annual report 2013

Triabunna Agency Opening

Bicheno 5th Birthday

Swansea 5th Birthday

Freycinet Coast Financial Services Limited ABN 32 127 068 222

Contents

Chair's report

Dear Shareholders

We have just celebrated our 5^{th} Anniversary at Swansea and Bicheno **Community Bank®** branches, and it was a time to reflect on the achievements to date and a time for the Board to focus on the coming years.

The Board and staff have worked hard and continued to build our business this year. We have had a good year highlighted by:

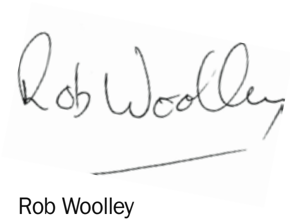
- We are now in profit before our charitable donations. Underpinning this profit has a strong cash surplus.
- Our business has grown and in particular we have continued to achieve a balance between funds on deposit and our lending to our clients. The growth and the balanced book have been the main contributors to this year's result.
- In August we opened an agency at Triabunna. The agency is located at the Council Chambers and the assistance and strong support from the Councilors and Staff have made this service possible. For me the agency is so important as we are extending a genuine banking service to such an important part of the East Coast. It is also is an outcome of the support we have received from the Glamorgan Spring Bay Council since we opened the Swansea Branch five years ago.
- During the year we renewed our franchise with our partners Bendigo and Adelaide Bank.

As you know we have developed a core of enthusiastic and capable staff under the leadership of Lyn Mansfield. Our staff are now skilled and experienced in all the products we offer our customers and it goes without saying that our people have driven our business growth. At the 5th Birthday celebration of our Bicheno **Community Bank®** Branch we presented five year service certificates to Lyn Mansfield, Cherie Hill, Bianca Melling, Leissa Dane and Susie Sinclair. It is pleasing for the Board to continually receive positive feedback on the service our people provide. The Board acknowledges the outstanding contribution from our staff and our colleagues at Bendigo and Adelaide Bank.

The Board remains focused on our community activities. Our Convenor Noel Stanley and the Marketing and Sponsorship Committee have actively engaged with the wide range of community organizations that we have supported. We have now distributed in excess of $100,000 to the community, this is a wonderful achievement and we will continue to grow our contribution in the future.

The Tasmanian economy continues with a flat line performance and this particularly impacts the business and confidence on the East Coast. There is no doubt in my mind that as the East Coast economy improves our business is positioned to grow and fully service the needs of our community. Whilst we are now in profit the company still has to grow the "bottom line" to a more sustainable level before we are able to pay a dividend.

In August we welcome Neil Edwards from the Triabunna Orford region to our Board. We have an ongoing process revising our Board needs and Director mix. This allows for smooth transition and ensures we continue to have an enthusiastic and energetic Board of Directors. During the year I took several months leave of absence from the Board. Bruce Dunbabin stepped up as Chair in an Acting capacity and carried out the role with great skill and dedication. My thanks to Bruce, the Board and our Company Secretary for their support and their contribution over the year.



Rob Woolley
CHAIR

Manager's report

Branch Manager's Report

It is a pleasure to put pen to paper for my 5th Annual Report for shareholders and customers. In unknown times in our State our Swansea and Bicheno **Community Bank®** branches have continued to grow and at 30 June 2013 our funds under management totalled $67.1 million, and we have in excess of 2,300 account holders.

Staff have worked to increase products for our customers in the form of Insurance, Wealth products and various other options we can offer. We work hard to keep in contact with our customer base and this has become a major part of our roles in building our business. Interest in the Triabunna area has increased and we are pleased to report that an agency will be opening at Triabunna in August 2013.

Over the last 12 months our Marketing Committee has supported various clubs, groups and associations with sponsorship. As stated in previous years, this money is given to us by Bendigo and Adelaide Bank to build and grow our business, but also to assist the people in our area. Donations have been made to our Schools, Bicheno Food & Wine Festival, Swansea and Bicheno Bowls Clubs, along with an extensive list of recipients. Triabunna area has also received funding for Netball, Cricket and a scholarship through Triabunna District High School.

Total funds over the last five years returned to our communities are in excess of $100,000; something which we have been proud to be able to do.

Together with our Board of Directors we continue to promote our business for the benefit of not only our community but also our loyal shareholder base.

Staff have continued to grow with our business. Over the last 12 months Suzanne Whytcross left to continue in her own business. Liz Whinnen assisted us for a six- month term at Bicheno and we have now appointed Lisa O'Neill in a Customer Service Role. Swansea staff remain unchanged. Cherie Hill has taken on a Senior Role and is assisting with lending. Many thanks to our staff as they are very loyal to our cause and promotion thereof.

To our Board of Directors and Bendigo Regional Office Tasmania, we pass on our thanks for their support. Our Board of Directors basically work full time in an unpaid role and for this, staff and myself are grateful. We work well together as a team.

Over the next 12 months we are working hard to reach our goal – profit! This is something we have all been striving for the last few years. To our shareholders and existing customer base, old and new, if there is anything we can assist you with re your banking needs please feel free to contact us, we are always available to assist.

Lyn Mansfield
BRANCH MANAGER
Swansea and Bicheno **Community Bank®** Branches

Bendigo and Adelaide Bank Ltd report

Bendigo and Adelaide Bank report

For year ending 30 June 2013

This year has marked two very significant milestones for our **Community Bank®** network, celebrating its 15th anniversary of operation while also reaching $100 million in community contributions. Both achievements could not have been accomplished without your ongoing support as shareholders and customers.

