

Freycinet Coast Financial Services Limited
Financial Statements
as at
31 December 2011

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

Your Directors submit their report of the Company for the half year ended 31 December 2011.

Directors

The names of directors who held office during the half year and until the date of this report are:

Robert Woolley

Ann Browning

Jenifer Crawford

Harvey Cuthill

Kenneth Dean

Miranda Randall

Shayne Williams

John Austwick

Jennifer Logie

Derek Freeman

Bruce Dunbabin

Nadine Ozols

Gregory Raspin

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

Principal activities

The principal activities of the Company during the course of the financial period were in providing community banking services under management rights to operate franchised branches of Bendigo & Adelaide Bank Limited.

Review and results of operations

The net loss of the Company for the financial period was \$17,183 (2010: (\$52,475)).

Matters subsequent to the end of the reporting period

There are no matters or circumstances that have arisen since the end of the half year reporting period 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.

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

Significant changes in the state of affairs

In the opinion of the directors there were no significant changes in the state of affairs of the Company that occurred during the financial period under review not otherwise disclosed in this report.

Auditor Independence Declaration

The directors received the following independence declaration from the auditor of the Company:



**Richmond
Sinnott &
Delahunty**

**Level 2, 10-16 Forest Street
PO Box 30
Bendigo 3552
Ph. 03 5443 1177
Fax. 03 5444 4344
E-mail: rsd@rsdadvisors.com.au**

Chartered Accountants

Auditor's Independence Declaration

In relation to our review of the financial report of Freycinet Coast Financial Services Limited for the half year ended 31 December 2011, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

**Warren Sinnott
Partner
Richmond Sinnott & Delahunty
Bendigo
24 February 2012**

Signed in accordance with a resolution of the Directors at Swansea
on 24 February 2012.

.....
Robert Woolley, Director

Freycinet Coast Financial Services Limited
ABN 32 127 068 222
Condensed Statement of Comprehensive Income
for the half-year ended 31 December 2011

	2011	2010
	\$	\$
Revenue from ordinary activities	260,535	195,723
Salaries and employee benefit expense	(111,537)	(103,866)
Charitable donations and sponsorship	(16,588)	(3,281)
Depreciation and amortisation expense	(21,018)	(21,088)
Other expenses from ordinary activities	<u>(136,275)</u>	<u>(142,788)</u>
Loss before income tax benefit	(24,883)	(75,300)
Income tax benefit	<u>(7,700)</u>	<u>(22,825)</u>
Loss after income tax benefit for the half year	(17,183)	(52,475)
Total comprehensive income for the half year	<u><u>(17,183)</u></u>	<u><u>(52,475)</u></u>
Earnings per share (cents per share)		
- basic for loss for the half year	(1.47)	(4.48)
- diluted for loss for the half year	(1.47)	(4.48)

The accompanying notes form part of these financial statements

Freycinet Coast Financial Services Limited
ABN 32 127 068 222
Condensed Statement of Financial Position
as at 31 December 2011

	31-Dec 2011 \$	30-Jun 2011 \$
ASSETS		
Current Assets		
Cash and cash equivalents	78,446	98,585
Receivables	54,917	45,400
Total Current Assets	<u>133,363</u>	<u>143,985</u>
Non-Current Assets		
Property, plant and equipment	217,635	237,652
Deferred tax asset	226,219	218,519
Intangible assets	2,931	3,931
Total Non-Current Assets	<u>446,785</u>	<u>460,102</u>
Total Assets	<u>580,148</u>	<u>604,087</u>
LIABILITIES		
Current Liabilities		
Payables	33,490	39,695
Provisions	24,133	24,684
Total Current Liabilities	<u>57,623</u>	<u>64,379</u>
Total Liabilities	<u>57,623</u>	<u>64,379</u>
Net Assets	<u>522,525</u>	<u>539,708</u>
Equity		
Issued capital	1,153,788	1,153,788
Accumulated losses	(631,263)	(614,080)
Total Equity	<u>522,525</u>	<u>539,708</u>

The accompanying notes form part of these financial statements

Freycinet Coast Financial Services Limited
ABN 32 127 068 222
Condensed Statement of Cash Flows
for the half-year ended 31 December 2011

	2011	2010
	\$	\$
Cash Flows From Operating Activities		
Cash receipts in the course of operations	273,798	206,787
Cash payments in the course of operations	(296,491)	(276,952)
Interest received	2,554	7,333
	<u>2,554</u>	<u>7,333</u>
Net cash flows used in operating activities	(20,139)	(62,832)
Cash Flows From Financing Activities		
Repayment of borrowings	-	(4,847)
	<u>-</u>	<u>(4,847)</u>
Net cash flows used in financing activities	-	(4,847)
	<u>-</u>	<u>(4,847)</u>
Net decrease in cash held	(20,139)	(67,679)
Cash and cash equivalents at start of period	98,585	202,353
	<u>98,585</u>	<u>202,353</u>
Cash and cash equivalents at end of period	<u>78,446</u>	<u>134,674</u>

The accompanying notes form part of these financial statements

Freycinet Coast Financial Services Limited
ABN 32 127 068 222
Condensed Statement of Changes in Equity
for the half-year ended 31 December 2011

