

Annual Report 2023

Cummins District Financial
Services Limited

Community Bank
Cummins District

ABN 25 094 393 692



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Chair's report

For year ending 30 June 2023

It is my privilege to present the Cummins District Financial Services Limited 23rd Annual Report for financial year ending 30 June 2023.

The 2022/23 financial year has been very challenging for our Community Bank Cummins District team, however Braden and his team have continued to service our customers and grow the business. The purchase of the Tumby Bay District Financial Services Ltd revenue rights and customer base on 1 August 2022 increased our business footings by \$91.91 million plus our business growth of \$30.93 million has built our total business to \$454.25 million as of 30 June 2023. The 2022/23 financial year has been the most profitable in Cummins District Financial Services Limited 23-year history.

The continuing growth and profitability of Community Banking within our Eyre Peninsula communities is largely due to our branch staff based in Cummins. The Board wishes to express our gratitude and acknowledge that the growth and prosperity is due to your commitment and work ethic. THANK YOU, Braden, Judy, Josie, Morissa, Karlee, Zanny, Amy, Janet, Caro and Caitlin. Thanks to Chris Miller (Rural Bank) who continues to develop and grow our rural business, and to Darren Goodwin and Bernie Redden (Business banking) who support our business growth. In May we farewelled Caro Meyers, who had been part of the Community Bank Cummins District team for the last 17 years, thank you Caro.

The purchase of the Tumby Bay District Financial Services Ltd revenue rights and customer base on 1 August 2022 has created challenges for both our staff and Board. We are grateful to have formed a partnership with Tiffany Hibble (Tumby Bay Pharmacy) with the opening of an agency on 15 August 2022 in Tumby Bay. In mid-December 2022 the Cleve Pharmacy changed ownership, and thank you to Lisa and Kieren Herbert for continuing to host the agency in Cleve. Our Agency businesses in Cleve, Wudinna and Tumby Bay continue to provide banking services to customers, as well as providing cash and digital services for local businesses and community organisations within their communities. Within each of our Agency's community, there has been an Agency Investment committee established of local community members to decide how to invest their own community funds back into their communities. Thank you to Eugene Wauchope at Wudinna, Warren Elson at Cleve, Rick Will and Dion Lebrun at Tumby Bay, and their committees for promoting community banking and the prosperity it delivers to your communities.

Cummins District Financial Services Limited Board consists of nine community volunteer Directors, (Heather Norton, George Pedler, Jill Wedd, Liz Holley, Adam Richardson, Mike Ford, Connie Andrew, Mark Dickinson), Ingrid Kennerley as Company Secretary and Amanda Puckridge as Business Promotions Officer. The Board's succession planning has now introduced "Associate Member" as part of our Board. The Associate member is a community person who can join the board for 12 months then transition to become a director if they desire. We welcome Tyson Mickan as our first Associate Member. Thank you all for your commitment to our communities – Community Banking has helped improve and invest into the prosperity of our local communities.

At our 2022 Annual General Meeting, Peter Glover decided not to continue as a Director. Peter has served as a volunteer Director for 17 years, joining the Board in November 2005 and during this time was Chairman for six years, and member/Chairman of both the Audit and HR committees. Thank you, Peter, for your commitment, knowledge, and experience for the success of Community Bank Cummins District.

As our Community Bank continues to grow, in business and community, we will continue to invest in our staffing resources to service our present and future customers. Our Community Bank team are the reason that we continue to grow our business, and our communities prosper from their dedication to professionally looking after your financial requirements. Please give them the opportunity to help you, to ensure your financial future and be part of your community strengthening and growth.



Mick Howell
Chair

Manager's report

For year ending 30 June 2023

I am pleased to provide my Branch Manager report for the 2022/23 financial year, in what has been a significant year for Community Bank Cummins District.

The purchase of Tumby Bay District Financial Services Ltd's (TBDFSL) revenue rights and customer base as at 1 August 2022 has provided us with the opportunity to expand our business across a large portion of Eyre Peninsula, with our geographical target market now over 19,000 sq kms, and physical presence now including Agencies located at Tumby Bay, Cleve and Wudinna in addition to our Cummins branch. Importantly, this has enabled further investment into these communities and surrounding districts, with the level of investment commensurate to the level of banking business held.

Our branch experienced strong business growth for FY22/23 of \$30.939 million in addition to the increase of \$91.912 million from the TBDFSL purchase, taking the total business held as at 30 June 2023 to \$454.258 million.

The below table provides a breakdown of the branch's performance as at 30 June 2023, displaying actual balances per product compared to the prior year.

Product	2023 \$million	2022 \$million
Contingent Liabilities	\$0.195	\$0.234
BBL Deposits	\$124.474	\$83.422
BBL Loans	\$76.987	\$64.111
Rural Bank Deposits	\$46.701	\$32.414
Rural Bank Loans	\$200.084	\$148.700
Superannuation	\$2.135	\$1.281
Leveraged Equities	-\$0.067	-\$0.067
Community Sector Banking Deposits	\$3.550	\$0.113
Community Sector Banking Loans	\$0.052	\$0
Bendigo Managed Funds	\$0.132	\$0.130
Financial Markets Deposits	\$0	\$1.002
Total	\$454.258	\$331.407

The significant areas of growth being Rural Bank Loans with \$17.371 million growth, Bendigo Bank Deposits \$12.413 million, and Rural Bank Deposits \$4.474 million. With Eyre Peninsula experiencing one of the strongest wide-spread agricultural seasons, and the rising interest rate environment proving attractive for deposits being the drivers for these growth areas.

Our branch staff team experienced further change this year with resignations from Margie Devine and Caro Meyers, which prompted the promotion of Morissa Richardson to Customer Relationship Manager, and employment of Caitlin Edwards as Customer Relationship Officer. A special thank you to Caro for her 17 years of service.

The staff who are currently serving Community Bank Cummins District Branch are :

Judy Arbery (Branch Operations Manager)

Josie Turnbull (Customer Relationship Manager)

Morissa Richardson (Customer Relationship Manager)

Karlee Dunn (Customer Relationship Officer)

Caitlin Edwards (Customer Relationship Officer)

Zan Cafuta (Customer Service Officer)

Amy Fuss (Customer Service Officer),

Janet Shepherd (Customer Service Officer).

Manager's report (continued)

We are also well-supported with local specialists across our Rural Bank and Business Banking areas consisting of:

Chris Miller (Rural Bank Agribusiness Relationship Manager)

Darren Goodwin (Senior Manager, Business Customer)

Bernadette Redden (Lending Analyst).

Thank you to each of you for your commitment to our customers and our business.

The total level of community investment from Community Bank Cummins District is now over \$5.88 million, and including Community Bank Tumby Bay investment (over \$249,000), there has now been over \$6.129 million invested in our area through Community Banking. Thank you to our customers who continue to see the benefit of banking through our local Community Bank and associated Agencies, and who make this level of investment possible. The face-to-face service we provide across our business is becoming rare within the industry on Eyre Peninsula. We are committed to adequately resourcing our business to seize the great opportunity ahead of us, and our focus remains on supporting our customers, and growing our business to continue this level of investment into all our customer's communities including Cummins, Tumby Bay, Wudinna, Cleve and surrounding districts.



Braden Gale
Branch Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2023

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

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

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

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

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

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



Justine Minne
Bendigo and Adelaide Bank

Past and present Directors and staff

Directors – Cummins District Financial Services Limited

Original Steering Committee

Leo Haarsma, Jeffery Pearson, Wendy Holman, Brian Treloar, Robyn Wedd, Earle Heidenreich, John (Bushy) Hill, Barry Kearsley, Chris Deslandes, David Crettenden, Ivan Phelps, David Smith, Trevor Carter, Peter Cabot, Russell Branson, Leanne Pringle, Michael Treloar, Nigel Myers, John Southern, Rod Pearson, Peter Arbery, Trevor Guppy.

2000/01

Leo Haarsma (Chairman), Wendy Holman (Secretary), Jeffery Pearson, Peter Cabot, David Crettenden, Nigel Myers, John N Hill, Brian Treloar, Robyn Wedd, Tracy Wilson (R 13.9.2001).