The **Community Bank®** network has grown considerably since it was first launched in 1998, in partnership with the people from the western Victorian farming towns of Rupanyup and Minyip. For these communities the **Community Bank®** model was seen as a way to restore branch banking services to the towns, after the last of the major banks closed its services. But in the years since, the **Community Bank®** model has become so much more.

The **Community Bank®** network has returned more than $20 million in contributions to local communities in this financial year alone. Our branches have been able to fund health services, sports programs, aged care facilities, education initiatives, community events and much more.

These contributions have come at a time of continued economic uncertainty, and shows the high level of support the **Community Bank®** model has in the communities in which it operates.

While our established branches grow their business at a healthy rate, demand for the model in other communities continues to be strong. There are currently another 40 **Community Bank®** sites in development, and 15 new branches are expected to open in the next 12 months.

At the end of the financial year 2012/13 the **Community Bank®** network had achieved the following:

- Returns to community – $102 million
- **Community Bank®** branches – 298
- **Community Bank®** branch staff – more than 1,460
- **Community Bank®** company Directors – 1,925
- Banking business – $24.46 billion
- Customers – 640,159
- Shareholders – 72,062
- Dividends paid to shareholders since inception – $30.88 million.

Almost 300 communities have now partnered with Bendigo and Adelaide Bank, to not only enhance banking services, but more importantly take the profits their banking business generates and reinvest it in local groups and projects that will ultimately strengthen their community. This $100 million goes to new community facilities, improved services, more opportunities for community engagement activities and generally speaking, a more prosperous society.

The communities we partner with also have access to Bendigo and Adelaide Bank's extensive range of other community building solutions including the Community Enterprise Foundation™ (philanthropic arm), Community Sector Banking (banking service for not-for-profit organisations), Generation Green™ (environment and sustainability initiative), Community Telco® (telecommunications solution), tertiary education scholarships and Community Enterprises that provide **Community Bank®** companies with further development options.

In Bendigo and Adelaide Bank, your **Community Bank®** company has a committed and strong partner and over the last financial year our company has continued its solid performance.

Bendigo and Adelaide Bank report (continued)

Bendigo and Adelaide Bank remains one of the few banks globally to be awarded an upgraded credit rating since the onset of the Global Financial Crisis. Our Bank continues to be rated at least "A-" by Standard & Poor's, Moody's and Fitch in recognition of its strong performance in the face of what continues to be a challenging economic environment.

While continued ratings affirmation is a welcome boost for the Bank and its partners, trading conditions are still difficult, with consumer confidence and demand for credit remaining low, and competition remaining very strong for retail deposits.

Not surprisingly, these factors continue to place pressure on the 50/50 margin share agreement between the Bank and our **Community Bank®** partners. As a result some **Community Bank®** companies are receiving much more than 50 per cent of revenue earned.

In April, the Bank took a further step to restore this balance, ensuring that the **Community Bank®** model produced a more appropriate balance of return for all stakeholders within this partnership model. The Bank will continue to review this remuneration model to ensure it is fair and equitable for all parties and is as resilient as possible to the fast changing economic environment.

It continues to be Bendigo and Adelaide Bank's vision to be Australia's leading customer-connected bank. We believe our strength comes from our focus on the success of our customers, people, partners and communities. We take a 100-year view of our business; we listen and respect every customer's choice, needs and objectives. We partner for sustainable long-term outcomes and aim to be relevant, connected and valued.

This is what drives each and every one of our people and we invite you as **Community Bank®** shareholders to support us as we work with your community to deliver on our goals and ensure our sustained and shared success.

As **Community Bank®** shareholders you are part of something special, a unique banking movement which has evolved into a whole new way of thinking about banking and the role it plays in modern society.

With the community's support, there really is no limit to what can be achieved under the **Community Bank®** model, and I look forward to seeing what the next 15 years will bring.

I thank you for your important support of your local **Community Bank®** branch.

Robert Musgrove
Executive Community Engagement

Directors' report

Your Directors submit their report of the Company for the financial year ended 30 June 2013.

Directors

The names and details of the Company's Directors who held office during or since the end of the financial year are:

Name and position held	Qualifications	Experience and Other Directorships
Robert Woolley Board member since 2007 *Chair*	Chartered Accountant	Company Director Other Directorships - Tandou Ltd; Tasmanian Pure Foods Ltd; Forestry Tas
John Austwick Board member since 2007 *Non-executive Director*	BDSC LDS	Retired Dentist and Vigneron Other Directorships - Nil
Kenneth Dean Board member since 2007 *Non-executive Director*	Chartered Accountant	Retired Chartered Accountant Other Directorships - Nil
Jennifer Logie Board member since 2007 *Joint Deputy Chair*	Bachelor of Business Graduate Diploma Public Policy	HR consultant Other Directorships - Nil
Shayne Williams Board member since 2007 *Non-executive Director*	Nil	Retired Other Directorships - Nil
Derek Freeman Board member since 2007 *Non-executive Director*	Nil	Vigneron & Commercial Fisherman Other Directorships - Nil
Nadine Ozols Board member since 2010 *Non-executive Director*	Nil	Program Coordinator Rural Primary Health Services Other Directorships - Nil
Bruce Dunbabin Board member since 2010 *Joint Deputy Chair*	Nil	Primary Producer Other Directorships - Nil
Gregory Raspin Board member since 2010 *Non-executive Director*	Nil	Retailer/Owner Operator Other Directorships - Tas Independent Retailers; May Shaw Nursing Centre
Noel Stanley Appointed 24 Sept. 2012 *Non-executive Director*	Nil	Tourism Accommodation Operator Other Directorships - Nil
Adele Plunkett Appointed 24 Sept. 2012 *Non-executive Director*	Diploma in Real Estate Business	Real Estate Consultant Other Directorships - Nil
Tracey Bell Appointed 24 Sept. 2012 *Non-executive Director*	Nil	Company Secretary Other Directorships - Nil

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

Other than stated in this report no Director has material interests in contracts or proposed contracts with the Company.

