FORRESTFIELD & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

A.C.N 094 967 978

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Forrestfield & Districts Community Financial Services Limited

A.C.N 094 967 978

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Forrestfield & Districts Community Financial Services Limited

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Directors Report

For the Year Ended 30 June 2018

The Directors present their report together with the financial report of the company for the financial year ended 30 June 2018.The information in the preceding operating and financial review forms part of this Directors' report for the financial year ended 30 June 2018 and is to be read in conjunction with the following information.

1. General information

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:	Chair
Occupation:	Businesswoman
Background Information:	Director of 3 privately owned companies, superannuation fund manager and Founder of Women's Powder Room. Has lived in the area for over 19 years.
Interest in shares and options:	9,500 shares

ii) Phillip Bradley Mutter

Position:	Deputy Chair
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) Brian Gordon

Position:	Non-Executive Director
Occupation:	Company Director
Background Information:	Holds a doctorate in business administration and is a Director of 'Marketing for Change' and The Behaviour Change Collborative Inc and two investment funds. 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

iv) 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 (WAPC Commissioner). 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 a current member and Treasurer for Regional Development Australia (Federal).
Interest in shares and options:	Nil

v) Sarah Hopkins

Position:	Non-Executive Director
Occupation:	Human Resources Manager
Background Information:	B.A Law, former recipient of Bendigo Bank Scholarship. Currently works in human resources within the NDIS, local resident for 20 years.
Interest in shares and options:	Nil

vi) Stuart Meachem

Position:	Non-Executive Director
Occupation:	Educator
Background Information:	Background Information: Deputy Principal, Wattle Grove Primary School since 2011. A high performing local Independent Public School. WA Primary School of the Year in 2014. 19 years experience in local schools. Over 30 years in education. Previously 10 years experience in Structural Engineering, Industrial and Graphic Design.
Interest in shares and options:	Nil

vii) Elizabeth Lee

Position:	Company Secretary
Background Information:	Ms Lee has over 20 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

Meeting of Directors

During the financial year, 12 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	12	12
Phillip Mutter	12	11
Brian Gordon	12	9
Elizabeth Taylor	12	12
Sarah Hopkins	12	11
Stuart Meachem	12	12

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

(a) Directors' benefits

Phillip Mutter, proprietor of Nextra Paper Place News Agency provided stationery to the company.

The details of the transaction are disclosed in note 19.

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 financial report, 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 profit from ordinary activities of Forrestfield & Districts Community Financial Services Limited for the financial year after providing for income tax amounted to $163,094 (2017: $38,195 loss).

(b) Dividends

A fully franked dividend of $43,773 (2017: $21,918) was declared and paid during the year.

(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 2018 and 30 June 2017 were follows:

	2018 $	2017 $
Phillip Mutter	8,554	8,838
Colleen Bitmead	9,610	10,087
Brian Gordon	5,459	6,873
Elizabeth Taylor	5,459	6,873
Sarah Hopkins	5,459	1,622
Stuart Meachem	5,459	455
Michael Houlahan (resigned 22 March 2017)	-	5,252
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.

(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.

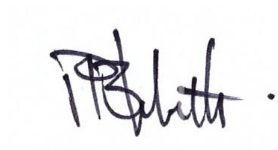
8. Auditor's Independence Declaration

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 22TH DAY OF SEPTEMBER 2018

RSM Australia Partners

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2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

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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 2018, 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

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 22 September 2018

TUTU PHONG
Partner

RSM Australia Partners

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

Opinion

We have audited the financial report of Forrestfield & Districts Community Financial Services Limited (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company 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 2018 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit 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* (the Code) that are relevant to our audit of the 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, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the directors' report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 22 September 2018

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 2018 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 22TH DAY OF SEPTEMBER 2018

Forrestfield & Districts Community Financial Services Limited

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Statement of Comprehensive Income
For the Year Ended 30 June 2018

	Note	2018 $	2017 $
Revenue from ordinary activities	2	2,034,661	2,078,625
Employee benefits expense		(1,046,782)	(1,116,826)
Depreciation and amortisation		(84,892)	(93,455)
Leasing of computer hardware and software and rental of computer lines expenses		(94,072)	(94,523)
Other expenses	3	(629,191)	(812,016)
Profit / (Loss) before income tax		179,724	(38,195)
Income tax (expense)	4	(16,630)	-
Profit / (Loss) after income tax		163,094	(38,195)
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		163,094	(38,195)
Earnings / (Loss) per share			
Basic earnings / (loss) per share (cents)		30.05	(7.04)

