

**Bexley Financial
Services Limited**

ABN 37 105 775 844

**ANNUAL
REPORT
2022**

Community Bank Bexley Branch

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Chairman's Report

I have pleasure, on behalf of the Board of Directors, to present the Annual Report of Bexley Financial Services Ltd for Financial Year 2021/22.

For the first three quarters of the year (July 21-March 22) while interest rates remained at record low levels, the company's income was also at historically low levels: there is not much to be made from loans at 2%. In the fourth quarter (April-June 22), as interest rates started to rise, so did our income. This improving situation, combined with cost reduction measures already in place, has resulted in a small, but pleasing, full year profit of \$24,795.

Importantly, this momentum has gathered pace into the new financial year with monthly income increasing by 50% against the corresponding period last year.

In June 2022 the company also exercised its option to extend the branch lease for a further three years with a 10% reduction in lease payments. This will not further reduce operating costs, but secure the presence of our Bendigo Community Bank Branch in Bexley until at least June 2025.

Even at this early stage, therefore, I believe that the foundation has been laid for a more than satisfactory financial performance in Financial Year 2022/23.

My sincere thanks to our staff who, under the leadership of our Branch Manager, Anthony Georgiou, have continued to provide excellent service during the three years of difficult and trying circumstances. I also express my gratitude to my fellow directors who all serve voluntarily and provide such sound advice and support.

Michael Price
Chairman

Manager's Report

For the year ending 30 June 2022

Historically low interest rates coupled with low net operating margins, continued to impact the profitability of our Community Bank. This is despite the continued growth in the size of our business this financial year, while COVID-19 restrictions reduced outbound business engagement.

Despite these significant challenges, we managed to grow the size of our total banking books from \$115.1 million to \$120.3 million. This is a good result given the circumstances. From June 2019 to June 2022, our total business grew 25.31% (which translates to an average annual growth rate of 8.44%). Customer numbers also continue to grow, with the rate of new customer acquisition growing at twice the bank's net customer growth rate target.

| Performance Indicator | 2022 | 2021 | Change (%) |
|-----------------------|-----------------|-----------------|------------|
| Customer Numbers | 2,189 | 2,003 | + 9.3% |
| Deposits Balance | \$87.3 million | \$80.0 million | + 9.1% |
| Loan Approvals | \$6.750 million | \$5.766 million | + 17.1% |
| Loan Settlements | \$7.390 million | \$4.981 million | + 48.4% |
| Total Business Size | \$120.3 million | \$115.1 million | + 4.5% |

Throughout the year, the branch team have continued to focus on customer retention, onboarding new customers, and on improving the quality of their banking conversations with new and existing customers. Continued efforts have also gone into rebuilding the branch lending pipeline, with loan approvals and settlements at their highest levels since June 2018. On a business banking front, the branch has established partnerships with our Small Business Banker Steven Nguyen, and Middle Market Manager Jim Hogg which continues to yield results for our Community Bank branch. I'd like to thank Steven and Jim for their ongoing and pro-active efforts to support business banking growth at Bexley. I'd also like to acknowledge the service support provided to our business customers, by Bendigo Bank's Merchant & Payment Specialist Davin Kwan. The efforts of these specialists do not go unnoticed and are very much appreciated.

The branch had quite a challenging year with staffing movements. Two of our Customer Service Officers (CSOs), Angel Ko and Donna Premetis, moved onto other roles (Angel transferred to a corporate role with Bendigo Bank in August, while Donna moved into a Strata Management role with a local business in March). Both of the CSO vacancies were subsequently filled. Isela Caicedo Flores joined the branch in September, while Jini Choi joined us in mid-April (Isela comes from a FOREX background, while Jini was a CSO at Community Bank Eastwood). Ongoing and additional training has been provided to all staff, and this continues to upskill the capabilities of all members of the branch team moving forward. I would like to thank Tina, Angel, Donna, Isela, and Jini for going above and beyond for our customers.

I would also like to acknowledge the support of the Bendigo and Adelaide Bank team, and Regional Managers Kerry Millar & Yota Isaias. To the volunteer directors of the Board of Bexley Financial Services Ltd, thank you for generously giving of your time and services to support our Community Bank.