2001/02

Leo Haarsma (Chairman), Wendy Holman (Secretary), Jeffery Pearson, Peter Cabot, David Crettenden, Nigel Myers, John N Hill, Brian Treloar (R 26.2.2002), Robyn Wedd, Michael Treloar (A 26.2.2002).

2002/03

Leo Haarsma (Chairman), Wendy Holman (Secretary), Jeffery Pearson, Peter Cabot, David Crettenden, Nigel Myers, John N Hill (R 26.11.2002), Jim Secker (A 26.11.2002), Robyn Wedd, Michael Treloar.

2003/04

Leo Haarsma (Chairman), Nigel Myers (Secretary), Jeffery Pearson, Peter Cabot, David Crettenden, Leanne Pringle (A 11.11.2003), Wendy Holman, Jim Secker, Robyn Wedd (R 11.11.2003), Michael Treloar.

2004/05

Leo Haarsma (Chairman), Nigel Myers (Secretary), Jeffery Pearson, Peter Cabot, David Crettenden (R 9.11.2004), Leanne Pringle (R 26.4.2005), Wendy Holman, Jim Secker, Dianne Modra (A 9.11.2004), Michael Treloar (R 9.11.2004), Jarrod Phelps (A 9.11.2004), Michael Howell (A 9.11.2004).

2005/06

Dianne Modra (Chairman), Nigel Myers (Secretary), Jeffery Pearson, Peter Cabot, Leo Haarsma, Peter Glover (A 29.11.2005), Wendy Holman, Jim Secker (R 29.11.2005), Jarrod Phelps, Michael Howell, Phillip Minhard (A 29.11.2005).

2006/07

Dianne Modra (Chairman), Nigel Myers (Secretary) (R 7.11.2006), Jeffery Pearson, Peter Cabot, Leo Haarsma, Peter Glover, Wendy Holman, Darren Smith (A 7.11.2006), Jarrod Phelps, Michael Howell, Phillip Minhard.

2007/08

Dianne Modra (Chairman), Wendy Holman (Secretary), Jeffery Pearson, Peter Cabot, Leo Haarsma, Peter Glover, Darren Smith, Jarrod Phelps, Michael Howell, Phillip Minhard.

2008/09

Dianne Modra (Chairman), Wendy Holman (Secretary), Jeffery Pearson (R 10.11.2008), Peter Cabot (R 10.11.2008), Leo Haarsma, Peter Glover, John Wood (A 10.11.2008), Darren Smith, Jarrod Phelps, Michael Howell, Phillip Minhard (R 10.11.2008), Darren Kelly (A 10.11.2008), Scott Bascombe (A 10.11.2008).

2009/10

Dianne Modra (Chairman), Wendy Holman, Darren Kelly, Scott Bascombe, Leo Haarsma, Peter Glover, John Wood, Darren Smith, Jarrod Phelps, Michael Howell, Kerry Head (Company Secretary).

2010/11

Peter Glover (Chairman), Wendy Holman, Darren Kelly, Scott Bascombe, Leo Haarsma (R 8.11.2010), John Wood, Darren Smith (R 8.11.2010), Jarrod Phelps, Michael Howell (R 8.11.2010), David Guidera (A 8.11.2010), Heather Norton (A 8.11.2010), Brigitte Hall (A 8.11.2010), Kate Hancock (Company Secretary).

2011/12

Peter Glover (Chairman), Wendy Holman, Darren Kelly, Scott Bascombe, Mandy Pedler (A 01.2012), Dianne Modra, John Wood, Brigitte Hall, Jarrod Phelps (R 01.2012), David Guidera, Heather Norton, Kate Hancock (Company Secretary).

2012/13

Peter Glover (Chairman), Wendy Holman, Darren Kelly, Scott Bascombe, Mandy Pedler, Dianne Modra (R 11.2012), John Wood, Brigitte Hall, Elizabeth Burns (A 11.2012), David Guidera, Heather Norton, Kate Hancock (Company Secretary).

2013/14

Peter Glover (Chairman), Wendy Holman, Darren Kelly (R 11.2013), Scott Bascombe, Mandy Pedler, Jill Wedd (A 06.2014), John Wood, Brigitte Hall (R 11.2013), Elizabeth Burns, George Pedler (A 01.2014), David Guidera (R 11.2013), Heather Norton, Roger Laube (A 11.2013), Kate Hancock (Company Secretary).

2014/15

Peter Glover (Chairman), Wendy Holman, Mandy Pedler (R 1.2015), Scott Bascombe (R 10.2014), Michael Minhard (A 11.2014), Jill Wedd, John Wood, Whitney Mickan (A 1.2015), Elizabeth Burns, George Pedler, Heather Norton, Roger Laube, Simone Murnane (Company Secretary).

2015/16

Peter Glover (Chairman), Wendy Holman, Whitney Mickan, Michael Minhard, Jill Wedd, John Wood, Elizabeth Burns (R 2.11.2015), George Pedler, Heather Norton, Roger Laube, Michael Howell (A 22.2.2016), Rebecca Habner (Company Secretary).

2016/17

Michael Howell (Chairman), Wendy Holman, Whitney Wright, Peter Glover, Michael Minhard, Jill Wedd, John Wood, George Pedler, Heather Norton, Roger Laube (R 7.11.2016), Rebecca Habner (Company Secretary).

2017/18

Michael Howell (Chairman), Wendy Holman, Whitney Wright, Peter Glover, Michael Minhard (R 6.11.2017), Jill Wedd, John Wood (R 6.11.2017), Elizabeth Holley (A 28.12.2017), Terry Habner (A 26.3.2018), George Pedler, Heather Norton, Ingrid Kennerley (Company Secretary).

2018/19

Michael Howell (Chairman), Wendy Holman (R 5.11.2018), Whitney Wright (R 5.11.2018), Peter Glover, Adam Richardson (A 17.12.2018), Jill Wedd, Mike Ford (A 22.1.2019), Elizabeth Holley, Terry Habner, George Pedler, Heather Norton, Ingrid Kennerley (Company Secretary).

Past and present Directors and staff (continued)

2019/20

Michael Howell (Chairman), Peter Glover, Jill Wedd, Mike Ford, Adam Richardson, Elizabeth Holley, Terry Habner, George Pedler, Heather Norton, Ingrid Kennerley (Company Secretary).

2020/21

Michael Howell (Chairman), Peter Glover, Adam Richardson, Jill Wedd, Mike Ford, Elizabeth Holley, George Pedler, Heather Norton, Terry Habner (R 2.11.2020), Connie Andrew (A 25.1.2021), Mark Dickinson (A 25.1.2021), Ingrid Kennerley (Company Secretary).

2021/22

Michael Howell (Chairman), Peter Glover, Adam Richardson, Jill Wedd, Mike Ford, Elizabeth Holley, George Pedler, Heather Norton, Connie Andrew, Mark Dickinson, Ingrid Kennerley (Company Secretary).

2022/23

Michael Howell (Chairman), Peter Glover (R 14.11.2022), Adam Richardson, Jill Wedd, Mike Ford, Elizabeth Holley, George Pedler, Heather Norton, Connie Andrew, Mark Dickinson, Tysan Mickan (Assoc. A 29.5.2023), Ingrid Kennerley (Company Secretary).

Staff – Community Bank Cummins District

2000/01

Chris Miller (Branch Manager), Tanya McGuire, Christine Koch, Kate Doudle, Anne Russell.

2001/02

Chris Miller (Branch Manager), Christine Koch, Kate Doudle, Anne Russell, Sonya Phelps.

2002/03

Chris Miller (Branch Manager), Christine Koch, Kate Doudle, Anne Russell, Sonya Phelps, Lorrae Lawrie.

2003/04

Chris Miller (Branch Manager), Christine Koch, Kate Doudle, Anne Russell, Sonya Phelps, Lorrae Lawrie, Claire Bourke.

2004/05

Chris Miller (Branch Manager), Christine Koch, Anne Russell, Sonya Phelps, Claire Bourke, Leanne Pringle.