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 2018

	Note	2018	2017
		$	$
CURRENT ASSETS			
Cash and Cash Equivalents	6	1,669,134	1,480,074
Trade and Other Receivables	7	188,874	198,512
Other Current Assets	8	19,477	29,750
TOTAL CURRENT ASSETS		1,877,485	1,708,336
NON CURRENT ASSETS			
Plant and Equipment	9	130,955	210,845
Deferred Tax Asset	13	39,136	55,766
Intangible Assets	10	50,536	81,940
TOTAL NON CURRENT ASSETS		220,627	348,551
TOTAL ASSETS		2,098,112	2,056,887
CURRENT LIABILITIES			
Trade and Other Payables	11	136,874	155,390
Provisions	12	100,654	127,824
TOTAL CURRENT LIABILITIES		237,528	283,214
NON CURRENT LIABILITIES			
Provisions	12	33,659	66,069
TOTAL LIABILITIES		271,187	349,283
NET ASSETS		1,826,925	1,707,604
EQUITY			
Issued Capital	15	537,815	537,815
Retained Earnings	17	1,289,110	1,169,789
TOTAL EQUITY		1,826,925	1,707,604

The accompanying notes form part of these financial statements.

Forrestfield & Districts Community Financial Services Limited

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Statement of Changes in Equity
For the Year Ended 30 June 2018

	Note	Issued Capital $	Retained Earnings $	Total $
Balance at 1 July 2017		537,815	1,169,789	1,707,604
Profit for the year		-	163,094	163,094
Total comprehensive income for the year		-	163,094	163,094
Transaction with owners, in their capacity as owners:				
Dividends paid	5	-	(43,773)	(43,773)
Balance at 30 June 2018		537,815	1,289,110	1,826,925
Balance at 1 July 2016		537,815	1,229,902	1,767,717
(Loss) for the year		-	(38,195)	(38,195)
Total comprehensive (loss) for the year		-	(38,195)	(38,195)
Transaction with owners, in their capacity as owners:				
Dividends paid	5	-	(21,918)	(21,918)
Balance at 30 June 2017		537,815	1,169,789	1,707,604

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 2018

	Note	2018 $	2017 $
Cash from operating activities:			
Receipts from customers		1,941,925	1,969,021
Payments to suppliers and employees		(1,831,313)	(2,021,167)
Other revenue		75,008	75,000
Interest income		27,367	31,982
Net cash provided by operating activities	14	212,987	54,836
Cash flows from investing activities:			
Purchase of plant and equipment		(5,256)	(2,377)
Proceeds from sale of plant and equipment		21,818	-
Payment for intangibles		-	(39,822)
Net cash used in investing activities		16,562	(42,199)
Cash flows from financing activities:			
Dividends paid		(40,489)	(23,969)
Net cash used in financing activities		(40,489)	(23,969)
Net increase / (decrease) in cash held		189,060	(11,332)
Cash and cash equivalents at beginning of financial year		1,480,074	1,491,406
Cash and cash equivalents at end of financial year		1,669,134	1,480,074

The accompanying notes form part of these financial statements.

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.

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.

1 Summary of Significant Accounting Policies (cont'd)

(a) Income Tax (cont'd)

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.

(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:

Class of Fixed Asset	Depreciation Rate
Office Equipment, Furniture & fittings	3.75% - 20.00% diminishing value/prime cost
Leasehold Improvements	10.00% prime cost
Motor Vehicles	22.5% diminishing value

1 Summary of Significant Accounting Policies (cont'd)

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.

(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.

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.

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.

1 Summary of Significant Accounting Policies (cont'd)

(g) Financial Instruments (cont'd)

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.

(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.

1 Summary of Significant Accounting Policies (cont'd)

(g) Financial Instruments (cont'd)

(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.

(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 significant or prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss.

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 company 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.

1 Summary of Significant Accounting Policies (cont'd)

(i) Critical accounting estimates and judgments (cont'd)

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.

(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) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

1 Summary of Significant Accounting Policies (cont'd)

(m) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

(n) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(o) Dividends

Dividends are recognized when declared during the financial year and no longer at the discretion of the company.