Most importantly to our valued customers and shareholders, we thank you for your ongoing support and for being our biggest advocates. Without you we would not exist, and we hope to continue to provide a level of customer service which exceeds your expectations. We encourage you to reach out to our team, for all your ongoing & future banking needs.

My main objectives for the 2022/2023 financial year are: to increase the number of lending applications and approvals, increase the size of our deposit book, and grow the customer base to 2300 customers.

I look forward to your continued support.

Anthony Georgiou
Branch Manager

Bexley Financial Services Limited
ABN 37 105 775 844
Directors' Report

Your directors present this report on the company for the financial year ended 30 June 2022.

Directors

The names of the directors in office at any time during or since the end of the year are:

Michael Price

Marianthe Kamateros

John Theodoridis

Robert Price

Rob Ryan

Chantelle Francisco

Weisen Zhou (since November 2021).

Directors' meetings

During the year, 9 Directors' meetings were held with attendance as follows:

| Director | Eligible to attend | Attendance |
|---------------------|--------------------|------------|
| Michael Price | 9 | 9 |
| Marianthe Kamateros | 9 | 9 |
| John Theodoridis | 9 | 8 |
| Robert Price | 9 | 6 |
| Rob Ryan | 9 | 6 |
| Chantelle Francisco | 9 | 2 |
| Weisen Zhou | 5 | 4 |

The Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Operating Result

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

Bexley Financial Services Limited
ABN 37 105 775 844
Directors' Report

| Year ended | Year ended |
|--------------|--------------|
| 30 June 2022 | 30 June 2021 |
| \$ | \$ |
| 24,795.56 | 346.33 |

Review of Operations

A review of the operations of the company during the financial year and the results of those operations are normal.

Significant Changes in the State of Affairs

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

Principal Activities

The principal activities of the company during the course of the year were in providing Community Bank services under management rights to operate a franchise branch of Bendigo and Adelaide Bank Limited.

No significant change in the nature of these activities occurred during the year.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

Future Developments

The company expects to maintain the present status and level of operations and hence there are no likely developments in the operations in future financial years.

Environmental Issues

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

Dividends

No dividends were declared or paid since the start of the financial year.

Options

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

Directors' Interests in Shares of the Company or Related Bodies Corporate

No shares were held by directors of the company, in the company or in related bodies corporate which are required to be declared

Bexley Financial Services Limited
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Directors' Report

Director's Benefits

No director has received or has become entitled to receive, during or since the financial year, a benefit because of a contract made by the company or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company or related body corporate.

Indemnifying Officer or Auditor

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, to any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Auditors Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 has been included.

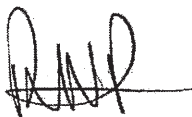
Signed in accordance with a resolution of the Board of Directors:



Director

Dated:

3 November 2022



Director

Dated:

3 Nov 2022

Bexley Financial Services Limited
ABN 37 105 775 844
Independent Auditor's Report

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
To THE DIRECTORS OF: Bexley Financial Services Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been :

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the Audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit



Dawsons Accountants Pty Ltd

Hamish Dawson, Registered Company Auditor

Address: 505 / 47 Main Street, Rouse Hill NSW 2155

Bexley Financial Services Limited
ABN 37 105 775 844
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2022

| | Note | 2022 \$ | 2021 \$ |
|---|------|--------------------------|--------------------------|
| Revenue | 2 | 348,364.00 | 327,167.61 |
| Other revenue | 2 | 98,987.43 | 118,690.44 |
| Gross profit | | <u>447,351.43</u> | <u>445,858.05</u> |
| Distribution expenses | | (17,135.77) | (4,524.33) |
| Marketing | | (4,275.58) | (3,472.58) |
| Administration expenses | | (401,136.04) | (424,904.38) |
| Finance Costs | | (8.48) | (12,610.43) |
| Profit before income tax | | <u>24,795.56</u> | <u>346.33</u> |
| Income tax (credit) expense | | | |
| Profit for the year | | <u>24,795.56</u> | <u>346.33</u> |
| Other comprehensive income: | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | |
| Items that will be reclassified subsequently to profit or loss when specific conditions are met: | | | |
| Total other comprehensive income for the year, net of tax | | | |
| Total comprehensive income for the year | | <u>24,795.56</u> | <u>346.33</u> |

The accompanying notes form part of these financial statements.

