

FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED

ABN 41 114 925 174

Interim Financial Report

For the half-year ended 31 December 2020

C O N T E N T S

Directors' Report

Auditor's Independence Declaration

Statement of Comprehensive Income

Statement of Financial Position

Statement of Changes in Equity

Statement of Cash Flows

Notes to the Financial Statements

Directors' Declaration

Independent Auditor's Review Report

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



Debra Rule - Director



John Bird - Director

Dated this 15th day of March 2021

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 2020.

Directors

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

Debra Anne Rule

Arnold Bart Houwen

John Alexander Bird

Luke Hall

Sam Wilkinson (appointed 2 November 2016, retired 5 November 2020)

Sandra Lam (appointed 27 June 2017, resigned 23 September 2020)

David Stone (appointed 04 Feb 2021)

Hannah Sutton (appointed 04 Feb 2021)

Sharon Rudderham (appointed 22 Feb 2021)

Principle Activities

Fremantle Community Financial Services Ltd (the Company) operates the Fremantle Community Bank Branch of Bendigo Bank Limited, pursuant to a franchise agreement.

Review of Operations

The Company's income is derived from a margin profit share based on the Company's overall book value. Operational costs of the Fremantle branch of Bendigo Bank are subsequently paid from this margin profit share. At the end of each year the Company's board resolves how much of the profits from that year are available to support local community groups and activities in the next succeeding year.

The Company provides funds to support the Fremantle region's community. The Company and its stakeholders look forward to achieving further growth in Fremantle as the city's population rises, as marketing initiatives have effect, and as Fremantle's economic fortunes improve. Much of the community support payment occurs during the first half of each year, which diminishes first half profits.

In addition, during the half year to 31st December 2020, the banking market in the Fremantle area has remained very difficult. Interest rates have remained subdued, resulting in continued low margins. The branch continues to work hard and successfully to achieve a net increase in funds under management.

The half year to 31st December 2020 shows a small decrease in profit share income from the previous year. Overall profitability will improve as the community contribution commitments dry up in the second half of the year. Additionally, lending book value is starting to climb again. Company running costs also continue to be a focus, as the business seeks to streamline operations. The Board's focus is currently particularly on premises costs.

FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED

ABN 41 114 925 174

Interim Financial Report

DIRECTORS' REPORT

Events Subsequent to Reporting Date

The impact of the Coronavirus (COVID-19) pandemic is ongoing. It is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matters or circumstances have arisen since the end of the reporting date which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Auditor's Declaration

The auditor's independence declaration under s 307C of the *Corporations Act 2001* for the half-year ended 31 December 2020 is attached to the financial report.

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



Director

Debra Rule – Director

John Bird - Director

Dated this 15th March 2021

RSM Australia Partners

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

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 2020, 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.

RSM
RSM AUSTRALIA PARTNERS


ALASDAIR WHYTE
Partner

Perth, WA
Dated: 15 March 2021

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED**ABN 41 114 925 174****Interim Financial Report****STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	31 December 2020	31 December 2019
	\$	\$
Revenue	421,437	456,081
Employee benefits expense	(181,388)	(184,453)
Depreciation and amortisation expense	(70,892)	(70,380)
Other expenses	(193,029)	(189,317)
Profit before income tax	(23,872)	11,931
Income tax expense	(2,980)	(3,396)
Profit for the period	(26,852)	8,535
Other comprehensive income		
Other comprehensive (loss) / income for the period, net of tax	-	-
Total comprehensive (loss) / income for the period attributable to members	(26,852)	8,535
Earnings per share		
Basic (loss) / earnings per share (cents per share)	(3.64)	1.16
Diluted (loss) / earnings per share (cents per share)	(3.64)	1.16

The accompanying notes form part of these financial statements

FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED

ABN 41 114 925 174

Interim Financial Report

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	31 December 2020	30 June 2020
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	611,673	667,460
Trade and other receivables	125,744	88,385
Other assets	1,784	16,482
TOTAL CURRENT ASSETS	739,201	772,327
NON-CURRENT ASSETS		
Other assets	-	32,732
Plant and equipment	8,042	12,869
Right of use asset	26,590	85,822
Intangible assets	2,674	9,507
Deferred tax assets	2,478	5,459
TOTAL NON-CURRENT ASSETS	39,784	146,389
TOTAL ASSETS	778,985	918,716
CURRENT LIABILITIES		
Trade and other payables	70,907	58,224
Lease liability	29,698	89,692
Short-term provisions	11,073	13,360
Current tax liability	880	27,323
TOTAL CURRENT LIABILITIES	112,558	188,599
TOTAL LIABILITIES	112,558	188,599
NET ASSETS	666,427	730,117
EQUITY		
Issued capital	736,759	736,759
Accumulated losses	(70,332)	(6,642)
TOTAL EQUITY	666,427	730,117

The accompanying notes form part of these financial statements

FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED

ABN 41 114 925 174

Interim Financial Report
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Note	Issued capital	Accumulated losses	Total
		\$	\$	\$
Balance at 1 July 2019		736,759	(106,160)	630,599
Total comprehensive income for the period		-	8,535	8,535
Subtotal		736,759	(97,625)	639,134
Dividends paid or provided for		-	(22,103)	(22,103)
Balance at 31 December 2019		736,759	(119,728)	617,031
Balance at 1 July 2020		736,759	(6,642)	730,117
Total comprehensive loss for the period		-	(26,852)	(26,862)
Subtotal		736,759	(33,494)	703,265
Dividends paid or provided for		-	(36,838)	(36,838)
Balance at 31 December 2020		736,759	(70,332)	666,427

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 2020**

	31 December 2020	31 December 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	439,472	453,968
Payments to suppliers and employees	(383,475)	(432,656)
Interest expense	-	(4,420)
Income tax paid	(26,443)	(2,566)
Interest received	1,183	3,272
Net cash from operating activities	<u>30,737</u>	<u>17,598</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	-	-
Net cash used in investing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of dividend	(24,793)	(14,690)
Repayment of lease liabilities	(61,730)	-
Net cash used in financing activities	<u>(86,523)</u>	<u>(14,690)</u>
Net movement in cash held	(55,786)	2,908
Cash and cash equivalents at beginning of period	<u>667,460</u>	<u>529,565</u>
Cash and cash equivalents at end of period	<u>611,673</u>	<u>532,473</u>

The accompanying notes form part of these financial statements

FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED

ABN 41 114 925 174

Interim Financial Report

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 1: BASIS OF PREPARATION

These general purpose financial statements for the half-year reporting period ended 31 December 2020 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 2020, 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.

Any new or amended Accounting Standards or that are not yet mandatory have not been early adopted.

NOTE 2: OPERATING SEGMENTS

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

The impact of the Coronavirus (COVID-19) pandemic is ongoing. It is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matters or circumstances have arisen since the end of the reporting date which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED

ABN 41 114 925 174

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 2020 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.



Debra Rule – Director



John Bird - Director

Director

Dated this 15th March 2021

RSM Australia Partners

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61(0) 8 9261 9100
F +61(0) 8 9261 9111

www.rsm.com.au

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

Report on the Half-Year Financial Report

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 2020, 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 2020 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.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

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 2020 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: 15 March 2021


ALASDAIR WHYTE
Partner