

Annual Report 2023

Mundaring Community
Financial Services Limited

Community Bank
Mundaring

ABN 63 097 289 677

I  MY COMMUNITY



 **Bendigo Bank**

Community Bank
Mundaring

Bendigo Bank Staff

Front: Vanessa Saunders, Andrea Southam, Catherine DeGray, Taryn Kendall,
Back: Penny Frost, Lauren Izzo, Lyndall Wills, Mervy Badawy

Contents

Chairperson's report	4
Bendigo and Adelaide Bank report	6
Branch Manager's report	9
Community Bank National Council report	10
Community report	12
Groups supported	15
Directors' report	27
Auditor's independence declaration	35
Financial statements	36
Notes to the financial statements	40
Directors' declaration	64
Independent audit report	65

Chairperson's report

For the year ending 30 June 2023

On behalf of the Board of Directors, I would like to thank all our customers and shareholders for your support over the last financial year. Together we have been able to financially support over 130 community organisations and give away over \$500,000 in grants that directly impacted the community for the better.

Below is a summary of the branch results this financial year:

- Deposit and loan accounts have grown by \$15,081,637 from last year.
- Customer numbers have grown by 120 from last year.
- The overall book value for deposits and loans has increased by \$15,245,625.
- We returned \$508,687.67 to the community by way of grants, sponsorships and other community outlays.

On the 15th of June we held a successful grants night with over 50 community organisations accepting their cheques from bank staff and directors.

Midland Women's Health Care Place, Collective Hope Community Services and the Fast Fit ROAR Program were our guest speakers giving us an informative description of their organisation and what their grant will provide. On the night we gave away \$295,722.49 providing well needed funds to many organisations that would not be able to continue without the bank's support. We could only achieve this because of our loyal banking customers. Without you we would not be able to provide playgrounds, sporting opportunities, community connections, junior development programs and enrich the incredible community in which we all live.

This year we sponsored the Samuel Johnson's "Love Your Sister" Event. Cancer affects so many of us, and what drew us to Samuel Johnson's foundation, Love Your Sister, was its unwavering commitment to direct 100% of all donations towards cancer research. Our sponsorship of this event, in collaboration with the Chamber of Commerce, was a resounding success. In addition to The Foundation receiving proceeds from the event, the Chamber of Commerce also received a percentage of the proceeds.



Bendigo Bank Staff & Directors - 21st Birthday Party

Taryn Kendall, Catherine DeGray, Lauren Izzo, Penny Frost, Lyndall Wills, Aleksandra Kuzet, Kerry Hort Rowe, Ben Fillery, Dani Tamati, Rochelle Werrett, Nicola Smith, Andrea Southam, Hannah Dyer

Chairperson's report (continued)

Amaroo Retreat generously provided Samuel and his manager with accommodation and meals, making them feel truly cherished. This event showcased the true spirit of our community and the power of collaboration among local businesses. Even those who had little prior involvement with either our bank or the Chamber of Commerce were deeply impressed. The feedback we received emphasised that this event served as a shining example of our bank's dedication to our wonderful community. Together, we made a meaningful impact, reminding us all of the strength of unity and support within our local community.

This financial year has also seen the retirement of four of our Directors: Peter Hackett, Duncan Pratt, Ben Fillery and Dani Tamati. Peter joined the board in 2011 and left us at the beginning of July 2022. Peter has served on the board since 2011 and has been a huge asset to the bank and community during this time. Thank you Peter, for your dedication and support during your 11 years of service.

Duncan joined in September 2020 and stepped into the role of Chair in February 2021. His leadership took us through some challenging periods that he handled with much diplomacy, and we are hugely grateful for his efforts. Thank you for your time and dedication that you brought to the role, and we wish you all the best with your new endeavours.

Ben has served on the board since January 2015. His knowledge of the community and the bank have made him a huge asset. I certainly relied on his amazing knowledge of the bank, and his level head. Ben, thank you for your many hours of dedication. You will be greatly missed by everyone.

Dani served on the board for just over a year. Her passion for people and her infectious laugh shone brightly during her time on the board. Thank you Dani, your contribution and support came just at the right time.



During the year we also welcomed Meagan Wise to the board. Meagan is a business owner in Mt Helena who also has a passion for bagels. Meagan brings a wide range of skills that will enhance the board and support the community.

I would like to take this opportunity to thank the amazing team in our Community Bank. Vanessa, our Acting Branch Manager, has been working hard to support the team and ensuring we continue to provide the highest level of service to our community. She continually provides that human touch for which our whole team is so well known. To our loyal and dedicated team, Penny, Lauren, Catherine, Taryn, and Lyndall, thank you for your support, you are each an amazing asset, and we are grateful to have you all.

The branch has had some new faces join the team this year, Ann-Marie Williamson, and Ankit Sharma. Ann-Marie has been employed as a casual to help when required. She brings years of banking experience to the team. Her energy is infectious and she is enjoying meeting our customers with a smile at the front counter. Ankit has a lending background and has come from New Zealand to be part of our ever-growing passionate team. Please come in and give them the wonderful hills welcome.

We farewelled Denise this year. Denise worked for the bank for over 13 years and is well-known throughout the community. Thank you Denise, for your service to the bank and the customers.

I would like to also acknowledge Andrea Southam, our Executive Officer. Andrea moved into the bank branch last year and has enjoyed being closer to the customers and bank staff. Andrea's beaming smiles greet the community every day as she works to ensure we are giving the best support possible to the community. On behalf of the board Andrea, I would like to thank you for your continued dedication to growing our community and making a difference in the lives of others.

Keep safe and we look forward to seeing in the branch soon.

Nicola Smith

Chair



Bendigo & Adelaide Bank report

For the year ending 30 June 2023

Community and customer will always be at the heart of what we do at Bendigo and Adelaide Bank.

Together, we're setting up Community Banking for the future - growing our impact as a leading social impact movement to transform communities across Australia.

As we continue to evolve to meet the needs of our customers, we should feel proud that more Australians are choosing to do their banking with us and trust us with their financial goals. Our position as Australia's most trusted bank (Roy Morgan) reflects the esteem we are held in by our customers, and communities.

This year has been particularly significant for us. After five years apart, we had the opportunity to come together in person and connect through our State Connect program and in Bendigo at our National Conference in September. It has also been a record-breaking year for Community Bank with more than \$32 million invested into local communities nationwide.

This is our highest year on record and underscores our ongoing commitment to our customers and communities.

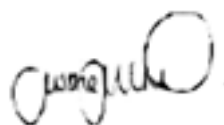
Reflecting on the 25 years since we opened our first Community Bank, I'm so grateful to the hard work of many passionate Directors (past and present). Everything we have done and continue to do is focused on our purpose to feed into the prosperity of our customers and communities, not off it.

On behalf of the Bank, thank you for continuing to play an essential role in supporting your community. I look forward to seeing us grow together and make a positive impact for generations to come.

Warmest regards,

Justine Minne

Bendigo and Adelaide Bank





Mundaring Sporting Club

Front: Dennis Pearce, David Lamplugh, Rob Locke, Stephen Fox, Barry Crossley

Middle: Harry Hawkins, John Shinnick, Rex Cox, John Doncon, Andrea Southam, Karen Beale, Pete Smith, Max Bending, Derek Chaney

Back: Les Storer, Doug Williams, Cr Paige McNeil, Craig Ryan, Calin Ryan, Tim Patterson, Hamish Philip, Alex Lamont



