



City West Community Financial Services Limited

ABN 34 134 051 219

Financial Report - 30 June 2024



Table of Contents

Acknowledgement of Country	3
Chairman's Report	4
Branch Manager's Report	7
Community Partnerships	8
Dividends	10
BEN Message	11
Community Bank National Council Message	12
Environmental, Social and Governance & Sustainability Statement 2024	13
Financial Report – 30 June 2024	14

Acknowledgement of Country

The Company acknowledges the Gadigal and Wangal People of the Eora Nation who are the Traditional Custodians of the land in which we operate.

We pay respect to the Elders, past and present, and extend that respect to other Aboriginal people.



Smoking Ceremony at 2024 Sydney Lunar New Year Dragon Boat Festival in Darling Harbour



Welcome to Country at 2024 Sydney Lunar New Year Dragon Boat Festival in Darling Harbour

Chairman's Report

Financial Year 2024 overview

Our ambition is to be the ‘#1 Community Bank’ in Australia and deliver it with a touch of fun!

Looking back, financial year 2024 proved to be challenging where pricing to win competition for mortgages continue unabated.

Consequently, revenues dropped 7%, and with increases in cost and an increase in community contributions our profit after tax fell 28% compared with last year.

Our approach. We hold the observation that everyone banks, and who they bank with matters. Your Community Bank’s ‘**We bank with**’ proposition continues to resonate with individuals and families, strata, organisations, and businesses across the City of Sydney and beyond.

Notwithstanding the intense competitive environment, we continue to lean on and invest in service quality and business relationships. We’re pleased to report that our unabashedly customer friendly approach continues to resonate and deliver healthy rates of new customers who bank with us.

This commitment to invest in skills to deepen relationships and improve service quality gives us the confidence that the franchise is in a good position to take advantage of opportunities to grow into the future.

Financial results for FY2024

- a. Due to the challenging market, statutory **revenue** dropped 6.6% while **profit after tax** fell from \$828.4k to \$593.1k compared with the previous year (or 28.4%)

Table 1: Revenue performance

	FY2024	FY2023	FY2022
	(\$'000)	(\$'000)	(\$'000)
REVENUE	1,112,148	1,192,022	1,271,112

- b. **EBITDAC** (Earnings Before Interest, Tax, Depreciation, Amortisation and Community Contributions) measure showed a 5% increase on the prior year. EBITDAC is an indication of our capacity to invest in growth and provide dividends to shareholders.

Table 2: Profit before income tax and EBITDAC performance

	FY2024	FY2023	FY2022
	(\$'000)	(\$'000)	(\$'000)
PROFIT BEFORE INCOME TAX (adjusted)	1,167	1,196	212
Add: Finance costs	21	78	41
Add: Depreciation and amortisation expense	275	142	167
Add: Community Contributions	328	1,081	88
EBITDAC	1,791	2,497	408
Add: One time non-cash costs and adjustments		35	
UNDERLYING EBITDAC	1,791	2,532	408

- c. **Dividends.** The board has announced a total dividend pay-out of a fully franked 21 cents per share (or 28 cents per share on an unfranked basis). This maintains the dividends paid out last year.

The pay-out is made up of a fully franked 10 cents per share ordinary dividend, and a one-off fully franked 11 cent per share special dividend.

Looking ahead

Challenging environment notwithstanding, scale is fundamental for long term business success, and we will continue our resolve to actively pursue and invest in growth.

Our partner **Bendigo Bank's** brand remains strong. It continues to be one of Australia's most trusted banks and our **Community Bank Darling Square** branch continues to be a leader in customer experience and growth in customer numbers.

Acknowledgements

Our Customers. Thank you for banking with us. Your decision to bank with us allows the Community Bank to do more.

Our team are committed to customer outcomes and focused on providing best-in-class customer experience.

Our Partners. We're pleased to have partners who share our vision that Community Bank Darling Square is more than a just a bank. Thank you to organisations who bank with us, to referral partners who believe in us. Together we can and will do more.


Our Banking Team are our ambassadors where, each day, the goal is to serve and delight!

We continue to grow customer numbers at healthy and enviable rates. Importantly, customers have rated our team of 'banker-baristas' a **4.7-star Google rating**, an enviable result in financial services.

Congratulations to **Daniel, Kelly, Leon, Nataly, Andy, Parul and Penny.**

Board members and advisors.

My fellow directors and board advisors bring deep skills and significant experience to help steer the business. They are all wonderful ambassadors for the community bank. The board believes that community engagement is a key driver for long term growth, and we plan to continue to improve these capabilities as the business grows. **Thank You** for your service.



Lendlease-DSQ Community Bank Fund. We are especially pleased to collaborate with Lendlease. The fund's goal is to champion and promote residents, community groups and enterprises as well as events and projects near and dear to the community. It's heart-warming knowing that we have a partner who have, in their DNA, a commitment to connect communities.

Special thanks to Amanda Collins, Denis Wong, Scott Sullivan, and Neil Arckless for your assistance in getting us to Darling Square and the belief that significant benefits can be delivered well into the future.

Special thanks to Amanda Collins, Denis Wong, Scott Sullivan, and Neil Arckless for your assistance in getting us to Darling Square and the belief that significant benefits can be delivered well into the future.

Our Shareholders. Our founding shareholders had the foresight to sow the seeds while the current team continue to nurture it.

I do hope you share, as I do, the satisfaction of watching the orchard grow and bear fruit.

Everyone banks, who you bank with matters. Bank with Community Bank Darling Square.

Kind Regards,

Raymond Tai

Branch Manager's Report



As I reflect on another year of serving our customers and our community, I am proud of the results we have achieved and the commitment to the causes and events that we have supported at Community Bank Darling Square.

I believe that we have a unique vision that drives the way we work. Who you bank with matters. And this ethos defines our bank's relationship with those we serve.

Most importantly, I want to thank our customers, both long-standing and new, for allowing us to be part of your financial journey. Your trust in us as your community bank enables us to reinvest in local initiatives, support small businesses, and those in need. We are proud to be your neighbours and your bankers.

I also want to thank our dedicated team here at the branch for their unwavering commitment to excellence. Their expertise, professionalism, and genuine care for our customers have been instrumental in delivering exceptional service.

I also appreciate our board of directors for their guidance and strategic oversight. Your understanding of the goals of Community Bank Darling Square and the way this underpins the needs of our community has given us clear direction in the way we work.

Thank you also to our shareholders for your support and commitment. You are true community partners.

I want to express particular appreciation to our business and partners who have chosen us as their financial institution. Your decision to bank with us also multiplies our ability to support community growth and development.

I'm proud of Community Bank Darling Square and, looking ahead, I know we will continue to serve our customers, meet your financial needs with our innovative community-first approach.