Principal activities

The principal activities of the Company during the course of the financial year were in providing community banking services under management rights to operate franchised branches of Bendigo and Adelaide Bank Limited. There has been no significant changes in the nature of these activities during the year.

Review of Operations

The profit of the Company for the financial year after providing for income tax was $8,778 (2012 loss: ($24,942)), which is a 384% increase as compared with the previous year. The net assets of the Company have increased to $523,544 (2012: $514,766). The increase is solely due to the year's result.

Dividends

No dividends were paid or proposed by the Company during the period.

Significant changes in the state of affairs

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

Events subsequent to reporting date

The Company has entered into an agreement with Bendigo and Adelaide Bank Limited to operate an agency in Triabunna with effect from 21 August 2013. The operations of the agency are not expected to significantly affect the results of the Company or the state of affairs of the Company in the year ending 30 June 2014.

The trailer commission rate on fixed home loans and term deposits greater than 90 days will reduce from 0.375 per cent to 0.25 per cent effective from 1 July 2013. This reduction will have a financial effect on the expected revenue and financial performance of the Company from 1 July 2013. Based on balances of the effected products at 30 June 2013 the Directors estimate that the financial effect will be to reduce income by approximately $29,000 per annum.

Other than the above no matters or circumstances have arisen since the end of the financial year that significantly affect or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company, in future financial years.

Remuneration Report

Remuneration policy

There has been no remuneration policy developed as director positions are held on a voluntary basis and directors are not remunerated for their services.

Remuneration benefits and payments

Ken Dean, Robert Woolley and Shayne Williams are Directors of VSW Pty Ltd that own the property which is leased to the Company for use as the Bicheno bank premises. Rent and outgoings paid during the year ended 30 June 2013 was $38,358 (2012 $39,212).

Other than above, no director has received or become entitled to receive, during or since 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.

Indemnifying Officers or Auditor

The Company has agreed to indemnify each Officer (Director, Secretary or employee) out of assets of the Company to the relevant extent against any liability incurred by that person arising out of the discharge of their duties, except where the liability arises out of conduct involving dishonesty, negligence, breach of duty or the lack of good faith. The Company also has Officers Insurance for the benefit of Officers of the Company against any liability occurred by the Officer, which includes the Officer's liability for legal costs, in or arising out of the conduct of the business of the Company or in or arising out of the discharge of the Officer's duties.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The Company has not provided any insurance for an auditor of the Company.

Directors Meetings

The number of Directors meetings held during the year were 10. Attendances by each Director during the year were as follows:

	A	B	C
Director Robert Woolley	5	10	4
Kenneth Dean	7	10	2
Jennifer Logie	8	10	1
Shayne Williams	8	10	1
Derek Freeman	4	10	4
Nadine Ozols	7	10	2
Bruce Dunbabin	10	10	-
Gregory Raspin	9	10	-
Noel Stanley	8	8	-
Adele Plunkett	7	8	-
Tracey Bell	7	8	-

A - Number of meetings attended
B - Number of meetings held
C - Leave of absence granted

Audit Committee

The members of the audit committee are Ken Dean (Chair) Rob Woolley, Bruce Dunbabin and Jenny Logie. The committee met three times during the year.

Likely Developments

The Company will continue its policy of providing banking services to the community.

Environmental Regulations

The Company is not subject to any significant environmental regulation. However, the board believes that the Company has adequate systems in place for the management of its environment requirements and is not aware of any breach of these environmental requirements as they apply to the Company.

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.

Company Secretary

Elizabeth Hutchinson has been the Company Secretary of Freycinet Coast Financial Services Limited since 2010. Elizabeth has a wide range of secretarial and administration experience.

Non audit services

The Directors in accordance with advice from the audit committee, are satisfied that the provision of non audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed in Note 5 did not compromise the external auditor's independence for the following reasons:

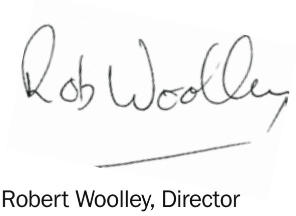
- all non audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110 "Code of Ethics for Professional Accountants" set by the Accounting Professional and Ethical Standards Board.

Auditor Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set at page 5 of this financial report. No officer of the Company is or has been a partner of the auditor of the Company.

Signed in accordance with a resolution of the Board of Directors at Bicheno on 10 September 2013.



Robert Woolley, Director

Richmond Sinnott & Delahunty
Chartered Accountants

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10 September 2013

The Directors
Freycinet Coast Financial Services Limited
PO Box 125
BICHENO TAS 7215

Dear Directors

To the Directors of Freycinet Coast Financial Services Limited

Auditor's Independence Declaration under section 307C of the Corporations Act 2001

I declare that to the best of my knowledge and belief, during the year ended 30 June 2013 there has been:

(i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) No contraventions of any applicable code of professional conduct in relation to the audit.