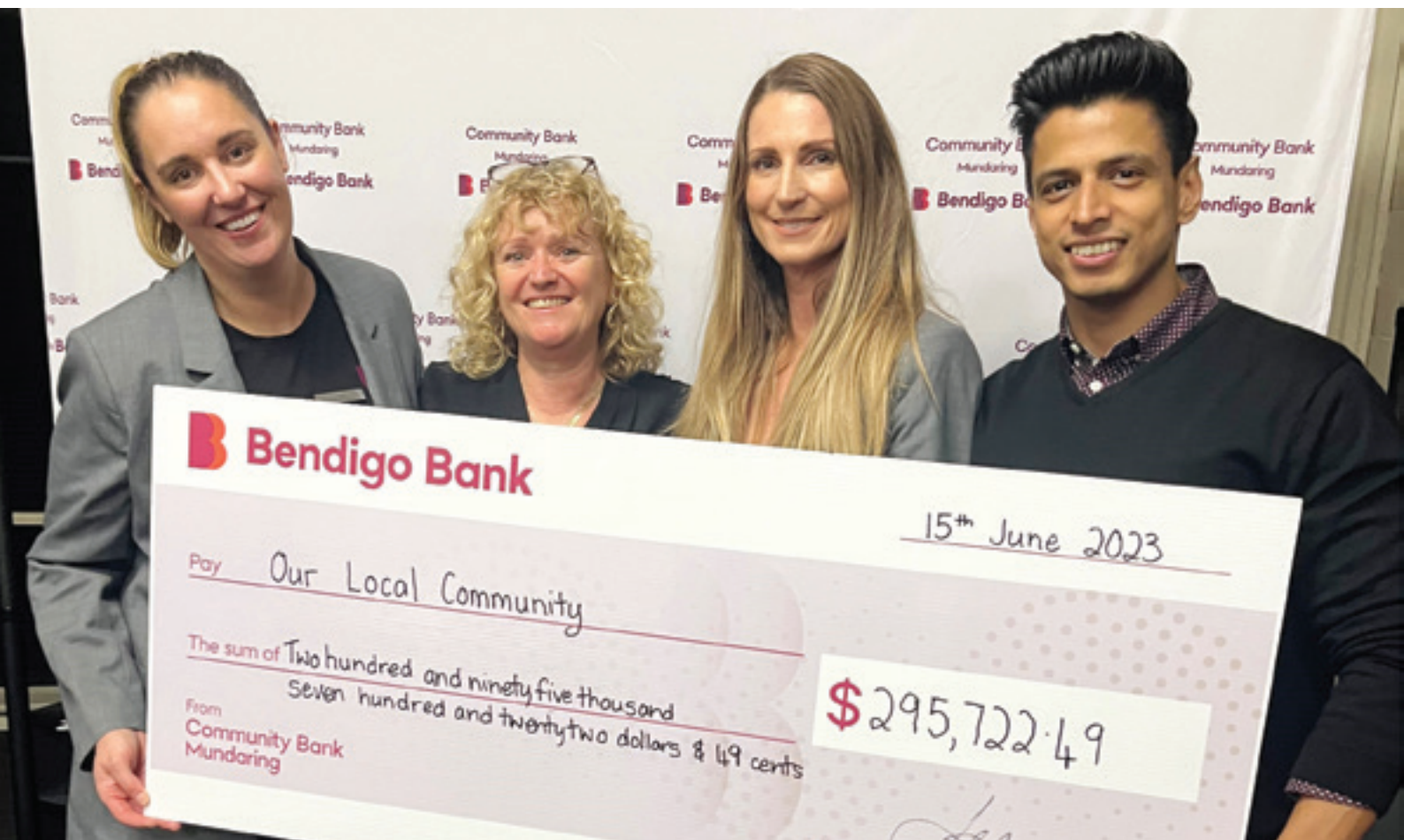
Darlington Estate Sundowner

Andrea Southam, Kerry Hort Rowe, Nicola Smith, Dani Tamati, Rochelle Werrett



Bendigo Bank Staff & Directors - 21st Birthday Party

Taryn Kendall, Vanessa Saunders, Penny Frost, Mervy Badawy, Rochelle Werrett, Lyndall Wills, Kerry Hort Rowe, Aleksandra Kuzet, Ben Fillery, Dani Tamati, Andrea Southam, Nicole Smith, Catherine DeGray, Hannah Dyer, Lauren Izzo.



Bendigo Bank Staff

Lyndall Wills, Andrea Southam, Vanessa Saunders, Ankit Sharma

Branch Manager's report

For the year ending 30 June 2023

What a year it's been!

The past financial year has seen many positive changes within the branch. We have refreshed the interior space and recruited additional staff, who have settled in well and are great assets to the team.

Our team is dedicated to providing outstanding service to our customers and working cohesively towards a common goal – to give back to our community! Last year, our growth enabled Mundaring Community Financial Services Ltd to contribute over \$500,000 to the community in the way of sponsorships and grants. This is the driving force behind what we do, and I am so proud of how hard the team has worked.

Our Executive Officer, Andrea Southam is an essential member of our team. Her passion and drive to collaborate with local community groups and businesses, fostering solid relationships to consistently and continually enable our business to grow is inspiring and we are so proud of the hard work she does.

Our business has seen a growth last year of over \$15 million and our customer base has grown by 1.92%. With the digital world constantly evolving, our commitment to offer advanced online banking options, whilst continuing to provide face to face personalised service to our customers, sets us apart from our competitors. Growing consistently over time will ensure our long-term success.

The past year has seen some challenges with the upward trajectory of interest rates causing low sentiment and a generally cautious lending environment. However, there is evidence that buyers have become more active despite the highest interest rates since 2021. Housing finance data showed the number of home loan commitments was the highest since August last year and the value of lending has been trending upwards since March, aligning with the rise in home values.

With inflation coming in lower than expected for the June quarter, it's looking increasingly likely the interest rate cycle is at or near a peak. The June quarter inflation reading was the lowest since September 2021, which should help to lift consumer spirits.

Even with interest rates potentially stabilising, borrowers aren't yet out of the woods. The transition of more than 800,000 home loans, moving from very low fixed mortgage rates to variable rates at around 6% or higher, is currently moving through a peak. This is a great opportunity for our customers to review their current home loan to potentially make a substantial saving.

I would like to thank our Board of Directors who are an incredible support to our team. Their ongoing commitment to the branch and staff is invaluable. Our Shareholders are a vital part of the success of our Branch and your ongoing support is so appreciated.

Finally, my team of superstars; Taryn, Lyndall, Penny, Catherine, Ann-Marie, Lauren and Ankit – Thank you for all your hard work to achieve the success we have so far and your ongoing dedication to the future success of our wonderful Community Bank.



Kind regards,

Vanessa Saunders

Branch Manager

A handwritten signature in blue ink, which appears to read 'Vanessa', written over a faint, light blue circular watermark.

Community Bank National Council report

For the year ending 30 June 2023

As a shareholder in your local Community Bank, you belong to an incredible social enterprise network that to date has reinvested more than \$300 million in our local communities.

And now, as we celebrate our 25th anniversary milestone, we are evolving even further by sharpening our focus on our community enterprises – separate to the banking side of the business. We are uniting our Community Bank companies through a shared vision of being the most influential network of social enterprises in Australia. This means we'll have a bigger and better story to tell about how we collectively deliver impact.

Our future is together because of our extraordinary strength and aligned partnership with each other, and with our partner, Bendigo and Adelaide Bank. Our partnership with the Bank has been fashioned out of shared effort, risk and reward and it continues to serve us well.

And now even with the digital evolution upon us, the foundation of our future still relies on the guiding principles of the Community Bank model. We are community enterprises and the custodians of this incredible model that collaborates with local communities for social good. The objective of our Community Bank network remains the same. Our evolution will be evidenced by the channels that we use to connect with our customers and communities, digital by design and human where it matters.

The Community Bank network was a first mover in Australia with its unique social enterprise model.

The first Community Bank opened its doors in 1998, and since then, the network has grown to 307 Community Bank branches. The network represents a diverse cross-section of Australia with 240 social enterprises, 70,000+ shareholders, 1600+ volunteer directors, 1600+ staff and 905,000 customers located in metro, regional, rural and remote locations across the country.

The Community Bank network creates impact through grants, donations and sponsorships that connect with and care for generations of Australians. Network investment ranges from sport, scholarships and school programs, through to community groups, cultural organisations and local councils. We also facilitate and attract partnerships to help support much needed community projects.

The Community Bank National Council (CBNC) is the voice of the Community Bank network. The role of the CBNC is to advocate and influence on behalf of the 240 community enterprises with its partner. It has also been the role of the CBNC to oversee the development of the Community Network Strategy which exists to ensure the ongoing sustainability of this unique collective of social enterprises.

In September this year our Community Bank network celebrates 25 years. It's a tremendous milestone and one which we're hugely proud of achieving. We have never been stronger and we look forward to continuing to serve our shareholders, customers and communities as we embrace our exciting future.

Warm regards,

Sarah Franklyn

CBNC Chair





Wooroloo Bushfire Recovery Dinner
Duncan Pratt, Penny Frost, Andrea Southam, Rochelle Werrett, City of Swan Cr Rod Henderson



Grant Awards Night
Kerry Hort Rowe, Vanessa Saunders, Tryster McCarthy and Kerry Retallack, from Eastern Hills Community Pantry, Kerry Duncan and Haylee Andrews from Darlington Scout Group, Steve Robinson from Collective Hope Community Services, Andrea Southam, Tara Doyle from Midland Women's Health Care Place, Aleksandra Kuzet, Hannah Dyer, Lyndall Wills, Ankit Sharma and Meagan Wise in front

Community report

For the year ending 30 June 2023

It is an honour to be able to share that our Community Bank returned \$508,687.67 to our local community in the 2022/2023 financial year!

We couldn't do this without the ongoing support of our customers and the contribution from our shareholders – so for this, I personally would like to thank you!

Sponsorship requests were steady for the first few months of the year, and we were involved in some fabulous initiatives in the community including a new accessible entrance for the Mundaring Sporting Club, and a new playground for the Glen Forrest Community Kindergarten. We held a grant round in Autumn and received applications in excess of \$400,000. In June I was delighted to host the Grant Awards Night where we handed out cheques to 53 community groups to the value of \$295,722.49. The event itself was a wonderful occasion where we educated some attendees about our role as a Community Bank committed to the well-being of our community.

We continued our support with printing, supply of tickets, provision of merchandise for events, and funding market stalls at the Rotary Sunday Markets. Our CommunityPOS facility was well used during the financial year but has now been retired and replaced with Tyro machines specifically for Not-for-Profit and Community Groups.

Our support of education in the community also continued with sponsorship of the Hills Education Network's Science Challenge, the Year 6 Endeavour Awards for our 13 public primary schools, and the Dux Award for Swan View Senior High School.

The monthly dinners for the Wooroloo Bush Fire continued for eighteen months until November 2022 and were a vital part of the recovery for those people affected by the devastating fire of February 2021.



'Love Your Sister' with Samuel Johnson, Bendigo Bank Staff and Directors

Ankit Sharma, Taryn Kendall, Rochelle Werrett, Ann-Marie Williamson, Lauren Izzo, Lyndall Wills, Andrea Southam, Samuel Johnson from Love Your Sister, Penny Frost, Kerry Hort Rowe, Hannah Dyer, Meagan Wise, Vanessa Saunders

Community report (continued)

We held the 4th Bendigo Community Raffle which was drawn at our 2022 AGM in November. There were 70 community organisations involved in the selling of 25,303 tickets which raised a mammoth \$126,515 for the local community groups that participated. This is a fabulous initiative by our Board of Directors that the community still ask us to administer. We are currently running our 5th raffle which will be drawn at our 2023 AGM. Good luck to all who have tickets!

