

FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED

ABN 41 114 925 174

Interim Financial Report

For the half-year ended 31 December 2017

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This is annexure A of 11 pages referred to in Form 7051: Notification of half-yearly reports

A handwritten signature in blue ink, appearing to read 'D. Rule', is written over a light blue rectangular background.

Directors

Dated this 15 day of March 2018

FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED

ABN 41 114 925 174

Interim Financial Report

DIRECTORS' REPORT

Your Directors submit the financial report of the Company for the half-year ended 31 December 2017.

Directors

The names of Directors who held office during or since the end of the half-year are:

Debra Anne Rule

Arnold Bart Houwen

Bruce James Moriarty (retired 19 October 2017)

John Alexander Bird (retired 19 October 2017)

Dearne Russell

Donna Quinn

Janusz Olbromski

Sam Wilkinson

Sandra Lam

Principal activities

The focus of the Company's operations during the half-year was the operation of the Fremantle Community Bank Branch of Bendigo and Adelaide Bank Ltd, pursuant to a franchise agreement.

Review of operations

The profit for the company after providing for income tax and non-controlling interest amounted to \$28,042 (2017: \$12,120).

Auditor's Declaration

The lead auditor's independence declaration under s 307C of the *Corporations Act 2001* for the half-year ended 31 December 2017 is attached to the financial report.

This report is signed in accordance with a resolution of the Board of Directors.

The image shows two handwritten signatures in blue ink. The first signature is 'D. Rule' and the second is 'J.A.A.'. They are positioned above a horizontal line that serves as a signature line for the Directors.

Directors

Dated this 15 March 2018

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Fremantle Community Financial Services Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

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ALASDAIR WHYTE
Partner

Perth, WA
Dated: 15 March 2018

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FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	31.12.2017	31.12.2016
	\$	\$
Revenue	465,944	483,116
Employee benefits expense	(212,016)	(195,650)
Depreciation and amortisation expense	(14,554)	(12,050)
Other expenses	(200,695)	(263,296)
Profit before income tax	38,679	12,120
Income tax expense	(10,637)	-
Profit for the period	28,042	12,120
	-	-
Other comprehensive income	-	-
Other comprehensive income for the period, net of tax	-	-
Total comprehensive income for the period attributable to members	28,042	12,120
 Earnings per share		
Basic earnings per share (cents per share)	3.81	1.65
Diluted earnings per share (cents per share)	3.81	1.65

The accompanying notes form part of these financial statements

FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED

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**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017**

	31.12.2017	30.06.2017
	\$	\$
CURRENT ASSETS		
Cash	430,670	440,995
Trade and other receivables	82,911	83,858
Prepayments	42,072	17,942
TOTAL CURRENT ASSETS	555,653	542,795
NON-CURRENT ASSETS		
Other Assets	32,732	32,732
Property, plant and equipment	42,458	50,235
Intangible assets	43,399	50,177
Deferred tax assets	-	1,061
TOTAL NON-CURRENT ASSETS	118,589	134,205
TOTAL ASSETS	674,242	677,000
CURRENT LIABILITIES		
Trade and other payables	72,154	72,184
Short-term provisions	18,834	11,084
Current tax Liability	12,982	19,320
TOTAL CURRENT LIABILITIES	103,970	102,588
NON-CURRENT LIABILITIES		
Deferred tax liability	4,656	-
TOTAL NON-CURRENT LIABILITIES	4,656	-
TOTAL LIABILITIES	108,626	102,588
NET ASSETS	565,616	574,412
EQUITY		
Issued capital	736,759	736,759
Accumulated losses	(171,143)	(162,347)
TOTAL EQUITY	565,616	574,412

The accompanying notes form part of these financial statements

FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED

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Interim Financial Report

**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	Note	Issued capital	Accumulated losses	Total
		\$	\$	\$
Balance at 1 July 2016		736,759	(213,094)	523,665
Total comprehensive income for the period			12,120	12,120
Subtotal		736,759	(200,974)	535,785
Dividends paid or provided for			(36,838)	(36,838)
Balance at 31 December 2016		736,759	(237,812)	498,947
Balance at 1 July 2017		736,759	(162,347)	574,412
Total comprehensive income for the period			28,042	28,042
Subtotal		736,759	(134,305)	602,454
Dividends paid or provided for			(36,838)	(36,838)
Balance at 31 December 2017		736,759	(171,143)	565,616

The accompanying notes form part of these financial statements

FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED

ABN 41 114 925 174

Interim Financial Report

**STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	31.12.2017	31.12.2016
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	463,957	471,834
Payments to suppliers and employees	(429,217)	(472,066)
Income tax paid	(11,257)	7,774
Interest received	2,934	3,581
Net cash from operating activities	<u>26,417</u>	<u>11,123</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	-	(37,804)
Net cash used in investing activities	<u>-</u>	<u>(37,804)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of dividend	(36,742)	(33,275)
Net cash used in financing activities	<u>(36,742)</u>	<u>(33,275)</u>
Net movement in cash held	(10,325)	(59,956)
Cash and cash equivalents at beginning of period	440,995	388,180
Cash and cash equivalents at end of period	<u>430,670</u>	<u>328,224</u>

The accompanying notes form part of these financial statements

FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED

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Interim Financial Report

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

NOTE 1: BASIS OF PREPARATION

These general purpose financial statements for the half-year reporting period ended 31 December 2017 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Fremantle Community Financial Services Limited (the Company). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2017, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to the matters disclosed below.

New and Revised Accounting Standards

In the current year, the company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the company's accounting policies.

NOTE 2: OPERATING SEGMENT

The Company operates in a single segment being the financial services sector as a branch of Bendigo and Adelaide Bank Ltd in Western Australia.

NOTE 3: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 4: EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the financial period that significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED

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Interim Financial Report

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Australian Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*; and
 - b. giving a true and fair view of the Company's financial position as at 31 December 2017 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

The image shows two handwritten signatures in blue ink. The first signature is 'D. Rule' and the second is 'J. A. A.'. They are written over a light grey rectangular background.

Directors

Dated this 15 March 2018

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED**

We have reviewed the accompanying half-year financial report of Fremantle Community Financial Services Limited which comprises the statement of financial position as at 31 December 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Fremantle Community Financial Services Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Fremantle Community Financial Services Limited would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Fremantle Community Financial Services Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) Giving a true and fair view of the company's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

RSM
RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 16 March 2018


ALASDAIR WHYTE
Partner