

Annual Report 2024

East Keilor Community
Financial Services Limited

Community Bank
Keilor East

ABN 18 096 939 507



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Chairman's Report

For year ending 30 June 2024

It is a real pleasure to provide our East Keilor Community Financial Services Limited (EKCFSL) Shareholders with my Chairman's Report for the financial year 2023-24 at our Community Bank's 22nd AGM. Community Bank Keilor East continues to develop a positive culture by remaining opened Monday to Friday 9.30am - 5pm. I'm pleased to announce that EKCFSL reported a very healthy after-tax profit of \$452K which was slightly down on the previous year. We continued to provide food & coffee vouchers, support educational and scholarship programs, the arts, sporting clubs and various community organisations. We continue to assist valued customers experiencing financial loan distress due to the rapid interest rate increases in previous years. Our Community Sponsorship, Grant & Donation contributions reached a record high \$261K due to a \$150,000 grant provided by the board to support the Helping Hand Mission Inc relocation project and whilst we expanded and continued support to community clubs, organisations, programs and events. As shareholders you should be extremely proud that our financial Community Bank support has benefitted so many groups throughout the year and further elevated our branch's importance to the community.

After more than 9 years at the helm as Branch Manager, Tina Ballos after much deliberation decided she was ready to resign in May. Tina's contribution was undeniably enormous in terms of lifting substantially our book value but more importantly transforming the company into an engaging Community Bank. Under Tina's leadership the company had grown by nearly 150% and helped ensure its continued local existence. On behalf of directors, shareholders and the community, I want to personally thank Tina for her dedication and commitment to the ethos of the Community Bank model which has benefitted so many community groups. I would also like to acknowledge and thank Nancy Perri & Kylie Bloomfield who have in the interim jointly taken on the Branch Manager's role.

While the banking system is an ultra -competitive financial environment, I would like to acknowledge and congratulate Leanne Dawson, Pam Wingrave, Stephanie Weeks, Maree Matagi, Lachlan Ruff & Zaina Kattan who as a team have worked positively for our company. Their commitment was recently acknowledged with our Community Bank winning the Western Region Operational Excellence Award. I would also like to welcome and congratulate Lachlan Ruff who completed his 12-month WestVic training position and joined our company as an employee.

Creating and developing a genuine & meaningful community relationship has enhanced our Community Bank's reputation. The board endeavours to target and maintain a cautious and measured approach in distributing community funds, as to ensure we continue to provide a solid financial return to our shareholders. We remain focused to provide a platform to remain profitable, whilst we continue to provide significant contributions to many community organisations & clubs. We envisage that with the growth of our company, this enhances our capabilities of funding more community projects. This situation allows for some unallocated community funding to be directed to our EKCFSL. Community Enterprise Foundation (CEF) account for future use. Over the last 12 months we have utilised our CEF Funding to support local school scholarship programs, indigenous ceremonies and programs, Arts & Cultural Events (ie Moonee Valley Art Show), Disability Sports & Recreation Victoria, Sports Excellence Scholarship

Fund and Community Club programs. Our intention is to leverage and use CEF funds to provide another avenue for business growth from within our local community and further a-field.

The board regularly reviews our strategic plans to carefully analyse our current progress and capabilities. All our initial strategic plans have been achieved ahead of schedule, and we have commenced reviews to ascertain our next three-year vision and strategic plans. We consider that the last 12 months whilst difficult has put us in much stronger position to enhance our community contributions and we are continually investigating new ways to engage with more community groups. It's envisaged that the 'Pitch-4-Funding' Event will resume in 2025. This unique mechanism may enable other community minded organisations and businesses to join with us to help expand our footprint and possibly fund in partnership exciting new community projects, like the establishment of a Keilor East business network meeting or forum.

As the Chairman, I would like to sincerely congratulate our board of directors who have continued to engage and focus on our strategic goals & action plans. Our board provides a wide and diverse range of strategic ideas to ensure the Community Bank remains viable for the benefit of all our shareholders and our local community. The efforts of the board directors and our wonderful staff over the past six years have all helped us achieve a significant record profit for the company which has put us in a very healthy financial position.