Warren Sinnott
Partner
Richmond Sinnott & Delahunty

Financial statements

Statement of Profit or Loss and Other Comprehensive Income for the year ending 30 June 2013

	Notes	2013 $	2012 $
Revenue	2	618,596	541,369
Employee benefits expense	3	(283,649)	(248,927)
Depreciation and amortisation expense	3	(45,635)	(42,155)
Bad and doubtful debts expense	3	(582)	(150)
Rental expense		(62,847)	(63,721)
Other expenses		(178,077)	(192,254)
Operating profit/(loss) before charitable			
donations & sponsorships		47,806	(5,838)
Charitable donations and sponsorships		(32,757)	(30,465)
Profit/(loss) before income tax expense		15,049	(36,303)
Tax expense / (benefit)	4	6,271	(11,361)
Profit/(loss) for the year		8,778	(24,942)
Other comprehensive income		-	-
Total comprehensive income		8,778	(24,942)
Profit/(loss) attributable to:			
Members of the Company		8,778	(24,942)
Total		8,778	(24,942

Earnings per share (cents per share)			
- basic for profit / (loss) for the year	21	0.75	(2.13)
- diluted for profit / (loss) for the year	21	0.75	(2.13)

The accompanying notes form a part of these financial statements.

Statement of Financial Position
As at 30 June 2013

	Notes	2013	2012
		$	$
Assets			
Current Assets			
Cash and cash equivalents	6	96,739	93,488
Trade and other receivables	7	56,246	54,552
Total Current Assets		152,985	148,040
Non-Current Assets			
Property, plant and equipment	8	188,731	197,497
Deferred tax asset	4	223,609	229,880
Intangible assets	9	65,299	1,931
Total Non-Current Assets		477,639	429,308
Total Assets		630,624	577,348
Liabilities			
Current Liabilities			
Trade and other payables	10	48,339	41,459
Provisions	11	29,129	21,123
Interest bearing liabilities	12	5,327	-
Total Current Liabilities		82,795	62,582
Non Current Liabilities			
Interest bearing liabilities	12	24,285	-
Total Non Current Liabilities		24,285	-
Total Liabilities		107,080	62,582
Net Assets / (Liabilities)		523,544	514,766
Equity			
Issued capital	13	1,153,788	1,153,788
Retained earnings / (accumulated losses)	14	(630,244)	(639,022)
Total Equity		523,544	514,766

The accompanying notes form a part of these financial statements.

Statement of Cash Flows
For year ending 30 June 2013

	Notes	2013 $	2012 $
Cash Flows From Operating Activities			
Receipts from clients		670,803	582,076
Payments to suppliers and employees		(604,189)	(591,115)
Interest received		2,847	3,942
Net cash flows from/(used in) operating activities	15b	69,461	(5,097)
Cash Flows From Investing Activities			
Purchase of property, plant & equipment		(39,601)	-
Payment for intangible assets		(69,221)	-
Sale of property, plant & equipment		13,000	-
Net cash flows from/(used in) investing activities		(95,822)	-
Cash Flows From Financing Activities			
Proceeds of asset purchase loan		30,194	-
Repayment of asset purchase loan		(582)	-
Net cash flows from/(used in) financing activities		29,612	-
Net increase/(decrease) in cash held		3,251	(5,097)
Cash and cash equivalents at start of year		93,488	98,585
Cash and cash equivalents at end of year	15a	96,739	93,488

The accompanying notes form a part of these financial statements.

Statement of Changes in Equity
For the year ending 30 June 2013

	Issued Capital $	Accumulated Losses $	Total Equity $
Balance at 1 July 2012	1,153,788	(639,022)	514,766
Total comprehensive income for the year	-	8,778	8,778
Transactions with owners, in their capacity as owners			
Shares issued during the year	-	-	-
Dividends paid or provided	-	-	-
Balance at 30 June 2013	**1,153,788**	**(630,244)**	**523,544**
Balance at 1 July 2011	1,153,788	(614,080)	539,708
Total comprehensive income for the year	-	(24,942)	(24,942)
Transactions with owners, in their capacity as owners			
Shares issued during the year	-	-	-
Dividends paid or provided	-		-
Balance at 30 June 2012	**1,153,788**	**(639,022)**	**514,766**

The accompanying notes form a part of these financial statements.

Notes to the financial statements

The financial statements and notes represent those of Freycinet Coast Financial Services Limited. Freycinet Coast Financial Services Limited ('the Company') is a Company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue by the Directors on 10 September 2013.

1. Summary of significant accounting policies

(a) Basis of preparation

The financial statements are general purpose financial statements, that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the Corporations Act 2001. The Company is a for profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements 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 (IFRS). Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, were applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

(b) Income tax

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled.

(c) Property, plant and equipment

Property, plant and equipment are brought to account at cost less accumulated depreciation and any impairment in value.

Land and buildings are measured at fair value less accumulated depreciation.

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

Class of Asset	**Depreciation Rate**
Leasehold improvements	10%
Furniture & fittings	5-20%
Computer software	20%
Motor vehicles	15%

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

d) Impairment of assets

At each reporting date, the Company assesses whether there is any indication that an asset is impaired. Where an indicator of impairment exists, the Company makes a formal estimate of the ecoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

(e) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position. Cash flows are presented on a gross basis.

The GST components of investing and financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(f) Employee benefits

Provision is made for the Company's liability for employee benefits arising from the services rendered by employees to the end of the reporting period. 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. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy any vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to the employee benefits.

(g) Intangibles

Franchise renewal costs have been initially recorded at cost and amortised on a straight line basis at a rate of 20% per annum. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the Statement of Comprehensive Income.

