

2015 –
2016

Annual Report



**Forreestfield &
Districts**

**Community Financial
Services Limited**

ABN 94 094 967 978

ACN 094 967 978

Franchisee -

Forreestfield Community Bank Shop 6 & 7 Forreestfield Forum
Strelitzia Avenue, Forreestfield
Phone 08 9359 0711
ForreestfieldMailbox@bendigobank.com.au

High Wycombe Community Bank® Branch
Shop 4
High Wycombe Village Shopping Centre
Kalamunda Road, High Wycombe
Phone 08 9352 8430
HighWycombeMailbox@bendigobank.com.au



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Launching of our Defibrillators programme



1st Branch Wealth Seminar held in November 2015



Kalamunda Lesmurdie Little Athletics Club

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978



Chairman's Report

Page 1

It is with pleasure that I present my first Chairman's Report for the 2015/16 financial year on behalf of Forrestfield & Districts Financial Services Limited Board of Directors.

As was mentioned at our last Annual General Meeting (AGM), Phil Mutter decided to retire into the role of Deputy Chairman, after 16 years going back to the inception of the Steering Committee. Phil has done an outstanding job as Chairman and has earned the respect of our Board and all his peers across Australia. We are pleased Phil is staying with the Board as his knowledge is amazing and is a great asset.

Today, there are 312 **Community Bank®** communities in every state and territory of Australia. The statistics are impressive:

- More than \$148 million in community contributions returned to local communities
- 1,900 Directors
- 1,500 staff
- More than \$38 million in shareholder dividends

Forrestfield & Districts Community Financial Services Limited are excited to announce that during the 2015/16 financial year the Community Grants Programme assisted many sporting clubs, primary schools, community centres and annual shows to the value of \$63,325. Our sponsorship and donations to various clubs and schools were \$46,000 and 20 Automated External Defibrillators have now been donated to various Community Centres, Police Stations, Sporting Clubs and High Schools across the wider community.

The Forrestfield and High Wycombe **Community Bank®** branches' University Scholarship Programme continues with Sarah Hopkins doing well in her second year. We awarded the 2016 scholarship to Lara Kennedy. Lara was awarded a \$5,000 scholarship and is studying Psychology and Medical Studies at UWA.

Our continued support through our annual grants, sponsorship and donations has seen a contribution to date of \$1.633 million to the community.

A Business Breakfast was held on 15 June, in Kalamunda with over 40 members of the business community in attendance. The breakfast was well received by guests and has proven to be a positive PR event.

Forrestfield & Districts Community Financial Services Limited

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The Board of Directors continue to remain confident in the long term future and growth prospects of the Company and look forward to the ongoing support of the shareholders and the community at large. We look forward to our next year of business and to being able to continue to support our shareholders and the community.

Forrestfield & Districts Community Financial Services Limited (FDCFSL) continues to hold its position as one of the top performers. We thank our loyal customers and shareholders who enable us to continue to invest in our community. We would like to congratulate our Senior Branch Manager, Ray Morgan and the Forrestfield & High Wycombe **Community Bank®** branches' staff for a great result.

A huge thank you to my fellow Directors, our Senior Branch Manager, the Forrestfield & High Wycombe **Community Bank®** branches' staff, our Treasurer, Secretary & Community Liaison Officer, but most of all to our shareholders, customers and the Kalamunda Community for continuing to support the Forrestfield & High Wycombe **Community Bank®** branches of Bendigo Bank.



Colleen Bitmead
Chairman

Forrestfield & Districts Community Financial Services Limited

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Senior Branch Manager's Report

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Welcome to the 2016 Annual Report for Forrestfield & Districts Community Financial Services Limited.

Forrestfield and High Wycombe **Community Bank®** branches continue to be successful, despite the challenging conditions facing financial institutions, particularly with lending growth.

Forrestfield **Community Bank®** Branch is pleased to advise that there is business of over \$210 million on the books. Our second Community Bank® branch located in High Wycombe continues to trade in line with our business plan, with current business levels being \$64 million.

We are in a strong position, which ensures we can continue to reward our local community and shareholders.

I believe that our old fashioned service is also one of the major reasons why both of our **Community Bank®** branches are successful.