I would like to acknowledge the enormous contribution of all our directors who have been very willing and supportive in moving the company forward through developing new strategic and marketing initiatives. Our company is extremely well managed by exceptional directors with Terry Trewin (company secretary), Peter Halaseh (treasurer) and directors Gian Blundo, Maria Kouppas, John Sipek. I would also like to welcome two recent director appointments in Richard Lawrence and Larrel Shaw. As a company team we aim to strive and continue a comprehensive financial contribution program to sustain numerous community organisations. The board is resolute and very conscious of ensuring that our shareholders are amply rewarded for their continued support by ensuring, where possible, a sustainable and solid dividend is forthcoming.

Finally, I would like to sincerely thank all our wonderful and talented Community Bank staff, company directors, shareholders and customers, for your continued ongoing support of Community Bank Keilor East and as a collective group we continue to enhance a healthy and vibrant local community.

Regards,

Gerard Mahoney

Chairman - Community Bank Keilor East



Branch Manager's Report

For year ending 30 June 2024

Welcome to our 22nd AGM for Community Bank Keilor East. This last financial year saw some major changes with Tina Ballos announcing her retirement in May and a first for our community banking history, as the board decided to install us as into the role as joint bank Branch Managers.

We have over 25 years combined experience in the banking industry. We're thrilled to be supporting our local community, creating genuine connections with customers for all their banking needs. Our intention is to take the confusion and frustration out of the lending process and work tirelessly to make every step of the journey as seamless as possible. We also aim to carefully guide you through the process from your application and approval through to settlement, with us being the only people to have to deal with from start to completion.

Bendigo Bank and our Community Bank have experienced many challenges in the last financial year with interest rates remaining high, cost of living crisis effecting many people along with many building development companies collapsing and the uncertainty of what lies ahead. Although we have not met our expected growth targets, we have retained most of our customers due to our personalised service, regularly contacting our customers to ensure that all their banking needs and requirements are being met.

We have introduced branch promotions by providing a hamper to all home loan customers who settled a loan with Community Bank Keilor East, that has been well received by customers. Many other initiatives are being developed in conjunction with local businesses to stimulate trade within the Centreway precinct.

We continue to grow our business development opportunities by seeking alternative ways to assist our current and new customers with the changing digital environment. Through our social media platforms, we aim to better educate and inform customers to increase their awareness around potential fraud and scams.

To our wonderful staff, Leanne, Pam, Stephanie, Maree, Lachlan and Zaina, thank you for your continued support throughout the year. Although the last financial year has been challenging in many ways you have all remained focused on servicing our customers to a very high standard. Your commitment and passion make the Keilor East branch such a welcoming environment for everyone.

On behalf of the Keilor East community, we would like to express our sincere gratitude to the Board of Directors for their unwavering commitment, guidance and support throughout the year. The dedication and service of our directors is extremely valuable to the company and the community. The \$150,000 donation to Helping Hand Mission Inc was an extraordinary community gesture by our board.

We would like to convey our appreciation to our valued shareholders for their continued support and trust in Community Bank Keilor East, so please continue to support us by referring your family, friends and colleagues, as you hopefully advocate the wonderful services we offer the local community.

On behalf of our branch staff, thank you to everyone for your wonderful support throughout the year and we look forward to growing our business with continued support from our staff, company directors, shareholders, sponsored groups and the wider local community.

Warm regards,

Kylie Bloomfield

Joint Branch Manager



Nancy Perri

Joint Branch Manager





East Keilor Community Financial Services Ltd

ABN: 18 096 939 507

Financial Report for the year ended 30 June 2024

East Keilor Community Financial Services Ltd

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East Keilor Community Financial Services Ltd

Directors' Report

For the year ended 30 June 2024

The Directors present their report, together with the financial statements, on East Keilor Community Financial Services Ltd for the financial year ended 30 June 2024.

