

FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED

ABN 41 114 925 174

Interim Financial Report

For the half-year ended 31 December 2021

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



John Bird - Director



Debra Rule - Director

Dated this 4th day of March 2022

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 2021.

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

Sharon Rudderham

Hannah Sutton

David Stone

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 loss of the Company after providing for income tax amounted to \$59,419 (2020: loss \$26,852).

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.

The company has experienced significant costs in relation to keeping good staff, and delays and related costs in relation to moving to new stable premises. These have hit the "bottom line" hard, and the board is focusing on staffing and striving to achieve a move to new stable premises as soon as possible. In addition, during the half year to 31st December 2021, the banking market in the Fremantle area has remained very difficult. Interest rates have remained subdued, resulting in continued low margins. The board and the branch continue to focus on the above issues while retaining, and thereafter increasing, profitable funds under management.

The half year to 31st December 2021 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.

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Auditor's Declaration

The auditor's independence declaration under s 307C of the *Corporations Act 2001* for the half-year ended 31 December 2021 is attached to the financial report.

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



John Bird - Director



Debra Rule - Director

Dated this 4 March 2022

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 2021, 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: 4 March 2022

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FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED**ABN 41 114 925 174****Interim Financial Report****STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

	31 December 2021	31 December 2020
	\$	\$
Revenue	360,945	421,437
Employee benefits expense	(170,656)	(181,388)
Depreciation and amortisation expense	(11,238)	(70,892)
Other expenses	(236,402)	(193,029)
Loss before income tax	(57,351)	(23,872)
Income tax expense	(2,068)	(2,980)
Loss for the period	(59,419)	(26,852)
Other comprehensive income		
Other comprehensive income for the period, net of tax	-	-
Total comprehensive loss for the period attributable to members	(59,419)	(26,852)
Earnings per share		
Basic loss per share (cents)	(8.06)	(3.64)
Diluted loss per share (cents)	(8.06)	(3.64)

The accompanying notes form part of these financial statements

FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED

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Interim Financial Report

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	31 December 2021	30 June 2021
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	566,162	648,206
Trade and other receivables	64,557	67,893
Other assets	46,664	15,875
Current tax assets	26,941	12,990
TOTAL CURRENT ASSETS	704,324	744,964
NON-CURRENT ASSETS		
Other assets	-	32,732
Plant and Equipment and Right of Use Asset	20,191	3,213
Intangible assets	60,018	67,165
Deferred tax assets	1,405	3,473
TOTAL NON-CURRENT ASSETS	81,614	106,583
TOTAL ASSETS	785,938	851,547
CURRENT LIABILITIES		
Trade and other payables	96,056	94,573
Lease Liability	10,300	-
Short-term provisions	1,095	6,899
TOTAL CURRENT LIABILITIES	107,451	101,472
NON-CURRENT LIABILITIES		
Trade and other payables	42,881	42,881
Lease Liability	9,934	-
TOTAL NON-CURRENT LIABILITIES	52,815	42,881
TOTAL LIABILITIES	160,266	144,353
NET ASSETS	625,672	707,194
EQUITY		
Issued capital	736,759	736,759
Accumulated losses	(111,087)	(29,565)
TOTAL EQUITY	625,672	707,194

FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED

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Interim Financial Report

STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Note	Issued capital	Accumulated losses	Total
		\$	\$	\$
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
Balance at 1 July 2021		736,759	(29,565)	707,194
Total comprehensive loss for the period		-	(59,419)	(59,419)
Subtotal		736,759	(88,984)	647,775
Dividends paid or provided for		-	(22,103)	(22,103)
Balance at 31 December 2021		736,759	(111,087)	625,672

The accompanying notes form part of these financial statements

FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED

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**STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

	31 December 2021	31 December 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	362,819	439,472
Payments to suppliers and employees	(417,981)	(445,205)
Interest Expense	-	-
Income Tax Paid	(13,951)	(26,443)
Interest received	1,463	1,183
Net cash from operating activities	<u>(67,650)</u>	<u>(30,993)</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	(14,394)	(24,793)
Net cash used in financing activities	<u>(14,394)</u>	<u>(24,793)</u>
Net movement in cash held	(82,044)	(55,786)
Cash and cash equivalents at beginning of period	648,206	667,460
Cash and cash equivalents at end of period	<u>566,162</u>	<u>611,673</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 2021

NOTE 1: BASIS OF PREPARATION

These general purpose financial statements for the half-year reporting period ended 31 December 2021 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 2021, 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 any 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 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: DIVIDENDS

The company declared dividends of \$22,103 during the half-year reporting period ended 31 December 2021 (2021: \$36,838).

NOTE 5: 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 2021 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.



John Bird - Director



Debra Rule - Director

Dated this 4 March 2022

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**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 2021, 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 2021 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 2021 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: 4 March 2022


ALASDAIR WHYTE
Partner