We celebrated our 21st Birthday in February with cakes in the branch on the day and a black-tie event held at the Mundaring Arena on the following Saturday. The invitation only event included Shareholders, current and former Directors and Staff and members of our local community groups. The event was a fantastic synergy of our local businesses and community groups, and even our local high school students came together to participate. Photographs of the event can be found on our Facebook page.

In June, we were offered the opportunity to host an event for Samuel Johnson which we grasped with both hands. We were assisted by the Mundaring Chamber of Commerce who we continue to collaborate with. Putting the Heart in Your Business with Samuel Johnson was a fabulous event that took place in the Bendigo Room at the Mundaring Arena in August of this year. Samuel Johnson is an Australian actor and a volunteer for Love Your Sister; an organisation that

is raising funds to conquer cancer. His presentation was an inspiration for everyone in attendance, and our incredible community rallied behind him when he sought assistance for his quest. This is a shining example of how individual determination, coupled with a supportive community, can drive positive change.

The Mundaring Chamber of Commerce have taken responsibility of the Mundaring Garden and Farmers Market which operates every Saturday morning. They use our marquees, which can be seen giving shelter to market patrons each week which is made possible by the dedicated volunteers from the Rotary Club of Mundaring, and in particular, Geoff Francis. Thank you Geoff!

It has been an extraordinary year for us, and one that I am extremely proud to have been a part of. Being able to return half a million dollars to the community and seeing the impact that it has had is nothing short of remarkable. Our contributions this year have been more diverse than previous, and it has been a humbling experience to be making an impact on the well-being of our community.

Once again, we owe this achievement to the unwavering support of our shareholders and loyal customers. Please help us spread the word about the positive impact we are having in our community so we can continue our mission.



Andrea Southam

Executive Officer

A handwritten signature in black ink that reads "A Southam".



Autumn Grant Round recipients



Eastern Hills Community Pantry
Hannah Dyer, Andrea Southam, Kerry Retallack



Twilight Markets
Lyndall Wills, Taryn Kendall, Hannah Dyer, Penny Frost

Groups supported

Sponsorships

Community Group	Contribution towards
Australian Breastfeed Assoc - Swan Mundaring Group	Volunteer costs for conference
Chidlow Family Playgroup	Replace fencing
Chidlow Progress Association	External Doors at Chidlow Hall & Xmas Carol event
Collective Hope	Renovation of toilet facilities for accessibility
Community Enterprise Foundation	Eastern States Floods
Darlington Arts Festival Association Inc	Vinyl stage flooring
Darlington Community Garden	Towards Mosaic pathway
Darlington Primary School	Hills Education Network Science Challenge
Darlington Scout Group	Split system air conditioner
Eastern Hills Cats AFL Masters Football Club	Line Marking Paint and support of Kids Activities
Eastern Hills Community Kindy	Cubby and Large Painting Easel
Eastern Hills Community Pantry	Glass Door Fridge and new Freezer
Eastern Hills Horse and Pony Club	Jump Set for events
Eastern Hills Little Athletics	Website design
Fast Fit ROAR Program	Vehicle and Fitness Trailer
First Friends Playgroup	Upgrade of facilities to enable fund raising
Friends of Boya Trail	Tools and Equipment
Gidgegannup Agricultural Society	Garm Art Awards
Gidgegannup Football Club	Television, Sound System, WiFi, DSLR Camera, Footballs
Gidgegannup Recreation Club	Air conditioner
Gidgegannup Small Farm Field Day	Event costs
Gidgestock Music Festival	Infrastructure hire for event
Glen Forrest Volunteer Bush Fire Brigade	New iPad and Vehicle Mount for Fire truck

Groups supported (continued)

Sponsorships (continued)

Community Group	Contribution towards
Glen Forrest Community Kindergarten	Mud Kitchen, Water Tank and support of new Playground
Glen Forrest Cricket Club	Bowling Machine and Women's Cricket Equipment
Glen Forrest Primary School P&C	Upgrade of playground equipment
Glen Forrest Residents & Ratepayers Association	Day in the Forrest event 2022
Helena River Catchment Group	New trailer
Helena Valley Netball Club	Sponsorship of Fees and Courses
Helena Valley Primary School	Endeavour Award
Hills Billy Carts Inc	Portable Generator and signage
Hills Football Association Inc	Country Football Association jumpers
Hills Night Hockey Association	Indoor sticks and goalie gear
Hills Rangers Football Club	Kit bags
Bees 2 Honey Inc	3D Bee Larvae Grub models
HOSCA	Annual Arts event
Koolkuna Domestic Violence Services Network	Christmas vouchers
Leading Women	Event sponsorship
Little Bandicoots Playgroup	Playground area
Love Your Sister Foundation	Event sponsorship
Midland Womens Health Care Place Inc	Trailer kitted with tent and furniture for events
Mt Helena Junior Football Club	Speaker/Microphone, Jumpers, Mascot and equipment
Mt Helena Residents & Ratepayer Association	Whim Festival sponsorship and 140 Year Banner
Mundaring Chamber of Commerce	Marquee and signs for markets
Mundaring Cricket Club	Bowling Machine
Mundaring Primary School	Fast Fit ROAR program
Mundaring Senior Football Club	Electronic Scoreboard
Mundaring Seniors	Bowling Carpet
Mundaring Sporting Club	Accessibility access gate



Parkerville Primary School
Charlotte Van der Burgt, School Principal; Carolyn Nunn, Andrea Southam, Keryn South



Koolkuna Women's Refuge
Front: Helen, Mary Quinn, Dyan
Back: Nicola Smith, Andrea Southam



Glen Forrest Primary School
School Principal; Colin Chisholm, Andrea Southam, P&C President; Sam Davey



Possum Valley Animal Sanctuary
Andrea Southam, Mark Hayman

Groups supported (continued)

Sponsorships (continued)

Community Group	Contribution towards
Mundaring Sporting Club - Disc Golf	New tee signs, course map design
Mundaring Tennis Club	Pickleball Equipment
Mundaring Volunteer Fire and Rescue Services	Gazebo
Mundaring Wood Turners Group	Wood turning tools
Parkerville Junior Cricket Club	Event Costs
Parkerville Junior Football Club	NAIDOC round sponsorship
Parkerville Playgroup	Modern Teaching Aids
Parkerville Primary School	Fast Fit ROAR program and Quiz Night sponsorship
Parkerville Volunteer Bushfire Brigade	Banners and Limestone Blocks for Memorial
Parky Care	Volunteer Fun Day event
Perth Horse Trials Association Inc	Upgrade jumps in line with Regulations
Possum Valley Animal Sanctuary	Water Pump and Fridge
Ripplebrook Equestrian Vaulting Academy	Shed plus equipment
Rotary Club of Mundaring	Twilight Markets and Swan View Community Pantry
Shire of Mundaring	DeFibrillators at Elsie Austin and Harry Riseborough
Swan View Agricultural Show	Trailer, Gazebos and Yard Games
Swan View Football Club	Footballs for Anniversary event
Swan View Senior High School	Curriculum based football program
Wundowie Golf Club	Costs and trophies for windup event

Groups supported (continued)

In-Kind Support

Gidgegannup Men's Shed	Printing
Lost Mundaring	Printing
Gidgegannup Small Farm Field Day	Design and Print Discovery Trail booklets
Mt Helena Tennis Club	Design and Printing
Mundaring Chamber of Commerce	Printing
Hills Choir	Concert Program Printing
Darlington Chamber Music	Ticket provision
Mundaring Bicentennial Scholarship Trust	Printing and Ticket provision
Love Your Sister	Printing
Mahogany Creek Progress Association	Printing
Swan Community Choir	Printing and Ticket provision
World Vision	Community POS facility
Eastern Hills Community Kindergarten	Market Stall
Mundaring Chamber of Commerce	Business Cards
Mundaring Community Men's Shed	Business Cards
WA Streetsmart	Handbook advertisement
Eastern Hills Masters Football Club	Merchandise for Golf Day
Parkerville Junior Cricket Club	Merchandise for Open Day
Mundaring Sporting Club - Bowls Section	Advert for Fixture Booklet
Mundaring Sporting Club - Golf Section	Advert for Fixture Booklet
Darlington Community Garden	Roster Sign
22nd Edition of 1st Aid Manual	Handbook Advertisement
Swan View Community Pantry	Roster Sign
Starlight Foundation	Cookbook Advertisement
Australian Police Journal	Supporters Advertisement
Darlington Chamber Music	Date stickers for concerts
Volunteer Bush Fire Brigade	Calendar Advertisement
Mundaring Hills Open Studio	Brochure Advertisement



Australian Rustic Farm Art Awards 2022

Overall Award Winner: Heather Barrett and Andrea Southam with Heather's sculpture "Forward"
(Photo credit: Duncan Wright)



Mount Helena Celebrating 140 Years

Cr Jo Cicchini, Marg South, Cr Paige McNeil, Freddie Hendriksen, Jessica Shaw MLA for Swan Hills, Joan Quinn, Owen Briffa, Cr John Daw, Cr Claire Hurst, Cr James Martin, Andrea Southam, Cr Neridah Zlatnik



Gidgannup Small Farm Field Day
Andrea and Zahra



Clayton View Primary School
Blair and Andrea



Mundaring Primary School
Mitchell, Milla, Andrea, Dixie

Groups supported (continued)

In-Kind Support (continued)