Board of Directors

The following persons were Directors of East Keilor Community Financial Services Ltd during the whole of the financial year up to the date of this report, unless otherwise stated:

Gerard Mahoney

Title:	Chair
Qualifications:	Graduate Diploma in Computer Education
Experience & Expertise:	Over 30 years in Education Management & Business

Terry Trewin

Title:	Secretary
Qualifications:	B. Commerce Melbourne University
Experience & Expertise:	Over 36 years senior management in various commercial organisations

Peter Halaseh

Title:	Treasurer
Qualifications:	Bachelor of Science majoring in Chemistry, Masters Business Administration (MBA)
Experience & Expertise:	Chairman and Managing Director for Ampha Pty Ltd and Halmed Pty Ltd

Gian Blundo

Title:	Non-Executive Director
Qualifications:	
Experience & Expertise:	Managing Director of Décor It Events. Marketing background

John Sipek

Title:	Non-Executive Director
Qualifications:	JP, MAICD, Advanced Diploma in Management
Experience & Expertise:	Extensive Board experience, Council member including Mayor Moonee Valley Council

Maria Kouppas

Title:	Non-Executive Director
Qualifications:	Master of Education specialising in Training, Diploma of Business
Experience & Expertise:	Rotarian for over 20 years, extensive experience in teaching, front line training

Richard Lawrence

Title:	Non-Executive Director
Qualifications:	Bachelor Business
Experience & Expertise:	Small business owner 30 years, City Councillor

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

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

East Keilor Community Financial Services Ltd

Directors' Report

For the year ended 30 June 2024

Directors' Meetings

Attendances by each Director during the year were as follows:

Director	Board Meetings	
	A	B
Gerard Mahoney	12	11
Terry Trewin	12	12
Peter Halaseh	12	9
Gian Blundo	12	10
John Sipek	12	11
Maria Kouppas	12	9
Richard Lawrence	8	7

A - The number of meetings eligible to attend.

B - The number of meetings attended.

Company Secretary

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

Terry Trewin	
Qualifications:	B. Commerce Melbourne University
Experience & Expertise:	Over 36 years senior management in various commercial organisations

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 2024 (\$)	30 June 2023 (\$)	Movement
Profit After Tax	452,323	543,023	-17%

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

For the year ended 30 June 2024

Director's Interests

Director	Fully Paid Ordinary Shares		
	Balance at 1 July 2023	Changes During the Year	Balance at 30 June 2024
Gerard Mahoney	6,000	-	6,000
Terry Trewin	-	-	-
Peter Halaseh	5,000	-	5,000
Gian Blundo	-	-	-
John Sipek	-	-	-
Maria Kouppas	-	-	-
Richard Lawrence	-	4,000	4,000

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¢	\$64,087
Total Amount	10¢	\$64,087

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.

Directors' Report

For the year ended 30 June 2024

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.

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 28 to the accounts.

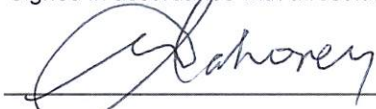
The Board of Directors has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of the non-audit services is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- 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 5 of this financial report.

Signed in accordance with a resolution of the Board of Directors at Keilor East, Victoria.



Gerard Mahoney
Chair/Director

Dated this 16th day of September, 2024



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Bendigo, Victoria
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Auditors Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors of East Keilor Community 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 **East Keilor Community Financial Services**.

As the lead audit partner for the audit of the financial report for the year ended 30 June 2024, 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 black ink, appearing to read 'Mahesh', with a horizontal line extending to the right.