Kind Regards,

Daniel Ye

Community Partnerships

Community engagement We support leaders who are passionate about their organisation, business, projects, events, or ideas that provide community benefit.

Community Partnerships (since 2010)

Anzac Day Service at Union Square
ArtShine (art exhibitions at the branch)
ATF International Sports & Fitness Festival
Australia Malaysia Business Council (NSW)
Australian Childcare Alliance
Australian Deaf Rugby
Bendigo Run
Bluefins Dragon Boat & Outrigger Club
Bright* (Entrepreneurship Facilitation)
Business Chamber South
Business Connections (networking)
Captain Bagrat Media (TV show pilot)
CASS Care
Carols in Union Square
Carols in Quarry Green
Children's Tumour Foundation

Chinese Youth League
Christmas in Pyrmont
Dai Hong Martial Arts Academy
Destructive Steps Dance Association
Dragon Boats NSW
Drought Relief appeal
EduVision (children's book review)
Foodbank NSW (breakfast for schools)
Friends of Pyrmont
Fusion Culture Group (Ultimo)
Haymarket Chamber of Commerce
Haymarket Alliance
Heart Dancers (Ultimo)
Hong Kong Australia Business Association
Impact100 Sydney
Indonesia Business Council
International Grammar School (Ultimo)
KU Children's Services (Pyrmont)
Lendlease-Darling Sq Community Bank Fund
Maybanke Recreation Centre (Pyrmont)
MoodActive (exercise to lift your mood)

Mustard Seed Live Nativity (Ultimo)
Mustard Marauders Dragon Boat Team
Museum of Chinese in Australia (MOCA)



NAIDOC events in Ultimo
 Neon Playground (Haymarket)
 PUG Men's Shed (Pymont, Ultimo, Glebe)
 Pacific Dragons Dragon Boat & Outrigger Club
 Pymont Cares
 Pymont Christmas Children's Group
 Pymont Community Centre
 Pymont Community Garden
 Pymont Community Monthly Lunch
 Pymont History Group
 Pymont Monopoly project
 Pymont Sings
 Pymont Ultimo Chamber of Commerce
 Pymont Ultimo Landcare
 Pymont Wine & Food Festival
 Rough Edges (Darlinghurst)
 Rural Aid appeal
 Schools for Impact (Impact100 program)
 SHARE SMR Inc
 Spanish Community Care Association
 St George & Sutherland Medical Research Foundation
 St James Catholic Primary School (Glebe)
 Soul of Chinatown (Haymarket)
 StartSomeGood (ThinkActChange talks)
 Stepping Stone House
 Sydney CBD Football Club
 Sydney Executive Business Association
 Sydney Flames Basketball Team
 Sydney Heritage Fleet

Sydney Lunar New Year Dragon Boat Races
 Sydney Secondary College (Glebe)
 Sydney Olympic Football Club
 Sydney Uni Football Club
 Sydney Women in Accounting Network (SWAN)
 Ultimo Community Centre
 Ultimo Community Garden
 Ultimo Public School P&C
 Ultimo Public School Fun Run
 Ultimo Japanese School
 United Nations Association of Australia (NSW)
 Uniting Harris Community Centre
 Uptown Crickets
 Way In Network
 West Boomers Baseball Club (juniors)

Website: www.communitybanksydney.com

Instagram: [@sydneycommunityhub](https://www.instagram.com/sydneycommunityhub)



Dividends

Dividends to Shareholders

Financial Year	Amount per share	Franking level
2023 - 2024	\$0.10 Ordinary Dividend \$0.11 Special Dividend	Fully franked at 25% Fully franked at 25%
2022 - 2023	\$0.10 Ordinary Dividend \$0.11 Special Dividend	Fully franked at 25% Fully franked at 25%
2021 - 2022	\$0.0525	\$0.00
2020 - 2021	\$0.0500	\$0.00
2019 - 2020	---	---



Community Bank Report 2024

BEN Message

This past year has been particularly significant for Bendigo Bank and the Community Bank network. After five years apart, we had the opportunity to come together in person and connect in Bendigo at our National Conference in September.

It was lovely to see so many familiar faces and to meet many directors who haven't attended previously. We feel proud to support such an amazing network.

We are committed to our strategy and the qualities that make Bendigo Bank unique, by staying true to our connection with communities, our regional roots, and our position as Australia's most trusted bank.

As Bendigo Bank adapts to the evolving digital landscape and changing customer expectations, the Community Bank Network is organically evolving in response.

Over the past 12 months, we have seen Community Bank companies seek to enhance their presence within their communities more than ever.

This has been through expanding or consolidating branch sites, collaborating with local, state, and national governments to support community initiatives, or by prioritising social value alongside financial performance through Social Trader accreditation.

The anniversary of the Community Bank model, along with changing environmental factors, provides an opportunity to reset and establish a clear pathway towards the next 25 years.

Bendigo Bank's purpose, to feed into the prosperity of communities, and our willingness to ensure our purpose is relevant to the needs of communities in which we are present, is a key contributor to our commercial success.

When we utilise our combined strengths, exercise our imaginations and have the courage to commit to creating our own opportunities, we will be the partner of choice for customers and communities regardless of location or cause.

Community, regional presence, and trust are the distinctive attributes of Bendigo Bank that we have maintained and plan to uphold in the future.

While Bendigo Bank emphasises commercial success, our foundation remains in community values. Our aim is to generate mutual value by providing solutions to local challenges.

On behalf of Bendigo Bank, thank you for being a shareholder in your local Community Bank. Your contribution helps foster economic growth, creates employment opportunities, and provides essential financial services to the members of your community.

Your dedication and support is making a positive impact on your community.

Justine Minne

Head of Community Banking.

Community Bank network: celebrating 26 years of empowering communities

This year our Community Bank network celebrated 26 years of providing grassroots support to metro, regional, rural and remote communities across Australia. It's a milestone that has been widely applauded by our customers and partners who recognise the significant role we play in the lives of everyday Australians. We're there when it matters – whether that be as second responders in times of natural disaster, crisis and need; or as community builders, providing resources and support; help and hope.

In the 2022-23 financial year, our Community Bank network gave back more than \$32 million in grants, sponsorships and donations to local community projects and initiatives. Over 26 years, we have returned more than \$324 million to local communities for emergency services; facilities and infrastructure; sport and recreation; education and research; health and wellbeing; art, culture and heritage as well as environment and animal welfare.

As a shareholder in your local Community Bank, you are part of this incredible social enterprise network that is playing an ever-important role in the Australian economy. With close working relationships with local, state and federal government, peak governing bodies, clubs and community organisations, we are integrally connected and in tune with the needs of everyday Australians.