Love Your Sister	Merchandise for event
Gidgegannup Small Farm Field Day	Merchandise for event
Lost Mundaring	Market Stall
Eastern Hills Community Kindergarten	Market Stall
Horsepower Hills	Community POS facility
Parkerville Primary School	Community POS facility
Mundaring Chamber of Commerce	Merchandise for markets
Hills Billy Carts Inc	Community POS facility
Save the Children	Community POS facility
Eastern Hills Branch Wildflower Society	Community POS facility
Darlington History Group	Community POS facility
Darlington Community Garden	Community POS facility
Gidgegannup Community Church	Community POS facility
Susannah Brook Catchment Group	Community POS facility
Chidlow RSL Sub-Branch	Community POS facility
Darlington Chamber Music	Community POS facility
Forrest Darlings CWA	Community POS facility
Gidgegannup Men's Shed	Community POS facility

Groups supported (continued)

2023 Community Raffle

Participants

Bees 2 Honey Festival	Mount Helena Junior Football Club
Chidlow Family Playgroup	Mount Helena Primary School P&C
Chidlow Progress Association	Mount Helena Residents & Ratepayers Association
Chidlow Senior Football Club	Mount Helena Tennis Club
Collective Hope Community Services Ltd	Mundaring Bicentennial Trust
Darlington Arts Festival	Mundaring Chamber of Commerce
Darlington Community Garden	Mundaring Community Mens Shed
Darlington Competitive Cricket Club	Mundaring Netball Club
Darlington Netball Club	Mundaring Senior Football Club
Darlington Scout Group	Mundaring Seniors Inc
Darlington Tennis Club	Mundaring Sporting Club
Eastern Hills Community Pantry	Mundaring Tennis Club
Eastern Hills Little Athletics	Mundaring Woodturners Association
Eastern Hills Masters Football Club	Northam Youth in Emergency Services
Fast Fit ROAR Program Inc	Panthers Basketball Club
First Friends Playgroup	Parkerville Primary School P&C
Gidgegannup Primary School P&C	Parkerville Volunteer Bushfire Brigade
Gidgegannup Senior Football Club	Perth Hills Junior Cricket Club
Gidgestock Music Festival	Perth Hills United Football Club
Glen Forrest Primary School P&C	Perth Horse Trials
Glen Forrest Sporting Club	Ripplebrook Equestrian Vaulting
Glen Forrest Tennis Club	Rotary Club of Mundaring
Helena Valley Cricket Club	Sacred Heart Mundaring Primary School P&F
Hills Billy Cart Inc	Santos Judo
Hills Football Association	Save Perth Hills



Parliament House

Matthew Hughes MLA for Kalamunda, with Mundaring Chamber of Commerce Executive Committee: Andrea Southam, Ken Hetherington, Naomi Fuller, Jeremy Robertson



Sawyers Valley Primary School
Andrea and Bella



Gidgegannup Primary School
Claire and Nicola

Groups supported (continued)

2023 Community Raffle (continued)

Participants

Sawyers Valley Primary School P&C	West Giddegannup Volunteer Bush Fire Brigade
Swan Districts Gymnastics Inc	Western Australian Team Penning Association
Swan Harmony Choir	Wundowie Golf Club
Swan View Primary School P&C	Wundowie Primary School P&C
Swan View Senior Cricket Club	Wundowie Progress Association
West Coast Cowboys	



2022 Community Raffle Winner
Catherine, Taryn, Penny, Stacey Evans, Andrea, Lyndall, Lauren

Directors' report

For the financial year ended 30 June 2023

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2023.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:



Nicola Jane Smith

Non-executive director

Experience and expertise: Nicola is a Youth Worker for the Department of Family and Children Services. Nicola worked in the finance industry for 13 years. After which she had an opportunity to follow her passion to work with youth consequently Nicola has worked in women's refuges in the Midland area, Halls Creek and Broome with the community, and in residential care with some of the most at-risk youth in the state. Nicola is currently studying a Bachelor of Social Science, majoring in Community Work and Human Services at ECU. Nicola lives on a property in Gidgegannup with her husband and family. Former director of Smith's Automotive Parts.

Special responsibilities: Audit & Governance Committee, Marketing & Sponsorship Committee.



Rochelle Amanda Werrett

Non-executive director

Experience and expertise: Online Consultant. Online Systems. Process Automation Developer. Human Resources & Payroll & Bookkeeping. Treasurer of Darlington Scouts. Online Business Owner.

Special responsibilities: Company Secretary, Audit & Governance Committee, Strategic Committee.



Kerry Dawn Hort Rowe

Non-executive director

Experience and expertise: Business Consultant & Life Mentor, Depression & Anxiety Director, Hospitality & Tourism Covid-19 Hygiene, Sales Representative, Account Manager, Business Development Manager, Board Member, Customer Service Specialist.

Special responsibilities: Strategic Committee.

Directors' report (continued)

Directors (continued)



Aleksandra Kuzet

Non-executive director (appointed 6 July 2022)

Experience and expertise: Aleks hold a Bachelor of Commerce (Accounting), Master of Taxation. Aleks is a CPA specialising in small business tax advisory. With 15 years of work experience in Perth eastern suburbs, Aleks has strong connections with local business and social networks.

Special responsibilities: Audit & Governance Committee, Strategic Committee.



Hannah Dyer

Non-executive director (appointed 1 December 2022)

Experience and expertise: Although trained in Nutrition, Veterinary Nursing, and Hospitality, Hannah spends the majority of her time volunteering in the community, most notable as Conveyor of the bi-annual Mount Helena Whim Festival. She is currently the Vice President of the Mount Helena Residents and Ratepayers Association and involved with food distribution as the President of the Eastern Hills Community Pantry. She has volunteered with several organisations in varying capacities, since 2000. Hannah is the mother of two teen girls and when she is not volunteering, can be found supporting them in a basketball stadium somewhere. Hannah believes in the individual and the community and very much appreciates being involved with supporting both under the Bendigo business model. She thanks the MCFS and Bendigo for this extraordinary opportunity and looks forward to her ongoing association with them.

Special responsibilities: Marketing & Sponsorship Committee.



Megan Louise Wise

Non-executive director (appointed 23 May 2023)

Experience and expertise: Current Director of Whites Mill and Grind, a community minded and focused coffee shop in the hills, Mt Helena. Meagan has also worked within the Aviation industry for 17 years, from roles as customer service manager to CASA approved trainee. Other expertise includes; Lifeline WA Crisis Support volunteer and in shift supervisor, recruitment, Customer Service Advisor, Business Management, active community member, Aviation Auditor and Risk assessment.

Special responsibilities: Marketing & Sponsorship Committee, Strategic Committee.

Directors' report (continued)

Directors (continued)



Danielle Vanessa Tamati

Non-executive director (resigned 10 April 2023)

Experience and expertise: As a high-profile Recruitment, Human Resources, Career Development and OHS professional, Dani thrives on introducing candidates to a company that sees the value in their experience and drive, as well as working collectively with companies to ensure employment opportunities. Dani has been Vice Chairperson for the CoRE Learning Foundation since 2019 and in 2021 joined the WA Mining Club as a Committee Member with both Memberships and Scholarships portfolios. Recently in early 2022 Dani became Director of Mundaring Community Bank and Board Member of Murlpirrmarra Connection. Since relocating from the Pilbara after 14 years in late December 2010, Dani now resides in the beautiful Perth hills with her husband Riki (a FIFO worker) and her four children Jake (23), Taine (21), Sienna (17) and Kale (16).

Special responsibilities: Marketing & Sponsorship Committee.



Benjamin Peter Fillery

Non-executive director (resigned 30 April 2023)

Experience and expertise: Ben works in Technical Sales Metso : Outotec. Ben has over 15 years experience in the sales and marketing of mining components.

Special responsibilities: Marketing & Sponsorship Committee, Strategic Committee.



Duncan Francis Frederick Pratt

Non-executive director (resigned 30 November 2022)

Experience and expertise: Chartered Structural Engineer (CPEng) and registered on the National Engineers Register (NER). Registered engineering practitioner in Tasmania and Victoria. Current director of Fulcrum Structural Engineering Pty Ltd.

Special responsibilities: Chair, Audit & Governance Committee.

Directors' report (continued)

Directors (continued)



Peter Francis Hackett

Non-executive director (resigned 5 July 2022)

Experience and expertise: Peter Hackett is a retired electronics technician, having worked for Marconi Space and Defence Systems in the UK before emigrating to Kalgoorlie in 1981, where he worked at Western Mining Corporation. He has lived on the El Caballo Estate in Wooroloo with his wife since 1988. His interests are varied and include the Variety Club Charity Bash (26 years), Chidlow Progress Association Treasurer and a member of the Volunteer Bush Fire Brigades in Wooroloo and Inkpen. A board member of Chidlow Primary School. He also plays bass guitar in a number of local bands.

Special responsibilities: Chair Marketing & Sponsorship Committee.

Company Secretary

The company secretary is Rochelle Werrett. Rochelle was appointed to the position of company secretary on 1 March 2022.

Principal activity

The principal activity of the company during the financial year was facilitating Community Bank services under management rights of Bendigo and Adelaide Bank Limited (Bendigo Bank).

There have been no significant changes in the nature of this activity during the financial year.

Review of operations

The profit for the company after providing for income tax amounted to:

Year ended 30 June 2023	Year ended 30 June 2022
\$	\$
808,661	48,917

The company has seen a significant increase in its revenue during the financial year. This is a result of the Reserve Bank of Australia (RBA) increasing the cash rate by 3.25% during the financial year moving from 0.85% to 4.10% as at 30 June 2023. The increased cash rate has had a direct impact on the revenue received by the company, increasing the net interest margin income received under the revenue share arrangement the company has with Bendigo Bank

Directors' report (continued)

Dividends

In the prior financial year, the following dividends were declared and provided for but not paid. The dividends have been paid for in the financial statements.