(p) Trade and other payables

These amounts represent liabilities for goods and services provided to the company 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.

1 Summary of Significant Accounting Policies (cont'd)

(q) 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.

(r) 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. 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.

(s) 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 2018. 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.

1 Summary of Significant Accounting Policies (cont'd)

(s) New Accounting Standards for Application in Future Periods (cont'd)

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 finalised by the company.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The company will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be finalised by the company.

1 Summary of Significant Accounting Policies (cont'd)

(s) New Accounting Standards for Application in Future Periods (cont'd)

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.

2 Revenue

	2018	2017
	$	$
Fees, commissions and margin income	1,932,914	1,972,282
Interest received	26,739	31,343
Other revenue	75,008	75,000
Total Revenue	2,034,661	2,078,625

3 Other Expenses

	2018	2017
Administration expenses	315,808	361,996
Directors' fees	40,000	40,000
Donations	2,050	187,186
Community grants	91,105	45,698
Rental expense	180,228	177,136
	629,191	812,016

4 Income Tax (Benefit) / Expense

(a) The components of tax expense comprise:

	2018 $	2017 $
Current tax	-	-
Deferred tax	16,630	-
	16,630	-

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

	2018 $	2017 $
Prima facie tax payable on profit/(loss) before income tax at 27.5% (2017: 27.5%)	49,424	(10,503)
Tax effect of		
- Non-allowable items	3,943	3,081
Recoupment of prior year tax benefit not brought to account	(36,737)	-
Current year loss not brought to account	-	3,521
Tax effect of different tax rate	-	3,901
Income tax attributable to entity	16,630	-

The company has unused revenue tax losses of $17,897 (2017: $151,485) not brought to account of which the benefit will only realised if the conditions for deductibility set out in Note 1(a) are satisfied.

Forrestfield & Districts Community Financial Services Limited

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Notes to the Financial Statements
For the Year Ended 30 June 2018

5 Dividends

	2018 $	2017 $
Final franked dividend of 8 cents per share (2017:4 cents per share)	43,773	21,918

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	538,751	555,223

6 Cash and Cash Equivalents

Cash at bank	432,821	219,839
Term deposits	1,236,313	1,260,235
	1,669,134	1,480,074

7 Trade and Other Receivables

Accrued income	176,766	185,776
Accrued interest	12,108	12,736
	188,874	198,512

8 Other Assets

Prepayments	19,477	29,750

Forrestfield & Districts Community Financial Services Limited

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For the Year Ended 30 June 2018

9. Plant and Equipment

	2018 $	2017 $
Computer equipment, furniture and fittings		
At cost	167,226	166,382
Less : accumulated depreciation	(118,409)	(108,669)
Total furniture and fittings	48,817	57,713
Motor vehicles		
At cost	-	63,640
Less : accumulated depreciation	-	(29,654)
Total motor vehicles	-	33,986
Leasehold improvements		
At cost	370,075	370,075
Less : accumulated depreciation	(287,937)	(250,929)
Total leasehold improvements	82,138	119,146
Total property, plant and equipment	130,955	210,845

Movements in Carrying Amounts

	Computer, Furniture and Fittings $	Motor Vehicles $	Leasehold Improvements $	Total $
2018				
Balance at the beginning of year	57,713	33,986	119,146	210,845
Additions	5,318	-	-	5,318
Disposal	(664)	(31,057)	-	(31,721)
Depreciation expense	(13,550)	(2,929)	(37,008)	(53,487)
Carrying amount at the end of year	48,817	-	82,138	130,955
2017				
Balance at the beginning of year	70,757	43,475	156,154	270,386
Additions	2,468	-	-	2,468
Depreciation expense	(15,512)	(9,489)	(37,008)	(62,009)
Carrying amount at the end of year	57,713	33,986	119,146	210,845

10 Intangible Assets

	2018 $	2017 $
Cost	238,551	238,551
Accumulated amortisation	(188,015)	(156,611)
Total Intangibles	50,536	81,940

Movements in Carrying Amounts

	2018 $	2017 $
Balance at the beginning of year	81,940	73,564
Additions	-	39,822
Amortisation expense	(31,404)	(31,446)
Carrying amount at the end of year	50,536	81,940

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.

