001	\$ 2000
NOTE 10				
LOANS AND ADVANCES				
Term loans	770,013,851	702,923,150	770,013,851	702,923,150
Securitised loans under management (refer note 1.j and below)	(439,110,186)	(386,058,163)	(439,110,186)	(386,058,163)
Loan to controlled entity	-	-	-	5,104,335
Continuing credit loans	86,666,355	74,717,610	86,666,355	74,717,610
	417,570,020	391,582,597	417,570,020	396,686,932
Provision for impairment	8,471	7,477	8,471	7,477
	417,561,549	391,575,120	417,561,549	396,679,455
Securitised loans under management	439,110,186	386,058,163	439,110,186	386,058,163
	856,671,735	777,633,283	856,671,735	782,737,618
Total loans				
Provision for impairment				
Specific provision				
Opening balance	7,477	6,142	7,477	6,142
Bad and doubtful debts provided for during the year	994	1,335	994	1,335
	8,471	7,477	8,471	7,477
Total provision for impairment				
Charge to profit and loss for bad and doubtful debts comprises:				
Specific provision	994	1,335	994	1,335
Bad debts recognised directly	-	-	-	-
	994	1,335	994	1,335
Maturity analysis				
Up to 3 months	541,913	43,276	541,913	43,276
From 3 to 12 months	315,263	840,321	315,263	840,321
From 1 to 5 years	4,714,455	4,834,987	4,714,455	4,834,987
Later than 5 years	411,989,918	385,856,536	411,989,918	390,960,871
	417,561,549	391,575,120	417,561,549	396,679,455
Concentration of risk				
The loan portfolio of the Society does not include any loan which represents 10% or more of capital.				

notes to and forming part of the accounts
for the year ended 30 June 2001

	CONSOLIDATED		CHIEF ENTITY	
	\$ 2001	\$ 2000	\$ 2001	\$ 2000
NOTE 11				
OTHER INVESTMENTS				
Unlisted shares	1,774,640	1,778,171	1,722,733	1,722,451
Controlled entities	-	-	2,587,770	2,587,770
Interest in joint venture	15,000	-	15,000	-
	1,789,640	1,778,171	4,325,503	4,310,221

Investment in controlled entities comprises:

Name	Country of incorporation	2001 %	2000 %	Contribution to consolidated operating profit after income tax	Investment carrying value
Chief entity					
Wide Bay Capricorn Building Society Ltd	Australia			7,486,178	4,815,389
Controlled entities					
WBC No 1 Pty Ltd	Australia	100	100	230,763	(16,719)
WBC No 2 Pty Ltd	Australia	100	100	-	-
WBC No 3 Pty Ltd	Australia	100	100	-	-
WBC No 4 Pty Ltd	Australia	100	100	-	-
Fincom Pty Ltd	Australia	44	44	34,377	25,353
Mortgage Risk Management Pty Ltd	Australia	100	100	399,450	65,470
				8,150,768	4,889,493
				2,587,770	2,587,770

Mortgage Risk Management Pty Ltd is a wholly owned subsidiary of Wide Bay Capricorn Building Society Ltd and is a registered lender's mortgage insurance provider. The company acts solely for the purpose of insuring the Society's residential mortgages and has received APRA approval. The Society's operations are subject to and under the supervision of APRA in respect of compliance and capital requirements. The Society's exposure to risk is limited with a major reinsurance contract in place with one of the larger world reinsurers.

The Society has a controlling interest in Fincom Pty Ltd through its right to exercise in excess of 50% of the voting rights. Through its holding in Fincom Pty Ltd, the Society has an indirect interest of 952,475 shares in QSI Payments Inc. and following Fincom exercising their rights to participate in future issues to maintain existing equity, the Society purchased in April 2000 a further 333,431 shares for a total investment of US\$ 903,934 (AU\$ 1,517,942) at a cost of US\$ 2.711 per share, as a result of an equity purchase by Goldman Sachs and Associates at that rate.

WBC No 1 Pty Ltd, WBC No 2 Pty Ltd, WBC No 3 Pty Ltd and WBC No 4 Pty Ltd were registered for the sole purpose of enabling the Society to undertake research and development projects. The benefit of the projects for the group are in the form of tax benefits passed on to the chief entity as a consequence of research and development expenditure and purchase of core technology. WBC No 1 Pty Ltd, WBC No 2 Pty Ltd, WBC No 3 Pty Ltd were disposed of in July 2000. The remaining project may earn royalty income in future years and any such income will be brought to account in the year in which it is earned.