Bexley Financial Services Limited
ABN 37 105 775 844
Statement of Financial Position as at 30 June 2022

| | Note | 2022 | 2021 |
|----------------------------------|------|-------------------|-------------------|
| | | \$ | \$ |
| <hr/> | | | |
| Assets | | | |
| Current Assets | | | |
| Cash assets | 4 | 301,000.98 | 281,497.93 |
| Receivables | 5 | 40,211.89 | 36,586.37 |
| Other | 6 | 1,985.32 | 19,015.76 |
| Total Current Assets | | 343,198.19 | 337,100.06 |
| Non-Current Assets | | | |
| Property, plant and equipment | 7 | 1,067.09 | 1,334.09 |
| Total Non-Current Assets | | 1,067.09 | 1,334.09 |
| Total Assets | | 344,265.28 | 338,434.15 |
| Liabilities | | | |
| Current Liabilities | | | |
| Payables | 10 | 5,174.51 | 29,924.78 |
| Financial liabilities | 11 | 919.43 | 184.00 |
| Current tax liabilities | 12 | 21,594.00 | 8,375.86 |
| Other | 13 | 24,425.81 | 32,593.54 |
| Total Current Liabilities | | 52,113.75 | 71,078.18 |
| Total Liabilities | | 52,113.75 | 71,078.18 |
| Net Assets | | 292,151.53 | 267,355.97 |
| Equity | | | |
| Issued capital | 14 | 744,909.00 | 744,909.00 |
| Reserves | | (477,553.03) | (477,899.36) |
| Retained profits | | 24,795.56 | 346.33 |
| Total Equity | | 292,151.53 | 267,355.97 |

The accompanying notes form part of these financial statements.

Bexley Financial Services Limited
ABN 37 105 775 844
Independent Auditor's Report

| | Notes | Retained Earnings | Issued & Paid Up Capital | Total |
|--|-------|---------------------|-----------------------------|-------------------|
| Balance at 30/06/2020 | | <u>(477,899.36)</u> | <u>744,900.00</u> | <u>267,000.64</u> |
| Comprehensive Income | | | | |
| Profit attributable to the members | | 346.33 | | 346.33 |
| Other comprehensive income for the year | | | | |
| Total comprehensive income for the year attributable to members of the entity | | 346.33 | | 346.33 |
| Balance at 30/06/2021 | | <u>(477,553.03)</u> | <u>744,900.00</u> | <u>267,346.97</u> |
| Comprehensive Income | | | | |
| Profit attributable to the members | | 24,795.56 | | 24,795.56 |
| Other comprehensive income for the year | | | | |
| Total comprehensive income for the year attributable to members of the entity | | 24,795.56 | | 24,795.56 |
| Balance at 30/06/2022 | | <u>(452,757.47)</u> | <u>744,900.00</u> | <u>292,142.53</u> |

Bexley Financial Services Limited
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Statement of Cash Flows
For the year ended 30 June 2022
2022

2021

Cash Flow From Operating Activities

| | | |
|--|------------------|------------------|
| Receipts from customers | 443,725.91 | 453,582.18 |
| Payments to Suppliers and employees | (408,298.39) | (409,070.58) |
| Net Interest and other costs of finance | 816.42 | (12,610.43) |
| Net cash provided by (used in) operating activities (note 2) | <u>36,243.94</u> | <u>31,901.17</u> |

Cash Flow From Investing Activities

Payment for:

| | | |
|---|------------|------------|
| Other Assets | | (32.40) |
| Net cash provided by (used in) investing activities | | (32.40) |
| Net increase (decrease) in cash held | 18,767.62 | 31,868.77 |
| Cash at the beginning of the year | 281,313.93 | 249,445.16 |
| Cash at the end of the year (note 1) | 300,081.55 | 281,313.93 |

The accompanying notes form part of these financial statements.

