

# Interim Financial Report

Fremantle Community Financial Services Limited

ABN 41 114 925 174

For the 6 months ended 31 December 2022

Prepared by RSM Australia - Perth

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# Directors' Report

## Fremantle Community Financial Services Limited For the 6 months ended 31 December 2022

Your Directors submit the financial report of the Company for the half-year ended 31 December 2022. In order to comply with the provisions of the Corporations Act 2001, the Director's report as follows:

### Directors

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

Debra Anne Rule

Arnold Bartholomew Houwen

John Alexander Bird

Sharon Jane Rudderham

Hannah Jane Sutton

David Basel Stone

### Principal Activities

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

### Review of Operations

The profit of the company after providing for income tax amounted to \$19,630 (2021: loss \$59,419).

The Company's income is derived from a share of banking profit margin based on the Company's funds under management. Operational costs of the Fremantle Community Bank (a branch of Bendigo Bank) are subsequently paid from this 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 following year. The Company provides funds to support the Fremantle region's community. The balance is applied to limited dividends and company reserves (which provide the company with stability).

Nearly five years ago, the company's board commenced plans to vacate its then premises. This event was to coincide with the end of the property lease, and would reduce costs. Another aim was to retain our footprint in Fremantle. On 1st November 2022 Fremantle Community Bank opened in new premises located under the Victoria Pavilion at Fremantle Community Bank Oval on the corner of Parry St and William St Fremantle. These premises are leased from South Fremantle Football Club which the company has sponsored for many years.

The move to lower cost premises has coincided with improved margins due to rising interest rates, enthusiastic commitment from our team of staff, and success in growing the loan book. The resulting improved income is being reflected in substantially improved profitability.

Those associated with the company are keenly aware of the legacy of those that preceded us. These include the founders who in 2006 had the passion to raise capital, our shareholders without whom the company would never have started, our staff and managers who built up funds under management over many years, our customers who appreciate the opportunity to support the Fremantle community in this way, our Directors who continue to contribute as volunteers, our banking franchisors - Bendigo and Adelaide Bank Ltd - who see to the banking nuts and bolts as well as supporting the Company in whatever way they can, our landlords who have shared our passion for the Fremantle community, our suppliers (we are keen to buy local where possible), and the many Fremantle-region clubs, associations and individuals who've benefited from our support.

### Significant changes in the state of affairs

There were no significant changes in the state of affairs of the entity during the financial half-year.

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Signed in accordance with a resolution of the Directors on:



**Debra Anne Rule**  
**Director**  
1 March 2023



**John Alexander Bird**  
**Director**  
1 March 2023



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1 March 2023

Board of Directors,  
Fremantle Community Financial Services Limited,  
9 Adelaide Street,  
Fremantle WA 6160

Dear Directors

**RE: FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the Directors of Fremantle Community Financial Services Limited.

As Audit Director for the review of the half year financial statements of Fremantle Community Financial Services Limited for the period ended 31 December 2022, 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.

Yours faithfully

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED**  
**(An Authorised Audit Company)**

**Eliya Mwale**  
**Director**

# Statement of Profit or Loss and Other Comprehensive Income

Fremantle Community Financial Services Limited  
For the 6 months ended 31 December 2022

	NOTES	JUL-DEC 2022	JUL-DEC 2021
<b>Income</b>			
Revenue		561,643	360,945
Gross Profit from Trading		561,643	360,945
<b>Total Income</b>		<b>561,643</b>	<b>360,945</b>
<b>Expenses</b>			
Employee Benefits Expense		206,311	170,656
Depreciation and Amortisation Expense		31,026	11,238
Other Expenses		294,238	236,402
Total Expenses		531,575	418,296
<b>Profit/(Loss) Before Income Tax</b>		<b>30,068</b>	<b>(57,351)</b>
<b>Income Tax Expense</b>			
Income Tax Expense		10,438	2,068
<b>Net Profit/(Loss) After Income Tax</b>		<b>19,630</b>	<b>(59,419)</b>
<b>Total Comprehensive Income/(Loss)</b>		<b>19,630</b>	<b>(59,419)</b>
<b>Earnings per share</b>			
Basic earnings per share (cents per share)		3	(8)
Diluted earnings per share (cents per share)		3	(8)

# Statement of Financial Position

Fremantle Community Financial Services Limited

As at 31 December 2022

	NOTES	31 DEC 2022	30 JUN 2022
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents		686,686	584,193
Trade and Other Receivables		118,423	72,262
Other Assets		5,536	5,662
Current Tax Assets		-	8,226
<b>Total Current Assets</b>		<b>810,645</b>	<b>670,343</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment		225,097	-
Intangible Assets		45,724	52,871
Deferred Tax Assets		67,830	15,825
Other Assets		-	32,732
Right of Use Assets		65,772	14,923
<b>Total Non-Current Assets</b>		<b>404,423</b>	<b>116,351</b>
<b>Total Assets</b>		<b>1,215,068</b>	<b>786,694</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>		<b>431,847</b>	<b>106,886</b>
Current Tax Payables		63,215	-
<b>Non-Current Liabilities</b>		<b>75,834</b>	<b>33,163</b>
<b>Total Liabilities</b>		<b>570,896</b>	<b>140,049</b>
<b>Net Assets</b>		<b>644,172</b>	<b>646,645</b>
<b>Equity</b>			
Retained Earnings		(92,587)	(90,114)
Share Capital		736,759	736,759
<b>Total Equity</b>		<b>644,172</b>	<b>646,645</b>