Our Community Bank network is a first mover in Australia with our unique social enterprise model. The first Community Bank opened its doors in 1998, and since then, the network has grown to 305 Community Bank branches. Today we represent a diverse cross-section of Australia with more than 215 community enterprises, 70,000+ shareholders, 1500+ volunteer directors, 1700 staff and 950,000 customers.

Our Community Bank National Council (CBNC) plays a pivotal role in these relationships. The CBNC consists of both elected and appointed members from every state and territory. The role of council is to represent the network with its partners and to engage in strategic planning that delivers positive outcomes for our business and our communities.

The *2024 - 2026 Community Bank National Council Strategic Plan* has four key focus areas:

- Impact – a planned, deliberate approach with investments that enhance community prosperity.
- Leadership and advocacy – to ensure the long-term sustainability of our enterprises.
- Network alignment – enabling us to develop and nurture partnerships that align with our defined areas of social impact.
- Commercial prosperity – supporting the commercial success of our enterprises.

It is through this strategic plan, which has a foundation built on connection and collaboration, that we will deliver a strong, and secure future for our directors, shareholders, staff and the communities we serve.

Warm regards

Lauren Bean
General Manager
Community Bank National Council

Environmental, Social and Governance (ESG) and Sustainability Statement 2024

Trading as the Community Bank Darling Square, City West Community Financial Services Limited (CWCFSL) commenced business on 8 December 2009 to provide banking services and support our local communities. Its connection to community continues to remain core to its purpose. We know that communities thrive when local businesses and enterprises flourish.

We operate within the Bendigo Community Bank model that is now in its 26th year. It encompasses more than 300 branches and, since the model’s inception, it is on track to returning \$366 million back to communities.

FOCUS AREAS

Through effective management of key programs in our environmental, social and governance focus areas, we are living true to our social license to operate and ensuring we are continuing to be a responsible and ethical business.

ENVIRONMENT	SOCIAL	GOVERNANCE
Understanding and reducing environmental impacts and improving nature and biodiversity related outcomes throughout our value chain.	Identifying and managing issues and opportunities on a range of social topics impacting and shaping customers, communities, and our people.	Being a responsible and ethical business by ensuring high standards of corporate governance.

OUTCOMES

ENVIRONMENT	SOCIAL	GOVERNANCE
The CWCFS’ staff and Board regularly review its commitment to reducing the company’s environmental impact.	Our people, our trusted brand and our authentic connection to community are enviable strengths and our competitive advantage.	As a part of CWCFS’ Risk Management Plan, our commitment to delivering on sustainability and the core areas of ESG are regularly reviewed at a Board level.

IMPACTS

ENVIRONMENT	SOCIAL	GOVERNANCE
The company strives to drive action towards a resilient and sustainable future to grow the prosperity of customers, communities, shareholders, and our people.	Since commencing operations, the company has significantly grown its many social investments and partnerships in support of local communities as a core component of its social objectives.	The Board continues to build on our ESG framework, its Risk Management Plan, and its deliverables on sustainability and the core areas of ESG.



City West Community Financial Services Limited
Directors' report
30 June 2024

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2024.

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:

Name:	Raymond Li Jin Tai
Title:	Non-executive director
Experience and expertise:	Ray has been involved in not-for-profit community organisations since his university days. He is a shareholder in the company and is passionate about making lasting and positive contributions to society. Raymond is a water sports enthusiast and an advocate for a water sports centre in Bank Street that can provide access to our bays and Sydney Harbour for paddlers and local residents. Professionally he has held roles in business advisory, financial analyst, a deal maker in the IT industry across Australia and Asia. Raymond's qualifications include Bachelor of Economics (Accounting), Grad Dip in Applied Finance and Investments, CPA, MAICD.
Special responsibilities:	Chair, Marketing Chair, HR and Community Funding
Name:	Vinh Van Lam
Title:	Non-executive director
Experience and expertise:	Vinh is an entrepreneur with direct, real world experience across industries including Retail, Tourism & Hospitality, Manufacturing, and Financial Services. Vinh has hands on experience running multiple business enterprises, and an extensive track record in retail management and sales & marketing management, having worked with companies including Grace Bros. Limited, Myers, Airport Fine Foods, Pine Timberland Home, BankWest, and St.George Bank. As a Business Coach Vinh specialises in working with Art & Design businesses, and all creative professionals helping them build and grow their businesses. Delivering a full service business planning and coaching service that includes networking, digital marketing, social media management, performance analysis, performance management, retail sales, and sales management. Vinh is a versatile retail and management professional with twenty years industry experience, and a proven track record of continuous achievement across various sectors. Vinh has extensive experience in the development of new businesses from concept. This includes training, coaching and developing new staff, creating new processes & procedures, and motivating a new team to consistently exceed targets. Vinh has a proven record of change management, turnaround, review, and restructure of established businesses. This includes direct experience inspiring the rapid increase of sales, and the improvement of staff morale, productivity, and sales over budget.
Special responsibilities:	Community Funding Committee Chair
Name:	Ashley Leander Limbury
Title:	Non-executive director
Experience and expertise:	Ashley is an experienced mediator and tribunal member primarily involved with workplace, family law, discrimination and commercial matters. Ashley also has retail tenancy and franchising mediation expertise and experience in Human Resources and staff management. His qualifications include: M.B.A., (University of Technology Sydney). B.Ec. (Soc,Sci) (Hons.), (Sydney University).
Special responsibilities:	Secretary, HR, Deputy Chair

City West Community Financial Services Limited

Directors' report

30 June 2024

Name: Raymond Chung Jil Seeto
Title: Non-executive director
Experience and expertise: Ray is an Accountant specialising in R&D and EMDG advice to SME's and a mortgage broker. Ray's career has been varied and broad across a wide range of industries and companies in Australia and China having Finance Director roles for Avon China and Danone China. He has opened new markets as an entrepreneur and regional director in China and Australia/New Zealand for medical device and renewable energy companies. Ray holds a Bachelor of Business and is an associate member of the CPA and MFAA. Ray is a keen photographer and videographer and is constantly learning to improve his craft. He is a passionate runner, cyclist and mountain biker.
Special responsibilities: Treasurer, Finance and Audit Committee Chair, Community Funding, Secretary

Name: Matthew James Phelps
Title: Non-executive director (Bendigo Bank nominee)
Experience and expertise: Bachelor of International Business, Bachelor of Business (Financial Planning), CFP Financial Planning and Services.
Special responsibilities: Nil

Name: Valerie Gek Imm Khoo
Title: Non-executive director (appointed 19 December 2023)
Experience and expertise: Valerie Khoo is CEO of Australian Writers' Centre, the country's leading education and training provider for writing skills. She is a former journalist and editor who has worked at major publishing companies and was the small business commentator for The Sydney Morning Herald and The Age. Valerie has a Bachelor of Economics from the University of Sydney and Graduate Diploma in Communication at UTS. She was also Associate Lecturer at the Faculty of Economics at the University of Sydney and an accountant at PwC. With a strong passion for visual arts, Valerie also previously held the position of the City of Sydney's Curator for the Sydney Lunar Festival.
Special responsibilities: Marketing and Communications committee