Mahesh Silva
Partner
41A Breen Street
Bendigo VIC 3550

Dated: 17 September 2024

East Keilor Community Financial Services Ltd

Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue			
Revenue from contracts with customers	7	1,789,332	2,118,011
Other revenue	8	362	21,716
Finance income	8	70,037	20,604
		1,859,731	2,160,331
Expenses			
Employee benefits expense	9	(687,251)	(505,474)
Depreciation and amortisation	9	(74,835)	(100,991)
Administration and general costs		(145,987)	(133,338)
Occupancy expenses		(36,368)	(19,288)
Vehicle running costs		(6,619)	(5,954)
IT expenses		(42,503)	(42,211)
		(993,563)	(807,256)
Operating profit before charitable donations and sponsorship		866,168	1,353,075
Charitable donations and sponsorship	9	(260,695)	(632,037)
Profit before income tax		605,473	721,038
Income tax expense	10	(153,150)	(178,015)
Profit for the year after income tax		452,323	543,023
Other comprehensive income		-	-
Total comprehensive income for the year		452,323	543,023
Profit attributable to the ordinary shareholders of the company		452,323	543,023
Total comprehensive income attributable to ordinary shareholders of the company		452,323	543,023
Earnings per share		¢	¢
- basic and diluted earnings per share	30	70.58	84.73

The accompanying notes form part of these financial statements

Statement of Financial Position

As at 30 June 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	11	378,102	757,015
Trade and other receivables	12	172,735	200,635
Financial assets	13	1,518,252	1,273,863
Current tax asset	18	815	-
Other assets	14	45,601	12,947
Total current assets		2,115,505	2,244,460
Non-current assets			
Property, plant and equipment	15	42,434	50,704
Right-of-use assets	16	171,818	223,188
Intangible assets	17	35,465	5,117
Deferred tax assets	18	23,177	32,430
Total non-current assets		272,894	311,439
Total assets		2,388,399	2,555,899
Liabilities			
Current liabilities			
Trade and other payables	19	260,940	625,138
Current tax liability	18	-	158,595
Lease liabilities	20	49,894	47,064
Employee benefits	21	28,686	35,188
Total current liabilities		339,520	865,985
Non-current liabilities			
Trade and other payables	19	15,181	-
Lease liabilities	20	126,204	177,275
Employee benefits	21	7,295	676
Total non-current liabilities		148,680	177,951
Total liabilities		488,200	1,043,936
Net assets		1,900,199	1,511,963
Equity			
Issued capital	22	561,768	561,768
Retained earnings	23	1,338,431	950,195
Total equity		1,900,199	1,511,963

The accompanying notes form part of these financial statements

East Keilor Community Financial Services Ltd

Statement of Changes in Equity

For the year ended 30 June 2024

	Note	Issued Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2022		561,768	445,624	1,007,392
Comprehensive income for the year				
Profit for the year		-	543,023	543,023
Transactions with owners in their capacity as owners				
Dividends paid or provided	29	-	(38,452)	(38,452)
Balance at 30 June 2023		561,768	950,195	1,511,963
Balance at 1 July 2023		561,768	950,195	1,511,963
Comprehensive income for the year				
Profit for the year		-	452,323	452,323
Transactions with owners in their capacity as owners				
Dividends paid or provided	29	-	(64,087)	(64,087)
Balance at 30 June 2024		561,768	1,338,431	1,900,199

The accompanying notes form part of these financial statements

East Keilor Community Financial Services Ltd

Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers		1,918,167	2,204,518
Payments to suppliers and employees		(1,680,121)	(1,021,165)
Interest received		70,037	20,604
Interest paid		(11,791)	(11,232)
Income tax paid		(303,306)	(45,419)
Net cash flows from/(used in) operating activities	24b	(7,014)	1,147,306
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	(2,765)
Purchase of intangible assets		(15,182)	(15,181)
Purchase of investments		(244,389)	(703,863)
Net cash flows used in investing activities		(259,571)	(721,809)
Cash flows from financing activities			
Repayment of lease liabilities		(48,241)	(60,158)
Dividends paid		(64,087)	(38,452)
Net cash flows used in financing activities		(112,328)	(98,610)
Net increase/(decrease) in cash held		(378,913)	326,887
Cash and cash equivalents at beginning of financial year		757,015	430,128
Cash and cash equivalents at end of financial year	24a	378,102	757,015

The accompanying notes form part of these financial statements

East Keilor Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2024

Note 1. Corporate Information

These financial statements and notes represent those of East Keilor Community Financial Services Ltd (the Company) as an individual entity. East Keilor Community Financial Services Ltd is a company limited by shares, incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on 4th September 2024.

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 East Keilor Community Bank Branch.