The Society during the year 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 Capricorn Financial Planning Services Pty Ltd, is a 50/50 structure and holds a security dealer's licence in its own right.

notes to and forming part of the accounts
for the year ended 30 June 2001

	CONSOLIDATED		CHIEF ENTITY	
	\$ 2001	\$ 2000	\$ 2001	\$ 2000
NOTE 12				
PROPERTY, PLANT AND EQUIPMENT				
Freehold land and buildings				
At independent valuation - June 2000	10,620,000	10,620,000	10,620,000	10,620,000
Provision for depreciation	204,849	-	204,849	-
	10,415,151	10,620,000	10,415,151	10,620,000
Movement in carrying amount				
Carrying amount at beginning of year	10,620,000	10,500,150	10,620,000	10,500,150
Depreciation	204,849	203,249	204,849	203,249
Revaluation	-	323,099	-	323,099
	10,415,151	10,620,000	10,415,151	10,620,000
Plant and equipment				
At cost	10,756,488	9,655,545	10,756,488	9,655,545
Provision for depreciation	8,556,155	7,665,450	8,556,155	7,665,450
	2,200,333	1,990,095	2,200,333	1,990,095
Movement in carrying amount				
Carrying amount at beginning of year	1,990,095	2,128,361	1,990,095	2,128,361
Additions	1,100,942	638,240	1,100,942	638,240
Depreciation	890,704	776,506	890,704	776,506
	2,200,333	1,990,095	2,200,333	1,990,095
	12,615,484	12,610,095	12,615,484	12,610,095

Land and buildings were all revalued as at 30 June 2000 by independent registered valuers:

N L Maddern FAPI of Maddern Valuation Services
G W Litherland FAPI and C L Roffey AAPI of
Herron Todd White Valuers.
I D Clarkson AAPI, B.Bus (RPVA) of Clarkson &
Thomas Valuations

The valuations were based on current market values. The Society's policy is to revalue freehold land and buildings every three years. The Directors consider the fair values of freehold land and buildings at 30 June 2001 do not differ materially from the respective independent valuations at 30 June 2000. In valuing freehold land and buildings, the Directors have not taken into account the potential impact of capital gains tax on the grounds that such assets are an integral part of the Society's operations and there is no intention to sell the assets.

notes to and forming part of the accounts
for the year ended 30 june 2001

	CONSOLIDATED		CHIEF ENTITY	
	\$ 2001	\$ 2000	\$ 2001	\$ 2000
NOTE 13				
DEFERRED TAX ASSETS				
Deferred tax assets attributable to timing differences	655,423	734,063	655,423	734,063
NOTE 14				
OTHER ASSETS				
Prepayments	2,726,781	2,520,598	2,445,328	2,430,436
Research and development, at cost	-	4,873,570	-	-
	2,726,781	7,394,168	2,445,328	2,430,436
NOTE 15				
DEPOSITS AND SHORT TERM BORROWINGS				
Call deposits	165,995,627	148,526,673	165,995,627	148,526,673
Term deposits	301,118,147	276,034,356	304,549,508	284,540,556
	467,113,774	424,561,029	470,545,135	433,067,229
Maturity analysis				
On call	164,719,983	148,402,851	165,995,627	148,526,673
Up to 3 months	184,165,232	252,513,218	186,320,950	255,791,363
From 3 to 12 months	109,330,003	23,644,960	109,330,002	28,749,193
From 1 to 5 years	8,898,556	-	8,898,556	-
	467,113,774	424,561,029	470,545,135	433,067,229
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				
Secured loans	30,000,000	30,900,000	30,000,000	30,900,000
Maturity analysis				
Up to 3 months	30,000,000	30,000,000	30,000,000	30,000,000
From 3 to 12 months	-	900,000	-	900,000
	30,000,000	30,900,000	30,000,000	30,900,000

These loans are secured by charges held over registered mortgage documents. The carrying amount of these mortgages is \$37,413,000 (2000 - \$38,625,000).

notes to and forming part of the accounts
for the year ended 30 june 2001

	CONSOLIDATED		CHIEF ENTITY	
	\$ 2001	\$ 2000	\$ 2001	\$ 2000
NOTE 17				
PAYABLES AND OTHER LIABILITIES				
Trade creditors	2,978,826	2,451,487	2,978,826	2,451,487
Accrued interest payable	4,568,333	3,933,307	4,568,333	3,933,307
Other creditors	2,987,890	826,416	1,357,096	487,734
Loan - research and development project	-	5,104,333	-	-
	10,535,049	12,315,543	8,904,255	6,872,528
Maturity analysis				
Up to 3 months	9,024,183	11,227,784	7,393,389	5,784,769
From 3 to 12 months	1,397,150	1,006,328	1,397,150	1,006,328
From 1 to 5 years	113,716	81,431	113,716	81,431
	10,535,049	12,315,543	8,904,255	6,872,528
The loan for research and development was secured by deposits held with the Society.				
NOTE 18				
TAX LIABILITIES				
Provision for taxation	2,105,204	1,505,215	1,825,742	1,505,215
Deferred taxation	646,603	761,739	646,603	761,739
	2,751,807	2,266,954	2,472,345	2,266,954
NOTE 19				
PROVISIONS				
Dividends on ordinary shares	3,001,567	2,188,255	3,001,567	2,188,255
Employee entitlements	792,077	712,248	792,077	712,248
Other	1,578,306	1,506,936	53,095	4,668
	5,371,950	4,407,438	3,846,739	2,905,170
NOTE 20				
SUBORDINATED CAPITAL NOTES				
Inscribed debenture stock	25,000,000	25,000,000	25,000,000	25,000,000
Maturity analysis				
From 3 to 12 months	25,000,000	25,000,000	25,000,000	25,000,000