Bexley Financial Services Limited
ABN 37 105 775 844
Statement of Cash Flows
For the year ended 30 June 2022
2022

2021

Note 1. Reconciliation Of Cash

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

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

| | | |
|-------------------------------|--------------------------|--------------------------|
| Bendigo Cheque Acct 8800 | 289,646.18 | 270,228.56 |
| Bendigo Cash Mgmt. Acct 3306 | 567.84 | 567.84 |
| Bendigo Term Deposit Acc 7360 | 10,770.41 | 10,684.98 |
| Bendigo Bank Card 3752 | (919.43) | (184.00) |
| Cash on hand | 16.55 | 16.55 |
| Total Cash | <u>300,081.55</u> | <u>281,313.93</u> |

Note 2. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Net Profit

| | | |
|---|-------------------------|-------------------------|
| Operating profit (loss) after tax | 24,795.56 | 346.33 |
| Amortisation | 267.00 | 1,205.00 |
| Changes in assets and liabilities net of effects of purchases and disposals of controlled entities: | | |
| (Increase) decrease in trade and term debtors | (3,625.52) | 7,724.13 |
| (Increase) decrease in prepayments | 16,830.44 | 6,102.81 |
| Increase (decrease) in trade creditors and accruals | (7,073.95) | 3,094.07 |
| Increase (decrease) in other creditors | (8,167.73) | 8,004.23 |
| Increase (decrease) in sundry provisions | 13,218.14 | 5,424.60 |
| Net cash provided by operating activities | <u>36,243.94</u> | <u>31,901.17</u> |

The accompanying notes form part of these financial statements.

Bexley Financial Services Limited ABN 37 105 775 844

Notes to the Financial Statements

For the year ended 30 June 2022

Note 1: Statement of Significant Accounting Policies

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

The financial report covers Bexley Financial Services Limited as an individual entity. Bexley Financial Services Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Income tax

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

Current income tax expense charged to profit or loss is the tax payable on taxable income measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

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

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

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which the management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the company in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

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

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and is not probable that the reversal will occur in the foreseeable future.

The accompanying notes form part of these financial statements.

Bexley Financial Services Limited ABN 37 105 775 844

Notes to the Financial Statements

For the year ended 30 June 2022

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

Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis.

The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

The cost of mining stocks includes direct material, direct labour, transportation costs and variable and fixed overhead costs relating to mining activities.

Land Held for Resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, foreign currency movements, borrowing costs and holding costs until completion of development. Borrowing costs, foreign currency movements and holding charges incurred after development are expensed. Profits are brought to account on the signing of an unconditional contract of sale.

Construction Contracts and Work in Progress

Construction work in progress is valued at cost, plus profit recognised to date less any provision for anticipated future losses. Cost includes both variable and fixed costs relating to specific contracts, and those costs that are attributable to the contract activity in general and that can be allocated on a reasonable basis.

Construction profits are recognised on the stage of completion basis and measured using the proportion of costs incurred to date as compared to expected total costs. Where losses are anticipated they are provided for in full.

Construction revenue has been recognised on the basis of the terms of the contract adjusted for any variations or claims allowable under the contract.

Property, Plant and Equipment

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

a) Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is a policy of Bexley Financial Services Limited to have an independent valuation every three years, with annual appraisals being made by the directors.

The revaluation of freehold land and buildings has not taken account of the potential capital gains tax on assets acquired after the introduction of capital gains tax.

b) Plant and equipment

The accompanying notes form part of these financial statements.

Bexley Financial Services Limited ABN 37 105 775 844

Notes to the Financial Statements

For the year ended 30 June 2022

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining the recoverable amounts.

The cost of fixed assets constructed within Bexley Financial Services Limited includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

c) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to Bexley Financial Services Limited commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

| Class of Asset | Depreciation Rate % |
|------------------------------|---------------------|
| Leasehold improvements | 20% |
| Office Furniture & Equipment | 7-20% |
| Franchise Agreement | 20% |

Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to Bexley Financial Services Limited are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that ownership of the asset will be obtained or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability. Lease payments received reduce the liability.