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.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 3. Summary of Significant Accounting Policies (continued)

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:

- 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).

Notes to the Financial Statements

For the year ended 30 June 2024

Note 3. Summary of Significant Accounting Policies (continued)

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:

Interest paid by customers on loans, less interest paid to customers on deposits
plus
Deposit returns (i.e. interest return applied by BABL on deposits)
minus
Any costs of funds (i.e. interest applied by BABL to fund a loan)

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.

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.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 3. Summary of Significant Accounting Policies (continued)

(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
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.

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.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 3. Summary of Significant Accounting Policies (*continued*)

(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.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 3. Summary of Significant Accounting Policies (continued)

(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.

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
Leasehold improvements	Straight line	10 years
Plant & equipment	Diminishing value	4 - 10 years
Motor vehicles	Straight line	8 - 10 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)

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

Notes to the Financial Statements

For the year ended 30 June 2024

Note 3. Summary of Significant Accounting Policies (continued)

(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.

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.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 3. Summary of Significant Accounting Policies (continued)

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.

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.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 3. Summary of Significant Accounting Policies (continued)

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 2024.

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.

(l) Leases

As Lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for leases of property the company has elected not to separate lease and non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the costs of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from funding sources and where necessary makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual guarantee; and
- the exercise price under a purchase option the Company is reasonable certain to exercise, lease payments in an option renewal period if the company is reasonably certain to exercise that option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 3. Summary of Significant Accounting Policies (continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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

Short-term Leases & Leases of Low-value Assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of short-term leases and low-value assets, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

A short-term lease is a lease that, at commencement date, has a lease term of 12 months or less.

As Lessor

The Company has not been a party in an arrangement where it is a lessor.

(m) Standards Issued But Not Yet Effective

There are no new standards effective for annual reporting periods beginning after 1 July 2023 that are expected to have a significant impact on the Company's financial statements.

(n) Comparative Figures

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

Notes to the Financial Statements

For the year ended 30 June 2024

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
Note 20 - Leases:	
(a) Control	Whether a contract is or contains a lease at inception by assessing whether the Company has the right to direct the use of the identified asset and obtain substantially all the economic benefits from the use of that asset
(b) Lease term	Whether the Company is reasonably certain to exercise extension options, termination periods, and purchase options
(c) Discount rates	Judgement is required to determine the discount rate, where the discount rate is the Company's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. The incremental borrowing rate is determined with reference to factors specific to the Company and underlying asset including: <ul style="list-style-type: none"> • the amount • the lease term • economic environment • any other relevant factors

(b) Assumptions & Estimation Uncertainty

Information about assumptions and estimation uncertainties at 30 June 2024 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 18 - 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 21 - Long service leave provision	Key assumptions on attrition rate of staff and expected pay increases through promotion and inflation

Notes to the Financial Statements

For the year ended 30 June 2024

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.

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

30 June 2024		Contractual Cash Flows		
Non-derivative Financial Liability	Carrying Amount	< 12 Months	1 - 5 Years	> 5 Years
Lease liabilities	176,098	58,855	136,151	-

(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.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 5. Financial Risk Management (continued)

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 \$378,102 at 30 June 2024 (2023: \$757,015). The cash and cash equivalents are held with Bendigo & Adelaide Bank, which are rated BBB on Standard & Poor's credit ratings.

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 2024 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.

Notes to the Financial Statements

For the year ended 30 June 2024

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.

	2024 \$	2023 \$
Revenue		
- Revenue from contracts with customers	1,789,332	2,118,011
Disaggregation of Revenue From Contracts With Customers		
- Margin income	1,669,284	1,996,193
- Fee income	84,575	86,886
- Commission income	35,473	34,932
	1,789,332	2,118,011

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

(a) Other Revenue

The Company generates other sources of revenue as outlined below.

	2024 \$	2023 \$
Other Revenue		
- Other income	362	21,716
	362	21,716

(b) Finance Income

The Company holds financial instruments measured at amortised cost. Interest income is recognised at the effective interest rate.