	<u>Notes</u>	Issued Capital \$	Accumulated Losses \$	Total Equity \$
As at 1 July 2011		1,153,788	(614,080)	539,708
Net loss for the period		-	(17,183)	(17,183)
Issue of share capital		-	-	-
Dividends paid	5	-	-	-
As at 31 December 2011		<u>1,153,788</u>	<u>(631,263)</u>	<u>522,525</u>

		Issued Capital \$	Accumulated Losses \$	Total Equity \$
As at 1 July 2010		1,153,788	(521,452)	632,336
Net loss for the period		-	(52,475)	(52,475)
Issue of share capital		-	-	-
Dividends paid	5	-	-	-
As at 31 December 2010		<u>1,153,788</u>	<u>(573,927)</u>	<u>579,861</u>

The accompanying notes form part of these financial statements

Freycinet Coast Financial Services Limited
ABN 32 127 068 222
Notes to the Financial Statements
for the half-year ended 31 December 2011

1. Summary of significant accounting policies

(a) Basis of preparation

Freycinet Coast Financial Services Limited ('the Company') is domiciled in Australia. The financial statements for the half year ending 31 December 2011 are presented in Australian dollars. The Company was incorporated in Australia and the principal operations involve providing community banking services.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial report.

The half year financial report should be read in conjunction with the annual financial report of Freycinet Coast Financial Services Limited as at 30 June 2011. It is also recommended that this half year financial report be considered together with any public announcements made by Freycinet Coast Financial Services Limited during the half year ended 31 December 2011 in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

The half year financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, and Australian Accounting Standard AASB 134 "Interim Financial Reporting".

For the purpose of preparing the half year financial statements the half year has been treated as a discrete reporting period.

(b) New and revised accounting requirements applicable to the half year reporting period

For the half year reporting period to 31 December 2011, a number of new and revised Accounting Standard requirements became mandatory for the first time, some of which are relevant to the Company. A discussion of these new and revised requirements that are relevant to the Company is provided below:

AASB 124- Related Party Disclosures (December 2009)

AASB 124 (December 2009) introduces a number of changes to the accounting treatment of related parties compared to AASB 124 (December 2005, as amended) including the following:

- The definition of a related party is simplified, clarifying its intended meaning and eliminating inconsistencies from the definition, including:
 - the definition now identifies a subsidiary and an associate with the same investor as related parties of each other;
 - entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other;
 - the definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control over a third party, the second and third entities are related to each other; and
 - The definition now clarifies that a post-employment benefit plan and an employer sponsor of such a plan are related parties of each other.
- A partial exception is provided from the disclosure requirements for government related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures.

Freycinet Coast Financial Services Limited
ABN 32 127 068 222
Notes to the Financial Statements
for the half-year ended 31 December 2011

1. Summary of significant accounting policies (continued)

(b) New and revised accounting requirements applicable to the half year reporting period (continued)

The adoption of the amendment did not have a significant impact on the financial statements of the Company.

AASB 2010-4 Further amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13].

This standard details numerous non urgent but necessary changes to Accounting Standards arising from the IASB's annual improvement project. Key changes include:

- clarifying the application of AASB 108 prior to an entity's first Australian Accounting Standards financial statements;
- adding an explicit statement to AASB 7 that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;
- amending AASB 101 to clarify that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes;
- adding a number of examples to the list of events and transactions that require disclosure under AASB 134; and
- making sundry editorial amendments to various standards and interpretations.

The adoption of the amendments did not have a significant impact on the financial statements of the Company.

AASB 1054: Australian Additional Disclosures and AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 and AASB 134 and Interpretations 2, 112 and 113]

AASB 1054 sets out the Australian specific disclosures that are additional to IFRS disclosure requirements. The disclosure requirements in AASB 1054 were previously located in other Australian Accounting Standards.

The adoption of the amendments did not have a significant impact on the financial statements of the Company.

The Company has not elected to adopt any other new standards or amendments that are issued but not yet effective.

(c) Summary of significant accounting policies

The same accounting policies and methods of computation have been followed in this interim financial report as well as applied to the most recent annual financial statements.

2. Events subsequent to Reporting Date

There have been no events subsequent to reporting date that would materially effect the financial statements at the reporting date.

Freycinet Coast Financial Services Limited
ABN 32 127 068 222
Notes to the Financial Statements
for the half-year ended 31 December 2011

3. Contingent Assets and Liabilities

Since the last annual reporting date there has been no material change of any contingent assets or contingent liabilities.

4. Segment Reporting

The economic entity operates in the financial services sector where it provides banking services to its clients. The economic entity operates in one geographic area being Freycinet Coast, Tasmania.

5. Dividends Paid

There were no dividends paid or proposed during the half year.

Freycinet Coast Financial Services Limited
ABN 32 127 068 222
Directors Declaration
for the half-year ended 31 December 2011

The directors of Freycinet Coast Financial Services Limited, declare that:

- (1) The financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
 - (a) comply with Accounting Standard AASB 134, "Interim Financial Reporting"; and
 - (b) giving a true and fair view of the Company's financial position as at 31 December 2011 and its performance for the half-year ended on that date.

- (2) In the directors opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

.....
Robert Woolley, Director

Signed at Swansea on 24 February 2012