I would like to thank all staff for their ongoing dedication and professionalism, which has contributed to the success of both **Community Bank®** branches.

I am also grateful to the Board of Directors for their ongoing support to my team and myself.

Lastly, thank you to all customers, clients and shareholders who remain our most valuable asset, and who continue to support the **Community Bank®** concept and therefore, ensure the ongoing success of the **Community Bank®** network.

Ray Morgan
Senior Branch Manager

Forrestfield & Districts Community Financial Services Limited

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Schedule of Dividends Paid

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RECORD OF DIVIDENDS PAID					
Financial Year	Total Dividend Amount	Amount Per Share (cts)Cents	No of Shareholders	Share Type	Date Paid
2001/02	.00				
2002/03	.00				
2003/04	\$27,140.50	5.00	603	Unfranked	31/01/2005
2004/2005	\$57,537.86	10.60	590	Unfranked	16/06/2006
2005/2006	\$58,080.67	10.70	583	Franked	27/02/2007
2006/2007	\$72,356.65	13.33	582	Franked	31/01/2008
2007/2008	\$85,981.10	15.84	578	Franked	11/03/2009
2008/2009	\$118,603.98	21.85	577	Franked	04/02/2010
2009/2010	\$56,017.99	10.32	565	Franked	04/02/2011
2010/2011	\$271,405.00	50.00	556	Franked	27/12/2011
2011/2012	\$86,849.60	16.00	552	Franked	16/01/2013
2012/2013	\$86,849.60	16.00	549	Franked	28/01/2014
2013/2014	\$75,993.40	14.00	551	Franked	19/01/2015
2014/2015	\$37,996.70	7.00	551	Franked	28/02/2016
PROGRESSIVE TOTAL	\$1,034,813.05				

Schedule of Grants, Donations & Sponsorships Paid

RECORD OF COMMUNITY CONTRIBUTIONS PAID				
Financial Year	Grants	Sponsorships	Donations	Total \$
2004/05	Combined			9,518
2005/06	"			28,557
2006/2007	"			51,225
2007/2008	"			115,044
2008/2009	"			75,092
2009/2010	"			71,501
2010/2011	"			149,994
2011/2012	"			152,000
2012/2013	"			175,000
2013/2014	"			581,489
2014/2015	"			124,383
2015/2016	"			109,325
TOTAL				1,643,128

Forrestfield & Districts Community Financial Services Limited

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Part 2 – Financial Report

Financial Statements

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Auditor's Independence Declaration

**FORRESTFIELD & DISTRICTS COMMUNITY FINANCIAL
SERVICES LIMITED**
A.C.N 094 967 978

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Forrestfield & Districts Community Financial Services Limited

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Forrestfield & Districts Community Financial Services Limited

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Directors Report

For the Year Ended 30 June 2016

The Directors present their report together with the financial report of the company for the financial year ended 30 June 2016. The information in the preceding operating and financial review forms part of this Directors' report for the financial year ended 30 June 2016 and is to be read in conjunction with the following information.

1. General information

(a) Directors

The names and qualifications of the company's directors who held office during the year or at the date of this report are:

i) Colleen Bitmead

Position:	Chairperson
Occupation:	Businesswoman
Background Information:	Company Director, superannuation fund manager and mother. Has lived in the area for over 10 years.
Interest in shares and options:	9,500 shares

ii) Phillip Bradley Mutter

Position:	Deputy Chairperson
Occupation:	Newsagent in Forrestfield since 1996
Background Information:	Member of Lotteries Commission's Agents Panel 1997. Director of two privately owned companies. Formerly a farmer for 25 years.
Interest in shares and options:	2,500 shares

iii) Michael Houlahan

Position:	Non Executive Director
Occupation:	Senior Manager with Horizon Power
Background Information:	B. Com, GAICD. Has extensive experience in governance, risk, strategy and finance through various senior corporate roles in Banking, Utilities, Telecommunications, Civil Construction and Management Consulting. Local resident for 10 years.
Interest in shares and options:	1,000 shares

Forrestfield & Districts Community Financial Services Limited

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Directors Report (Cont'd) For the Year Ended 30 June 2016

iv) Brian Gordon

Position: Non Executive Director

Occupation: Company Director

Background Information: Holds a doctorate in business administration and is the Managing Director of 'My Emporium' and a Director of 'Marketing for Change'. Brian enjoys an extensive history in the running of not for profits and in the development of social policy through Parliamentary standing committees.