notes to and forming part of the accounts
for the year ended 30 June 2001

	Shares 2001 No.	\$ 2001	Shares 2000 No.	\$ 2000
NOTE 21				
CONTRIBUTED EQUITY				
Fully paid ordinary shares				
All ordinary shares have equal voting, dividend and capital repayment rights.				
Balance at beginning of year	19,883,912	23,559,487	17,350,948	15,122,519
Issued during the year				
Dividend reinvestment plan	-	-	839,214	2,787,255
Staff share plan	119,720	356,765	193,750	656,813
Private issue - 7 December 1999	-	-	1,500,000	5,100,000
Less share issue costs				107,100
Balance at end of year	20,003,632	23,916,252	19,883,912	23,559,487

	CONSOLIDATED		CHIEF ENTITY	
	\$ 2001	\$ 2000	\$ 2001	\$ 2000
Staff share plan				
24 October 2000 - 119,720 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 shareholders 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.				
The total number of shares issued to employees since the inception of the staff share plan was	1,297,430	1,177,710	1,297,430	1,177,710
The total number of shares issued to employees during the financial year was	119,720	193,750	119,720	193,750
The total market value at date of issue, 24 October 2000 (20 October 1999) was	395,076	707,188	395,076	707,188
The total amount paid or payable for the shares at that date was	356,765	656,813	356,765	656,813

notes to and forming part of the accounts
for the year ended 30 June 2001

	CONSOLIDATED		CHIEF ENTITY	
	\$ 2001	\$ 2000	\$ 2001	\$ 2000
NOTE 22				
RESERVES				
Movements in reserves				
Special reserve				
Balance at beginning of year	1,166,787	1,750,181	1,166,787	1,750,181
Transfer to general reserve	583,394	583,394	583,394	583,394
Balance at end of year	583,393	1,166,787	583,393	1,166,787
This reserve was established upon the Society issuing fixed share capital in 1992. The reserve represents accumulated members profits at that date and has been and is being transferred to general reserve over a period of 10 years being finalised in 2001/2002.				
Asset revaluation reserve				
Balance at beginning of year	2,154,919	1,870,679	2,154,919	1,870,679
Increase due to revaluation at 30 June 2000	-	284,240	-	284,240
Balance at end of year	2,154,919	2,154,919	2,154,919	2,154,919
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 beginning of year	4,667,152	4,083,758	4,667,152	4,083,758
Transfer from special reserve	583,394	583,394	583,394	583,394
Balance at end of year	5,250,546	4,667,152	5,250,546	4,667,152
See special reserve above.				
Doubtful debts reserve				
Balance at beginning of year	-	-	-	-
Transfer from retained profits	2,297,081	-	2,297,081	-
Balance at end of year	2,297,081	-	2,297,081	-
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. This figure represents 0.5% of Risk Weighted Assets at 30 June 2001 and will be adjusted annually.				
Statutory claims equalisation reserve				
Balance at beginning of year	40,997	1,420		
Transfer from retained profits	117,719	39,577		
Balance at end of year	158,716	40,997		
This is a statutory reserve created pursuant to the general insurance licence for Mortgage Risk Management Pty Ltd.				
Total Reserves	13,120,726	10,705,926	12,962,010	10,664,929

notes to and forming part of the accounts
for the year ended 30 june 2001

	CONSOLIDATED		CHIEF ENTITY	
	\$ 2001	\$ 2000	\$ 2001	\$ 2000
NOTE 23				
OUTSIDE EQUITY INTEREST				
Reconciliation of outside equity interest in controlled entities:				
Opening balance	3,892	55,532		
Share of operating (profit)/loss	42,961	76,125		
Less dividends	-	44,440		
Less refund of capital	-	83,325		
Closing balance	46,853	3,892		
NOTE 24				
STATEMENT OF CASH FLOWS				
Reconciliation of profit from ordinary activities after tax to the net cash flows from operations:				
Profit from ordinary activities after income tax	7,017,082	4,965,618	6,309,530	4,815,389
Depreciation and amortisation	1,095,553	979,755	1,095,553	979,755
(Profit)/Loss on disposal of fixed assets	-	(1,000)	-	(1,000)
(Increase)/Decrease in Assets				
Accrued interest on investments	37,099	(488,908)	37,099	(488,908)
Prepayments	(14,891)	(572,104)	(14,891)	(572,104)
Inventories	14,031	8,797	14,031	8,797
Sundry debtors	6,358,696	6,673,791	3,307,630	3,337,926
Future income tax benefit	78,640	210,760	78,640	210,760
Increase/(Decrease) in Liabilities				
Increase in creditors & accruals	(3,353,141)	(5,844,101)	(1,369,352)	(3,685,273)
Increase in deferred tax payable	(115,135)	(211,338)	(115,135)	(211,338)
Increase in income tax payable	351,378	636,069	284,032	604,290
Increase in employee entitlement provisions	86,689	94,624	86,689	94,624
Net cash flows from operating activities	11,556,001	6,451,963	9,713,823	5,092,918
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.				