Name: Mario Joao Silvera
Title: Non-executive director (appointed 19 December 2023)
Experience and expertise: Mario Silvera is an accomplished business development professional with over eight years of experience in the renewable energy sector, specialising in electric vehicle (EV) charging infrastructure. Currently serving as the Corporate Partnerships Sector Manager at JET Charge, Mario has a proven track record of driving significant revenue growth, developing strategic partnerships, and enhancing operational efficiency. Mario also brings valuable expertise in community engagement and financial services through his role as a Board Director for City West Community Financial Services Ltd (Community Bank Darling Square), a franchise of Bendigo Bank. His community involvement is further demonstrated by his active participation and role on the advisory committee for Impact100.
Special responsibilities: Nil

Name: Luke James Goldsworthy
Title: Non-executive director (resigned 21 November 2023)
Experience and expertise: With a history of executive, operational and managerial roles across several retailers like Woolworths, David Jones and Target, Luke is a senior leadership figure dedicated to guiding diverse teams to ongoing success through education, learning and collaboration. He has spent over 20 years learning all about the worlds of retail, marketing, operations, buying and procurement and e-commerce. He now spends his time educating others on the development and implementation of online business and marketing strategies. Luke is engaged with the world of digital, especially in the digital transformation of business and industry. Luke works with clients directing their companies and their Boards in the fascinating digital world and its interactions with the current philosophies of retail and trade.
Special responsibilities: Marketing

City West Community Financial Services Limited

Directors' report

30 June 2024

Name: Kim Loan Hann
Title: Non-executive director (resigned 12 December 2023)
Experience and expertise: A passionate business leader who is committed and accomplished in delivering outcomes and value across Customer Experience management, Marketing and Sales technologies. A pragmatic CX and digital practitioner working at the intersection of customer data and real time interactions delivering omni-channel connected customer experiences. Kim has held executive roles across a number of organisations ranging from Digital marketing, Customer Experience and Transformation Consulting agencies, working with global leading brands.
Special responsibilities: Marketing

Company secretary

The company secretaries are the following:

- Ashley Leander Limbury was appointed company secretary on 2 March 2022.
- Raymond Chung Jil Seeto was appointed company secretary on 15 August 2023.

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 **\$593,133** (30 June 2023: **\$828,381**).

Operations have continued to perform in line with expectations.

Dividends

During the financial year, the following dividends were provided for and paid. The dividends have been provided for in the financial statements.

	2024 \$	2023 \$
Fully franked dividend of 21 cents per share (2023: 21 cents)	<u>209,267</u>	<u>209,267</u>

Significant changes in the state of affairs

On 1 July 2023, Bendigo Bank updated the Funds Transfer Pricing (FTP) base rate on certain deposits which has reduced the income earned on these products.

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

Matters subsequent to the end of the financial year

Since the end of the financial year the directors have entered into negotiations to sign a renewal of the franchise agreement, which would be for a five year term expiring December 2029. The directors have no reason to believe the franchise agreement renewal will not be forthcoming.

No other matter or circumstance has arisen since 30 June 2024 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 and expected results of operations

No matter, circumstance or likely development in operations has arisen during or since the end of the financial year that has significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

Environmental regulation

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

City West Community Financial Services Limited

Directors' report

30 June 2024

Meetings of directors

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

	Eligible	Board Attended
Raymond Li Jin Tai	12	12
Vinh Van Lam	12	8
Ashley Leander Limbury	12	11
Raymond Chung Jil Seeto	12	11
Matthew James Phelps	12	9
Valerie Gek Imm Khoo	7	6
Mario Joao Silvera	7	5
Luke James Goldsworthy	5	1
Kim Loan Hann	6	2

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.

Directors' interests

The interest in company shareholdings for each director are:

	Balance at the start of the Year	Changes	Balance at the end of the year
Raymond Li Jin Tai	15,000	-	15,000
Vinh Van Lam	500	-	500
Ashley Leander Limbury	6,501	-	6,501
Raymond Chung Jil Seeto	-	-	-
Matthew James Phelps	-	-	-
Valerie Gek Imm Khoo	-	-	-
Mario Joao Silvera	-	-	-
Luke James Goldsworthy	-	-	-
Kim Loan Hann	-	-	-

Shares under option

There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

Indemnity and insurance of directors and officers

The company has indemnified all directors and management in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or management 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.

City West Community Financial Services Limited

Directors' report

30 June 2024

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.

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 24 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



Raymond Li Jin Tai
Chair

30 September 2024

City West Community Financial Services Limited
Auditor's independence declaration



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN 65 684 604 890
afs@afsbendigo.com.au
(03) 5443 0344

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

As lead auditor for the audit of City West 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: 19 September 2023

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

Joshua Griffin
Lead Auditor



City West Community Financial Services Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	2024 \$	Restated 2023 \$
Revenue from contracts with customers	7	2,454,285	2,628,489
Other revenue		8,489	11,476
Finance revenue		1,486	837
Total revenue		<u>2,464,260</u>	<u>2,640,802</u>
Employee benefits expense	8	(766,605)	(694,678)
Advertising and marketing costs		(62,573)	(35,685)
Occupancy and associated costs		(17,610)	(32,441)
System costs		(27,908)	(28,601)
Depreciation and amortisation expense	8	(272,228)	(282,757)
Finance costs	8	(26,642)	(69,999)
General administration expenses		(123,490)	(142,375)
Total expenses before community contributions and income tax		<u>(1,297,056)</u>	<u>(1,286,536)</u>
Profit before community contributions and income tax expense		1,167,204	1,354,266
Charitable donations, sponsorships and grants expense		<u>(323,386)</u>	<u>(200,030)</u>
Profit before income tax expense		843,818	1,154,236
Income tax expense	9	<u>(250,685)</u>	<u>(325,855)</u>
Profit after income tax expense for the year		593,133	828,381
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>593,133</u>	<u>828,381</u>
		Cents	Cents
Basic earnings per share	26	59.52	83.13
Diluted earnings per share	26	59.52	83.13

Refer to note 6 for detailed information on Change to comparative figures.