Investments

Shares in listed companies held as current assets are valued at those shares' market value at each balance date. The gains or losses, whether realised or unrealised, are included in profit from ordinary activities before income tax.

Non-current investments are measured on the cost basis. The carrying amount of non-current investments is reviewed annually to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for listed investments or the underlying net assets for other non-listed investments.

Bexley Financial Services Limited ABN 37 105 775 844

Notes to the Financial Statements

For the year ended 30 June 2022

The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

Investments in Associates

The equity method of accounting has been applied and recognised in the financial statements in relation to all associated companies. An associated company is a company over which Bexley Financial Services Limited is able to exercise significant influence.

Interest in Joint Ventures

The share of assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the statements of financial performance and financial position. Details of the interests are shown in the Notes to Accounts.

Research and Development Expenditure

Research and Development costs are charged to profit from ordinary activities before income tax as incurred or deferred where it is expected beyond any reasonable doubt that sufficient future benefits will be derived so as to recover those deferred costs.

Deferred research and development expenditure is amortised on a straight line basis over the period during which the related benefits are expected to be realised, once commercial production is commenced.

Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the cost are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

Intangibles

a) Goodwill

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Notes to the Financial Statements

For the year ended 30 June 2022

Goodwill is initially recorded at the amount by which the purchase price for a business exceeds the fair value attributed to its net assets at the date of acquisition. Purchased goodwill is amortised on a straight-line basis over the period of 20 years. The balance is reviewed annually and any balance representing future benefits for which the realisation is considered to be no longer probable is written off.

b) Patents and Trademarks

Patents and Trademarks are valued in the accounts at cost of acquisition and are amortised over the period in which their benefits are expected to be realised.

Foreign Currency Transactions and Balances

Foreign currency transactions during the period are converted to Australian currency at the rates of exchange applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at the balance date are converted to the rates of exchange ruling at that date.

The gains and losses from conversion of short-term assets and liabilities, whether realised or unrealised, are included in profit from ordinary activities as they arise.

Exchange differences arising on hedged transactions undertaken to hedge foreign currency exposures, other than those for the purchase and sale of goods and services, are brought to account in the profit from ordinary activities, when the exchange rates change.

Any material gain or loss arising at the time of entering into hedge transactions is deferred and brought to account in the profit from ordinary activities, over the lives of the hedges.

Costs or gains arising at the time of entering hedge transactions for the purchase and sale of goods and services, and exchange differences that occur up to the date of purchase or sale, are deferred and included in the measurement of the purchase or sale.

Gains and losses from speculative foreign currency transactions are brought to account in the profit from ordinary activities, when the exchange rate changes.

Employee entitlements

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash out flows to be made for those entitlements.

Contributions are made by Bexley Financial Services Limited to an employee superannuation fund and are charged as expenses when incurred.

Bexley Financial Services Limited does not record, as an asset or a liability, the difference between the employer established defined benefit superannuation plan's accrued benefits and the net market value of the plans assets.

Bexley Financial Services Limited operates an ownership-based remuneration scheme, details of which are provided in the Notes to Accounts. Profits or losses incurred by employees, being the difference between the market value and the par value of the shares acquired, are not recorded as remuneration paid to employees.

Provision for Warranties

The accompanying notes form part of these financial statements.

Bexley Financial Services Limited ABN 37 105 775 844

Notes to the Financial Statements

For the year ended 30 June 2022

Provision is made in respect of the economic entity's estimated liability on all products and services under warranty at balance date. The provision is based on the economic entity's history of warranty claims.

Debt Defeasance

Where assets are given up to extinguish the principal and all future interest of a debt and differences in the carrying values of assets foregone and the liability extinguished are brought to account in the profit from ordinary activities. Costs incurred in establishing the defeasance are expensed in the period that the defeasance occurs.