notes to and forming part of the accounts
for the year ended 30 june 2001

	CONSOLIDATED		CHIEF ENTITY	
	\$ 2001	\$ 2000	\$ 2001	\$ 2000
NOTE 25				
EXPENDITURE COMMITMENTS				
Capital expenditure commitment				
Capital expenditure contracted for within one year	156,329	48,208	156,329	48,208
Lease expenditure commitments				
Non cancellable operating leases				
Up to 1 year	402,368	636,762	402,368	636,762
From 1 to 2 years	319,339	337,862	319,339	337,862
From 2 to 5 years	371,487	414,475	371,487	414,475
Later than 5 years	185,601	471	185,601	471
Total lease expenditure	1,278,795	1,389,570	1,278,795	1,389,570
NOTE 26				
EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS				
Employee entitlements				
The aggregate employment entitlement liability is comprised of:				
Provisions - (note 19)	792,077	712,248	792,077	712,248
NOTE 27				
CONTINGENT LIABILITIES AND CREDIT COMMITMENTS				
Approved but undrawn loans	53,109,790	35,865,751	53,109,790	35,865,751
Approved but undrawn credit limits	20,060,675	17,022,257	20,060,675	17,022,257
	73,170,465	52,888,008	73,170,465	52,888,008
NOTE 28				
EARNINGS PER SHARE				
Basic earnings per share (cents per share)	34.93	25.96		
There were no other securities on issue during the year that could be converted to ordinary shares. Diluted earnings per share is therefore the same as basic earnings per share.				
The weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	19,967,552	18,835,502		

notes to and forming part of the accounts
for the year ended 30 june 2001

	CONSOLIDATED		CHIEF ENTITY	
	\$ 2001	\$ 2000	\$ 2001	\$ 2000
NOTE 29				
REMUNERATION OF DIRECTORS				
Income paid or payable, or otherwise made available, in respect of the financial year, to all Directors of each entity in the economic entity, directly or indirectly, by the entities of which they are Directors or any related party.				
Two executive staff hold Directors positions on the Society's subsidiaries, Fincom Pty Ltd and Mortgage Risk Management Pty Ltd and are included in this note.				
Directors remuneration and superannuation	1,035,478	942,820	740,620	655,820
Remuneration for individual Directors fell within the following income bands:				
\$30,000 - \$39,999	3	3	3	3
\$60,000 - \$69,999	1	2	1	1
\$70,000 - \$79,999	1	-	-	-
\$220,000 - \$229,999	1	1	-	-
\$470,000 - \$479,999	-	1	-	1
\$560,000 - \$569,999	1	-	1	-
NOTE 30				
REMUNERATION OF EXECUTIVE OFFICERS				
Remuneration received or due and receivable by executive officers of the economic entity whose remuneration is \$100,000 or more, from entities in the economic entity or a related party, in connection with the management of the affairs of the entities in the economic entity whether as an executive officer or otherwise.				
Executive officers remuneration and superannuation	780,000	695,200	780,000	695,200
Remuneration for individual executive officers fell within the following income bands:				
\$220,000 - \$229,999	1	1	1	1
\$470,000 - \$479,999	-	1	-	1
\$560,000 - \$569,999	1	-	1	-

notes to and forming part of the accounts
for the year ended 30 june 2001

	CONSOLIDATED		CHIEF ENTITY	
	\$ 2001	\$ 2000	\$ 2001	\$ 2000
NOTE 31				
REMUNERATION OF AUDITORS				
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	53,500	48,001	48,500	48,001
other services	10,025	8,551	10,025	8,551
	63,525	56,552	58,525	56,552
NOTE 32				
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.				