2005/06

Chris Miller (Branch Manager), Anne Russell, Claire Bourke, Leanne Pringle, Caro Meyers, Kate Mitchell.

2006/07

Chris Miller (Branch Manager), Anne Russell, Claire Bourke, Leanne Pringle, Caro Meyers, Kate Mitchell, Rebecca Murnane.

2007/08

Chris Miller (Branch Manager), Caro Meyers, Kate Hancock, Josie Turnbull, Kerry Hanson, Patrina Coombs.

2008/09

Chris Miller (Branch Manager), Caro Meyers, Kate Hancock (ML), Josie Turnbull (ML), Kerry Head, Patrina Coombs, Vikki Phillips, Bernie Redden, Mel Richardson.

2009/10

Chris Miller (Branch Manager), Caro Meyers, Josie Turnbull, Kerry Head (ML), Patrina Coombs, Vikki Phillips, Bernie Redden, Mel Richardson, Zan Cafuta, Josie Turnbull (Business Promotions Officer).

2010/11

Chris Miller/Brenton Parsons (Branch Manager), Caro Meyers, Josie Turnbull, Kerry Head, Patrina Coombs, Vikki Phillips, Bernie Redden, Zan Cafuta, Matthew Piper (School Base trainee), Josie Turnbull (Business Promotions Officer).

2011/12

Brenton Parsons (Branch Manager), Caro Meyers, Kerry Head, Patrina Coombs, Vikki Phillips, Bernie Redden, Zan Cafuta, Amy Fuss, Josie Turnbull (Business Promotions Officer).

2012/13

Josie Turnbull/Braden Gale (Branch Manager), Caro Meyers, Kerry Head (ML), Vikki Phillips, Bernie Redden, Zan Cafuta, Amy Fuss, Belinda-Jane Moroney, Holly-Elise Pervan (School Base trainee).

2013/14

Braden Gale (Branch Manager), Caro Meyers, Kerry Head, Vikki Phillips, Zan Cafuta, Amy Fuss, Belinda-Jane Moroney, Holly-Elise Pervan, Josie Turnbull (ML), Ally Mooney, Shilo Perry-Byrne (School Base trainee), Amanda Puckridge (Business Promotions Officer).

2014/15

Braden Gale (Branch Manager), Caro Meyers, Kerry Head, Vikki Phillips, Zan Cafuta, Amy Fuss, Holly-Elise Pervan, Ally Mooney, Kate Pilgrim (School Base trainee), Amanda Puckridge (Business Promotions Officer).

2015/16

Braden Gale (Branch Manager), Caro Meyers, Vikki Phillips, Zan Cafuta, Amy Fuss, Holly-Elise Pervan, Ally Mooney, Kate Pilgrim (School Base trainee), Georgia Borthwick (School Base trainee), Amanda Puckridge (Business Promotions Officer).

2016/17

Braden Gale (Branch Manager), Caro Meyers, Vikki Phillips, Zan Cafuta, Amy Fuss (ML), Holly-Elise Pervan, Ally Mooney, Josie Turnbull, Georgia Borthwick, Amanda Puckridge (Business Promotions Officer).

2017/18

Braden Gale (Branch Manager), Caro Meyers, Vikki Phillips, Zan Cafuta, Amy Fuss, Holly-Elise Pervan, Josie Turnbull, Joannah Baptiste, Georgia Borthwick, Ann Mayo (School Base Trainee), Amanda Puckridge (Business Promotions Officer).

2018/19

Braden Gale (Branch Manager), Caro Meyers, Vikki Phillips, Zan Cafuta, Amy Fuss, Holly-Elise Pervan, Josie Turnbull, Joannah Baptiste, Amanda Puckridge (Business Promotions Officer).

2019/20

Braden Gale (Branch Manager), Caro Meyers, Vikki Phillips, Zan Cafuta, Amy Fuss, Holly-Elise Pervan, Josie Turnbull, Joannah Baptiste, Leah Trenberth, Charlie Shepperd (School Base trainee), Amanda Puckridge (Business Promotions Officer).

2020/21

Braden Gale (Branch Manager), Caro Meyers, Vikki Phillips, Zan Cafuta, Amy Fuss, Josie Turnbull, Joannah Baptiste, Leah Trenberth, Morrissa Richardson, Amanda Puckridge (Business Promotions Officer).

2021/22

Braden Gale (Branch Manager), Judy Arbery (Branch Operations Manager), Caro Meyers, Zan Cafuta, Amy Fuss, Josie Turnbull, Joannah Baptiste, Leah Trenberth, Morrissa Richardson, Margie Devine, Amanda Puckridge (Business Promotions Officer).

2022/23

Braden Gale (Branch Manager), Judy Arbery (Branch Operations Manager), Caro Meyers, Zan Cafuta, Amy Fuss, Josie Turnbull, Morrissa Richardson, Margie Devine, Karlee Dunn, Caitlin Edwards, Janet Shepherd, Amanda Puckridge (Business Promotions Officer).

Community contributions 2022/23



Recipient	Total Amount
Arts, Culture & Heritage	
Yallunda Flat A & H Society	\$605.00
Wudinna Show Shearing Competition	\$1,000.00
Lock Murdinga Tooligie Progress Assoc	\$999.00
Yallunda Flat A & H Society	\$500.00
Arno Bay Community Xmas Craft Fair 2022	\$500.00
Cleve A H & F Society Inc	\$500.00
District Council of Cleve	\$550.00
West Coast Youth & Community Support Inc	\$323.65
Pt Neill Progress Assoc	\$500.00
Wudinna & LeHunte Dist AH & F Society	\$1,000.00
District Council of Lower Eyre Peninsula	\$11,000.00
Cleve A H & F Society Inc	\$215.60
District Council of Tumby Bay	\$2,200.00
Southern Eyre Arts	\$5,000.00
June 2023 Profit Share	\$342.65
Cummins Chrstmas Wonderland	\$2,652.10

Recipient	Total Amount
Community Facilities & Infrastructure	
Cleve & District Mens Shed Inc	\$750.00
Arno Bay Boardwalk Inc	\$1,000.00
District Council of Lower Eyre Peninsula	\$18,358.08
Cummins & District War Memorial Swimming Pool Inc	\$590.48
Wudinna Community Club Inc	\$1,000.00
Kyancutta Community Club Inc	\$1,500.00
Cummins & District War Memorial Swimming Pool Inc	\$1,000.00
Cummins & District Enterprise Committee	\$4,056.32
Cummins Rambler Football Club	\$330,000.00
Emergency Services and Support	
Cummins & District Enterprise Committee	\$1,000.00

Community contributions 2022/23 (continued)

Recipient	Total Amount
Health & Wellbeing	
Wudinna Fat Farmers	\$400.00
Empowering Lower Eyre Suicide Prevention Network	\$3,000.00
Cummins & District Memorial Hospital	\$110,000.00
Cummins Health Focus Group	\$6,600.00

Education & Research	
Franklin Harbour Agricultural Bureau	\$200.00
Cummins Area School	\$1,124.12
District Council of Lower Eyre Peninsula	\$1,355.20
Tumby Bay Area School	\$3,300.00
Tumby Bay Kindergarten Inc	\$2,000.00
Cummins Area School	\$250.00
Cleve Area School	\$400.00
Tumby Bay Area School	\$250.00
Cleve Playgroup & Lil Gym	\$200.00
Kimba Area School	\$350.00
Pt Neill Primary School	\$200.00
AIR EP	\$3,300.00
Adelaide University Rural Health Alliance	\$800.00
Cummins Area School	\$22,000.00
Amanda Puckridge	\$2,000.00
Daniel Wedd	\$2,000.00
Lacy Nash	\$5,000.00
Sophie Blacker	\$2,000.00
Levi Chandler	\$5,000.00

Sport & Recreation	
Great Flinders Netball Assoc	\$750.00
Pt Neill Bowling Club	\$500.00
Great Flinders Football League	\$750.00
Great Flinders Tennis Assoc	\$995.00
Cummins Bowling Club	\$1,000.00
Yallunda Flat Cricket Club	\$450.00
Cummins Tennis Club	\$1,000.00
Cleve District Bowling Club	\$1,650.00