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

City West Community Financial Services Limited
Statement of financial position
As at 30 June 2024

	Note	2024 \$	Restated 2023 \$
Assets			
Current assets			
Cash and cash equivalents	10	907,390	468,927
Trade and other receivables	11	218,209	237,483
Investments	12	29,031	29,031
Total current assets		<u>1,154,630</u>	<u>735,441</u>
Non-current assets			
Property, plant and equipment	13	326,735	314,063
Right-of-use assets	14	426,009	510,205
Intangible assets	15	773,660	916,499
Deferred tax assets	9	28,378	22,573
Total non-current assets		<u>1,554,782</u>	<u>1,763,340</u>
Total assets		<u>2,709,412</u>	<u>2,498,781</u>
Liabilities			
Current liabilities			
Trade and other payables	16	146,174	96,053
Lease liabilities	17	124,928	92,127
Current tax liabilities	9	108,486	135,658
Employee benefits		42,669	43,954
Total current liabilities		<u>422,257</u>	<u>367,792</u>
Non-current liabilities			
Trade and other payables	16	-	6,194
Borrowings		1,166	106,073
Lease liabilities	17	551,347	673,667
Employee benefits		7,627	3,076
Provisions		34,186	33,016
Total non-current liabilities		<u>594,326</u>	<u>822,026</u>
Total liabilities		<u>1,016,583</u>	<u>1,189,818</u>
Net assets		<u>1,692,829</u>	<u>1,308,963</u>
Equity			
Issued capital	18	961,485	961,485
Retained earnings		<u>731,344</u>	<u>347,478</u>
Total equity		<u>1,692,829</u>	<u>1,308,963</u>

Refer to note 6 for detailed information on Change to comparative figures.

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

City West Community Financial Services Limited
Statement of changes in equity
For the year ended 30 June 2024

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2022		961,485	(428,586)	532,899
Profit after income tax expense (restated)		-	828,381	828,381
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	828,381	828,381
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(52,317)	(52,317)
Balance at 30 June 2023 (restated)		961,485	347,478	1,308,963
Balance at 1 July 2023 (restated)		961,485	347,478	1,308,963
Profit after income tax expense		-	593,133	593,133
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	593,133	593,133
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(209,267)	(209,267)
Balance at 30 June 2024		961,485	731,344	1,692,829

Refer to note 6 for detailed information on Change to comparative figures.

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

City West Community Financial Services Limited
Statement of cash flows
For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,728,654	2,771,707
Payments to suppliers and employees (inclusive of GST)		(1,499,519)	(1,577,737)
Interest received		1,486	837
Interest and other finance costs paid		(2,448)	(42,746)
Income taxes paid		(283,662)	(75,001)
Net cash provided by operating activities	25	944,511	1,077,060
Cash flows from investing activities			
Payments for property, plant and equipment		(62,082)	(3,646)
Payments for intangible assets		(13,508)	(13,508)
Net cash used in investing activities		(75,590)	(17,154)
Cash flows from financing activities			
Repayment of lease liabilities		(93,168)	(74,095)
Interest and other finance costs paid		(23,116)	(26,199)
Dividends paid	20	(209,267)	(52,317)
Repayment of borrowings		(104,907)	(763,927)
Net cash used in financing activities		(430,458)	(916,538)
Net increase in cash and cash equivalents		438,463	143,368
Cash and cash equivalents at the beginning of the financial year		468,927	325,559
Cash and cash equivalents at the end of the financial year	10	907,390	468,927

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

City West Community Financial Services Limited
Notes to the financial statements
30 June 2024

Note 1. Reporting entity

The financial statements cover City West Community Financial Services Limited (the company) as an individual entity, which is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Shop NE12, 11 Little Pier Street, Haymarket NSW 2000.

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 directors have a reasonable expectation that the company has adequate resources to pay its debts as and when they fall due for the foreseeable future. For these reasons, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 September 2024. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

The accounting policies that are material to the company are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Adoption of new and revised accounting standards

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current financial year. A description of the impact of new or amended Accounting Standards and Interpretations that have had a material impact on the company during the current financial year is outlined below:

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates is mandatory for annual reporting periods beginning on or after 1 January 2023 and was adopted by the company in the preparation of the 30 June 2024 financial statements.

AASB 2021-2 includes amendments to AASB 101 *Presentation of Financial Statements*, requiring the company to disclose material accounting policy information in its financial statements rather than significant accounting policies which was required in previous financial years. Accounting policy information is material if it, when considered with other information, could reasonably be expected to influence decisions of primary users based on the financial statements.

Adoption of AASB 2021-2 has had no impact on the numerical information disclosed in the company's financial statements. Rather, adoption has required the company to remove significant accounting policy information from the notes to the financial statements that is not considered material.

Accounting standards issued but not yet effective

An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to the company has been performed. No new or amended Accounting Standards or Interpretations that are not mandatory have been early adopted, nor are they expected to have a material impact on the company in future financial years.

Current and non-current classification

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

City West Community Financial Services Limited
Notes to the financial statements
30 June 2024

Note 3. Material accounting policy information (continued)

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets measured at amortised cost. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Impairment of 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 4. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. The directors continually evaluate their judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

The directors base their 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 below.

Judgements

Timing of revenue recognition associated with trail commission

The company receives trailing commission from Bendigo Bank for products and services sold. Ongoing trailing commission payments are recognised on a monthly basis when earned as there is insufficient detail readily available to estimate the most likely amount of revenue without a high probability of significant reversal in a subsequent reporting period. The receipt of ongoing trailing commission revenue is outside the control of the company.

Allowance for expected credit losses on trade and other receivables

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

City West Community Financial Services Limited
Notes to the financial statements
30 June 2024

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

The company has not recognised an allowance for expected credit losses in relation to trade and other receivables for the following reasons:

- 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.
- 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. The directors are not aware of any such non-compliance at balance date.
- 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 has not experienced any instances of default in relation to receivables owed to the company from Bendigo Bank.

Impairment of non-financial assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible 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. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. The directors did not identify any impairment indications during the financial year.

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.

The company includes extension options applicable to the lease of branch premises in its calculations of both the right-of-use asset and lease liability except where the company is reasonably certain it will not 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.

Estimates and assumptions

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.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, which is generally the case for the company's lease agreements, 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. This 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.

City West Community Financial Services Limited
Notes to the financial statements
30 June 2024

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 current franchise agreement expires in December 2024 and subsequent to year end the directors have entered into negotiations to sign a renewal of the franchise agreement, which would be for a five year term expiring December 2029. The directors have no reason to believe the franchise agreement renewal will not be forthcoming.

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.

Note 6. Change to comparative figures

Classification of term deposits

During the year the directors reviewed the requirements of AASB 107 *Statement of Cash Flows* and noted term deposits normally qualify as a cash and cash equivalent only when they have initial investment periods of three months or less. In previous financial years the company classified all term deposits as cash and cash equivalents in the preparation of the financial statements even if they had initial investment periods greater than three months.