(h) Cash

Cash on hand and in banks are stated at nominal value.

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments.

(i) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises service commissions and other income received by the Company.

nterest and fee revenue is recognised when earned. All revenue is stated net of the amount of goods and services tax (GST).

(j) Receivables and payables

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days. Receivables expected to be collected within 12 months at the end of the reporting period are classified as current assets. Receivables are recognised and carried at original invoice amount less a provision for any uncollected debts. Liabilities for trade creditors and other amounts are carried at cost that is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company and are recognised as a current liability.

(k) New accounting standards and interpretations not yet adopted

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Company.

The Company has decided not to early adopt any of the new and amended pronouncements. The Company's assessment of the new and amended pronouncements that are relevant to the Company but applicable in the future reporting periods is set below:

(i) AASB 9 Financial Instruments (2010), AASB 9 Financial Instruments (2009)
AASB 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. AASB 9 (2010) introduces additions relating to financial liabilities. The IASB currently has an active project that may result in limited amendments to the classification and measurement requirements of AASB 9 and add new requirements to address the impairment of financial assets and hedge accounting.

AASB 9 (2010 and 2009) are effective for annual periods beginning on or after 1 January 2015 with early adoption permitted. The adoption of AASB 9 (2010) is not expected to have an impact on the Company's financial assets or financial liabilities.

(ii) AASB 13 Fair Value Measurement (2011)
AASB 13 provides a single source of guidance on how fair value is measured, and replaces the fair value measurement guidance that is currently dispersed throughout Australian Accounting Standards. Subject to limited exceptions, AASB 13 is applied when fair value measurements or disclosures are required or permitted by other AASBs. The Company is currently reviewing its methodologies in determining fair values. AASB 13 is effective for annual periods beginning on or after 1 January 2013 with early adoption permitted.

(iii) AASB 119 Employee Benefits (2011)
AASB 119 (2011) changes the definition of short-term and other long-term employee benefits to clarify the distinction between the two. For defined benefit plans, removal of the accounting policy choice for recognition of actuarial gains and losses is not expected to have any impact on the Company. However, the Company may need to assess the impact of the change in measurement principles of expected return on plan assets. AASB 119 (2011) is effective for annual periods beginning on or after 1 January 2013 with early adoption permitted.

(l) Loans and borrowings

All loans are measured at the principal amount. Interest is recognised as an expense as it accrues.

(m) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of

past events, for which is probable that the outflow of economic benefits will result and the outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

(n) Share capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(o) Comparative figures

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

(p) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company. Estimates and judgements are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The estimates and judgements that have a significant risk of causing material adjustments to the carrying values of assets and liabilities are as follows:

Estimation of useful lives of assets

The Company determines the estimated useful lives and related depreciation and amortisation changes for its property, plant and equipment and intangible assets. The depreciation and amortisation charge will increase where useful lives are less than previously estimated lives.

Income tax

The Company is subject to income tax. Significant judgement is required in determining the deferred tax asset or the provision for income tax liability. Deferred tax assets are recognised only when it is considered sufficient future profits will be generated. The assumptions made regarding future profits is based on the Company's assessment of future cash flows.

Impairment

The Company assesses impairment at the end of each reporting period by calculating conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value in use calculations which incorporate various key assumptions.

(q) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to the profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method or cost.

Fair value represents the amount for which an asset would 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 applied to determine the fair value. Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less repayments and any reduction for impairment and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

(i) 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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) Financial liabilities
Non derivative financial liabilities are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset is deemed to be impaired if and only if, there is objective evidence of impairment as a result of one or more events (a loss event) having occurred, which has an impact on the estimated future cash flows of the financial asset. In the case of financial assets carried at amortised cost, loss events may include indications that the debtor is experiencing significant financial difficulty, default or delinquency in payments, indications that they will enter bankruptcy or other financial reorganisation and changes in arrears or economic conditions that correlate with defaults.

Derecognition of financial instruments

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset 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 when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount 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.

	2013 $	2012 $
2. Revenue and other income		
Revenue		
- services commissions	561,627	488,006
- other revenue	50,000	50,000
	611,627	538,006
Other revenue		
- interest received	2,554	3,363
- other revenue-profit on disposal of plant and equipment	4,415	-
	6,969	3,363
Total Revenue	618,596	541,369

3. Expenses		
Employee benefits expense		
- wages and salaries	254,165	225,890
- superannuation costs	21,642	20,551
- worker's compensation	1,488	1,122
- other costs	6,354	1,364
	283,649	248,927
Depreciation of non-current assets:		
- plant and equipment	39,782	40,155
Amortisation of non-current assets:		
- intangible assets	5,853	2,000
	45,635	42,155
Bad debts	582	150

	2013 $	2012 $
4. Tax Expense		
The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on profit/(loss) before income tax at 30% (2012: 30%)	4,515	(10,891)
Add tax effect of:		
- Adjustments in respect of current income tax of previous year	-	-
- Utilisation of previously unrecognised carried forward tax losses	-	-
- Non-deductible expenses	1,756	(470)
Current income tax expense	6,271	(11,361)
Income tax attributable to the entity	6,271	(11,361)
The applicable weighted average effective tax rate is	41.67%	31.29%
Deferred tax asset		
Future income tax benefits arising from tax losses are recognised at reporting date as realisation of the benefit is regarded as probable.	223,609	229,880
The applicable income tax rate is the Australian Federal tax rate of 30% (2012: 30%) applicable to Australian resident companies.		
5. Auditors' remuneration		
Remuneration of the auditor for:		
- Audit or review of the financial report	4,150	3,900
- Taxation services	550	500
- Share registry services	1,720	1,650
	6,420	6,050
6. Cash and cash equivalents		
Cash at bank and on hand	96,739	93,488
The average effective interest rate on short term bank deposits was 4.10% (2012: 5.36%)		

	2013 $	2012 $
7. Trade and other receivables		
Current		
Trade debtors	55,771	53,784
Interest receivable	475	768
	56,246	54,552

Credit risk

The Company has a significant concentration of credit risk with respect to any single counterparty or group of counterparties.