Recipient	Total Amount
Sport & Recreation (continued)	
Wudinna Play Gym	\$1,500.00
Kyancutta Cricket Club	\$2,000.00
Wudinna Tennis Club	\$1,600.00
Minnipa Bowling Club	\$300.00
Arno Bay & District Bowling Club	\$500.00
Step It Up Wudinna	\$2,000.00
Wudinna & Districts Bowling Club	\$1,000.00
LeHunte International Rules Basketball	\$2,000.00
Wudinna Cricket Club Inc	\$1,000.00
Jamalka Off Road	\$500.00
Cummins Kapinnie Netball Club	\$700.00
Eastern Eyre Ranges Club	\$2,000.00
Tumby Bay Bowling Club	\$400.00
Cleve Sporting Bodies	\$1,650.00
Cummins Rambler Netball Club	\$700.00
Tumby Bay Football Club	\$700.00
Lock Football Club	\$1,700.00
Cummins Golf Club	\$1,500.00
Ports Football & Netball Club	\$2,000.00
Eastern Eyre Football League	\$2,000.00
Tumby Bay & Districts Cricket Assoc	\$330.00
Elliston Districts Football & Netball Club	\$275.00
Mortlock Shield Inc	\$11,937.63
United Yeelanna Football Club Inc	\$1,870.00
Cummins Golf Club Inc	\$489.00
Great Flinders Netball Assoc	\$300.00
EP Golf Inc	\$3,000.00
Eyre United Netball Club	\$300.00
Marble Range Community & Sport	\$9,790.00

Total \$620,008.83

Sponsorships Grants

Directors' report

For the financial year ended 30 June 2023

The Directors present their report, together with the financial statements, on Cummins District Financial Services Limited for the financial year ended 30 June 2023.

Board of Directors

The following persons were Directors of Cummins District Financial Services Limited during the whole of the financial year up to the date of this report, unless otherwise stated:

Michael Howell

Title: Chair

Qualifications:

Experience & Expertise: Director since February 2016, Chairperson since November 2016 and part of the HR and Audit Committees. Previously a Director for 2 terms as well. Now Semi-retired, community volunteer, was previously Aerotech Operations Manager for 18 years, Sales Agronomist for 8 years, Farmer for 20 years.

George Pedler

Title: Deputy Chair

Qualifications: Bachelor of Agriculture

Experience & Expertise: Director since January 2014 and part of the Business Development Committee. Currently Committee Member of several local sporting & community groups, past committee member of LEADA. Farm Consultant and Agronomist for the past 16 years and Small Business Owner/ Manager since January 2014.

Michael Ford

Title: Non-Executive Director

Qualifications: Teaching Degree

Experience & Expertise: Director & part of EP Marketing committee. Deputy Principal & High School (secondary) Teacher. 37 years of teaching in schools.

Adam Richardson

Title: Non-Executive Director

Qualifications:

Experience & Expertise: Director since 2018 & part of Building & House Committee. Electrician - owner & manager of own business, Linesman (Trade Skilled Worker with ETSA now SA Power Networks) & Supermarket retail owner.

Directors' report (continued)

Jillian Wedd

Title: Non-Executive Director

Qualifications:

Experience & Expertise: Director since June 2014 and part of the Business Promotion Committee. Owner/Manager of John Deere Machinery dealership for 30 years and Senior Administrator at Cummins Garage.

Elizabeth Holley

Title: Non-Executive Director

Qualifications: Bachelor of Arts (Honours Zoology), Graduate Diploma of Education

Experience & Expertise: Currently Director & part of Audit & HR Committee. Current and past member of numerous local committees, including holding positions of President, Secretary and Treasurer.

Heather Norton

Title: Non-Executive Director

Qualifications:

Experience & Expertise: Director since November 2010 and part of the Business Promotions Committee & EP Marketing Committee. Business Manager/ Owner/ Secretary of Norton's Transport. Currently & past committee member of several sporting & community groups, & volunteer.

Mark Dickinson

Title: Non-Executive Director

Qualifications: Trade certificate/ Fitter and Turner

Experience & Expertise: Part owner and director of Cummins Ag Services for 21 years.

Connie Andrew

Title: Non-Executive Director

Qualifications: Bachelor of Physiotherapy

Experience & Expertise: Business Owner & Principal Therapist.

Peter Glover

(resigned in November 2022)

Title: Non-Executive Director

Qualifications: GAICD (Graduate of Australian Institute of Company Directors)

Experience & Expertise: Director since November 2005. Chairperson from November 2010 to November 2016 as well as part of the HR and Audit Committees. Farmer.

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

No Directors have material interests in contracts or proposed contracts with the company.

Directors' report (continued)

Directors' Meetings

Attendances by each Director during the year were as follows:

Director	Board Meetings		Audit Committee Meetings	
	A	B	A	B
Michael Howell	11	11	1	1
George Pedler	11	9	-	-
Michael Ford	11	11	-	-
Adam Richardson	11	11	-	-
Jillian Wedd	11	8	-	-
Elizabeth Holley	11	7	1	1
Heather Norton	11	9	-	-
Mark Dickinson	11	10	-	-
Connie Andrew	11	8	-	-
Peter Glover (resigned in November 2022)	5	4	1	1

A - The number of meetings eligible to attend.

B - The number of meetings attended.

- - Not a member of that committee.

Company Secretary

The following person held the position of Company Secretary at the end of the financial year.

Ingrid Kennerley

Qualifications: Degree in Natural Resources Management and Graduate Diploma in Agriculture

Experience & Expertise: Company Secretary since 14 June 2018. Service administration at Bascombe Auto Ag, Treasurer of Great Flinders Football League, Treasurer of the Cummins Memorial Swimming Pool, Past Treasurer of the Reds Rambler Canteen and past Secretary of the Cummins Rambler Netball Club.

Principal Activities

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

There has been no significant changes in the nature of these activities during the year.

Operating Results

The profit of the company for the financial year after provision for income tax was:

	30 June 2023 (\$)	30 June 2022 (\$)	Movement
Profit After Tax	361,696	358,550	1%

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' report (continued)

Director's Interests

Director	Fully Paid Ordinary Shares		
	Balance at 1 July 2022	Changes During the Year	Balance at 30 June 2023
Michael Howell	500	-	500
George Pedler	1,000	-	1,000
Michael Ford	-	-	-
Adam Richardson	-	-	-
Jillian Wedd	1,000	-	1,000
Elizabeth Holley	2,000	-	2,000
Heather Norton	17,500	-	17,500
Mark Dickinson	4,000	-	4,000
Connie Andrew	-	-	-
Peter Glover (resigned in November 2022)	5,300	-	5,300

Dividends

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

	Cents per Share	Total Amount (\$)
Final fully franked dividend	10	\$43,581
Total Amount	10	\$43,581

Options

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

Significant Changes in the State of Affairs

In the opinion of the directors there were no other significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

Events Since the end of the Financial Year

No matters or circumstances have arisen since the end of the financial year that significantly impact or may significantly impact the operations of the company, the results of those operations or the state of affairs of the company, in future financial years.

Likely Developments

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

Environmental Regulations

The company is not subject to any significant environmental regulation.

Indemnification & Insurance of Directors & Officers

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

Directors' report (continued)

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The company has not provided any insurance for an auditor of the company or a related body corporate.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

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

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 (RSD Audit) for audit and non-audit services provided during the year are set out in Note 27 to the accounts.

The Board of Directors 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 are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- none of the services 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 on page 15 of this financial report.

Signed in accordance with a resolution of the Board of Directors at Cummins, SA.



Michael Howell
Chair/Director

Dated this 17th day of October, 2023

Auditor's independence declaration



41A Breen Street
Bendigo, Victoria
PO Box 448, Bendigo, VIC, 3552

Ph: (03) 4435 3550
admin@rsdaudit.com.au
www.rsdaudit.com.au

Auditors Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors of Cummins District Financial Services Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Cummins District Financial Services Limited. As the lead audit partner for the audit of the financial report for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.

RSD Audit

A handwritten signature in dark ink, appearing to be 'JP', written over a light grey circular background.