Interest in shares and options: Nil

v) Elizabeth Taylor

Position: Non Executive Director

Occupation: Businesswoman

Background Information: Principal of Creating Quality Communities, Elizabeth has had 28 years experience in local government and 23 years experience in statutory planning covering the whole of the State. She has also 36 years experience in running two separate businesses, was previously on the Executive Committee of WALGA and had 3 years Chairing of the Community Aviation Consultation Group (Perth Airport). Elizabeth is studying for her Masters Degree in Town Planning and Urban Development at Curtin University and is a Committee Member and Treasurer of Regional Development Australia.

Interest in shares and options: Nil

vi) Elizabeth Lee

Position: Company Secretary

Background Information: Ms Lee has over 19 years experience in the areas of corporate governance and company secretarial functions. Ms Lee has held company secretarial positions for Phosphate Resources Limited, Macmahon Holdings Limited, Lend Lease Primelife Limited, Macquarie Bank Limited and Austock Group Limited. Ms Lee holds a Bachelor of Business majoring in Finance and Business Law from Edith Cowan University and a Graduate Diploma in Corporate Governance from Governance Institute of Australia.

Interest in shares and options: Nil

Forrestfield & Districts Community Financial Services Limited

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Directors Report (Cont'd)
For the Year Ended 30 June 2016

Meeting of Directors

During the financial year, 13 meetings of directors were held. Attendance by each director during the year was as follows:

Names of Directors	Directors' Meetings	
	Number eligible to attend	Number attended
Colleen Bitmead	13	10
Phillip Mutter	13	12
Michael Houlahan	13	10
Brian Gordon	13	9
Elizabeth Taylor	13	12

Directors were in office for this entire year unless otherwise stated.

Directors' benefits

Phillip Mutter, proprietor of Nextra Paper Place News Agency provided stationery to the company. The details of the transaction is disclosed in note 18.

No other director has received or become entitled to receive, during or since the end of the financial year, a benefit because of a contract made by the Company, controlled entity or related body corporate with a Director, a firm which a Director is a member or an entity in which a Director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the Company's accounts, or the fixed salary of a full-time employee of the Company, controlled entity or related body corporate.

(b) Principal Activities

The principal activities of the company during the course of the financial year were in providing Community Bank® services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited. There were no significant changes in the nature of the company's principal activity.

2. Business review

(a) Operating Results

The amount of profit from ordinary activities of Forrestfield & Districts Community Financial Services Limited for the financial year after providing for income tax amounted to \$21,036 (2015: \$56,161).

(b) Dividends

A fully franked dividend of \$39,820 (2015: \$75,937) was declared and paid during the year.

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Directors Report (Cont'd)
For the Year Ended 30 June 2016

(c) Review of Operations

A review of the operations of the company during the financial year and the results of those operations found that the company is on a sound footing with both Forrestfield and High Wycombe branches doing within expectations.

3. Remuneration Report

Director fees paid or otherwise made available to the Directors of the company during the year ended 30 June 2016 and 30 June 2015 were follows:

	2016 \$	2015 \$
Phillip Mutter	9,600	10,835
Colleen Bitmead	9,232	8,067
Maureen Robinson (resigned on 8 April 2015)	-	4,357
Michael Houlahan	6,584	7,643
Brian Gordon	7,292	4,549
Elizabeth Taylor	7,292	4,549
Total Remuneration	40,000	40,000

For the purposes of this Report, the Board has decided that the only key management personnel of the company are the Directors.

4. Other Items

(a) Significant Changes in State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

(b) Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company for the financial year in which this report is made.

(c) Future Developments

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Forrestfield & Districts Community Financial Services Limited

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Directors Report (Cont'd)
For the Year Ended 30 June 2016

(d) Environmental Regulations

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory

5. Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

6. Indemnifying Officers or Auditors

The company has paid premiums to insure directors and officers against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity as directors and officers of the company. No Indemnities have been given or insurance premiums paid, during or since the end of the financial year, for auditor of the company.

7. Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

8. Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included within these financial statements.

9. Auditor

RSM Australia Partners continues in office in accordance with section 327 of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Board of Directors:



COLLEEN BITMEAD
DIRECTOR (CHAIR)



PHILLIP MUTTER
DIRECTOR (DEPUTY CHAIR)

DATED THIS 30TH DAY OF AUGUST 2016

RSM Australia Partners

8 St Georges Terrace Perth WA 6000

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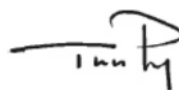
www.rsm.com.au**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Forrestfield & Districts Community Financial Services Limited for the year ended 30 June 2016, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA PARTNERS

TUTU PHONG
PartnerPerth, WA
Dated: 30 August 2016



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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
FORRESTFIELD & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED**

We have audited the accompanying financial report of Forrestfield & Districts Community Financial Services Limited, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 audit, 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 Forrestfield & Districts Community Financial Services Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

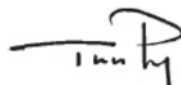
Opinion

In our opinion:

- (a) the financial report of Forrestfield & Districts Community Financial Services Limited is in accordance with the *Corporations Act 2001*, including:
- (i) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 5 September 2016

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

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) comply with Australian Accounting Standards, which as stated in Note 1, constitutes compliance with International Financial Reporting Standards; and
 - (b) giving a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the company.
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.



COLLEEN BITMEAD
DIRECTOR (CHAIR)



PHILLIP MUTTER
DIRECTOR (DEPUTY CHAIR)

DATED THIS 30TH DAY OF AUGUST 2016

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Statement of Comprehensive Income For The Year Ended 30 June 2016

	Note	2016 \$	2015 \$
Revenue from ordinary activities	2	2,033,905	2,058,353
Employee benefits expense		(1,158,192)	(1,173,185)
Depreciation and amortisation		(97,645)	(76,639)
Leasing of computer hardware and software and rental of computer lines expenses		(93,595)	(101,348)
Other expenses	3	(660,486)	(694,009)
Profit before income tax		23,987	13,172
Income tax benefit/(expense)	4	(2,951)	42,989
Profit after income tax		21,036	56,161
Other comprehensive income		-	-
Total comprehensive income for the year		21,036	56,161
Earnings per share			
Basic earnings per share (cents)		3.88	10.35

The accompanying notes form part of these financial statements.

Forrestfield & Districts Community Financial Services Limited

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Statement of Financial Position As at 30 June 2016

	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash and Cash Equivalents	6	1,491,406	1,534,418
Trade and Other Receivables	7	195,890	190,997
Tax Refundable	13	-	17,596
Other Current Assets	8	<u>29,520</u>	<u>23,607</u>
TOTAL CURRENT ASSETS		<u>1,716,816</u>	<u>1,766,618</u>
NON CURRENT ASSETS			
Plant and Equipment	9	270,386	290,509
Deferred Tax Asset	13	55,766	58,717
Intangible Assets	10	<u>73,564</u>	<u>44,145</u>
TOTAL NON CURRENT ASSETS		<u>399,716</u>	<u>393,371</u>
TOTAL ASSETS		<u>2,116,532</u>	<u>2,159,989</u>
CURRENT LIABILITIES			
Trade and Other Payables	11	170,980	185,764
Provisions	12	<u>114,613</u>	<u>157,075</u>
TOTAL CURRENT LIABILITIES		<u>285,593</u>	<u>342,839</u>
NON CURRENT LIABILITIES			
Provisions	12	<u>63,222</u>	<u>30,649</u>
TOTAL LIABILITIES		<u>348,815</u>	<u>373,488</u>
NET ASSETS		<u>1,767,717</u>	<u>1,786,501</u>
EQUITY			
Issued Capital	15	537,815	537,815
Retained Earnings		<u>1,229,902</u>	<u>1,248,686</u>
TOTAL EQUITY		<u>1,767,717</u>	<u>1,786,501</u>

The accompanying notes form part of these financial statements.