Where only part of a debt is extinguished the interest and principal are defeased proportionately and a liability recognised for the net present value of the remaining future interest and principal repayments. The discount factor applied is that implicit in the original debt.

In all cases where defeasance occurs, it is highly unlikely that the company will again be required to pay any part of the debt or meet any guarantees or indemnities associated with the debt.

Cash

For the purpose of the statement of cash flows, cash includes cash on hand and in all call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months, net of bank overdrafts.

Comparative Figures

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

Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking in to account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

Converting Preference Shares

Converting preference shares are brought to account on issue at the value of net proceeds received. The converting preference shares are compound financial instruments where the dividends are at fixed amounts with scheduled dates of payments and the number of ordinary shares to be issued on conversion is in part determined by the market price of ordinary shares at date of conversion. The present value of the interest and principal payable on conversion are discounted at the market rate of interest at issue date and are brought to account as borrowings. The difference between the net proceeds received and the borrowings component is brought to account as equity. Dividends paid on the converting preference shares are recognised as interest expense in the profit from ordinary activities.

Bexley Financial Services Limited
ABN 37 105 775 844
Notes to the Financial Statements
For the year ended 30 June 2022
2022

2021

Note 2: Revenue and Other Income

Sales revenue:

| | | |
|--|-------------------|-------------------|
| Non-primary production trading revenue | 348,364.00 | 327,167.61 |
| | 348,364.00 | 327,167.61 |

Other revenue:

| | | |
|----------------------------|------------------|-------------------|
| Interest revenue | 85.43 | |
| Upfront Product Commission | 5,501.00 | 21,139.50 |
| Trailer Product Commission | 42,776.00 | 42,249.42 |
| Fee Income | 35,625.00 | 38,984.67 |
| Market Development Fund | 15,000.00 | 24,583.34 |
| Other Revenue | 98,902.00 | 118,690.44 |
| | 98,987.43 | 118,690.44 |

Note 3: Profit from Ordinary Activities

Profit (loss) from ordinary activities before income tax has been determined after:

Charging as Expense:

| | | |
|-------------------------------------|--------|-----------|
| -Other Persons | 816.42 | 12,610.43 |
| Amortisation of non-current assets: | | |
| - Plant and Equipment | 267.00 | 1,205.00 |
| Total depreciation expenses | 267.00 | 1,205.00 |

Note 4: Cash assets

Bank accounts:

| | | |
|-------------------------------|------------|------------|
| Bendigo Cheque Acct 8800 | 289,646.18 | 270,228.56 |
| Bendigo Cash Mgmt. Acct 3306 | 567.84 | 567.84 |
| Bendigo Term Deposit Acc 7360 | 10,770.41 | 10,684.98 |

Other cash items:

| | | |
|--------------|--------------------------|--------------------------|
| Cash on hand | 16.55 | 16.55 |
| | <u>301,000.98</u> | <u>281,497.93</u> |

Reconciliation of Cash:

Bexley Financial Services Limited**ABN 37 105 775 844****Notes to the Financial Statements****For the year ended 30 June 2022****2022****2021**

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

| | | |
|--------------------------------------|--------------------------|--------------------------|
| - Cash | 301,000.98 | 281,497.93 |
| - Bank overdrafts (see also Note 11) | (919.43) | (184.00) |
| | <u>300,081.55</u> | <u>281,313.93</u> |

Note 5: Receivables**Current**

| | | |
|---------------|-------------------------|-------------------------|
| Trade debtors | 40,211.89 | 36,586.37 |
| | <u>40,211.89</u> | <u>36,586.37</u> |

Note 6: Other Assets**Current**

| | | |
|------------|------------------------|-------------------------|
| Prepayment | 1,985.32 | 18,815.76 |
| Other | | 200.00 |
| | <u>1,985.32</u> | <u>19,015.76</u> |

Note 7: Property, Plant and Equipment

Leasehold improvements:

| | | |
|----------------------------------|------------------------|------------------------|
| - At cost | 236,390.87 | 236,390.87 |
| - Less: Accumulated depreciation | (235,323.78) | (235,056.78) |
| | <u>1,067.09</u> | <u>1,334.09</u> |