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notes to and forming part of the accounts
for the year ended 30 june 2001

	CONSOLIDATED		CHIEF ENTITY	
	\$ 2001	\$ 2000	\$ 2001	\$ 2000
NOTE 34				
RELATED PARTY DISCLOSURES				
Directors				
The Directors of Wide Bay Capricorn Building Society Ltd who served during the year were Messrs. J H Fell, R E Hancock, K G McBride, J F Pressler and P J Sawyer.				
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 shareholders of the Society.				
Loan to Managing Director				
A loan to R E Hancock has been made in accordance with the staff share plan on the same terms and conditions as loans to other participants. The loan is repayable over 5 years at 0% interest, with the loan being secured by a lien over the relevant shares. No breach of the terms of the loan has occurred.				
Balance at beginning of year	152,981	-	152,981	-
Amounts advanced during the year	49,657	177,568	49,657	177,568
Loan repayments	42,391	24,587	42,391	24,587
Balance at end of year	160,247	152,981	160,247	152,981
A loan to R E Hancock has been made in accordance with the normal terms and conditions offered by the Society. No breach of the terms and conditions of the loan has occurred.				
Balance at beginning of year	203,482	-	203,482	-
Redraw of advance repayments	200,000	200,000	200,000	200,000
Interest earned included in the determination of operating profit	9,953	3,482	9,953	3,482
Loan repayments	312,900	-	312,900	-
Balance at end of year	100,535	203,482	100,535	203,482

notes to and forming part of the accounts
for the year ended 30 june 2001

	CONSOLIDATED		CHIEF ENTITY	
	\$ 2001	\$ 2000	\$ 2001	\$ 2000
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.				
P J Sawyer of Ulton, formerly Hancock Sawyer Corpe provides professional accountancy and financial planning advice aggregating:	2,024	4,667	2,024	4,667
Ulton also occupy premises owned by the Society and pay rental at a commercial rate in respect of office accommodation.:	95,880	92,352	95,880	92,352
J H Fell provides secretarial and administrative services for the operation of the Society's agencies at Gympie at a fee determined by the board aggregating:	484,000	440,000	484,000	440,000
L R Hancock, a related party by virtue of being a brother of R E Hancock, is a partner of McCullough Robertson Hancock, Solicitors. The Society paid fees to McCullough Robertson Hancock during the year, predominantly for the preparation of mortgage documentation in addition to general professional advice aggregating:	834,144	868,939	834,144	868,939
The aggregate number of shares held by Directors and Director related entities at the end of the year was:			2,829,013	2,844,746
The aggregate number of shares acquired by Directors and Director related entities during the year was:			76,763	242,152
The aggregate number of shares disposed of by Directors and Director related entities during the year was:			92,496	53,118
No options have been issued by the Society.				

NOTE 35

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 Instruments	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 5.88% (2000 - 5.51%)
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 5.7% (2000 - 5.64%)
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 5.63% (2000 - 5.31%)
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 6.47% (2000 - 6.01%)
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 fully secured against a put option, which is enforceable during the year ended 30 June 2001. 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.	These borrowings 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	19	Dividends payable are recognised when declared by the company.	Dividends payable represent a final dividend on ordinary shares for the financial year ended 30 June 2001. Further details 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 2001

Financial instruments	Floating interest rate		Fixed interest rate maturing in:				Non interest bearing		Total carrying amount per statement of financial position		Weighted average effective interest rate	
	\$	%	1 year or less		From 1 to 5 years		\$	%	\$	%	\$	%
			2001	2000	2001	2000						
Cash and liquid assets	13,225,014	3,744,424	-	-	-	-	1,091,688	1,557,460	14,316,702	5,301,884	5.88	5.51
Receivables due from other financial institutions	2,477,108	1,412,195	250,000	2,000,000	-	-	95,000	95,000	2,822,108	3,507,195	5.63	5.31
Receivables	-	-	-	-	-	-	2,728,747	2,864,205	2,728,747	2,864,205	-	-
Investment securities	8,918,967	10,984,383	45,644,744	29,279,310	71,711,904	71,063,576	-	-	126,275,615	111,327,269	5.70	5.64
Loans and advances	279,557,151	251,031,232	71,630,005	91,209,448	65,751,176	48,712,804	-	-	416,938,332	390,953,484	7.65	7.06
Other investments	-	-	-	-	-	-	1,722,733	1,722,451	1,722,733	1,722,451	-	-
Other	-	-	-	-	-	-	2,445,326	2,329,285	2,445,326	2,329,285	-	-
Total financial assets	304,178,240	267,172,234	117,524,749	122,488,758	137,463,080	119,776,380	8,083,494	8,568,401	567,249,563	518,005,773	-	-
Financial liabilities												
Deposits	165,828,329	148,402,851	281,211,130	252,513,218	20,074,316	23,644,960	-	-	467,113,775	424,561,029	4.53	3.95
Payables due to other financial institutions	-	-	30,000,000	30,900,000	-	-	-	-	30,000,000	30,900,000	6.66	6.05
Accounts payable and other liabilities	-	-	-	-	-	-	10,535,049	12,315,543	10,535,049	12,315,543	-	-
Provisions	-	-	-	-	-	-	5,371,950	4,407,438	5,371,950	4,407,438	-	-
Subordinated capital notes	-	-	25,000,000	25,000,000	-	-	-	-	25,000,000	25,000,000	7.76	7.25
Total financial liabilities	165,828,329	148,402,851	336,211,130	308,413,218	20,074,316	23,644,960	15,906,999	16,722,981	538,020,774	497,184,010	-	-