# Statement of Changes in Equity

Fremantle Community Financial Services Limited

For the 6 months ended 31 December 2022

	Note	Issued capital	Accumulated losses	Total
		\$	\$	\$
Balance at 1 July 2021		736,759	(29,565)	707,194
Total comprehensive loss for the period		-	(59,419)	(59,419)
<b>Subtotal</b>		-	(59,419)	(59,419)
Transactions with owners as their capacity as owners:				
Shares issued		-	-	-
Dividends declared during the period		-	(22,103)	(22,103)
<b>Balance at 31 December 2021</b>		<b>736,759</b>	<b>(111,087)</b>	<b>625,672</b>
Balance at 1 July 2022		736,759	(90,114)	646,645
Total comprehensive income for the period attributable to shareholders		-	19,630	19,630
<b>Subtotal</b>		-	19,630	19,630
Transactions with owners as their capacity as owners:				
Shares issued		-	-	-
Dividends declared during the period		-	(22,103)	(22,103)
<b>Balance at 31 December 2022</b>		<b>736,759</b>	<b>(92,587)</b>	<b>644,172</b>



# Statement of Cash Flows

Fremantle Community Financial Services Limited  
For the 6 months ended 31 December 2022

	JUL-DEC 2022	JUL-DEC 2021
<b>1. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	514,790	362,819
Payments to suppliers and employees	(397,648)	(417,981)
Interest expense	-	-
Income tax refunds/(paid)	8,998	(13,951)
Interest received	(176)	1,463
<b>Total CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>125,964</b>	<b>(67,650)</b>
	JUL-DEC 2022	JUL-DEC 2021
<b>2. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	-	-
<b>Total CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>-</b>	<b>-</b>
	JUL-DEC 2022	JUL-DEC 2021
<b>3. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of dividend	(13,689)	(14,394)
Lease Payments	(9,782)	-
<b>Total CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(23,471)</b>	<b>(14,394)</b>
	JUL-DEC 2022	JUL-DEC 2021
<b>4. Cash and cash equivalents at end of period</b>		
Net movement in cash held	102,493	(82,044)
Cash and cash equivalents at beginning of period	584,193	648,206
<b>Total Cash and cash equivalents at end of period</b>	<b>686,686</b>	<b>566,162</b>

# Notes to the Financial Statements

## Fremantle Community Financial Services Limited For the 6 months ended 31 December 2022

### 1. Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Basis of preparation**

These general-purpose financial statements for the half-year reporting period ended 31 December 2022 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 2022, 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.

#### **Going Concern Basis of Preparation**

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the half year financial statements.

### 2. Operating Segment

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

### 3. Contingent Liabilities

The Company operates in a single segment being the financial services sector as a branch of Bendigo and Adelaide Bank Ltd in Western Australia. There are no significant contingent liabilities.

### 4. Dividends

The Company declared dividends of \$22,103 during the half-year reporting period ended 31 December 2022 (2022: \$22,103).

### 5. Relationship with Bendigo and Adelaide Bank Limited

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These notes should be read in conjunction with the attached compilation report of RSM Australia Pty Ltd.

The Company has entered into franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the Community Bank branch at Fremantle, Western Australia.

The branch operates as a franchise of Bendigo Bank, using the name "Bendigo Bank" and the logo and system of operations of Bendigo Bank. The Company manages the Community Bank branch on behalf of Bendigo Bank, however all transactions with customers conducted through the Community Bank branch are effectively conducted between the customers and Bendigo Bank.

All deposits are made with Bendigo Bank, and all personal and investment products are products of Bendigo Bank, with the Company facilitating the provision of those products. All loans, leases or hire purchase transactions, issues of new credit or debit cards, temporary or bridging finance and any other transaction that involves creating a new debt, or increasing or changing the terms of an existing debt owed to Bendigo Bank, must be approved by Bendigo Bank. All credit transactions are made with Bendigo Bank, and all credit products are products of Bendigo Bank.

Bendigo Bank provides significant assistance in establishing and maintaining the Community Bank branch franchise operations. It also continues to provide ongoing management and operational support, and other assistance and guidance in relation to all aspects of the franchise operation, including advice in relation to:

- Advice and assistance in relation to the design, layout and fit out of the Community Bank branch;
- Training for the branch manager and other employees in banking management systems and interface protocol;
- Methods and procedures for the sale of products and provision of services;
- Security and cash logistic controls;
- Calculation of Company revenue and payment of many operating and administrative expenses;
- The formulation and implementation of advertising and promotional programs; and
- Sales techniques and proper customer relations.

## 6. Depreciation

The depreciable amount of all plant and equipment is depreciated on a straight line basis over their useful lives to the entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset Depreciation Rate  
Plant and equipment 20% - 37.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive Income.

## 7. Subsequent Events

No matters or circumstances have arisen since the end of the half year 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.

# Directors' Declaration

Fremantle Community Financial Services Limited  
For the 6 months ended 31 December 2022


The Directors of the Company declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001, including:
  - complying with Australian Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Act 2001*; and
  - giving a true and fair view of the Company's financial position as at 31 December 2022 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.
3. Signed in accordance with a resolution of the Director's made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



**Debra Anne Rule**  
**Director**  
1 March 2023



**John Alexander Bird**  
**Director**  
1 March 2023

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

**Report on the Half-Year Financial Report***Conclusion*

We have reviewed the half-year financial report of Fremantle Community Financial Services Limited, which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (a) giving a true and fair view of the entity's financial position as at 31 December 2022 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*.

*Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 1 March 2023.

*Responsibility of the Directors for the Financial Report*

The directors of Fremantle Community Financial Services Limited 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.



*Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 2022 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*.

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.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(An Authorised Audit Company)**

*Stantons International Audit and Consulting Pty Ltd*

*Eliya Mwale*

**Eliya Mwale**  
Director

West Perth, Western Australia  
1 March 2023