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Statement of Changes in Equity For the Year Ended 30 June 2016

	Note	Issued Capital \$	Retained Earnings \$	Total \$
		<u> </u>	<u> </u>	<u> </u>
Balance at 1 July 2015		537,815	1,248,686	1,786,501
Profit for the year			21,036	21,036
Total comprehensive income for the year			<u>21,036</u>	<u>21,036</u>
<i>Transaction with owners, in their capacity as owners:</i>				
Dividends paid	5		(39,820)	(39,820)
Balance at 30 June 2016		<u>537,815</u>	<u>1,229,902</u>	<u>1,767,717</u>
Balance at 1 July 2014		<u>537,815</u>	<u>1,268,462</u>	<u>1,806,277</u>
Profit for the year		-	56,161	56,161
Total comprehensive income for the year		<u>-</u>	<u>56,161</u>	<u>56,161</u>
<i>Transaction with owners, in their capacity as owners:</i>				
Dividends paid	5	-	(75,937)	(75,937)
Balance at 30 June 2015		<u>537,815</u>	<u>1,248,686</u>	<u>1,786,501</u>

The accompanying notes form part of these financial statements.

Forrestfield & Districts Community Financial Services Limited

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Statement of Cash Flows For The Year Ended 30 June 2016

	Note	2016 \$	2015 \$
Cash from operating activities:			
Receipts from customers		1,792,986	2,031,609
Payments to suppliers and employees		(1,945,639)	(1,912,138)
Other revenue		100,000	-
Interest income		136,026	(64)
Income tax paid (net)		17,596	42,512
Net cash provided by operating activities	14(b)	<u>100,969</u>	<u>161,919</u>
Cash flows from investing activities:			
Proceeds from sale of plant and equipment		-	13,181
Purchase of plant and equipment		(38,885)	(79,617)
Payment for intangibles		(68,056)	-
Net cash used in investing activities		<u>(106,941)</u>	<u>(66,436)</u>
Cash flows from financing activities:			
Dividends paid	5	(37,040)	(68,691)
Net cash used in financing activities		<u>(37,040)</u>	<u>(68,691)</u>
Net (decrease) /increase in cash held		(43,012)	26,792
Cash and cash equivalents at beginning of financial year		<u>1,534,418</u>	<u>1,507,626</u>
Cash and cash equivalents at end of financial year		<u><u>1,491,406</u></u>	<u><u>1,534,418</u></u>

The accompanying notes form part of these financial statements.

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Notes to the Financial Statements For the Year Ended 30 June 2016

The financial statements cover Forrestfield & Districts Community Financial Services Limited as an individual entity. Forrestfield & Districts Community Financial Services Limited is an unlisted public company, incorporated and domiciled in Australia.

1 Summary of Significant Accounting Policies

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied, unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historic costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expenses reflects movements in deferred tax assets and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

Notes to the Financial Statements For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies (cont'd)

(a) Income Tax (cont'd)

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Forrestfield & Districts Community Financial Services Limited

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Notes to the Financial Statements
For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies (cont'd)

(b) Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal.

Depreciation

The depreciable amount of all fixed assets, but excluding freehold land, is depreciated over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Office Equipment, Furniture & fittings	7.5% - 20.00% diminishing value
Leasehold Improvements	2.50%-10.00% diminishing value
Motor Vehicles	22.5% diminishing value

(c) Intangibles

The franchise fee and established costs paid by the company pursuant to a franchise agreement with the Bendigo and Adelaide Bank is being amortised over the initial five (5) year period of the agreement, being the period of expected economic benefits of the franchise fee and costs.

(d) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. Contributions are made by the company for employees' superannuation in accordance with the SGC legislation and are charged as an expense when incurred.

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Notes to the Financial Statements For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies (cont'd)

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(f) Revenue

Revenue from the provision of banking services is recognised upon the delivery of the services to the customers on an accruals basis.

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

All revenue is stated net of the amount of goods and services tax (GST).

(g) Financial Instruments

Initial Recognition and Measurement

Financial assets and liabilities are recognised when the entity becomes a party to the contractual provisions of the instruments. For financial assets, this equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at their fair value plus transaction costs, except where the instruments is classified at fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties.

Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortisation cost is calculated as : (i) the amount at which the financial asset or financial liability is measured at initial recognition;(ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Forrestfield & Districts Community Financial Services Limited

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Notes to the Financial Statements
For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies (cont'd)

(g) Financial Instruments (cont'd)

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

(vi) Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Forrestfield & Districts Community Financial Services Limited

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Notes to the Financial Statements For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies (cont'd)

(h) Impairment of Assets

At the end of each reporting period, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the assets is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss

Impairment testing is performed annually for intangible assets with indefinite lives.

(i) Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Forrestfield & Districts Community Financial Services Limited

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Notes to the Financial Statements For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies (cont'd)

(k) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in the presentation for the current financial year.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Provisions

Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

(n) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

(o) New Accounting Standards for Application in Future Periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2016. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

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Notes to the Financial Statements
For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies (cont'd)

(o) New Accounting Standards for Application in Future Periods

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Company will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the Company.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Company will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the Company.

Forrestfield & Districts Community Financial Services Limited

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Notes to the Financial Statements For the Year Ended 30 June 2016

2 Revenue

	2016	2016
	\$	\$
Fees, commissions and margin income	1,900,364	1,916,985
Interest received	33,541	41,369
Other revenue	100,000	100,000
Total Revenue	<u>2,033,905</u>	<u>2,058,354</u>

3 Other Expenses

Administration expenses	374,235	372,284
Directors' fees	40,000	40,000
Donations	3,722	77,791
Community grants	75,880	46,592
Rental expense	166,649	156,662
	<u>660,486</u>	<u>693,329</u>

Forrestfield & Districts Community Financial Services Limited

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Notes to the Financial Statements
For the Year Ended 30 June 2016

4 Income Tax (Benefit) / Expense

(a) The components of tax expense comprise:

	2016 \$	2015 \$
Current tax	-	-
Deferred tax	2,951	(42,989)
	<u>2,951</u>	<u>(42,989)</u>

b) The prima facie tax on profit /(loss) before income tax is reconciled to the income tax as follows:

Prima facie tax payable on profit/(loss) before income tax at 30% (2015: 30%)	7,196	3,952
Tax effect of		
- Non-allowable items	3,372	2,902
Recoupment of prior year tax benefit not brought to account	(7,617)	(49,843)
	<u>2,951</u>	<u>(42,989)</u>
Income tax attributable to entity	<u>2,951</u>	<u>(42,989)</u>

The company has unused revenue tax losses of \$138,682 (2015:\$ 164,072) not brought to account of which the benefit will only realised if the conditions for deductibility set out in Note 1(a).

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Notes to the Financial Statements For the Year Ended 30 June 2016

5 Dividends

	2016 \$	2015 \$
Paid final franked dividend of 7 cents per share (2015: 14 cents per share)	39,820	75,937

Balance of franking account at year end adjusted for payment of provision for income tax and dividends recognised as receivables, franking debits arising from payment of proposed dividends, and franking credits that may be prevented from distribution in subsequent financial years

563,489	612,287
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6 Cash and Cash Equivalents

Cash at bank	259,044	332,658
Term deposits	1,232,362	1,201,760
	<u>1,491,406</u>	<u>1,534,418</u>

7 Trade and Other Receivables

Accrued income	182,516	175,138
Accrued interest	13,374	15,859
	<u>195,890</u>	<u>190,997</u>

8 Other Assets

Prepayments	<u>29,520</u>	<u>23,607</u>
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Forrestfield & Districts Community Financial Services Limited

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Notes to the Financial Statements For the Year Ended 30 June 2016

	2016 \$	2015 \$
9. Plant and Equipment		
Computer equipment , furniture and fittings		
At cost	164,627	125,742
Less : accumulated depreciation	(93,870)	(83,684)
Total furniture and fittings	<u>70,757</u>	<u>42,058</u>
Motor vehicles		
At cost	63,640	63,640
Less : accumulated depreciation	(20,165)	(8,408)
Total motor vehicles	<u>43,475</u>	<u>55,232</u>
Leasehold improvements		
At cost	370,075	370,075
Less : accumulated depreciation	(213,921)	(176,856)
Total leasehold improvements	<u>156,154</u>	<u>193,219</u>
Total property, plant and equipment	<u><u>270,386</u></u>	<u><u>290,509</u></u>