NOTE 35 (CONT)
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:

notes to and forming part of the accounts
for the year ended 30 june 2001

NOTE 35 (CONT)

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	
	\$	\$	\$	\$
	2001	2000	2001	2000
Financial assets				
Cash and liquid assets	14,316,702	5,301,884	14,316,702	5,301,884
Receivables due from other financial institutions	2,822,108	3,507,195	2,823,045	3,514,695
Receivables	2,728,747	2,864,205	2,728,747	2,864,205
Investment securities	126,275,615	111,327,268	126,980,871	111,647,958
Loans and advances	416,938,332	390,953,484	418,439,779	392,208,885
Other investments	1,722,733	1,722,451	1,722,733	1,722,451
Other	2,445,326	2,329,285	2,445,326	2,329,285
Total financial assets	567,249,563	518,005,772	569,457,203	519,589,363
Financial liabilities				
Deposits	467,113,775	424,561,029	465,682,839	423,170,761
Payables due to other financial institutions	30,000,000	30,900,000	29,887,500	30,784,125
Accounts payable and other liabilities	10,535,049	12,315,543	10,535,049	12,315,543
Provisions	5,371,950	4,407,438	5,371,950	4,407,438
Subordinated capital notes	25,000,000	25,000,000	25,000,000	25,000,000
Total financial liabilities	538,020,774	497,184,010	536,477,338	495,677,867

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.

notes to and forming part of the accounts
for the year ended 30 June 2001

NOTE 35 (CONT)

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
for the year ended 30 June 2001

In the opinion of the Directors of Wide Bay Capricorn Building Society Ltd:

- (a) The financial statements and notes of the Society and of the consolidated entity have been prepared in accordance with accounting standards applicable under the Corporations Act 2001 for the year ended 30 June 2001 and
- (b) The financial statements and notes for the year ended 30 June 2001 present a true and fair view of the financial position and performance of the Society and consolidated entity and
- (c) As at the date of this statement there are reasonable grounds to believe that the Society will be able to pay its debts as and when they become due and payable.

Signed on behalf of the Board of Directors of Wide Bay Capricorn Building Society Ltd in accordance with a Resolution of the Board.



R E Hancock
Director



P J Sawyer
Director

11th September 2001
Bundaberg

independent audit report to the members of
wide bay capricorn building society ltd
for the year ended 30 june 2001

Scope

We have audited the financial statements of the Society for the financial year ended 30 June 2001 as set out on pages 26 to 53. The financial statements include the consolidated financial statements of the consolidated entity comprising the Society and the entities it controlled at year's end or from time to time during the financial year. The Directors of the Society are responsible for the financial statements. We have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the Society.

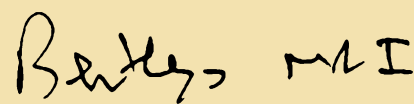
Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of the Society's and the consolidated entity's financial position and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

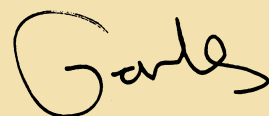
In our opinion, the financial statements of the Society are in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Society's and consolidated entity's financial position as at 30 June 2001 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements.



Bentleys MRI
Chartered Accountants

11th September 2001
Brisbane



R J Forbes
Partner

directors' statutory report
for the year ended 30 june 2001

REVIEW OF OPERATIONS

The consolidated net profit from ordinary activities after income tax for the year was \$7,017,082 representing an increase of 41.3% over the previous year. After allowing for a distribution from the former Queensland Building Societies Fund of \$1,782,800, which attracted an income tax expense of \$606,152, the net profit attributable to the company was \$8,150,768, which represented an increase of 66.7% over the previous year. Total assets and loans under management, under the Society's securitisation program totalled \$1,022,041,846 representing an increase of 10.54%. Loans for the year totalled \$249.2 million.

There have been no changes in the principal activities of the Society during the financial year, which is the provision of banking facilities, 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 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 programme.

The Society is a company limited by shares and incorporated in Australia.

The number of full time equivalent employees at the reporting date was 152.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR AND FUTURE DEVELOPMENTS.

There has been no matter or circumstance since the end of the year that will significantly affect the results of operations in future years or the state of affairs of the Society.

The Board expects the operations for the ensuing year to be consistent with the current activities and with the growth of the Society's assets and loan book expects an increase in trading results for the ensuing year.

The Board intends to increase capital within the next few months by the issue of a structure of preference shares. This will eliminate the need for the issue of further ordinary shares for the next few years.

DIVIDENDS

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

- An interim fully franked ordinary dividend of 12.5 cents per share was paid on 9 March 2001 (14 March 2000 - 11 cents).
- A final fully franked ordinary dividend of 15 cents per share has been declared by the Directors and will be paid on 5 October 2001 (3 October 2000 - 11 cents).

directors' statutory report

for the year ended 30 june 2001

DIRECTORS

There have been no changes to the Directors of the Society during the year. The Directors of the Society in office as at the date of this report were:-

MR JOHN H FELL F.C.A., F.I.F.S.