Josh Porker
Principal

41A Breen Street
Bendigo VIC 3550

Dated: 20 October 2023

Richmond Sinnott & Delahunty, trading as RSD Audit
ABN 85 619 186 908
Liability limited by a scheme approved under Professional Standards Legislation

Financial statements

Statement of profit or loss and other comprehensive income for the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue			
Revenue from contracts with customers	7	2,902,892	1,654,056
Other revenue	8	34,616	14,853
		2,937,508	1,668,909
Expenses			
Employee benefits expense	9	(748,430)	(612,073)
Depreciation and amortisation	9	(130,780)	(52,466)
Finance costs	9	(4,754)	(15)
Bad and doubtful debts expense		(398)	2,269
Accounting, auditing and compliance expenses		(24,110)	(19,274)
Advertising and promotion		(23,291)	(25,638)
Agent commission		(168,423)	(57,884)
ATM Cost		(10,557)	(8,599)
Freight, cartage and delivery		(23,823)	(11,830)
Insurance		(16,060)	(19,993)
IT costs		(28,600)	(25,775)
Motor vehicle expenses		(11,508)	(5,244)
Occupancy expenses		(30,156)	(31,399)
Printing and stationary		(14,894)	(10,101)
Other expenses		(49,844)	(31,057)
		(1,285,628)	(909,079)
Operating profit before charitable donations and sponsorship		1,651,880	759,830
Charitable donations and sponsorship	9	(1,167,345)	(280,579)
Profit before income tax		484,535	479,251
Income tax expense	10	(122,839)	(120,701)
Profit for the year after income tax		361,696	358,550
Other comprehensive income		(2,374)	(5,101)
Total comprehensive income for the year		359,322	353,449
Profit attributable to the ordinary shareholders of the company		359,322	353,449
Total comprehensive income attributable to ordinary shareholders of the company		359,322	353,449
Earnings per share		¢	¢
- basic and diluted earnings per share	29	82.45	81.10

The accompanying notes form part of these financial statements

Financial statements (continued)

Statement of financial position for the year ended 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	11	98,687	556,957
Trade and other receivables	12	297,344	158,303
Financial assets	13	41,138	43,436
Other assets	14	9,854	22,560
Total current assets		447,023	781,256
Non-current assets			
Property, plant and equipment	15	637,739	657,514
Intangible assets	16	644,268	44,804
Deferred tax assets	17	66,263	61,903
Total non-current assets		1,348,270	764,221
Total assets		1,795,293	1,545,477
Liabilities			
Current liabilities			
Trade and other payables	18	61,370	56,618
Current tax liability	17	25,972	103,599
Borrowings	19	405	392
Employee benefits	20	130,803	119,604
Total current liabilities		218,550	280,213
Non-current liabilities			
Employee benefits	20	2,738	7,000
Total non-current liabilities		2,738	7,000
Total liabilities		221,288	287,213
Net assets		1,574,005	1,258,264
Equity			
Issued capital	21	435,809	435,809
Retained earnings	22	1,134,068	815,953
Reserves	23	4,128	6,502
Total equity		1,574,005	1,258,264

The accompanying notes form part of these financial statements

Financial statements (continued)

Statement of changes in equity for the year ended 30 June 2023

	Note	Issued capital \$	Retained earnings \$	Reserves \$	Total equity \$
Balance at 1 July 2021		435,809	500,984	11,603	948,396
<i>Comprehensive income for the year</i>					
Profit for the year		-	358,550	-	358,550
Other comprehensive income for the year		-	-	(5,101)	(5,101)
<i>Transactions with owners in their capacity as owners</i>					
Dividends paid or provided	28	-	(43,581)	-	(43,581)
Balance at 30 June 2022		435,809	815,953	6,502	1,258,264
Balance at 1 July 2022		435,809	815,953	6,502	1,258,264
<i>Comprehensive income for the year</i>					
Profit for the year		-	361,696	-	361,696
Other comprehensive income for the year		-	-	(2,374)	(2,374)
<i>Transactions with owners in their capacity as owners</i>					
Dividends paid or provided	28	-	(43,581)	-	(43,581)
Balance at 30 June 2023		435,809	1,134,068	4,128	1,574,005

The accompanying notes form part of these financial statements

Financial statements (continued)

Statement of cash flows for the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers		3,084,321	1,800,426
Payments to suppliers and employees		(2,588,592)	(1,278,068)
Dividends received		3,797	3,626
Interest received		5,247	12
Interest expense		(4,754)	-
Income tax paid		(204,252)	(56,872)
Net cash flows provided by operating activities	24b	295,767	469,124
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	243
Purchase of property, plant and equipment		(17,487)	(22,407)
Purchase of intangible assets		(692,982)	-
Net cash flows used in investing activities		(710,469)	(22,164)
Cash flows from financing activities			
Proceeds from borrowings		605,119	135
Repayment of borrowings		(605,106)	-
Dividends paid		(43,581)	(43,581)
Net cash flows used in financing activities		(43,568)	(43,446)
Net increase/(decrease) in cash held		(458,270)	403,514
Cash and cash equivalents at beginning of financial year		556,957	153,443
Cash and cash equivalents at end of financial year	24a	98,687	556,957

The accompanying notes form part of these financial statements

Notes to the financial statements

For the year ended 30 June 2023

Note 1. Corporate Information

These financial statements and notes represent those of Cummins District Financial Services Limited (the Company) as an individual entity. Cummins District Financial Services Limited is a company limited by shares, incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on 17th October 2023.

Further information on the nature of the operations and principal activity of the company is provided in the directors' report. Information on the company's related party relationships is provided in Note 26.

Note 2. Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar, unless otherwise stated.

Note 3. Summary of Significant Accounting Policies

The company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

(a) Economic Dependency

The Company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the following Community Banks branch at Cummins.

The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry.

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 the relevant Bendigo Bank entity 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:

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

- 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
- 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.

(b) 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.

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

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

All revenue is stated net of the amount of Goods and Services Tax (GST).

Revenue Calculation

The franchise agreement provides that three forms of revenue may be earned by the company – 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. It may also be affected by other factors, such as economic and local conditions, for example, interest rates.

Margin

Margin is arrived at through the following calculation:

$$\begin{array}{r}
 \text{Interest paid by customers on loans, less interest paid to customers on deposits} \\
 \textbf{plus} \\
 \text{Deposit returns (i.e. interest return applied by BABL on deposits)} \\
 \textbf{minus} \\
 \text{Any costs of funds (i.e. interest applied by BABL to fund a loan)}
 \end{array}$$

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

Commission

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

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

Fee Income

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

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

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 and Adelaide Bank may change the form and amount of financial return that the company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo and Adelaide 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. The effect of the change on the revenue earned by the company is entirely dependent on the change.

Bendigo and Adelaide 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 and Adelaide Bank's margin at that time. For other products and services, there is no restriction on the change Bendigo and Adelaide Bank may make.

(c) Other Revenue

The company's activities include the generation of income from sources other than the core products under the franchise agreement. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and can be reliably measured.

Revenue	Revenue Recognition Policy
Discretionary financial contributions (also "Market Development Fund" or "MDF" income)	MDF income is recognised when the right to receive the payment is established. MDF income is discretionary and provided and receivable at month-end and paid within 14 days after month-end.
Other income	All other revenues that did not contain contracts with customers are recognised as goods and services are provided.

All revenue is stated net of the amount of Goods and Services Tax (GST).

Discretionary Financial Contributions

In addition to margin, commission and fee income, and separate from the franchise agreement, Bendigo Bank has also made MDF payments to the company.

The amount has been based on the volume of business attributed to a branch. The purpose of the discretionary payments is to assist with local market development activities, including community sponsorships and grants. It is for the board to decide how to use the MDF.

The payments from Bendigo Bank are discretionary and may change the amount or stop making them at any time. The company retains control over the funds, the funds are not refundable to Bendigo Bank.

(d) Employee Benefits

Short-term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for salary and wages (including non-monetary benefits), annual leave, and sick leave which are expected to be wholly settled within 12 months of the reporting date. They are measured at amounts expected to be paid when the liabilities are settled, plus related on-costs. Expenses for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

An annual leave liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated.