	Cents per share	2022 \$
Final fully franked dividend	5	28,285

During the financial year, the following dividends were provided for but not paid. The dividends have been provided for in the financial statements

	Cents per share	2023 \$
Final fully franked dividend	15	84,855

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the financial year.

Matters subsequent to the end of the financial year

A 15 cent dividend was declared in the period and recognised as a liability as at 30 June 2023. This dividend is expected to be paid to shareholders in October 2023.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments

The company will continue its policy of facilitating banking services to the community.

Environmental regulation

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Meetings of directors

The number of directors' meetings (including meetings of committees of directors') attended by each of the directors' of the company during the financial year were:

Directors' report (continued)

E - eligible to attend A - attended	Board Meetings		Committee Meetings			
			Audit & Governance		Marketing & Sponsorship	
	E	A	E	A	E	A
Nicola Jane Smith	11	11	3	3	3	3
Rochelle Amanda Werrett	11	11	3	3	–	–
Kerry Dawn Hort Rowe	11	8	–	–	–	–
Aleksandra Kuzet	10	10	3	3	–	–
Hannah Dyer	6	6	–	–	3	3
Meagan Louise Wise	2	2	–	–	–	–
Danielle Vanessa Tamati	8	6	–	–	–	–
Benjamin Peter Fillery	9	6	–	–	1	1
Duncan Francis Frederick Pratt	5	4	–	–	–	–
Peter Hackett	–	–	–	–	–	–

Directors' benefits

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 except as disclosed in note 23 and note 24 to the financial statements. 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.

Directors' report (continued)

Directors' interests

The interest in company shareholdings for each director are:

	Fully paid ordinary shares		
	Balance at the start of the year	Changes	Balance at the end of the year
Nicola Jane Smith	100	–	100
Rochelle Amanda Werrett	100	–	100
Kerry Dawn Hort Rowe	–	–	–
Aleksandra Kuzet	–	–	–
Hannah Dyer	100	–	100
Meagan Louise Wise	–	–	–
Danielle Vanessa Tamati	–	–	–
Benjamin Peter Fillery	100	–	100
Duncan Francis Frederick Pratt	500	–	500
Peter Hackett	500	–	500

Indemnity and insurance of directors and officers

The company has indemnified all directors and the manager in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or manager of the company except where the liability arises out of conduct involving the lack of good faith.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Directors' report (continued)

Non audit services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 25 to the accounts.

The board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of the non-audit services is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the board to ensure they do not impact on the impartiality, integrity and objectivity of the auditor
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the company, acting as an advocate for the company or jointly sharing risks and rewards.

Auditor's independence declaration

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

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors

Aleksandra Kuzet

Director



8 September 2023

Auditor's Independence Declaration

For the year ended 30 June 2023



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
afs@afsbendigo.com.au
(03) 5443 0344

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Mundaring Community Financial Services Limited

As lead auditor for the audit of Mundaring Community Financial Services Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the auditor independence requirements of 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.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 8 September 2023

A handwritten signature in black ink, appearing to read 'Joshua Griffin'.

Joshua Griffin
Lead Auditor



afsbendigo.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

Financial Statements

For the year ended 30 June 2023

Statement of profit or loss and other comprehensive income

	Note	2023 \$	2022 \$
Revenue from contracts with customers	6	2,621,927	1,125,400
Other revenue		1,536	6,806
Finance revenue		20,204	3,813
Total revenue		2,643,667	1,136,019
Employee benefits expense	7	(768,929)	(686,202)
Advertising and marketing costs		(7,770)	(2,652)
Occupancy and associated costs		(47,426)	(61,553)
System costs		(20,295)	(21,994)
Depreciation and amortisation expense	7	(64,719)	(84,685)
Finance costs		(26,231)	(27,376)
General administration expenses		(120,077)	(109,544)
Total expenses before community contributions and income tax expense		(1,055,447)	(994,006)
Profit before community contributions and income tax expense		1,588,220	142,013
Charitable donations, sponsorships and grants expense	7	(508,688)	(74,817)
Profit before income tax expense		1,079,532	67,196
Income tax expense	8	(270,871)	(18,279)
Profit after income tax expense for the year	19	808,661	48,917
Other comprehensive income for the year, net of tax		–	–
Total comprehensive income for the year		808,661	48,917

		Cents	Cents
Basic earnings per share	27	142.95	8.65
Diluted earnings per share	27	142.95	8.65

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Financial Statements (continued)

For the year ended 30 June 2023

Statement of financial position as at 30 June 2023

	Note	2023 \$	2022 \$
ASSETS			
Current assets			
Cash and cash equivalents	9	2,105,009	1,131,223
Trade and other receivables	10	277,716	143,693
Total current assets		2,382,725	1,274,916
Non-current assets			
Property, plant and equipment	11	63,603	44,636
Right-of-use assets	12	608,667	641,274
Intangibles	13	46,611	59,669
Deferred tax assets	8	26,860	46,639
Total non-current assets		745,741	792,218
Total assets		3,128,466	2,067,134
LIABILITIES			
Current liabilities			
Trade and other payables	14	227,744	100,934
Lease liabilities	15	27,007	26,069
Current tax liabilities	8	251,092	–
Employee benefits	16	58,114	61,390
Total current liabilities		563,957	188,393
Non-current liabilities			
Trade and other payables	14	29,697	44,544
Lease liabilities	15	674,432	701,440
Employee benefits	16	3,964	1,045
Lease make good provision	17	25,848	24,950
Total non-current liabilities		733,941	771,979
Total liabilities		1,297,898	960,372
Net assets		1,830,568	1,106,762
EQUITY			
Issued capital	18	559,585	559,585
Retained earnings	19	1,270,983	547,177
Total equity		1,830,568	1,106,762

The above statement of financial position should be read in conjunction with the accompanying notes

Financial Statements (continued)

For the year ended 30 June 2023

Statement of changes in equity

	Note	Issued capital \$	Retained earnings \$	Total Equity \$
Balance at 1 July 2021		559,585	526,545	1,086,130
Profit after income tax expense		–	48,917	48,917
Other comprehensive income, net of tax		–	–	–
Total comprehensive income		–	48,917	48,917
Transactions with owners in their capacity as owners:				
Dividends provided for	21	–	(28,285)	(28,285)
Balance at 30 June 2022		559,585	547,177	1,106,762
Balance at 1 July 2022		559,585	547,177	1,106,762
Profit after income tax expense		–	808,661	808,661
Other comprehensive income, net of tax		–	–	–
Total comprehensive income		–	808,661	808,661
Transactions with owners in their capacity as owners:				
Dividends provided for	21	–	(84,855)	(84,855)
Balance at 30 June 2023		559,585	1,270,983	1,830,568

The above statement of changes in equity should be read in conjunction with the accompanying notes

Financial Statements (continued)

For the year ended 30 June 2023

Statement of cash flows

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,758,159	1,179,845
Payments to suppliers and employees (inclusive of GST)		(1,665,154)	(1,066,619)
Interest received		11,989	5,255
Net cash provided by operating activities	26	1,104,994	118,481
Cash flows from investing activities			
Payments for property, plant and equipment	11	(38,021)	(34,204)
Payments for intangible assets		(13,498)	(11,298)
Proceeds from disposal of property, plant and equipment		–	1,595
Net cash used in investing activities		(51,519)	(43,907)
Cash flows from financing activities			
Dividends paid	21	(28,285)	(28,285)
Repayment of lease liabilities	15	(51,404)	(69,781)
Net cash used in financing activities		(79,689)	(98,066)
Net increase/(decrease) in cash and cash equivalents		973,786	(23,492)
Cash and cash equivalents at the beginning of the financial year		1,131,223	1,154,715
Cash and cash equivalents at the end of the financial year	9	2,105,009	1,131,223

The above statement of cash flows should be read in conjunction with the accompanying notes

Notes to the Financial Statements

For the year ended 30 June 2023

Note 1. Reporting entity

The financial statements cover Mundaring Community Financial Services Limited (the company) as an individual entity.

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 6945 Great Eastern Highway, Mundaring WA 6073.

A description of the nature of the company's operations and its principal activity is included in the directors' report, which is not part of the financial statements.

Note 2. Basis of preparation and statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB). The financial statements have been prepared on an accrual and historical cost basis and are presented in Australian dollars, which is the company's functional and presentation currency.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 8 September 2023. The directors have the power to amend and reissue the financial statements.

Note 3. Significant accounting policies

The company has consistently applied the following accounting policies to all periods presented in these financial statements.

Changes in accounting policies, standards and interpretations

There are a number of amendments to accounting standards issued by the AASB that became mandatorily effective for accounting periods beginning on or after 1 July 2022, and are therefore relevant for the current financial year. The amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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 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.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 3. Significant accounting policies (continued)

Impairment

Non-derivative financial assets

Expected credit losses (ECL) are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received. At each reporting date, the entity recognises the movement in the ECL (if any) as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The company's trade receivables are limited to the monthly profit share distribution from Bendigo Bank, which is received 10 business days post month end. Due to the reliance on Bendigo Bank the company has reviewed credit ratings provided by Standard & Poors, Moody's and Fitch Ratings to determine the level of credit exposure to the company. The company also performed a historical assessment of receivables from Bendigo Bank and found no instances of default. As a result no ECL has been made in relation to trade receivables as at 30 June 2023.