	2024 \$	2023 \$
Finance Income		
- Interest from term deposits	70,037	20,604
	70,037	20,604

Notes to the Financial Statements
For the year ended 30 June 2024

Note 9. Expenses

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

(a) Employee Benefits Expense

	2024 \$	2023 \$
Employee Benefits Expense		
- Wages & salaries	556,561	414,093
- Superannuation costs	57,122	42,569
- Other expenses related to employees	73,568	48,812
	687,251	505,474

(b) Depreciation & Amortisation Expense

	2024 \$	2023 \$
Depreciation of Non-current Assets		
- leasehold improvements	882	26,664
- plant and equipment	2,386	6,820
- motor vehicles	5,002	5,000
	8,270	38,484
Depreciation of Right-of-use Assets		
- leased buildings	51,370	47,382
	51,370	47,382
Amortisation of Intangible Assets		
- franchise fees	15,195	15,125
	15,195	15,125
Total depreciation & amortisation expense	74,835	100,991

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).

Notes to the Financial Statements

For the year ended 30 June 2024

Note 9. Expenses (continued)

(c) 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).

	Note	2024 \$	2023 \$
Community Investments & Sponsorship			
- Direct sponsorship and grant payments		102,800	105,721
- Contribution to the Community Enterprise Foundation™	10(d)	157,895	526,316
		260,695	632,037

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.

(d) Community Enterprise Foundation™ (CEF) 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.

	Note	2024 \$	2023 \$
Disaggregation of CEF Funds			
Opening balance		801,278	354,662
Contributions paid	10(c)	157,895	526,316
Grants paid out		(219,227)	(61,375)
Interest received		25,655	8,050
Management fees incurred		(7,895)	(30,000)
GST cleared deposit		19,500	3,625
Balance available for distribution		777,206	801,278

Notes to the Financial Statements

For the year ended 30 June 2024

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

	2024 \$	2023 \$
Current tax expense	143,897	182,453
Deferred tax expense	9,253	2,290
Under / (over) provision of prior years	-	(6,728)
	153,150	178,015

(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:

	2024 \$	2023 \$
Prima facie tax on profit before income tax at 25% (2022: 25%)	151,368	180,260
Add Tax Effect Of:		
- Utilisation of previously unrecognised carried forward tax losses		
- Under / (over) provision of prior years	-	(6,728)
- Non-deductible expenses	1,782	1,000
- Temporary differences	(9,253)	1,193
- Movement in deferred tax	9,253	993
- Change in Company tax rates	-	1,297
Income tax attributable to the entity	153,150	178,015
 The applicable weighted average effective tax rate is:	 25.29%	 24.69%

Notes to the Financial Statements

For the year ended 30 June 2024

Note 11. Cash & Cash Equivalents

	2024	2023
	\$	\$
Cash at bank and on hand	378,102	757,015
	378,102	757,015

Cash and cash equivalents include cash on hand, 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

	2024	2023
	\$	\$
Current		
Trade receivables	172,735	200,635
	172,735	200,635

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

	2024	2023
	\$	\$
At Amortised Cost		
Term deposits	1,518,252	1,273,863
	1,518,252	1,273,863

Term deposits classified as financial assets include only those with a maturity period greater than three months. Where maturity periods are less than three months, these investments are recorded as cash and cash equivalents.

Note 14. Other Assets

	2024	2023
	\$	\$
Interest accrual	45,601	12,947
	45,601	12,947

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

For the year ended 30 June 2024

Note 15. Property, Plant & Equipment

(a) Carrying Amounts

	2024 \$			2023 \$		
	At Cost / Valuation	Accumulated Depreciation	Written Down Value	At Cost / Valuation	Accumulated Depreciation	Written Down Value
Leasehold improvements	268,776	(262,541)	6,235	268,776	(261,659)	7,117
Plant & equipment	111,167	(100,311)	10,856	111,167	(97,925)	13,242
Motor vehicles	38,549	(13,206)	25,343	38,549	(8,204)	30,345
Total	418,492	(376,058)	42,434	418,492	(367,788)	50,704