Movements in Carrying Amounts

	Computer, Furniture and Fittings \$	Motor Vehicles \$	Leasehold Improvements \$	Total \$
2016				
Balance at the beginning of year	42,058	55,232	193,219	290,509
Additions	38,885	-	-	38,885
Depreciation expense	(10,186)	(11,757)	(37,065)	(59,008)
Carrying amount at the end of year	<u>70,757</u>	<u>43,475</u>	<u>156,154</u>	<u>270,386</u>
2015				
Balance at the beginning of year	50,932	28,901	216,256	296,089
Additions	1,796	37,100	13,950	52,846
Depreciation expense	(10,670)	(10,769)	(36,987)	(58,426)
Carrying amount at the end of year	<u>42,058</u>	<u>55,232</u>	<u>193,219</u>	<u>290,509</u>

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Notes to the Financial Statements For the Year Ended 30 June 2016

	2016 \$	2015 \$
10 Intangible Assets		
Cost	198,056	130,000
Accumulated amortisation	(124,492)	(85,855)
Total Intangibles	<u>73,564</u>	<u>44,145</u>

Movements in Carrying Amounts

Balance at the beginning of year	44,145	62,127
Additions	68,056	-
Amortisation expense	(38,637)	(17,982)
Carrying amount at the end of year	<u>73,564</u>	<u>44,145</u>

Pursuant to a five year franchise agreement with the Bendigo and Adelaide Bank Limited, the company operates as branches of Bendigo and Adelaide Bank at Forrestfield and High Wycombe, providing a core range of banking products and services. As of 30 June 2015 and at the date of issuing of this report renewal of franchise agreement to High Wycombe branch was under review and yet to be signed.

The franchise fee and establishment costs are being amortised on the basis disclosed in Note 1(c).

11 Trade and Other Payables

CURRENT

GST payable	31,419	30,116
Sundry payables and accrued expenses	57,211	105,234
Business credit card	211	706
PAYG withholding payable	21,673	14,986
Unclaimed dividends	35,169	32,389
Fringe Benefit tax	3,383	2,333
Payroll Tax	21,914	-
	<u>170,980</u>	<u>185,764</u>

Forrestfield & Districts Community Financial Services Limited

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Notes to the Financial Statements
For the Year Ended 30 June 2016

	2016 \$	2015 \$
12 Provisions		
CURRENT		
Employee leave entitlements	<u>114,613</u>	<u>157,075</u>
NON-CURRENT		
Employee leave entitlements	<u>63,222</u>	<u>30,649</u>
13 Deferred tax asset		
Deferred tax asset		
- Provision	53,351	56,317
- Accruals	2,415	2,400
	<u>55,766</u>	<u>58,717</u>
Income tax refundable	<u>-</u>	<u>17,596</u>

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Notes to the Financial Statements
For the Year Ended 30 June 2016

	2016 \$	2015 \$
14 Cash Flow Information (cont'd)		
(b) Reconciliation of cash flow from operation with profit after income tax		
Profit after income tax	21,037	56,161
Non-cash flows in profit:		
- Loss on disposal of plant and equipment	-	13,359
- Depreciation and amortisation	97,645	76,639
Changes in assets and liabilities:		
- Trade and other receivables	(4,893)	15,768
- Prepayments	(5,913)	(11,753)
- Deferred tax assets	2,951	(42,989)
- Trade and other payables	(17,565)	33,511
- Income taxes liabilities	17,596	2,854
- Provisions	(9,889)	18,369
Net cash provided by operating activities	<u>100,969</u>	<u>161,919</u>

15 Issued Capital

a. Ordinary Shares

542,810 fully paid Ordinary Shares (2015: 542,810)	<u>537,815</u>	<u>537,815</u>
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Ordinary shares participate in dividend and the proceeds of winding up of the company in proportion to the number of shares held.