Non-financial assets

At each reporting date, the company reviews the carrying amounts of its tangible assets and intangible assets to determine whether there is any indication those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except when the amount of GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue or expense item.

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 taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Note 4. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events that it believes to be reasonable under the circumstances. Differences between the accounting judgements and estimates and actual results and outcomes are accounted for in future reporting periods. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed overleaf.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 4. Critical accounting judgements, estimates and assumptions (continued)

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives or assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets

The company assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined as the higher of its fair value less costs of disposal or value-in-use, each of which incorporate a number of key estimates and assumptions.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations, comparison of terms and conditions to prevailing market rates, incurrence of significant penalties, existence of significant leasehold improvements and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

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 inflation have been taken into account.

The company uses historical employee attrition rates in determining the probability of an employee, at a given date, achieving continuous employment eligible for entitlement in accordance with long service leave legislation.

In the absence of sufficient historical employee attrition rates, the company applies a benchmark probability rate from across the Community Bank network to factor in estimating the probability of an employee, at a given date, achieving continuous employment eligible for entitlement in accordance with legislation.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 4. Critical accounting judgements, estimates and assumptions (continued)

Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Note 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in February 2027.

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

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

The company promotes and sells the products and services, but is not a party to the transaction.

The credit risk (i.e. the risk that a customer will not make repayments) is for Bendigo Bank to bear as long as the company has complied with the appropriate procedures and relevant obligations and has not exercised a discretion in granting or extending credit.

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

- the design, layout and fit out of the Community Bank premises
- training for the branch manager and other employees in banking, management systems and interface protocol
- methods and procedures for the sale of products and provision of services
- security and cash logistic controls
- calculation of company revenue and payment of many operating and administrative expenses
- the formulation and implementation of advertising and promotional programs
- sales techniques and proper customer relations
- providing payroll services.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 6. Revenue from contracts with customers	2023 \$	2022 \$
Margin income	2,430,561	919,863
Fee income	90,484	88,227
Commission income	100,882	117,310
Revenue from contracts with customers	2,621,927	1,125,400

The company has entered into a franchise agreement with Bendigo Bank. The company delivers banking and financial services of Bendigo Bank to its community. The franchise agreement provides for a share of interest, fee, and commission revenue earned by the company. Interest margin share is based on a funds transfer pricing methodology which recognises that income is derived from deposits held, and that loans granted incur a funding cost. Fees are based on the company's current fee schedule and commissions are based on the agreements in place. All margin revenue is recorded as noninterest income when the company's right to receive the payment is established.

The company acts as an agent under the franchise agreement and revenue arises from the rendering of services through its franchise agreement.

Revenue is recognised on an accruals basis, at the fair value of consideration specified in the franchise agreement. Under AASB 15 *Revenue from Contracts with Customers* (AASB 15), revenue recognition for the company's revenue stream is as follows:

Revenue stream	Includes	Performance obligation	Timing of recognition
Franchise agreement profit share	Margin, commission, and fee income	When the company satisfies its obligation to arrange for the services to be provided to the customer by the supplier (Bendigo Bank as franchisor).	On completion of the provision of the relevant service. Revenue is accrued monthly and paid within 10 business days after the end of each month.

All revenue is stated net of the amount of GST. There was no revenue from contracts with customers recognised over time during the financial year.

Revenue calculation

The franchise agreement provides that three forms of revenue may be earned by the company which are margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services. The revenue earned by the company is dependent on the business that it generates.

Margin income

Margin on core banking products is arrived at through the following calculation:

Interest paid by customers on loans less interest paid to customers on deposits

plus: any deposit returns i.e. interest return applied by Bendigo Bank for a deposit,

minus: any costs of funds i.e. interest applied by to fund a loan.

The company is entitled to a share of the margin earned by Bendigo Bank. If this reflects a loss, the company incurs a share of that loss.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 6. Revenue from contracts with customers (continued)

Commission income

Commission revenue is in the form of commission generated for products and services sold. This commission is recognised at a point in time which reflects when the company has fulfilled its performance obligation.

The company receives trailing commission for products and services sold. Ongoing trailing commission payments are recognised on receipt as there is insufficient detail readily available to estimate the most likely amount of income without a high probability of significant reversal in a subsequent reporting period. The receipt of ongoing trailing commission income is outside the control of the company, and is a significant judgement area.

Fee income

Fee income is a share of what is commonly referred to as 'bank fees and charges' charged to customers by Bendigo Bank including fees for loan applications and account transactions.

Core banking products

Bendigo Bank has identified some products and services as 'core banking products'. It may change the products and services which are identified as core banking products by giving the company at least 30 days notice. Core banking products currently include Bendigo Bank branded home loans, term deposits and at call deposits.

Ability to change financial return

Under the franchise agreement, Bendigo Bank may change the form and amount of financial return the company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo Bank earns revenue.

The change may be to the method of calculation of margin, the amount of margin, commission and fee income or a change of a margin to a commission or vice versa. This may affect the amount of revenue the company receives on a particular product or service.

Bendigo Bank must not reduce the margin and commission the company receives on core banking products and services to less than 50% (on an aggregate basis) of Bendigo Bank's margin at that time. For other products and services, there is no restriction on the change Bendigo Bank may make.

Note 7. Expenses

	2023 \$	2022 \$
Employee benefits expense		
Wages and salaries	644,775	545,311
Superannuation contributions	68,819	53,653
Expenses related to long service leave	(3,688)	(5,441)
Other expenses	59,023	92,679
Total employee benefit expense	768,929	686,202

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 7. Expenses (continued)

Depreciation and amortisation expense	2023 \$	2022 \$
Depreciation of non-current assets		
Leasehold improvements	14,748	15,849
Plant and equipment	4,306	2,250
	19,054	18,099
Depreciation of right-of-use assets		
Leased land and buildings	32,607	54,450
Amortisation of intangible assets		
Franchise fee	2,176	2,190
Franchise renewal process fee	10,882	9,946
	13,058	12,136
Total depreciation and amortisation expense	64,719	84,685

Leases recognition exemption

Expenses relating to low-value leases	7,415	8,577
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The company pays for the right to use information technology equipment. The underlying assets have been assessed as low value and exempted from recognition under *AASB 16 Leases*. Expenses relating to low-value exempt leases are included in system costs expenses.

Charitable donations, sponsorships and grants expense

Direct donation, sponsorship and grant payments	402,790	33,457
Apportioned employee remuneration for community-engaged endeavours	36,439	27,899
Outgoings related to community-centric events	69,459	4,918
Total charitable donations, sponsorships and grants expense	508,688	66,274

Accounting policy for Charitable donations, sponsorships and grants expense

The overarching philosophy of the Community Bank model, is to support the local community in which the company operates. This is achieved by circulating the flow of financial capital into the local economy through community contributions (such as donations, sponsorships and grants).

The line item designated for charitable donations, sponsorships, and grants expenditure encompasses a spectrum of impactful initiatives, including direct contributions to community entities via sponsorships, grants, and donations. Additionally, this category incorporates expenditures linked to the orchestration and facilitation of community-centric events. It's important to note that a segment of the remuneration attributed to our Executive Officer is apportioned to this category, reflecting their pivotal involvement in community-engaged endeavours.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 8. Income tax	2023 \$	2022 \$
Income tax expense		
Current tax	251,092	–
Movement in deferred tax	5,900	4,352
Recoupment of prior year tax losses	13,879	13,927
Aggregate income tax expense	270,871	18,279
Prima facie income tax reconciliation		
Profit before income tax expense	1,079,532	67,196
Tax at the statutory tax rate of 25%	269,883	16,799
Tax effect of:		
- Non-deductible expenses	988	1,480
Income tax expense	270,871	18,279
Deferred tax assets/(liabilities)		
Property, plant and equipment	(15,901)	(11,159)
Employee benefits	15,520	15,643
Lease liabilities	175,360	181,877
Provision for lease make good	6,462	6,238
Accrued expenses	–	800
Carried forward tax losses	–	13,920
Income accruals	(2,415)	(361)
Right-of-use assets	(152,166)	(160,319)
Deferred tax asset	26,860	46,639
Provision for income tax	251,092	–

Accounting policy for income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 8. Income tax (continued)

Accounting policy for current tax

Current tax assets and liabilities are measured at amounts expected to be recovered from or paid to the taxation authorities. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Accounting policy for deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for all deductible temporary differences, carried-forward tax losses, and unused tax credits to the extent that it is probable that future taxable profits will be available against which they can be used.

The carrying amount of deferred 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 tax asset to be utilised.

Deferred tax is measured at the rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax and when the balances relate to taxes levied by the same taxation authority and the entity intends to settle its tax assets and liabilities on a net basis.

Note 9. Cash and cash equivalents

	2023 \$	2022 \$
Cash on hand	153	128
Cash at bank and on hand	1,104,856	331,095
Term deposits	1,000,000	800,000
	2,105,009	1,131,223

Accounting policy for cash and cash equivalents

For the purposes of the Statement of Financial Position and Statement of Cash Flows, cash and cash equivalents comprise cash on hand and deposits held with banks.