The following table details the Company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the Company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Company.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be high credit quality.

			Past Due but Not Impaired			
2013	**Gross Amount**	**Past Due and impaired**	**< 30 days**	**31-60 days**	**> 60 days**	**Not Past Due**
Trade receivables	55,771	-	-	-	-	55,771
Other receivables	475	-	-	-	-	475
Total	56,246	-	-	-	-	56,246
2012						
Trade receivables	53,784	-	-	-	-	53,784
Other receivables	768	-	-	-	-	768
Total	54,552	-	-	-	-	54,552

	2013 $	2012 $
8. Property, plant and equipment	$	$
Leasehold improvements		
At cost	132,222	132,222
Less accumulated depreciation	(66,062)	(52,840)
	66,160	79,382
Computer software		
At cost	16,690	16,690
Less accumulated depreciation	(16,342)	(13,421)
	348	3,269
Furniture and fittings		
At cost	174,588	174,312
Less accumulated depreciation	(92,145)	(73,781)
	82,443	100,531
Motor Vehicle		
At cost	39,325	31,259
Less accumulated depreciation	(65)	(18,756)
	39,260	12,503
Plant and equipment		
At cost	1,859	3,345
Less accumulated depreciation	(1,339)	(1,533)
	520	1,812
Total written down amount	188,731	197,497
Movements in carrying amounts		
Leasehold improvements		
Balance at the beginning of the reporting period	79,382	92,604
Additions	-	-
Disposals	-	-
Depreciation expense	(13,222)	(13,222)
Balance at the end of the reporting period	66,160	79,382

	2013 $	2012 $
8. Property, plant and equipment (continued)		
Movements in carrying amounts *(continued)*		
Computer software		
Balance at the beginning of the reporting period	3,269	6,607
Additions		-
Disposals	-	-
Depreciation expense	(2,921)	(3,338)
Balance at the end of the reporting period	348	3,269
Furniture and fittings		
Balance at the beginning of the reporting period	100,531	118,916
Additions	276	-
Disposals	-	-
Depreciation expense	(18,364)	(18,385)
Balance at the end of the reporting period	82,443	100,531
Motor vehicle		
Balance at the beginning of the reporting period	12,503	17,192
Additions	9,325	-
Disposals	(7,814)	-
Depreciation expense	(4,754)	(4,689)
Balance at the end of the reporting period	39,260	12,503
Plant and equipment		
Balance at the beginning of the reporting period	1,812	2,333
Additions	-	-
Disposals	(771)	-
Depreciation expense	(521)	(521)
Balance at the end of the reporting period	520	1,812

	2013 $	2012 $
9. Intangible assets		
Franchise Fee		
At cost	69,221	10,000
Less accumulated amortisation	(3,922)	(8,069)
	65,299	1,931
Total Intangible assets	65,299	1,931
Movements in carrying amounts		
Franchise Fee		
Balance at the beginning of the reporting period	1,931	3,931
Additions	69,221	-
Disposals	-	-
Amortisation expense	(5,853)	(2,000)
Balance at the end of the reporting period	65,299	1,931
10. Trade and other payables		
Current		
Unsecured liabilities:		
Trade creditors	26,421	14,912
GST Payable	8,580	11,140
Other creditors and accruals	13,338	15,407
	48,339	41,459
11. Provisions		
Employee benefits	29,129	21,123
Movement in employee benefits		
Opening balance	21,123	24,684
Additional provisions recognised	22,437	18,142
Amounts utilised during the year	(14,431)	(21,703)
Closing balance	29,129	21,123
Current		
Annual Leave	29,129	21,123
Total provisions	29,129	21,123

Provision for employee benefits Provision for employee benefits represents amounts accrued for annual leave. The current portion for this provision includes the total amount accrued for annual leave entitlements Based on past experience the Company does not expect the full amount of annual leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

	2013 $	2012 $
12. Interest Bearing Liabilities		
Current		
Asset Purchase Liability	5,327	-
Non-current		
Asset Purchase Liability	24,285	-
13. Share capital		
1,171,615 Ordinary Shares fully paid of $1 each	1,171,615	1,171,615
Less: Equity raising costs	(17,827)	(17,827)
	1,153,788	1,153,788
Movements in share capital		
Fully paid ordinary shares:		
At the beginning of the reporting period	1,171,615	1,171,615
Shares issued during the year	-	-
At the end of the reporting period	1,171,615	1,171,615

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the shareholders' meetings each shareholder is entitled to one vote when a poll is called, or on a show of hands.
The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the Company's residual assets.

Capital management

The Board's policy is to maintain a strong capital base so as to sustain future development of the Company. The Board of Directors monitor the return on capital and the level of dividends to shareholders. Capital is represented by total equity as recorded in the Statement of Financial Position.

In accordance with the franchise agreement, in any 12 month period, the funds distributed to shareholders shall not exceed the Distribution Limit.