Other Long-term Employee Benefits

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

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

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

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

(e) Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current Income 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.

Deferred Tax

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

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

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

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

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

Goods & Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except:

- when the amount of GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue or expense item.
- when receivables and payables are stated with the amount of GST included.

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

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

(f) Cash & Cash Equivalents

For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise: cash on hand, deposits held with banks, and short-term, highly liquid investments (mainly money market funds) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(g) Property, Plant & Equipment

Recognition & Measurement

Items of property, plant and equipment are measured at cost or fair value as applicable, which includes capitalised borrowings costs, less accumulated depreciation and any accumulated impairment losses.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

Depreciation

Depreciation is calculated to write-off the cost of items of property, plant and equipment less their estimated residual values using diminishing value method over their estimated useful lives, and is recognised in profit or loss.

The estimated useful lives of property, plant and equipment for the current and comparative periods are as follows:

Asset Class	Method	Useful Life
Buildings	Straight line	40 years
Plant & equipment	Diminishing value	1 - 25 years

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

(h) Intangible Assets

Intangible assets of the company include the franchise fees paid to Bendigo Bank conveying the right to operate the Community Bank franchise.

Recognition & Measurement

Intangible assets acquired separately are measured on initial recognition at cost.

Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognised in profit or loss as incurred.

Amortisation

Intangible assets 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
Franchise fee	Straight line	Franchise term (5 years)
Tumby Bay DFSL Revenue Right	Straight line	8 years

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

(i) Financial Instruments

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

Sub-note (i) and (j) refer to the following acronyms:

Acronym	Meaning
FVTPL	Fair value through profit or loss
FVTOCI	Fair value through other comprehensive income
SPPI	Solely payments of principal and interest
ECL	Expected credit loss
CGU	Cash-generating unit

Recognition & Initial Measurement

Trade receivables are initially recognised when they originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to the acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification & Subsequent Measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVTOCI - debt investment; FVTOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVTOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial Assets - Business Model Assessment

The company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed.

Financial Assets - Subsequent Measurement, Gains & Losses

For financial assets at amortised cost, these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial Liabilities - Classification, Subsequent Measurement, Gains & Losses

Borrowings and other financial liabilities (including trade payables) are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial Assets

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Where the company enters into transactions where it transfers assets recognised in the statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred asset, the transferred assets are not derecognised.

Financial Liabilities

The company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

Offsetting

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

(j) Impairment

Non-derivative Financial Instruments

The company recognises a loss allowance for estimated credit losses (ECL)'s on its trade receivables.

ECL's are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received.

In measuring the ECL, a provision matrix for trade receivables is used, taking into consideration various data to get to an ECL, (i.e. diversity of its customer base, appropriate groupings of its historical loss experience etc.).

Recognition of ECL in Financial Statements

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The company's trade receivables are limited to the monthly profit share distribution from Bendigo and Adelaide Bank, which is received 14 days post month end. Due to the reliance on Bendigo and Adelaide Bank the company has reviewed credit ratings provided by Standard & Poors, Moody's and Fitch Ratings to determine the level of credit exposure to the company. The company also performed a historical assessment of receivables from Bendigo and Adelaide Bank and found no instances of default. As a result no impairment loss allowance has been made in relation to trade receivables as at 30 June 2023.

Non-financial Assets

At each reporting date, the company reviews the carrying amount of its non-financial assets (other than investment property, contracts assets, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The company has assessed for impairment indicators and noted no material impacts on the carrying amount of non-financial assets.

(k) Issued Capital

Ordinary Shares

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

(m) Standards Issued But Not Yet Effective

There are no new standards effective for annual reporting periods beginning after 1 January 2022 that are expected to have a significant impact on the company's financial statements.

Note 4. Significant Accounting Judgements, Estimates & Assumptions

During preparation of the financial statements, management has made judgements and estimates that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual outcomes and balances may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to these estimates are recognised prospectively.

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note	Judgement
Note 7 - Revenue	Whether revenue is recognised over time or at a point in time

Notes to the financial statements (continued)

Note 4. Significant Accounting Judgements, Estimates & Assumptions (continued)

(b) Assumptions & Estimation Uncertainty

Information about assumptions and estimation uncertainties at 30 June 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note	Assumption
Note 17 - Recognition of deferred tax assets	Availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilised
Note 15 - Estimation of asset useful lives	Key assumptions on historical experience and the condition of the asset
Note 20 - Long service leave provision	Key assumptions on attrition rate of staff and expected pay increases though promotion and inflation

Note 5. Financial Risk Management

The company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company does not utilise any derivative instruments.

Risk management is carried out directly by the Board of Directors.

(a) Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

The company has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo and Adelaide Bank.

(b) 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.

(c) Market Risk

Market risk is the risk that changes in market prices - e.g. foreign exchange rates, interest rates, and equity prices - will affect the company's income or the value of its holdings in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The company has no exposure to any transactions denominated in a currency other than Australian dollars.

Price Risk

The company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. There is no exposure to the company in regard to commodity price risk.

Cash Flow & Fair Values Interest Rate Risk

Interest-bearing assets are held with Bendigo and Adelaide Bank and subject to movements in market interest. 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 \$98,687 at 30 June 2023 (2022: \$556,957). The cash and cash equivalents are held with Bendigo & Adelaide Bank, which are rated BBB on Standard & Poor's credit ratings.

Notes to the financial statements (continued)

Note 6. Capital Management

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

- (a) 20% of the profit or funds of the company otherwise available for distribution to shareholders in that 12 month period; and
- (b) subject to the availability of distributable profits, the relevant rate of return multiplied by the average level of share capital of the 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 year ended 30 June 2023 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 7. Revenue From Contracts With Customers

Revenue arises from the rendering of services through its franchise agreement with the Bendigo and Adelaide Bank Limited. The revenue recognised is measured by reference to the fair value of consideration received or receivable, excluding sales taxes, rebates, and trade discounts.

	2023 \$	2022 \$
Revenue		
- Revenue from contracts with customers	2,902,892	1,654,056
	2,902,892	1,654,056
<i>Disaggregation of Revenue From Contracts With Customers</i>		
- Margin income	1,680,478	768,752
- Fee income	70,223	57,548
- Commission income	1,152,191	827,756
	2,902,892	1,654,056

All revenue from contracts customers shown above was recognised at a point in time. There was no revenue from contracts with customers recognised over time during the financial year.

Note 8. Other Revenue

The company generates other sources of revenue as outlined below.

	2023 \$	2022 \$
Other Revenue		
- Interest received	5,247	12
- Dividends received	3,797	3,626
- Rental income	10,400	10,400
- Other revenue	15,172	815
	34,616	14,853

Notes to the financial statements (continued)

Note 9. Expenses

Profit before income tax from continuing operations includes the following specific expenses:

(a) Employee Benefits Expense

	2023 \$	2022 \$
<i>Employee Benefits Expense</i>		
- Wages & salaries	638,897	503,678
- Superannuation costs	67,738	51,580
- Other expenses related to employees	41,795	56,815
	748,430	612,073

(b) Depreciation & Amortisation Expense

	2023 \$	2022 \$
<i>Depreciation of Non-current Assets</i>		
- Buildings	17,731	17,370
- Plant and equipment	19,531	22,140
	37,262	39,510
<i>Amortisation of Intangible Assets</i>		
- Franchise fees	12,955	12,956
- Tumby Bay District revenue right	80,563	-
	93,518	12,956
Total depreciation & amortisation expense	130,780	52,466

The non-current tangible and intangible assets listed above are depreciated and amortised in accordance with the company's accounting policy (see Note 3(g) and 3(h) for details).

(c) Finance Costs

	2023 \$	2022 \$
<i>Finance Costs</i>		
- Interest paid	4,754	15
	4,754	15

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

(d) Community Investments & Sponsorship

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

	2023 \$	2022 \$
<i>Community Investments & Sponsorship</i>		
- Direct sponsorship and grant payments	114,713	122,684
- Contribution to the Community Enterprise Foundation™ (ex GST)	1,052,632	157,895
	1,167,345	280,579

The funds contributed are held by the Community Enterprise Foundation (CEF) and are available for distribution as grants to eligible applicants for a specific purpose in consultation with the directors.