Note 10. Trade and other receivables

	2023 \$	2022 \$
Trade receivables	257,353	129,751
Accrued income	9,658	1,442
Prepayments	10,705	12,500
	20,363	13,942
	277,716	143,693

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 10. Trade and other receivables (continued)

Accounting policy for 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 allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Note 11. Property, plant and equipment

	2023 \$	2022 \$
Leasehold improvements - at cost	260,663	231,068
Less: Accumulated depreciation	(214,183)	(199,435)
	46,480	31,633
Plant and equipment - at cost	238,565	230,139
Less: Accumulated depreciation	(221,442)	(217,136)
	17,123	13,003
	63,603	44,636

Reconciliations of the carrying values at the beginning and end of the current and previous financial year are set out below:

	Leasehold improvements \$	Plant and equipment \$	Total \$
Balance at 1 July 2021	26,486	2,045	28,531
Additions	20,996	13,208	34,204
Depreciation	(15,849)	(2,250)	(18,099)
Balance at 30 June 2022	31,633	13,003	44,636
Additions	29,595	8,426	38,021
Depreciation	(14,748)	(4,306)	(19,054)
Balance at 30 June 2023	46,480	17,123	63,603

Accounting policy for property, plant and equipment

Items of property, plant and equipment are measured at cost or fair value as applicable, less accumulated depreciation. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing value and straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 11. Property, plant and equipment (continued)

Accounting policy for property, plant and equipment (continued)

Leasehold improvements	5 to 10 years
Furniture, fixtures and fittings	2 to 6 years

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Changes in estimates

During the financial year, the company assessed estimates used for property, plant and equipment including useful lives, residual values, and depreciation methods. There were no changes in estimates for the current reporting period.

Note 12. Right-of-use assets	2023 \$	2022 \$
Land and buildings - right-of-use	1,214,228	1,214,462
Less: Accumulated depreciation	(605,561)	(573,188)
	608,667	641,274

Reconciliations of the carrying values at the beginning and end of the current and previous financial year are set out below:

	Land and buildings \$
Balance at 1 July 2021	689,842
Remeasurement adjustments	5,882
Depreciation expense	(54,450)
Balance at 30 June 2022	641,274
Depreciation expense	(32,607)
Balance at 30 June 2023	608,667

Accounting policy for right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Refer to note 15 for more information on lease arrangements.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 13. Intangible assets	2023 \$	2022 \$
Franchise fee	172,074	172,074
Less: Accumulated amortisation	(164,275)	(162,099)
	7,799	9,975
Franchise renewal fee	99,178	99,178
Less: Accumulated amortisation	(60,366)	(49,484)
	38,812	49,694
	46,611	59,669

Reconciliations of the carrying values at the beginning and end of the current and previous financial year are set out below:

	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2021	1,284	5,230	6,514
Additions	10,881	54,410	65,291
Amortisation expense	(2,190)	(9,946)	(12,136)
Balance at 30 June 2022	9,975	49,694	59,669
Amortisation expense	(2,176)	(10,882)	(13,058)
Balance at 30 June 2023	7,799	38,812	46,611

Accounting policy for intangible assets

Intangible assets of the company relate to the franchise fees paid to Bendigo Bank which conveys the right to operate the Community Bank franchise.

Intangible assets are measured on initial recognition at cost. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

The franchise fees paid by the company are amortised over their useful life and assessed for impairment whenever impairment indicators are present.

The estimated useful life and amortisation method for the current and comparative periods are as follows:

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	February 2027
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	February 2027

Amortisation methods, useful life, and residual values are reviewed and adjusted, if appropriate, at each reporting date.

Change in estimates

During the financial year, the company assessed estimates used for intangible assets including useful lives, residual values, and amortisation methods. There were no changes in estimates for the current reporting period.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 14. Trade and other payables

	2023 \$	2022 \$
Current liabilities		
Trade payables	23,275	5,007
Other payables and accruals	204,469	95,927
	227,744	100,934
Non-current liabilities		
Other payables and accruals	29,697	44,544

Accounting policy for 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.

Where the company is liable to settle the amount within 12 months of the reporting date, the liability is classified as current. All other obligations are classified as non-current.

Note 15. Lease liabilities

	2023 \$	2022 \$
Current liabilities		
Land and buildings lease liabilities	51,403	51,403
Unexpired interest	(24,396)	(25,334)
	27,007	26,069
Non-current liabilities		
Land and buildings lease liabilities	908,125	959,529
Unexpired interest	(233,693)	(258,089)
	674,432	701,440
Reconciliation of lease liabilities		
Opening balance	727,509	764,898
Remeasurement adjustments	–	5,882
Lease interest expense	25,334	26,510
Lease payments - total cash outflow	(51,404)	(69,781)
	701,439	727,509
Maturity analysis		
Not later than 12 months	51,403	51,403
Between 12 months and 5 years	205,613	205,613
Greater than 5 years	702,512	753,916
	959,528	1,010,932

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 15. Lease liabilities (continued)

Accounting policy for lease liabilities

Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise variable lease payments that depend on an index and lease payments in a renewal option if the company is reasonably certain to exercise that option. For leases of property the company has elected not to separate lease and non-lease components when calculating the lease liability.

The company has applied judgement in estimating the remaining lease term including the effects of any extension options reasonably expected to be exercised, applying hindsight where appropriate. The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the company changes its assessment of whether it will exercise an extension option, or if there is a revised insubstance fixed lease payment.

The company assesses at the lease commencement date whether it is reasonably certain to exercise extension options. The company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Where the company is a lessee for the premises to conduct its business, extension options are included in the lease term except when the company is reasonably certain not to exercise the extension option. This is due to the significant disruption of relocating premises and the loss on disposal of leasehold improvements fitted out in the leased premises.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to nil.

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Mundaring Branch	3.54%	7 years and 3 months	3 x 5 years	Yes	February 2042

Note 16. Employee benefits

	2023 \$	2022 \$
Current liabilities		
Annual leave	32,669	25,456
Long service leave	22,684	29,291
Sick leave	2,761	6,643
	58,114	61,390
Non-current liabilities		
Long service leave	3,964	1,045

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 16. Employee benefits (continued)

Accounting policy for employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for salary and wages where the employee has provided the service but payment has not yet occurred at the reporting date. They are measured at amounts expected to be paid, plus related on-costs. Non-accumulating sick leave is expensed when the leave is taken and measured at the rates paid or payable.

An annual leave liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated. The company's obligations for short-term employee benefits such as salaries and wages are recognised as part of current trade and other payables in the statement of financial position. The company's obligations for employees' annual leave and long service leave entitlements are recognised in employee benefits in the statement of financial position.

Superannuation contributions

Contributions to superannuation plans are expensed in the period in which they are incurred.

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Provision for personal leave is recognised under the Bendigo Bank Enterprise Agreement where employees who have commenced on or before 15 December 2015 are entitled to a portion of their personal leave to be paid out when their employment ends.

Other long-term employee benefits

The company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior reporting periods.

That benefit is discounted to determine its present value. Consideration is given to expected future wage and salary levels plus related on-costs, experience of employee departures, and years of service achieved. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Remeasurements are recognised in profit or loss in the period in which they arise.

Note 17. Lease make good provision

	2023 \$	2022 \$
Lease make good	25,848	24,950

Lease make good

In accordance with the branch lease agreement, the company must restore the leased premises to the original condition before the expiry of the lease term. The company has estimated the provision to be \$50,000 for the Mundaring Branch lease, based on experience and consideration of the expected future costs to remove all fittings and the ATM as well as the cost to remedy any damages caused during the removal process. The lease is due to expire on February 2042 at which time it is expected the face-value costs to restore the premises will fall due.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 17. Lease make good provision (continued)

Accounting policy for 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. The 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.

Note 18. Issued capital	2023 Shares	2022 Shares	2023 \$	2022 \$
Ordinary shares - fully paid	565,700	565,700	565,700	565,700
Less: Equity raising costs	–	–	(6,115)	(6,115)
	565,700	565,700	559,585	559,585

Accounting policy for issued capital

Ordinary shares are recognised at the fair value of the consideration received by the company being \$1 per share. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Rights attached to issued capital

Ordinary shares

Voting rights

Subject to some limited exceptions, each member has the right to vote at a general meeting.

On a show of hands or a poll, each member attending the meeting (whether they are attending the meeting in person or by attorney, corporate representative or proxy) has one vote, regardless of the number of shares held. However, where a person attends a meeting in person and is entitled to vote in more than one capacity (for example, the person is a member and has also been appointed as proxy for another member) that person may only exercise one vote on a show of hands. On a poll, that person may exercise one vote as a member and one vote for each other member that person represents as duly appointed attorney, corporate representative or proxy.

The purpose of giving each member only one vote, regardless of the number of shares held, is to reflect the nature of the company as a community based company, by providing that all members of the community who have contributed to the establishment and ongoing operation of the Community Bank branch have the same ability to influence the operation of the company.

Dividends

Generally, dividends are payable to members in proportion to the amount of the share capital paid up on the shares held by them, subject to any special rights and restrictions for the time being attaching to shares. The franchise agreement with Bendigo Bank contains a limit on the level of profits or funds that may be distributed to shareholders. There is also a restriction on the payment of dividends to certain shareholders if they have a prohibited shareholding interest (see overleaf).

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 18. Issued capital (continued)

Ordinary shares (continued)

Transfer

Generally, ordinary shares are freely transferable. However, the directors have a discretion to refuse to register a transfer of shares.

Subject to the foregoing, shareholders may transfer shares by a proper transfer effected in accordance with the company's constitution and the *Corporations Act 2001*.

Prohibited shareholding interest

A person must not have a prohibited shareholding interest in the company.

In summary, a person has a prohibited shareholding interest if any of the following applies:

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 600. As at the date of this report, the company had 623 shareholders (2022: 625 shareholders).

As with voting rights, the purpose of this prohibited shareholding provision is to reflect the community-based nature of the company.

Where a person has a prohibited shareholding interest, the voting and dividend rights attaching to the shares in which the person (and their associates) has a prohibited shareholding interest in are suspended.