Note 8: Investment Property

Balance at beginning of year

Balance at end of year

Note 9: Intangible Assets

Goodwill:

| | | |
|----------------------------------|--------------|--------------|
| - At cost | 257,575.00 | 257,575.00 |
| - Less: Accumulated amortisation | (257,575.00) | (257,575.00) |

Note 10: Payable

Unsecured:

| | | |
|-------------------|--------|----------|
| - Trade creditors | 231.23 | 7,305.18 |
|-------------------|--------|----------|

Bexley Financial Services Limited**ABN 37 105 775 844****Notes to the Financial Statements****For the year ended 30 June 2022****2022****2021**

| | | |
|-------------------|------------------------|-------------------------|
| | 231.23 | 7,305.18 |
| Unsecured: | | |
| - Other creditors | 4,943.28 | 22,619.60 |
| | 4,943.28 | 22,619.60 |
| | <u>5,174.51</u> | <u>29,924.78</u> |

Note 11: Financial Liabilities**Current**

Unsecured

| | | |
|----------------|----------------------|----------------------|
| Bank overdraft | 919.43 | 184.00 |
| | <u>919.43</u> | <u>184.00</u> |

Note 12: Tax Liabilities**Current**

| | | |
|------------------|-------------------------|------------------------|
| GST Payable | 10,475.69 | 13,469.83 |
| GST Receivable | (2,013.94) | (5,094.36) |
| GST Clearing | 0.75 | 0.39 |
| PAYG Withholding | 13,132.00 | |
| | <u>21,594.00</u> | <u>8,375.86</u> |

Note 13: Other Liabilities**Current**

| | | |
|--------|-------------------------|-------------------------|
| Sundry | 25,242.23 | 32,593.54 |
| | <u>44,057.99</u> | <u>32,593.54</u> |

Note 14: Contributed Capital

| | | |
|--|-------------------|-------------------|
| Ordinary shares at \$1.00 each fully paid | 744,909.00 | 744,909.00 |
|--|-------------------|-------------------|

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

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

Bexley Financial Services Limited

ABN 37 105 775 844

Notes to the Financial Statements

For the year ended 30 June 2022

2022

2021

Note 15: Key Management Personnel Compensation

The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:

\$

\$

Other KMP transactions

For details of other transactions with KMP, refer to Related Party Transactions

Note 16: Auditors' Remuneration

Remuneration of the auditor of the company for:

| | | |
|--|----------|----------|
| Auditing or reviewing the financial report | 7,000.00 | 7,000.00 |
|--|----------|----------|

| | | |
|----------------|--|--|
| Other services | | |
|----------------|--|--|

| | | |
|--|-----------------|-----------------|
| | <u>7,000.00</u> | <u>7,000.00</u> |
|--|-----------------|-----------------|

Note 17: Contingent Liabilities

Estimates of material amounts of contingent liabilities, not provided for in the accounts, arising from:

| | |
|-------------------|-------------|
| Bank Guarantee 1: | \$34,231.73 |
|-------------------|-------------|

| | |
|-------------------|-------------|
| Bank Guarantee 2: | \$10,318.27 |
|-------------------|-------------|

Note 18: Related Parties

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

Note 19: Events Subsequent to Reporting Date

Since the end of the financial year there have been no subsequent events

Note 20: Effect of Changes in Accounting Policy

There has been no change to accounting policy

Bexley Financial Services Limited
ABN 37 105 775 844
Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001 and;
 - a. Comply with Accounting standards and the Corporation Regulations; and
 - b. Give a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the year ended on that date;
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Director

Dated: 5 November 2022



Director

Dated: 3 Nov 2022

Bexley Financial Services Limited
ABN 37 105 775 844
Independent Auditor's Report

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Bexley Financial Services Limited (the company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of Bexley 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 2021 and of its performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 : Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Bexley Financial Services Limited
ABN 37 105 775 844
Directors' Declaration

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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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.

Signed on: 7th November, 2022



Hamish Dawson, Registered Company Auditor
Dawsons Accountants Pty Ltd
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