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 was a partner of Fell Laird, Chartered Accountants of Gympie and is a director of Mortgage Risk Management Pty Ltd.

MR RONALD E HANCOCK F.C.A., F.I.F.S.

Mr Hancock is the Managing Director of the Society. He was a foundation director and manager of the Burnett Permanent Building Society formed in 1966, which in 1979 amalgamated with the Maryborough Permanent Building Society to form Wide Bay Capricorn Building Society.

Mr Hancock is a member of the Institute of Chartered Accountants and a director of Cashcard Australia Ltd, Fincom Pty Ltd and Mortgage Risk Management Pty Ltd.

MR KERRY G McBRIDE A.I.F.S.

Mr McBride was appointed to the Board in 1987. He is a recently retired partner of Corser Sheldon & Gordon, Solicitors of Maryborough and Hervey Bay.

MR JOHN F PRESSLER A.I.F.S.

Mr Pressler is Chairman of the Society. He was appointed to the Board in 1988. He is a prominent figure in Emerald's agricultural and horticultural industries and is a director of P & H Rural Ltd.

MR PETER J SAWYER F.C.A., A.I.F.S.

Mr Sawyer has been a director of the Society since 1987. He is a partner of the firm Ulton, formerly Hancock Sawyer Corpe, Chartered Accountants of Bundaberg and Maryborough.

All Directors are members of the Audit Committee.

During the financial year, 13 meetings of the Society's Directors and 4 meetings of the Society's Audit Committee were held, in respect of which each Director of the Society attended the following number:

	BOARD MEETING	AUDIT COMMITTEE
J F Pressler	13	4
R E Hancock	13	4
J H Fell	13	4
P J Sawyer	12	3
K G McBride	13	4

directors' statutory report

for the year ended 30 june 2001

DIRECTORS' SHAREHOLDINGS

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

ORDINARY SHARES

R E Hancock	1,620,223
J H Fell	474,901
P J Sawyer	433,001
K G McBride	300,888

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.

RELATED PARTY DISCLOSURE

No Directors of the Society 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 except for the following: -

Mr John Fell who provides secretarial and administrative services for the operation of the Society's agencies at Gympie at a fee determined by the Board from time to time aggregating \$484,000 (2000 - \$440,000).

Mr Peter Sawyer of Ulton, formally Hancock Sawyer Corpe, provides professional accountancy and financial planning advice for an aggregate fee of \$2,024 (2000 - \$4,667). Ulton also partly occupy premises owned by the Society and pay rental at a commercial rate in respect of office accommodation amounting to \$95,880 (2000 - \$92,352).

The transactions have occurred within a normal supplier - customer relationship on terms and conditions no more favourable than those that are available to other suppliers.

DIRECTORS' AND OFFICERS' REMUNERATION

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 for non-executive Directors are approved by the shareholders. The individual allocation of those fees is approved at the Annual General Meeting of shareholders.

The remuneration of the Managing Director is a matter for the non-executive Directors. Remuneration of senior executives 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.

directors' statutory report

for the year ended 30 june 2001

The remuneration provided to Directors and the five most highly remunerated officers, are as follows: -

	Base Salary	Chairman's Allowance	Car Allowance	Superannuation	Total Remuneration
	\$	\$	\$	\$	\$
Non-Executive Directors					
JF Pressler	31,944	20,900		7,986	60,830
PJ Sawyer	31,944			7,986	39,930
KG McBride	31,944			7,986	39,930
JH Fell	31,944			7,986	39,930
Executive Director					
RE Hancock	486,717			73,283	560,000
Officers					
IR Pokarier	147,166			72,834	220,000
GW Savage	91,193			7,295	98,488
RC Linderberg	69,340			5,547	74,887
FM McLeod	69,313			5,545	74,858
IL Hatton	60,106		8,365	4,809	73,280

INDEMNITIES AND INSURANCE PREMIUMS FOR OFFICERS AND AUDITORS

During the financial year the Society has paid premiums in respect of Directors' and Officers' Liability and Company Reimbursement, Directors' and Officer's Legal Expenses and Employment Practices Liability. Total premium was \$42,870.51.

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



P J Sawyer
Director

11th September 2001
Bundaberg

directors' statutory report

for the year ended 30 june 2001

ADDITIONAL STOCK EXCHANGE REQUIREMENTS

STOCK EXCHANGE

Wide Bay Capricorn Building Society Ltd shares are listed on the Australian Stock Exchange. The securities are permanent ordinary shares and at the date of this Report there were 20,003,632 shares.

CORPORATE GOVERNANCE PRACTICES

The Board of Directors consists of five directors, four of whom are non-executive directors. An executive director is not eligible to be the Chairperson of the Society. The Board comprises Directors with an appropriate range of qualifications and expertise and meets monthly to review a wide range of Society operations, assess performance levels and to participate in all discussions of Society performances and future activities.