The board has the power to request information from a person who has (or is suspected by the board of having) a legal or beneficial interest in any shares in the company or any voting power in the company, for the purpose of determining whether a person has a prohibited shareholding interest. If the board becomes aware that a member has a prohibited shareholding interest, it must serve a notice requiring the member (or the member's associate) to dispose of the number of shares the board considers necessary to remedy the breach. If a person fails to comply with such a notice within a specified period (that must be between three and six months), the board is authorised to sell the specified shares on behalf of that person. The holder will be entitled to the consideration from the sale of the shares, less any expenses incurred by the board in selling or otherwise dealing with those shares.

In the constitution, members acknowledge and recognise that the exercise of the powers given to the board may cause considerable disadvantage to individual members, but that such a result may be necessary to enforce the prohibition.

Note 19. Retained earnings

	2023 \$	2022 \$
Retained earnings at the beginning of the financial year	547,177	526,545
Profit after income tax expense for the year	808,661	48,917
Dividends paid (note 21)	(84,855)	(28,285)
Retained earnings at the end of the financial year	1,270,983	547,177

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 20. Capital management

The board's policy is to maintain a strong capital base so as to sustain future development of the company. The board monitor the return on capital and the level of distributions 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.

The distribution limit is the greater of:

- 20% of the profit or funds of the company otherwise available for distribution to shareholders in that 12 month period; and
- subject to the availability of distributable profits, the relevant rate of return multiplied by the average level of share capital of the company over that 12 month period where 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 financial year 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.

Note 21. Dividends

Dividends paid during the period

The following dividends were paid to shareholders during the reporting period as presented in the Statement of cash flows.

	2023 \$	2022 \$
Fully franked dividend of 5 cents per share (2022: 5 cents)	28,285	28,285

Dividends provided for during the period

The following dividends were provided for during the reporting period as presented in the Statement of changes in equity.

	2023 \$	2022 \$
Fully franked dividend of 15 cents per share (2022: 5 cents)	84,855	28,285

Franking credits

	2023 \$	2022 \$
Franking account balance at the beginning of the financial year	385,910	395,338
Franking debits from the payment of franked distributions	(9,428)	(9,428)
	376,482	385,910

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 21. Dividends (continued)

Franking credits (continued)	2023 \$	2022 \$
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	376,482	385,910
Franking credits (debits) that will arise from payment (refund) of income tax	251,092	–
Franking credits available for future reporting periods	627,574	385,910

The ability to utilise franking credits is dependent upon the company's ability to declare dividends. The tax rate at which future dividends will be franked is 25%.

Note 22. Financial instruments	2023 \$	2022 \$
Financial assets		
Trade and other receivables	267,011	131,193
Cash and cash equivalents	2,105,009	1,131,223
	2,372,020	1,262,416
Financial liabilities		
Trade and other payables	257,441	145,478
Lease liabilities	701,439	727,509
	958,880	872,987

Accounting policy for financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The company's financial instruments include trade debtors and creditors, cash and cash equivalents and lease liabilities.

Trade receivables are initially recognised at the transaction price when they originated. All other financial assets and financial liabilities are initially measured at fair value plus transaction costs (where applicable), when the company becomes a party to the contractual provisions of the instrument. These assets and liabilities are subsequently measured at amortised cost using the effective interest method.

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the rights are transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and rewards associated with the asset. Financial liabilities are derecognised when its contractual obligations are discharged, cancelled, or expire. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company currently has a legally enforceable right to set off the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 22. Financial instruments (continued)

Accounting policy for financial instruments (continued)

Financial risk management

The company has exposure to credit, liquidity and market risk arising from financial instruments. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company does not use derivative instruments. Risk management is carried out directly by the board.

Market risk

Market risk is the risk that changes in market prices - e.g. foreign exchange rates, interest rates, and equity prices - will affect the company's income or the value of its holdings in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The company has no exposure to any transactions denominated in a currency other than Australian dollars.

Interest-bearing assets and liabilities are held with Bendigo Bank and subject to movements in market interest rate. The company held cash and cash equivalents of \$2,105,009 at 30 June 2023 (2022: \$1,131,223).

Price risk

The company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. The company is not exposed to commodity price risk.

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, and arises principally from the company's receivables from customers.

The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo Bank. The company monitors credit worthiness through review of credit ratings, Bendigo Bank is rated BBB+ on Standard & Poor's credit ratings.

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities. The contractual cash flow amounts are gross and undiscounted and therefore may differ from their carrying amount in the statement of financial position.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 22. Financial instruments (continued)

Exposure to liquidity risk (continued)

2023	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Trade and other payables	227,744	29,697	–	257,441
Lease liabilities	51,403	205,613	702,512	959,528
Total non-derivatives	279,147	235,310	702,512	1,216,969

2022	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Trade and other payables	100,934	44,544	–	145,478
Lease liabilities	51,403	205,613	753,916	1,010,932
Total non-derivatives	152,337	250,157	753,916	1,156,410

Note 23. Key management personnel disclosures

The following persons were directors of Mundaring Community Financial Services Limited during the financial year and/or up to the date of signing of these Financial Statements:

Nicola Jane Smith	Meagan Louise Wise
Rochelle Amanda Werrett	Danielle Vanessa Tamati
Kerry Dawn Hort Rowe	Benjamin Peter Fillery
Aleksandra Kuzet	Duncan Francis Frederick Pratt
Hannah Dyer	Peter Hackett

Compensation

Key management personnel compensation comprised the following:	2023 \$	2022 \$
Short-term employee benefits	15,165	15,000
Post-employment benefits	1,592	1,500
	16,757	16,500

Compensation of the company's key management personnel includes salaries and contributions to a post-employment superannuation fund.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 24. Related party transactions

The following transactions occurred with related parties:	2023 \$	2022 \$
The company made sponsorships to community groups where company directors also are committee members	12,044	–
The company used the accounting services of one of its directors in relation to Jeasdel Pty Ltd	–	2,460
Megan wise owns and operates White's & Grind café which supplied food for board meetings	200	–
Rochelle Werrett owns and operates Oh She Did which provided Social Media Marketing and Administration services	9,645	9,410
Peter Hackett provided testing and tagging for both Branch and Corporate Office	185	272

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

Note 25. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Andrew Frewin Stewart, the auditor of the company:

Audit services	2023 \$	2022 \$
Audit or review of the financial statements	5,400	5,200
Other services		
Taxation advice and tax compliance services	860	600
General advisory services	5,020	3,150
Share registry services	7,046	6,395
	12,926	10,145
	18,326	15,345

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 26. Reconciliation of profit after income tax to net cash provided by operating activities

	2023 \$	2022 \$
Profit after income tax expense for the year	808,661	48,917
Adjustments for:		
Depreciation and amortisation	64,719	84,685
Net gain on disposal of non-current assets	–	(1,595)
Lease liabilities interest	25,334	26,510
Change in operating assets and liabilities:		
Increase in trade and other receivables	(134,023)	(59,173)
Decrease in deferred tax assets	19,779	18,279
Increase in trade and other payables	68,891	10,800
Increase in provision for income tax	251,092	–
Decrease in employee benefits	(357)	(10,808)
Increase in other provisions	898	866
Net cash provided by operating activities	1,104,994	118,481

Note 27. Earnings per share

	2023 \$	2022 \$
Profit after income tax	808,661	48,917

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	565,700	565,700
Weighted average number of ordinary shares used in calculating diluted earnings per share	565,700	565,700

	Cents	Cents
Basic earnings per share	142.95	8.65
Diluted earnings per share	142.95	8.65

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 27. Earnings per share (continued)

Accounting policy for earnings per share

Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Mundaring Community Financial Services Limited, by the weighted average number of ordinary shares outstanding during the financial year.

Note 28. Commitments

The company has no commitments contracted for which would be provided for in future reporting periods.

Note 29. Contingencies

There were no contingent liabilities or contingent assets at the date of this report.

Note 30. Events after the reporting period

A 15 cent dividend was declared in the period and recognised as a liability as at 30 June 2023. This dividend is expected to be paid to shareholders in October 2023.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Director's Declaration

For the year ended 30 June 2023

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors

Aleksandra Kuzet

Director



8 September 2023

Independent audit report

For the year ended 30 June 2023



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
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(03) 5443 0344

Independent auditor's report to the Directors of Mundaring Community Financial Services Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Mundaring Community Financial Services Limited (the company), which comprises:

- Statement of financial position as at 30 June 2023
- Statement of profit or loss and other comprehensive income
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements, including a summary of significant accounting policies
- The directors' declaration of the company.

In our opinion, the accompanying financial report of Mundaring Community Financial Services Limited, is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; 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 (including Independence Standards)* (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Independent audit report (continued)

For the year ended 30 June 2023



Andrew Frewin Stewart
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Other Information

The other information comprises the information included in the company's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon. The annual report may also include "other information" on the company's operations and financial results and financial position as set out in the financial report, typically in a Chairman's report and Manager's report, and reports covering governance and shareholder matters.

The directors are responsible for the other information. The annual report is expected to be made available to us after the date of this auditor's report.

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

Our responsibility is to read the other information identified above when it becomes available 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 we identify that a material inconsistency appears to exist when we read the annual report (or become aware that the other information appears to be materially misstated), we will discuss the matter with the directors and where we believe that a material misstatement of the other information exists, we will request management to correct the other information. 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 it gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability 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 cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the company's financial reporting process.

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.



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Independent audit report (continued)

For the year ended 30 June 2023



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Misstatement can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 8 September 2023

A handwritten signature in black ink, appearing to read 'Joshua Griffin'.

Joshua Griffin
Lead Auditor



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