In the preparation of the financial statements for the current financial year, the directors updated its accounting policy to align to the requirements of AASB 107, restating comparative figures to reclassify term deposits with initial investment periods greater than three months as current investments instead of cash and cash equivalents in the Statement of financial position.

The change in classification had the following impacts on comparative figures:

- Cash and cash equivalents decreased and investments increased by \$29,031 at 30 June 2023 as reported in the Statement of financial position.
- Opening and closing cash balances were reduced to exclude term deposits with initial investment periods greater than three months as reported in the Statement of cash flows.
- Investments in and redemptions of term deposits with initial investment periods greater than three months are now classified within investment activities as reported in the Statement of cash flows.

The change in classification had no impact on the company's net profit or net asset position.

City West Community Financial Services Limited
Notes to the financial statements
30 June 2024

Note 6. Change to comparative figures (continued)

Correction of error

During the year ended 30 June 2023 the company acquired footings from Balmain/Rozelle FSL, which were initially recognised as goodwill within intangible assets.

During the year ended 30 June 2024 an error was identified in relation to the initial recognition and measurement of the Balmain/Rozelle FSL footings however.

The directors reviewed the initial accounting treatment applied, and noted the acquisition should have been treated as an asset acquisition instead of a business combination. This is because, in the directors view, the processes acquired from Balmain/Rozelle FSL were not considered substantive as the company already had processes in place (prior to the acquisition) to service the acquired footings.

Accordingly, the directors concluded the acquired footings should have been recognised as an intangible asset with a finite useful life and should have been amortised over the useful life, rather than being recognised as an intangible asset with an indefinite useful life.

As a result, the comparative information for the Statement of financial position and the Statement of profit or loss and other comprehensive income for the year ended 30 June 2023, were restated in accordance with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors*.

The impact of this error on the comparative information is outlined below.

Statement of profit or loss and other comprehensive income

Extract	2023 \$ Reported	\$ Adjustment	2023 \$ Restated
Depreciation and amortisation expense	(142,170)	(140,587)	(282,757)
Impairment of intangible assets	(98,621)	98,621	-
Profit before income tax expense	1,196,202	(41,966)	1,154,236
Income tax expense	(325,855)	-	(325,855)
Profit after income tax expense for the year	870,347	(41,966)	828,381
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	870,347	(41,966)	828,381
	Cents Reported	Cents Adjustment	Cents Restated
Basic earnings per share	87.34	(4.21)	83.13
Diluted earnings per share	87.34	(4.21)	83.13

City West Community Financial Services Limited
Notes to the financial statements
30 June 2024

Note 6. Change to comparative figures (continued)

Statement of financial position at the end of the earliest comparative period

	2023 \$ Reported	\$ Adjustment	2023 \$ Restated
Extract			
Assets			
Current assets			
Cash and cash equivalents	497,958	(29,031)	468,927
Investments	-	29,031	29,031
Total current assets	735,441	-	735,441
Non-current assets			
Intangible assets	958,465	(41,966)	916,499
Total non-current assets	1,805,306	(41,966)	1,763,340
Total assets	2,540,747	(41,966)	2,498,781
Net assets	1,350,929	(41,966)	1,308,963
Equity			
Retained earnings	389,444	(41,966)	347,478
Total equity	1,350,929	(41,966)	1,308,963

Note 7. Revenue from contracts with customers

	2024 \$	2023 \$
Margin income	2,215,490	2,390,778
Fee income	70,625	68,318
Commission income	168,170	169,393
	2,454,285	2,628,489

Accounting policy for revenue from contracts with customers

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 non-interest 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.

City West Community Financial Services Limited
Notes to the financial statements
30 June 2024

Note 7. Revenue from contracts with customers (continued)

Revenue is recognised on an accruals basis, at the fair value of consideration specified in the franchise agreement, 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, interest rates and funds transfer pricing and other factors, such as economic and local conditions.

Margin income

Margin income 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 Bendigo Bank 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.

Commission income

Commission income is generated from the sale of products and services. This commission is recognised at a point in time which reflects when the company has fulfilled its performance obligation. Refer to note 4 for further information regarding key judgements applied by the directors in relation to the timing of revenue recognition from trail commission.

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.

City West Community Financial Services Limited
Notes to the financial statements
30 June 2024

Note 8. Expenses

Employee benefits expense

	2024	2023
	\$	\$
Wages and salaries	600,789	524,875
Superannuation contributions	67,525	58,044
Expenses related to long service leave	204	3,792
Other expenses	98,087	107,967
	<u>766,605</u>	<u>694,678</u>

Depreciation and amortisation expense

	2024	2023
	\$	\$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	42,731	41,734
Plant and equipment	6,679	6,809
	<u>49,410</u>	<u>48,543</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	79,979	80,559
<i>Amortisation of intangible assets</i>		
Franchise fee	2,178	2,178
Franchise renewal fee	10,890	10,890
Rights to revenue share	129,771	140,587
	<u>142,839</u>	<u>153,655</u>
	<u>272,228</u>	<u>282,757</u>

Finance costs

	2024	2023
	\$	\$
Bank loan interest paid or accrued	2,448	42,746
Lease interest expense	23,116	26,199
Unwinding of make-good provision	1,078	1,054
	<u>26,642</u>	<u>69,999</u>

Finance costs are recognised as expenses when incurred using the effective interest rate.

City West Community Financial Services Limited
Notes to the financial statements
30 June 2024

Note 9. Income tax

	2024	2023
	\$	\$
<i>Income tax expense</i>		
Current tax	258,487	210,658
Movement in deferred tax	(5,805)	(19,117)
Under/over provision in respect to prior years	(1,997)	-
Recoupment of prior year tax losses	-	134,314
	<hr/>	<hr/>
Aggregate income tax expense	250,685	325,855
	<hr/>	<hr/>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	843,818	1,154,236
	<hr/>	<hr/>
Tax at the statutory tax rate of 25%	210,955	288,559
Tax effect of:		
Non-deductible expenses	41,727	37,296
	<hr/>	<hr/>
	252,682	325,855
Under/over provision in respect to prior years	(1,997)	-
	<hr/>	<hr/>
Income tax expense	250,685	325,855
	<hr/>	<hr/>
	2024	2023
	\$	\$
<i>Deferred tax assets/(liabilities)</i>		
Property, plant and equipment	(55,309)	(52,392)
Employee benefits	12,574	11,813
Lease incentive	-	(9,000)
Provision for lease make good	8,547	8,254
Lease liabilities	169,068	191,449
Right-of-use assets	(106,502)	(127,551)
	<hr/>	<hr/>
Deferred tax asset	28,378	22,573
	<hr/> <hr/>	<hr/> <hr/>
	2024	2023
	\$	\$
Provision for income tax	<hr/> <hr/> 108,486	<hr/> <hr/> 135,658

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.