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

11 Trade and Other Payables

	2018 $	2017 $
GST payable	33,821	38,065
Sundry payables and accrued expenses	52,274	49,286
Business credit card	230	807
PAYG withholding payable	13,286	14,970
Unclaimed dividends	36,401	33,117
Fringe Benefit tax	(1,584)	4,939
Payroll Tax	2,446	14,206
	136,874	155,390

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For the Year Ended 30 June 2018

	2018	2017
	$	$

12 Provisions

	2018 $	2017 $
CURRENT		
Employee leave entitlements	100,654	127,824
NON-CURRENT		
Employee leave entitlements	33,659	66,069

13 Deferred tax asset

	2018 $	2017 $
Deferred tax asset		
- Provision	36,936	53,321
- Accruals	2,200	2,214
- Other	-	231
	39,136	55,766
Income tax refundable	-	-

	2018 $	2017 $

14 Cash Flow Information

Reconciliation of cash flow from operation with (loss) / profit after income tax

	2018 $	2017 $
Profit /(Loss) after income tax	163,094	(38,195)
Non-cash flows in profit:		
- Gain on disposal of plant and equipment	9,841	(90)
- Depreciation and amortisation	84,892	93,455
Changes in assets and liabilities:		
- Trade and other receivables	9,638	(2,622)
- Prepayments	10,272	(230)
- Deferred tax assets	16,630	-
- Trade and other payables	(21,800)	(16,845)
- Provisions	(59,580)	19,363
Net cash provided by operating activities	212,987	54,836

15 Issued Capital

a. Ordinary Shares

	2018 $	2017 $
542,810 fully paid Ordinary Shares (2017: 542,810)	537,815	537,815

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.

16 Key Management Personnel Compensation

(a) Remuneration and Retirement Benefits

	2018 $	2017 $
Director's fee	40,000	40,000

(b) Directors' Shareholdings

Number of shares held by directors

	2018	2017
PB Mutter (Mutter Super Fund)	2,500	2,500
Colleen Bitmead (Bitco Super Fund)	9,500	9,500
Elizabeth Taylor	-	-
Brian Gordon	-	-
Sarah Hopkins	-	-
Stuart Meachem	-	-
	12,000	12,000

17 Retained Profits

	2018	2017
Retained profits at the beginning of the financial year	1,169,789	1,229,902
Profit after income tax expense for the year	163,094	(38,195)
Dividends paid (note 5)	(43,773)	(21,918)
Retained profits at the end of the financial year	1,289,110	1,169,789

18 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, whist 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 2018.

(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.

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.

18 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	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	%	%	$	$	$	$	$	$	$	$
Financial Assets:										
Cash and cash equivalents	1.51	1.95	432,821	219,839	1,236,313	1,260,235	-	-	1,669,134	1,480,074
Trade and other receivables	-	-	-	-	-	-	188,874	198,512	188,874	198,512
Other assets	-	-	-	-	-	-	19,478	29,750	19,478	29,750
Total Financial Assets	-	-	432,821	219,839	1,236,313	1,260,235	208,352	228,262	1,877,486	1,708,336
Financial Liabilities:										
Trade and other payables	-	-	-	-	-	-	136,874	155,390	136,874	155,390
Total Financial Liabilities	-	-	-	-	-	-	136,874	155,390	136,874	155,390

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

18 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.

19 Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 16.

Transactions with related parties
The following transactions occurred with related parties:

	2018 $	2017 $
Payment for goods and services:		
Payment for services from a related party *	840	933

Receivable from and payable to related parties
There were no outstanding balances at the reporting date in relation to transactions with related parties.

* Phillip Mutter, proprietor of Nextra Paper Place News Agency provided stationery to the company.

Transactions between related parties are on normal terms and conditions no more favourable than those available to other parties unless otherwise stated.

20 Commitments

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

Payable		
Not longer than 1 year	179,182	174,454
Longer than 1 year but not longer than 5 years	147,272	320,306
	326,454	494,760

21 Remuneration of auditors

	2018 $	2017 $
Audit services – RSM Australia		
Audit or review of the financial statements	12,300	12,150
Other services – RSM Australia		
Preparation of the tax return	2,800	2,800
	15,100	14,950

22 Contingent Liabilities and Contingent Assets

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

23 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.

24 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