The Managing Director is appointed by the Board in accordance with the Society's Constitution and retains that position at the discretion of the Board. Directors as and when required, review the membership of the Board and recommend potential new Directors, having regard to the current structure of the Board. Retirement from the Board will be generally at the conclusion of the Annual General Meeting of the Society commencing next, after the Director attains the age of 72 years.

All Directors are entitled to seek professional independent advice at the Society's expense in respect to the furtherance of their duties.

A Remuneration Panel is comprised of the Chairman, Mr John Pressler and the Managing Director, Mr Ron Hancock - with the full Board ratifying remuneration levels.

An Audit Committee is comprised of the full Board, which oversees accounting, reports and disclosure activities, in addition to reviewing the interim and annual financial statements. It also reviews the activities and efficiencies of both the Internal and External Auditors and relationships with management.

As the need arises from time to time in the development of products or attending various requirements, subcommittees are appointed by the full Board to attend those functions comprising management and the directors as deemed necessary.

A high level of ethical standards is expected and risk management procedures are reviewed regularly and are in accordance with APRA standards, and procedures and standards adopted by the Society.

BOARD RESPONSIBILITIES

The Board is aware of its obligations and accountability to shareholders, as well as other regulatory and ethical expectations. The responsibility for the operation and administration of the Society is delegated by the Board to the chief executive officer and the executive team and monitored regularly by the Board.

SUBSTANTIAL SHAREHOLDERS

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

	NO. OF SHARES	% OF TOTAL
Hancock, R E	1,620,223	8.09%
Drenwood Pty Ltd/ Skipglen Pty Ltd (Associated entities & associates)	1,276,910	6.38%

directors' statutory report

for the year ended 30 june 2001

VOTING RIGHTS OF SHAREHOLDERS

Voting rights of shareholders are governed by the Society's Rules. A shareholder is entitled to exercise one vote in respect of each fully paid permanent share held in accordance with the provisions of the Constitution.

DISTRIBUTION OF SHAREHOLDERS

As at 7th September, 2001

RANGE	NO. OF SHAREHOLDERS
1 - 1,000	533
1,001 - 5,000	1,120
5,001 - 10,000	312
10,001 - 100,000	260
100,001 - OVER	28

TOTAL NUMBER OF SHAREHOLDERS **2,253**

37 shareholders held less than a marketable parcel.

LIST OF TOP 20 PERMANENT SHAREHOLDERS

As at 7th September, 2001

NAME	NO. OF SHARES	%
1. HANCOCK, R E & L P	785,998	3.93
2. DRENWOOD PTY LTD	776,957	3.89
3. HANCOCK, R E	512,710	2.56
4. SKIPGLEN PTY LTD	499,953	2.50
5. SAWYER, K	400,000	2.00
6. SAWYER, P J T/F PETER SAWYER FAMILY FUND	400,000	2.00
7. CAULCO PTY LTD	340,000	1.70
8. OLSEN, R C	330,520	1.66
9. KENNEDY, J W & G J	308,710	1.54
10. HESTERN PTY LTD	303,743	1.52
11. McBRIDE, K G & P A	300,888	1.50
12. HANCOCK, R E	271,973	1.36
13. MERTAN PTY LTD (J & C FELL SUPER FUND)	239,086	1.20
14. EMMERTON, D R & C A (WARAMBUL SUPER FUND)	207,989	1.04
15. RUNGE, B	205,477	1.03
16. MESSER, G F & S U (G MESSER SUPER A/C)	194,230	0.97
17. DIXSON TRUST PTY LTD (NO. 1 A/C)	170,000	0.85
18. MILELAWN PTY LTD (J & C FEARNLEY A/C)	138,819	0.70
19. PRESSLER N.	134,881	0.67
20. LOESKOW W.	133,145	0.67
TOP 20 PERMANENT SHAREHOLDERS	6,655,079	33.29

directors' statutory report

for the year ended 30 june 2001

REGISTERED OFFICE

The registered office and principal place of business of the Society is

5th Floor,
Wide Bay Capricorn House,
16-20 Barolin Street,
Bundaberg,
telephone (07) 4153 7777.

SECRETARY

The Secretary of the Society is Mr William Ray Schafer.

SHARE REGISTER

The register of holders of permanent ordinary shares of the Society is kept at the office of

Computershare Investor Services Pty Limited,
Central Plaza One, Level 27,
345 Queen Street,
Brisbane, Queensland,
telephone (07) 3237 2100.

ON- MARKET BUY-BACK

There is no current on-market buy-back.



Head Office: Wide Bay Capricorn House
16-20 Barolin Street Bundaberg Qld 4670
telephone: (07) 4153 7777 facsimile: (07) 4153 7714
e-mail: widebaycap@widebaycap.com.au
website: www.widebaycap.com.au