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

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.

City West Community Financial Services Limited
Notes to the financial statements
30 June 2024

Note 10. Cash and cash equivalents

	2024	2023
	\$	\$
Cash at bank and on hand	907,390	468,927

Note 11. Trade and other receivables

	2024	2023
	\$	\$
Trade receivables	210,208	230,482
Prepayments	8,001	7,001
	<u>218,209</u>	<u>237,483</u>

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. 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.

Note 12. Investments

	2024	2023
	\$	\$
<i>Current assets</i>		
Term deposits	29,031	29,031

Note 13. Property, plant and equipment

	2024	2023
	\$	\$
Leasehold improvements - at cost	463,711	415,627
Less: Accumulated depreciation	(190,606)	(147,875)
	<u>273,105</u>	<u>267,752</u>
Plant and equipment - at cost	89,250	75,252
Less: Accumulated depreciation	(35,620)	(28,941)
	<u>53,630</u>	<u>46,311</u>
	<u>326,735</u>	<u>314,063</u>

City West Community Financial Services Limited
Notes to the financial statements
30 June 2024

Note 13. Property, plant and equipment (continued)

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 2022	309,486	49,474	358,960
Additions	-	3,646	3,646
Depreciation	(41,734)	(6,809)	(48,543)
Balance at 30 June 2023	267,752	46,311	314,063
Additions	48,084	13,998	62,082
Depreciation	(42,731)	(6,679)	(49,410)
Balance at 30 June 2024	273,105	53,630	326,735

Accounting policy for property, plant and equipment

Property, plant and equipment are measured at cost or fair value as applicable, less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Leasehold improvements	10 years
Plant and equipment	2.5 to 40 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.

Note 14. Right-of-use assets

	2024 \$	2023 \$
Land and buildings - right-of-use	797,684	801,901
Less: Accumulated depreciation	(371,675)	(291,696)
	426,009	510,205

City West Community Financial Services Limited
Notes to the financial statements
30 June 2024

Note 14. Right-of-use assets (continued)

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 2022	590,764
Depreciation expense	<u>(80,559)</u>
Balance at 30 June 2023	510,205
Remeasurement adjustments	(4,217)
Depreciation expense	<u>(79,979)</u>
Balance at 30 June 2024	<u><u>426,009</u></u>

Accounting policy for right-of-use assets

Right-of-use assets are 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. Right-of-use assets are subject to impairment and are adjusted for any remeasurement of lease liabilities.

Refer to note 17 for more information on lease arrangements.

Note 15. Intangible assets

	2024 \$	Restated 2023 \$
Rights to revenue share	1,038,186	1,038,186
Less: Accumulated amortisation	<u>(270,358)</u>	<u>(140,587)</u>
	<u>767,828</u>	<u>897,599</u>
Franchise fee	32,233	32,233
Less: Accumulated amortisation	<u>(31,261)</u>	<u>(29,083)</u>
	<u>972</u>	<u>3,150</u>
Franchise renewal fee	111,163	111,163
Less: Accumulated amortisation	<u>(106,303)</u>	<u>(95,413)</u>
	<u>4,860</u>	<u>15,750</u>
	<u><u>773,660</u></u>	<u><u>916,499</u></u>

City West Community Financial Services Limited
Notes to the financial statements
30 June 2024

Note 15. Intangible assets (continued)

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

	Rights to revenue share \$	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2022	1,038,186	5,328	26,640	1,070,154
Amortisation expense	(140,587)	(2,178)	(10,890)	(153,655)
Balance at 30 June 2023	897,599	3,150	15,750	916,499
Amortisation expense	(129,771)	(2,178)	(10,890)	(142,839)
Balance at 30 June 2024	767,828	972	4,860	773,660

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 and rights to revenue share 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)	December 2024
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	December 2024
Rights to revenue share	Straight-line	8 years	May 2030

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

Note 16. Trade and other payables

	2024 \$	2023 \$
<i>Current liabilities</i>		
Other payables and accruals	146,174	96,053
<i>Non-current liabilities</i>		
Other payables and accruals	-	6,194
	2024 \$	2023 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	146,174	102,247
less GST payable to the ATO included in other payables and accruals	(45,709)	(53,009)
	100,465	49,238

City West Community Financial Services Limited
Notes to the financial statements
30 June 2024

Note 17. Lease liabilities

	2024	2023
	\$	\$
<i>Current liabilities</i>		
Land and buildings lease liabilities	124,928	92,127
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	551,347	673,667
<i>Reconciliation of lease liabilities</i>		
	2024	2023
	\$	\$
Opening balance	765,794	839,889
Remeasurement adjustments	3,649	-
Lease interest expense	23,116	26,199
Lease payments - total cash outflow	(116,284)	(100,294)
	676,275	765,794

Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially measured at the present value of the lease payments to be made over the term of the lease, including renewal options if the company is reasonably certain to exercise such options, discounted using the company's incremental borrowing rate.

The company has applied the following accounting policy choices in relation to lease liabilities:

- The company has elected not to separate lease and non-lease components when calculating the lease liability for property leases.
- The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases and low-value assets, which include the company's lease of information technology equipment. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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
Darling Square branch	3.25%	5 years	1 x 5 years	Yes	October 2029

Note 18. Issued capital

	2024	2023	2024	2023
	Shares	Shares	\$	\$
Ordinary shares - fully paid	996,511	996,511	996,511	996,511
Less: Equity raising costs	-	-	(35,026)	(35,026)
	996,511	996,511	961,485	961,485

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

City West Community Financial Services Limited
Notes to the financial statements
30 June 2024

Note 18. Issued capital (continued)

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 below).

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 112. As at the date of this report, the company had 236 shareholders (2023: 239 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.

City West Community Financial Services Limited
Notes to the financial statements
30 June 2024

Note 18. Issued capital (continued)

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. 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 20. Dividends

The following dividends were provided for and paid to shareholders during the financial year as presented in the Statement of changes in equity and Statement of cash flows.

	2024 \$	2023 \$
Fully franked dividend of 21 cents per share (2023: 5.25 cents)	209,267	52,317

Franking credits

	2024 \$	2023 \$
Franking account balance at the beginning of the financial year	57,561	-
Franking credits (debits) arising from income taxes paid (refunded)	283,662	75,000
Franking debits from the payment of franked distributions	(69,756)	(17,439)
	271,467	57,561

Franking transactions that will arise subsequent to the financial year end:

Balance at the end of the financial year	271,467	57,561
Franking credits (debits) that will arise from payment (refund) of income tax	108,486	135,658
Franking credits available for future reporting periods	379,953	193,219

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%.