(i) the Distribution Limit is the greater of:

(a) 20% of the profit or funds of the Franchisee otherwise available for distribution to shareholders in that 12 month period; and

(b) subject to the availability of distributable profits, the Relevant Rate of Return multiplied by the average level of share capital of the Franchisee over that 12 month period; and

(ii) the Relevant Rate of Return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the Company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2013 can be seen in the Statement of Profit or Loss and Other Comprehensive Income.

There were no changes in the Company's approach to capital management during the year.

	2013 $	2012 $

14. Retained earnings / (accumulated losses)

Balance at the beginning of the reporting period	(639,022)	(614,080)
Profit/(loss) after income tax	8,778	(24,942)
Balance at the end of the reporting period	(630,244)	(639,022)

15. Statement of cash flows

(a) Cash and cash equivalents balances as shown in the statement of financial position can be reconciled to that shown in the statement of cash flows as follows

As per the statement of financial position	96,739	93,488
As per the statement of cash flow	96,739	93,488

(b) Reconciliation of profit / (loss) after tax to net cash provided from/(used in) operating activities

Profit / (loss) after income tax	8,778	(24,942)
Non cash items		
- Depreciation	39,782	40,155
- Amortisation	5,853	2,000
Profit on asset disposals	(4,415)	-
Changes in assets and liabilities		
- (Increase) decrease in receivables	(1,694)	(9,152)
- (Increase) decrease in deferred tax asset	6,271	(11,361)
- Increase (decrease) in payables	6,880	1,764
- Increase (decrease) in provisions	8,006	(3,561)
Net cash flows from/(used in) operating activities	69,461	(5,097)

(c) Credit standby arrangement and loan facilities

The Company has no bank overdraft and commercial bill facility (2012: $Nil).

16. Related party transactions

The Company's main related parties are as follows:

(a) Key management personnel
Any person(s) having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any director (whether executive or otherwise) of that Company is considered key management personnel.

(b) Other related parties
Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

(c) Transactions with key management personnel and related parties
Ken Dean, Robert Woolley and Shayne Williams are Directors of VSW Pty Ltd that own the property which is leased to the Company for use as the Bicheno bank premises. Rent and outgoings paid during the year ended 30 June 2013 was $38,358 (2012 $39,212).

Other than detailed above, no key management personnel or related party has entered into any contracts with the Company. No director fees have been paid as the positions are held on a voluntary basis.

(d) Key management personnel shareholdings
The number of ordinary shares in Freycinet Coast Financial Services Limited held by each key management personnel of the Company during the financial year is as follows:

	2013	**2012**
Robert Woolley	21,501	21,501
John Austwick	6,001	6,001
Kenneth Dean	3,501	3,501
Jennifer Logie	20,001	20,001
Shayne Williams	10,001	10,001
Derek Freeman	-	-
Nadine Ozols	-	-
Bruce Dunbabin	7,000	7,000
Gregory Raspin	6,000	6,000
Noel Stanley (Appointed 24 September 2012)	1,500	1,500
Adele Plunkett (Appointed 24 September 2012)	3,000	3,000
Tracey Bell (Appointed 24 September 2012)	-	-

There was no movement in key management personnel shareholdings during the year. Each share held has a paid up value of $1 and is fully paid.

(e) Other key management transactions

There has been no other transactions involving equity instruments other than those described above.

17. Events after the reporting period

The Company has entered into an agreement with Bendigo and Adelaide Bank Limited to operate an agency at Triabunna with effect from 21 August 2013. The operations of the agency are not expected to significantly affect the results of the Company or the state of affairs of the Company in the year ending 30 June 2014.

The trailer commission rate on fixed home loans and term deposits greater than 90 days will reduce from 0.375 per cent to 0.25 per cent effective from 1 July 2013. This reduction will have a financial effect on the expected revenue and financial performance of the Company from 1 July 2013.

Based on balances of the effected products at 30 June 2013 the Directors estimate that the financial effect will be to reduce income by approximately $29,000 per annum.

Other than the above there have been no events after the end of the financial year that would materially affect the financial statements.

18. Contingent liabilities and assets

There were no contingent liabilities or assets at the date of this report to affect the financial statements.

19. Operating segments

The Company operates in the financial services sector where it provides banking services to its clients. The Company operates in one geographic area being Freycinet Coast, Tasmania. The Company has a franchise agreement in place with Bendigo & Adelaide Bank Limited who account for 100% of the revenue (2012: 100%).

20. Company details

The registered office is: Shop 3/64 Burgess Street Bicheno, TAS 7215
The principal places of business are:
Shop 1/1 Victoria Street, Swansea
Shop 1/64 Burgess Street, Bicheno

21. Earnings per share

	2013 $	2012 $

Basic earnings per share amounts are calculated by dividing profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of any dilutive options or preference shares).

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	2013 $	2012 $
Profit/(loss) after income tax expense	8,778	(24,942)
Weighted average number of ordinary shares for basic and diluted earnings per share	1,171,615	1,171,615

22. Dividends paid or provided for on ordinary shares

No dividends were paid or proposed by the Company during the period.

23. Financial risk management

The company's financial instruments consist mainly of deposits with banks, account receivables and payables, bank overdraft and loans. The totals for each category of financial instruments measured in accordance with AASB 139 as detailed in the accounting policies are as follows:

	Note	2012 $	2013 $
Financial Assets			
Cash & cash equivalents	6	96,739	93,488
Trade and other receivables	7	56,246	54,552
Total Financial Assets		152,985	148,040
Financial Liabilities			
Trade and other payables	10	48,339	41,459
Interest Bearing Liabilities	12	29,612	-
Total Financial Liabilities		77,951	41,459

Financial Risk Management Policies

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established an Audit Committee which reports regularly to the Board. The Audit Committee is assisted in the area of risk management by an internal audit function.