When the company pays a contribution in to the CEF, the company loses control over the funds at that point. While the directors are involved in the payment of grants, the funds are not refundable to the company.

Notes to the financial statements (continued)

Note 9. Expenses (continued)

(e) Community Enterprise Foundation™ Contributions

During the financial year the company contributed funds to the CEF, the philanthropic arm of the Bendigo Bank. These contributions paid in form part of community investments and sponsorship expenditure included in profit or loss.

	2023 \$	2022 \$
<i>Disaggregation of CEF Funds</i>		
Opening balance	1,369,859	1,453,775
Contributions paid	1,157,895	173,684
Grants paid out	(479,098)	(254,794)
Interest received	25,656	5,837
GST	(63,164)	(2,290)
Management fees incurred	(52,626)	(6,353)
STL Wealth Management Investment Balance	(73,409)	-
Managed Fund Distribution	22,655	-
Balance available for distribution	1,907,768	1,369,859

Note 10. Income Tax Expense

Income tax expense comprises current and deferred tax. Attributable current and deferred tax expense is recognised in the other comprehensive income or directly in equity as appropriate.

(a) The Components of Tax Expense

	2023 \$	2022 \$
Current tax expense	126,624	131,172
Deferred tax expense	(4,360)	(11,921)
Deferred tax recognised in OCI	575	1,700
Over provision of prior years	-	(250)
	122,839	120,701

(b) Prima Facie Tax Payable

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

	2023 \$	2022 \$
Prima facie tax on profit before income tax at 25% (2022: 25%)	121,134	119,813
<i>Add Tax Effect Of:</i>		
- Over provision of prior years	-	(250)
- Non-deductible expenses	1,704	1,139
- Change in company tax rates	-	2,476
- Temporary differences	3,786	10,220
- Movement in deferred tax	(4,360)	(14,397)
- Deferred tax recognised in OCI	575	1,700
Income tax attributable to the entity	122,839	120,701

The applicable weighted average effective tax rate is:	25.35%	25.19%
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Notes to the financial statements (continued)

Note 11. Cash & Cash Equivalents

	2023 \$	2022 \$
Cash at bank and on hand	98,687	556,957
	98,687	556,957

Cash and cash equivalents include cash on hand and cash at bank, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less. Any bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

Note 12. Trade & Other Receivables

	2023 \$	2022 \$
Current		
Trade receivables	294,686	158,300
Other receivables	2,658	3
	297,344	158,303

Trade and other receivables are initially measured at the transaction price. Trade and other receivables are due for settlement usually no more than 30 days from the date of recognition.

The Company's main debtor relates to the Bendigo & Adelaide Bank monthly profit share distribution, which is deposited within a reasonable timeframe each month. There are no items that require the application of the lifetime expected credit loss model.

Note 13. Financial Assets

	2023 \$	2022 \$
<i>At FVTOCI</i>		
Listed investments	41,138	43,436
	41,138	43,436

Note 14. Other Assets

	2023 \$	2022 \$
Prepayments	9,854	22,560
	9,854	22,560

Other assets represent items that will provide the entity with future economic benefits controlled by the entity as a result of past transactions or other past events.

Notes to the financial statements (continued)

Note 15. Property, Plant & Equipment

(a) Carrying Amounts

	2023 \$			2022 \$		
	At Cost / Valuation	Accumulated Depreciation	Written Down Value	At Cost / Valuation	Accumulated Depreciation	Written Down Value
Buildings	721,334	(217,615)	503,719	715,437	(199,884)	515,553
Land	52,500	-	52,500	52,500	-	52,500
Plant & equipment	352,888	(271,368)	81,520	341,298	(251,837)	89,461
	1,126,722	(488,983)	637,739	1,109,235	(451,721)	657,514

(b) Movements in Carrying Amounts

2023	Buildings \$	Land \$	Plant & Equipment \$	Total
Opening carrying value	515,553	52,500	89,461	657,514
Additions	5,897	-	11,590	17,487
Depreciation expense	(17,731)	-	(19,531)	(37,262)
Closing carrying value	503,719	52,500	81,520	637,739

2022	Buildings \$	Land \$	Plant & Equipment \$	Total
Opening carrying value	522,923	52,500	99,424	674,847
Additions	10,000	-	12,407	22,407
Disposals	-	-	(230)	(230)
Depreciation expense	(17,370)	-	(22,140)	(39,510)
Closing carrying value	515,553	52,500	89,461	657,514

(c) Capital Expenditure Commitments

The entity does not have any capital expenditure commitments as at 30 June 2023 (2022: None).

(d) Changes in Estimates

During the financial year, the company assessed estimates used for property, plant and equipment including useful lives, residual values, and depreciation methods.

There were no changes in estimates for the current reporting period.

Note 16. Intangible Assets

(a) Carrying Amounts

	2023			2022		
	At Cost	Accumulated Amortisation	Written Down Value	At Cost	Accumulated Amortisation	Written Down Value
Franchise fee	64,778	(32,929)	31,849	64,778	(19,974)	44,804
Tumby Bay DFSL Revenue Right	692,982	(80,563)	612,419	-	-	-
	757,760	(113,492)	644,268	64,778	(19,974)	44,804

Notes to the financial statements (continued)

Note 16. Intangible Assets (continued)

(b) Movements in Carrying Amounts

2023	Franchise Fee \$	Tumby Bay DFSL Revenue Right \$	Total
Opening carrying value	44,804	-	44,804
Additions	-	692,982	692,982
Amortisation expense	(12,955)	(80,563)	(93,518)
Closing carrying value	31,849	612,419	644,268

2022	Franchise Fee \$	Tumby Bay DFSL Revenue Right \$	Total
Opening carrying value	57,760	-	57,760
Amortisation expense	(12,956)	-	(12,956)
Closing carrying value	44,804	-	44,804

Note 17. Tax Assets & Liabilities

(a) Current Tax

	2023 \$	2022 \$
Income tax payable	25,972	103,599

(b) Deferred Tax

Movement in the company's deferred tax balances for the year ended 30 June 2023:

	30 June 2022 \$	Recognised in P & L \$	Recognised in Equity \$	30 June 2023 \$
<i>Deferred Tax Assets</i>				
- Expense accruals	1,250	63	-	1,313
- Property, plant & equipment	30,967	2,597	-	33,564
- Employee provisions	31,651	1,740	-	33,391
Total deferred tax assets	63,868	4,400	-	68,268
<i>Deferred Tax Liabilities</i>				
- Accrued income	-	615	-	615
- Financial assets carried at FVTOCI	1,965	-	(575)	1,390
Total deferred tax liabilities	1,965	615	(575)	2,005
Net deferred tax assets	61,903	3,785	575	66,263

Notes to the financial statements (continued)

Note 17. Tax Assets & Liabilities (continued)

Movement in the company's deferred tax balances for the year ended 30 June 2022:

	30 June 2021 \$	Recognised in P & L \$	Recognised in Equity \$	30 June 2022 \$
<i>Deferred Tax Assets</i>				
- Expense accruals	1,226	24	-	1,250
- Property, plant & equipment	28,370	2,597	-	30,967
- Employee provisions	24,069	7,582	-	31,651
Total deferred tax assets	53,665	10,203	-	63,868
<i>Deferred Tax Liabilities</i>				
- Accrued income	18	(18)	-	-
- Financial assets carried at FVTOCI	3,915	-	(1,950)	1,965
Total deferred tax liabilities	3,933	(18)	(1,950)	1,965
Net deferred tax assets	49,732	10,221	1,950	61,903

Note 18. Trade & Other Payables

	2023 \$	2022 \$
Current		
Trade creditors	38,709	21,695
Other creditors and accruals	22,661	34,923
	61,370	56,618

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Note 19. Borrowings

	2023 \$	2022 \$
Current		
<i>Secured Liabilities</i>		
Bank loan	405	392
Total borrowings	405	392

Loans

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

The company has a mortgage loan which is subject to normal terms and conditions. The current interest rate is 8.66%. This loan has been created to fund the purchase of the Branch Managers residence and is secured by the freehold of the land and buildings of the company.