At the shareholders meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each ordinary shareholder has one vote on a show of hands.

b. Capital Management

Management controls the capital of the company in order to maintain a good debt to equity ratio and to ensure that the company can fund its operations and continue as a going concern.

The company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the company's capital by assessing the company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

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Notes to the Financial Statements
For the Year Ended 30 June 2016

16 Key Management Personnel Compensation

(a) Remuneration and Retirement Benefits

	2016 \$	2015 \$
Director's fee	40,000	40,000

(b) Directors' Shareholdings

Number of shares held by directors

PB Mutter (Mutter Super Fund)	2,500	2,500
Colleen Bitmead (Bitco Super Fund)	9,500	9,500
Michael Houlahan	1,000	1,000
Elizabeth Taylor	-	-
Brian Gordon	-	-
	<u>13,000</u>	<u>13,000</u>

17 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payables.

(a) Financial Risk Management Policies

The directors overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performances. Risks management policies are approved and reviewed by the Board of Directors on a regular basis.

The main purpose of non-derivative financial instruments is to raise finance for company operations. The company does not have any derivative financial instruments at 30 June 2016.

(b) Specific Financial Risk Exposure and Management

The main risks the company is exposed to through its financial instruments are interest rate risk, credit risk and liquidity risk.

Forrestfield & Districts Community Financial Services Limited

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Notes to the Financial Statements
For the Year Ended 30 June 2016

17 Financial Risk Management (Cont'd)

(b) Specific Financial Risk Exposure and Management (Cont'd)

i) Interest rate risk

The company is not exposed to interest rate risks in respect of debt.

ii) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company.

iii) Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

Forrestfield & Districts Community Financial Services Limited

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Notes to the Financial Statements For the Year Ended 30 June 2016

17 Financial Risk Management (cont'd)

(c) Financial liability and financial asset maturity analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement for all other financial instruments.

	Weighted Average Effective Interest Rate		Floating Interest Rate		Maturing within 1 Year		Non-interest Bearing		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets:										
Cash and cash equivalents	2.21	2.08	259,044	332,658	1,232,362	1,201,760	-	-	1,491,406	1,534,418
Trade and other receivables	-	-	-	-	-	-	195,890	190,997	195,890	190,997
Other assets	-	-	-	-	-	-	29,520	23,607	29,520	23,607
Total Financial Assets	-	-	259,043	332,658	1,232,362	1,201,760	225,410	214,604	1,716,816	1,749,022
Financial Liabilities:										
Trade and other payables	-	-	-	-	-	-	170,980	185,764	170,980	185,764
Total Financial Liabilities	-	-	-	-	-	-	170,980	185,764	170,980	185,764

Trade and other payables are expected to be paid in less than 6 months.

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Notes to the Financial Statements For the Year Ended 30 June 2016

17 Financial Risk Management (cont'd)

(d) Net fair values

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and notes to the financial statements.

No financial assets and liabilities are traded on organised markets in standardised form.

Unless otherwise stated, the carrying amounts of financial assets and financial liabilities of the company at balance date reflect their fair value.

(e) Sensitivity Analysis

The company performed a sensitivity analysis relating to interest rate risk at the end of reporting date. The directors believe that the impact of sensitivity analysis on the financial statements is insignificant.

18 Related party transactions

The following transactions occurred with related parties:

	2016 \$	2015 \$
Payment for goods and services:		
Payment for services from a related party *	1,291	1,410

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Payment for services due to a related party *	-	248
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* Phillip Mutter, proprietor of Nextra Paper Place News Agency provided stationery to the company.

19 Lease commitments

Non-cancellable operating lease commitment contracted for but not capitalised in the financial statements:

Payable

Not longer than 1 year	166,754	152,987
Longer than 1 year but not longer than 5 years	474,192	249,123
	<u>640,946</u>	<u>402,110</u>

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**Notes to the Financial Statements
For the Year Ended 30 June 2016**

20 Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets at the reporting date.

21 Events after The Reporting Period

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

22 Company Details

The registered office and principal place of business of the company is:

Shop 6-7, Forrestfield Forum
20 Strelitzia Avenue
Forrestfield WA 6058