Specific Financial Risk Exposure and Management

The company has exposure to credit risk, liquidity risk and market risk from their use of financial instruments. There have been no substantive changes in the types of risks the company is exposed to, how the risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. For the company it arises from receivables and cash assets.

Credit risk is managed through maintaining procedures that ensure, to the extent possible, that clients and counterparties to transactions are of sound credit worthiness and their financial stability is monitored and assessed on a regular basis. Such monitoring is used in assessing receivables for impairment. Credit terms for normal fee income are generally 30 days from the date of invoice.

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets as presented in the statement of financial position.

The company's exposure to credit risk is limited to Australia by geographic area. The total of receivables are due from Bendigo and Adelaide Bank Limited.

None of the assets of the company are past due (2012: nil past due) and based on historic default rates, the company believes that no impairment allowance is necessary in respect of assets not past due.

The company limits its exposure to credit risk by only investing in liquid securities with Bendigo and Adelaide Bank Limited and therefore credit risk is considered minimal.

	2013 $	2012 $
Cash and cash equivalents: A rated	96,739	93,488

(b) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company ensures it will have enough liquidity to meet its liabilities when due under both normal and stressed conditions. Liquidity management is carried out within the guidelines set by the Board.

Typically, the company maintains sufficient cash on hand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Financial liability and financial asset maturity analysis:

30 June 2013	**Note**	**Total $**	**Within 1 year $**	**1 to 5 years $**	**Over 5 years $**
Financial Liabilities due					
Trade and other payables	10	48,339	48,339	-	-
Loans and borrowings	12	29,612	5,327	24,285	-
Total expected outflows		77,951	53,666	24,285	-
Financial Assets - realisable					
Cash & cash equivalents	6	96,739	96,739	-	-
Trade and other receivables	7	56,246	56,246	-	-
Total anticipated inflows		152,985	152,985	-	-
Net (Outflow)/Inflow on					
financial instruments		75,034	99,319	(24,285)	-

30 June 2012	**Note**	**Total $**	**Within 1 year $**	**1 to 5 years $**	**Over 5 years $**
Financial Liabilities due					
Trade and other payables	10	41,459	41,459	-	-
Loans and borrowings	12	-	-	-	-
Total expected outflows		41,459	41,459	-	-
Financial Assets - realisable					
Cash & cash equivalents	6	93,488	93,488	-	-
Trade and other receivables	7	54,552	54,552	-	-
Total anticipated inflows		148,040	148,040	-	-
Net (Outflow)/Inflow on financial instruments		106,581	106,581	-	-

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company reviews the exposure to interest rate risk as part of the regular board meetings.

The weighted average interest rates of the company's interest-bearing financial assets are as follows:

Financial assets	**2013** **$**	**2012** **$**
Cash and cash equivalents (net of bank overdrafts)	4.10%	5.36%

Sensitivity analysis

The following table illustrates sensitivities to the company's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

Year ended 30 June 2013	**Profit** **$**	**Equity** **$**
+/- 1% in interest rates (interest income)	403	403
	403	403
Year ended 30 June 2012		
+/- 1% in interest rates (interest income)	519	519
	519	519
The company has no exposure to fluctuations in foreign currency.		

(d) Price risk

The company is not exposed to any material price risk.

Fair values

The fair values of financial assets and liabilities approximate the carrying values as disclosed in the Statement of Financial Position. Fair value is the amount at which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction. The company does not have any unrecognised financial instruments at year end.

Directors' declaration

Freycinet Coast Financial Services Limited
ABN 32 127 068 222
Directors' Declaration

In accordance with a resolution of the Directors of Freycinet Coast Financial Services Limited, the Directors of the company declare that:

1 the financial statements and notes of the company as set out on pages 6 to 26 are in accordance with the Corporations Act 2001 and:

(i) comply with Australian Accounting Standards, which as stated in accounting policy Note 1(a) to the financial statements constitutes compliance with International Financial Reporting Standards (IFRS); and

(ii) give a true and fair view of the company's financial position as at 30 June 2013 and of the performance for the year ended on that date;

2 in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Robert Woolley
Director

Signed at Bicheno, Tasmania on 10 September 2013.

Independent audit report

Richmond Sinnott & Delahunty
Chartered Accountants

Level 2, 10-16 Forest Street
Bendigo, Victoria
PO Box 30, Bendigo, VIC 3552

Telephone: (03) 5445 4200
Fax: (03) 5444 4344
Email: rsd@rsdadvisors.com.au
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FREYCINET COAST FINANCIAL SERVICES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Freycinet Coast Financial Services Limited, which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and the 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 of the entity at the year's end.

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 gives a true and fair view and 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 (IFRS).

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 company's preparation 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 company'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.

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 Freycinet Coast Financial Services Limited, would be in the same terms if provided to the directors as at the time of this auditor's report.

Auditor's Opinion

In our opinion:

(a) the financial report of Freycinet Coast Financial Services Limited is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the financial report also complies with the International Financial Reporting Standards as disclosed in Note 1.

Richmond Sinnott & Delahunty

RICHMOND SINNOTT & DELAHUNTY
Chartered Accountants

W. J. SINNOTT
Partner

Dated at Bendigo, 10 September 2013

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Swansea and Bicheno
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