Notes to the financial statements (continued)

Note 20. Employee Benefits

	2023 \$	2022 \$
Current		
Provision for annual leave	43,449	40,667
Provision for long service leave	87,354	78,937
	130,803	119,604
Non-Current		
Provision for long service leave	2,738	7,000
	2,738	7,000

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

Employee Attrition Rates

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

Note 21. Issued Capital

(a) Issued Capital

	2023		2022	
	Number	\$	Number	\$
Ordinary shares - fully paid	435,809	435,809	435,809	435,809
	435,809	435,809	435,809	435,809

Ordinary shares are classified as equity.

(b) Movements in share capital

	2023 \$	2022 \$
<i>Fully paid ordinary shares:</i>		
At the beginning of the reporting period	435,809	435,809
Shares issued during the year	-	-
At the end of the reporting period	435,809	435,809

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

Note 22. Retained Earnings

	Note	2023 \$	2022 \$
Balance at the beginning of the reporting period		815,953	500,984
Profit for the year after income tax		361,696	358,550
Dividends paid	28	(43,581)	(43,581)
Balance at the end of the reporting period		1,134,068	815,953

Notes to the financial statements (continued)

Note 23. Reserves

	2023 \$	2022 \$
<i>Asset Revaluation Reserve</i>		
Balance at the beginning of the reporting period	6,502	11,603
Fair value movements during the period	(2,374)	(5,101)
Balance at the end of the reporting period	4,128	6,502

The reserves represent undistributable gains recognised on the revaluation of non-current assets.

Note 24. Cash Flow Information

(a) Cash and cash equivalents balances as shown in the Statement of Financial Position can be reconciled to that shown in the Statement of Cash Flows as follows:

	Note	2023 \$	2022 \$
Cash and cash equivalents	11	98,687	556,957
As per the Statement of Cash Flows		98,687	556,957

(b) Reconciliation of cash flow from operations with profit after income tax

	2023 \$	2022 \$
Profit for the year after income tax	361,696	358,550
<i>Non-cash flows in profit</i>		
- Depreciation	37,262	39,510
- Amortisation	93,518	12,956
- Impairment gain from Tumby Bay DFSL investment	(650)	-
<i>Changes in assets and liabilities</i>		
- (Increase) / decrease in trade and other receivables	(139,041)	(30,660)
- (Increase) / decrease in prepayments and other assets	12,706	(10,539)
- (Increase) / decrease in deferred tax asset	(3,786)	(12,171)
- Increase / (Decrease) in current tax liability	(77,627)	76,000
- Increase / (decrease) in trade and other payables	4,752	5,149
- Increase / (decrease) in provisions	6,937	30,329
Net cash flows from operating activities	295,767	469,124

Note 25. Financial Instruments

The following shows the carrying amounts for all financial instruments at amortised costs. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	2023 \$	2022 \$
Financial Assets			
Trade and other receivables	12	297,344	158,303
Cash and cash equivalents	11	98,687	556,957
		396,031	715,260

Notes to the financial statements (continued)

Note 25. Financial Instruments (continued)

	Note	2023 \$	2022 \$
Financial Liabilities			
Trade and other payables	18	61,370	56,618
Borrowings	19	405	392
		61,775	57,010

Note 26. Related Parties

(a) Key Management Personnel

Key management personnel includes any person having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any Director (whether executive or otherwise) of that company. The only key management personnel identified for the company are the Board of Directors, the members of which are listed in the Directors' report.

(b) Key Management Personnel Compensation

No Director of the company receives remuneration for services as a company director or committee member. These positions are held on a voluntary basis.

(c) Other Related Parties

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

(d) Transactions With Key Management Personnel & Related Parties

During the year, the company purchased goods and services under normal terms and conditions, from related parties as follows:

Name of Related Party	Description of Goods or Services Provided	Value \$
Cummins IGA - Related Party of Director Adam Richardson	Purchase of staff amenities	918

(e) Key Management Personnel Shareholdings

The number of ordinary shares in the company held by each key management personnel during the financial year has been disclosed in the Director's Report.

(f) Other Key Management Transactions

There has been no other transactions key management or related parties other than those described above.

Note 27. Auditor's Remuneration

The appointed auditor of Cummins District Financial Services Limited for the year ended 30 June 2023 is RSD Audit. Amounts paid or due and payable to the auditor are outlined below.

	2023 \$	2022 \$
<i>Audit & Review Services</i>		
Audit and review of financial statements (RSD Audit)	5,750	5,450
	5,750	5,450
<i>Non-Audit Services</i>		
Other non-audit services	1,800	1,700
	1,800	1,700
Total auditor's remuneration	7,550	7,150

Notes to the financial statements (continued)

Note 28. Dividends

The following dividends were provided for and paid to shareholders during the reporting period as presented in the statement of changes in equity and statement of cash flows.

	2023		2022	
	Number	\$	Number	\$
Fully franked dividend	435,809	43,581	435,809	43,581
Dividends provided for and paid during the year	435,809	43,581	435,809	43,581

The tax rate at which dividends have been franked is 25% (2022: 25%).

Note 29. Earnings Per Share

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	2023	2022
	\$	\$
Profit attributable to ordinary shareholders	359,322	353,449

	Number	Number
	Weighted average number of ordinary shares	435,809

	¢	¢
	Basic and diluted earnings per share	82.45

Note 30. Events After the Reporting Period

There have been no significant events after the end of the financial year that would have a material impact on the financial statements or the company's state of affairs.

Note 31. Commitments & Contingencies

Details about any capital commitments are detailed in Note 15(c).

The company has no other commitments requiring disclosure.

There were no contingent liabilities or assets at the date of this report that would have an impact on the financial statements.

Note 32. Company Details

The registered office of the company is:

Cummins District Financial Services Limited 18 Railway Terrace Cummins, SA 5631

Note 33. Fair Value Measurements

The company may measure some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

Notes to the financial statements (continued)

Note 33. Fair Value Measurements (continued)

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair value of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The company measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- listed investments

The company does not subsequently measure any liabilities at fair value on a non-recurring basis.

(a) Fair Value Hierarchy

AASB 13: Fair value measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level	Measurement Details
Level 1	Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Measurements based on unobservable inputs for the asset or liability.

Fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The following tables provide the fair values of the company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

	30 June 2023			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring Fair Value Measurements				
<i>Financial Assets</i>				
Listed investments	41,138	-	-	41,138
	41,138	-	-	41,138

	30 June 2022			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring Fair Value Measurements				
<i>Financial Assets</i>				
Listed investments	43,436	-	-	43,436
	43,436	-	-	43,436

There were no transfers between levels for assets measured at fair value on a recurring basis during the reporting period (2022: no transfers).

Notes to the financial statements (continued)

Note 33. Fair Value Measurements (continued)

(b) Valuation Techniques

The company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the company are consistent with one or more of the following valuation approaches:

Approach	Valuation Details
Market Approach	Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
Income Approach	Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value
Cost Approach	Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Directors' declaration

For the financial year ended 30 June 2023

In accordance with a resolution of the directors of Cummins District Financial Services Limited, we state that:

In the opinion of the directors:

- (a) The financial statements and notes of the company are in accordance with the *Corporations Act 2001*, including:
- (i) giving a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable

This declaration is made in accordance with a resolution of the board of directors.



Michael Howell
Chair/Director

Dated this 17th day of October, 2023

Independent audit report



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUMMINS DISTRICT FINANCIAL SERVICES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Cummins District Financial Services Limited (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance and its cash flows for the year then ended; and
- (ii) complying with Australian Accounting Standards.

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

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 2023, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Director's Responsibility for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



Auditor's Responsibility for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. 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. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

Independence

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

RSD Audit

A handwritten signature in blue ink, appearing to read 'JPorker'.

Josh Porker
Principal

Dated: 20 October 2023.

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 **Bendigo Bank**