Accounting policy for dividends

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

City West Community Financial Services Limited
Notes to the financial statements
30 June 2024

Note 21. Financial risk management

The company's financial instruments include trade receivables and payables, cash and cash equivalents, investments, lease liabilities and borrowings. The company does not have any derivatives.

The directors are responsible for monitoring and managing the financial risk exposure of the company, to which end it monitors the financial risk management policies and exposures and approves financial transactions within the scope of its authority.

The directors have identified that the only significant financial risk exposures of the company are liquidity and market (price) risk. Other financial risks are not significant to the company due to the following factors:

- The company has no foreign exchange risk as all of its account balances and transactions are in Australian Dollars.
- 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 A- on Standard & Poor's credit ratings.
- The company has no direct exposure to movements in commodity prices.
- The company's interest-bearing instruments are held at amortised cost which have fair values that approximate their carrying value since all cash and payables have maturity dates within 12 months.

Further details regarding the categories of financial instruments held by the company that hold such exposure are detailed below.

	2024	2023
	\$	\$
Financial assets		
Trade and other receivables excluding prepayments (note 11)	210,208	230,482
Cash and cash equivalents (note 10)	907,390	468,927
Term deposits (note 12)	29,031	29,031
	<u>1,146,629</u>	<u>728,440</u>
Financial liabilities		
Trade and other payables (note 16)	100,465	49,238
Lease liabilities (note 17)	676,275	765,794
Bank loans	1,166	106,073
	<u>777,906</u>	<u>921,105</u>

At balance date, the fair value of financial instruments approximated their carrying values.

Accounting policy for financial instruments

Financial assets

Classification

The company measures its financial assets at amortised cost.

The company's financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents and investments in term deposits.

Derecognition

A financial asset is derecognised when the company's contractual right to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

Impairment of trade and other receivables

Impairment of trade receivables is determined using the simplified approach which uses an estimation of lifetime expected credit losses. The company has not recognised an allowance for expected credit losses in relation to trade and other receivables. Refer to note 4 for further information

City West Community Financial Services Limited
Notes to the financial statements
30 June 2024

Note 21. Financial risk management (continued)

Financial liabilities

Classification

The company measures its financial liabilities at amortised cost.

The company's financial liabilities measured at amortised cost comprise trade and other payables, lease liabilities and borrowings.

Derecognition

A financial liability is derecognised when it is extinguished, cancelled or expires.

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.

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest-rate risk. The company held cash and cash equivalents of \$907,390 and term deposits of \$29,031 at 30 June 2024 (2023: \$468,927 and \$29,031).

As at the reporting date, the company had the following variable rate borrowings outstanding:

	2024		2023	
	Nominal	Balance	Nominal	Balance
	interest rate		interest rate	
	%	\$	%	\$
Bank loans	8.55%	<u>1,166</u>	8.36%	<u>106,073</u>
Net exposure to cash flow interest rate risk		1,166		106,073

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.

An analysis by remaining contractual maturities is shown in 'liquidity risk' below.

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.

The following are the company's 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.

	1 year or less	Between 1 and 5 years	Over 5 years	Remaining contractual maturities
2024	\$	\$	\$	\$
Bank loans	-	1,166	-	1,166
Trade and other payables	100,465	-	-	100,465
Lease liabilities	126,793	559,960	50,086	736,839
Total non-derivatives	<u>227,258</u>	<u>561,126</u>	<u>50,086</u>	<u>838,470</u>

City West Community Financial Services Limited
Notes to the financial statements
30 June 2024

Note 21. Financial risk management (continued)

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2023				
Bank loans	-	106,073	-	106,073
Trade and other payables	43,044	6,194	-	49,238
Lease liabilities	115,735	538,423	198,416	852,574
Total non-derivatives	158,779	650,690	198,416	1,007,885

Note 22. Key management personnel disclosures

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

Raymond Li Jin Tai	Valerie Gek Imm Khoo
Vinh Van Lam	Mario Joao Silvera
Ashley Leander Limbury	Luke James Goldsworthy
Raymond Chung Jil Seeto	Kim Loan Hann
Matthew James Phelps	

No director of the company receives remuneration for services as a company director or committee member.

There are no executives within the company whose remuneration is required to be disclosed.

Note 23. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 22.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Terms and conditions of transactions with 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.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

City West Community Financial Services Limited
Notes to the financial statements
30 June 2024

Note 24. 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:

	2024	2023
	\$	\$
<i>Audit services</i>		
Audit or review of the financial statements	6,650	5,400
<i>Other services</i>		
Taxation advice and tax compliance services	900	660
General advisory services	3,850	5,620
	4,750	6,280
	11,400	11,680

Note 25. Reconciliation of profit after income tax to net cash provided by operating activities

	2024	2023
	\$	\$
Profit after income tax expense for the year	593,133	828,381
Adjustments for:		
Depreciation and amortisation	272,228	282,757
Lease liabilities interest	23,116	26,199
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	19,274	(133,875)
Decrease/(increase) in deferred tax assets	(5,805)	115,196
Increase/(decrease) in trade and other payables	65,393	(174,734)
Increase/(decrease) in provision for income tax	(27,172)	135,658
Increase/(decrease) in employee benefits	3,266	(3,576)
Increase in other provisions	1,078	1,054
Net cash provided by operating activities	944,511	1,077,060

Note 26. Earnings per share

	2024	2023
	\$	\$
Profit after income tax	593,133	828,381
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	996,511	996,511
Weighted average number of ordinary shares used in calculating diluted earnings per share	996,511	996,511
	Cents	Cents
Basic earnings per share	59.52	83.13
Diluted earnings per share	59.52	83.13

City West Community Financial Services Limited
Notes to the financial statements
30 June 2024

Note 27. Commitments

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

Note 28. Contingencies

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

Note 29. Events after the reporting period

Since the end of the financial year the directors have entered into negotiations to sign a renewal of the franchise agreement, which would be for a five year term expiring December 2029. The directors have no reason to believe the franchise agreement renewal will not be forthcoming.

No other matter or circumstance has arisen since 30 June 2024 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.

City West Community Financial Services Limited

Directors' declaration

30 June 2024

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 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the company does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, a consolidated entity disclosure statement has not been included as section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

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



Raymond Li Jin Tai
Chair

30 September 2024



Andrew Frawin Stewart
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03 5443 0344

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

Report on the Audit of the Financial Report

Opinion

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

- Statement of financial position as at 30 June 2024
- Statement of profit or loss and other comprehensive income for the year then ended
- Statement of changes in equity for the year then ended
- Statement of cash flows for the year then ended
- Notes to the financial statements, including material accounting policies
- The directors' declaration.

In our opinion, the accompanying financial report of City West 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 2024 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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Other Information

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 2024, 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 will 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 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.

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. 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.



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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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 30 September 2024

Jessica Ritchie
Lead Auditor

This document contains confidential information



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