(b) Movements in Carrying Amounts

2024	Leasehold Imp. \$	Plant & Equipment \$	Vehicles \$
Opening carrying value	7,117	13,242	30,345
Additions	-	-	-
Depreciation expense	(882)	(2,386)	(5,002)
Closing carrying value	6,235	10,856	25,343

2023	Leasehold Imp. \$	Plant & Equipment \$	Vehicles \$
Opening carrying value	33,781	17,297	35,345
Additions	-	2,765	-
Depreciation expense	(26,664)	(6,820)	(5,000)
Closing carrying value	7,117	13,242	30,345

(c) Capital Expenditure Commitments

The entity does not have any capital expenditure commitments as at 30 June 2024 (2023: 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.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 16. Right-of-use Assets

Right-of-use assets are measured at amounts equal to the present value of enforceable future payments on the adoption date, adjusted for lease incentives, make-good provisions, and initial direct costs.

The Company derecognises right-of-use assets at the termination of the lease period or when no future economic benefits are expected to be derived from the use of the underlying asset.

Options to Extend or Terminate

The option to extend or terminate is contained in the property lease of the Company. All extension or termination options are only exercisable by the Company. The extension options or termination options which were probable to be exercised have been included in the calculation of the right-of-use asset.

AASB 16 Amounts Recognised in the Statement of Financial Position

	2024		2023	
	Leased Buildings \$	Total ROU Asset \$	Leased Buildings \$	Total ROU Asset \$
Leased asset	247,610	247,610	247,610	247,610
Depreciation	(75,792)	(75,792)	(24,422)	(24,422)
	171,818	171,818	223,188	223,188

Movements in carrying amounts:

	Leased Buildings \$	Total ROU Asset \$
Opening balance	223,188	223,188
Depreciation expense	(51,370)	(51,370)
Net carrying amount	171,818	171,818

AASB 16 Amounts Recognised in the Statement of Profit or Loss and Other Comprehensive Income

	2024 \$	2023 \$
Depreciation expense related to right-of-use assets	51,370	47,382
Interest expense on lease liabilities	11,791	11,232

Notes to the Financial Statements

For the year ended 30 June 2024

Note 17. Intangible Assets

(a) Carrying Amounts

	2024			2023		
	At Cost / Valuation	Accumulated Amortisation	Written Down Value	At Cost / Valuation	Accumulated Amortisation	Written Down Value
Franchise fees	75,906	(40,441)	35,465	97,515	(92,398)	5,117
	75,906	(40,441)	35,465	97,515	(92,398)	5,117

(b) Movements in Carrying Amounts

2024	Franchise Fees \$
Opening carrying value	5,117
Additions	45,543
Disposals	-
Amortisation expense	(15,195)
Closing carrying value	35,465

2023	Franchise Fees \$
Opening carrying value	5,060
Additions	15,181
Disposals	-
Amortisation expense	(15,124)
Closing carrying value	5,117

Notes to the Financial Statements

For the year ended 30 June 2024

Note 18. Tax Assets & Liabilities

(a) Current Tax

	2024 \$	2023 \$
Income tax payable	(815)	158,595

(b) Deferred Tax

Movement in the Company's deferred tax balances for the year ended 30 June 2024:

	30 June 2023 \$	Recognised in P & L \$	30 June 2024 \$
Deferred Tax Assets			
- Expense accruals	4,113	(212)	3,901
- Property, plant & equipment	22,300	(1,689)	20,611
- Right-of-use assets	288	782	1,070
- Employee provisions	8,966	29	8,995
Total deferred tax assets	35,667	(1,090)	34,577
Deferred Tax Liabilities			
- Accrued income	3,237	8,163	11,400
Total deferred tax liabilities	3,237	8,163	11,400
Net deferred tax assets	32,430	(9,253)	23,177

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

	30 June 2022 \$	Recognised in P & L \$	30 June 2023 \$
Deferred Tax Assets			
- Expense accruals	3,531	582	4,113
- Property, plant & equipment	11,512	10,788	22,300
- Right-of-use assets	3,483	(3,195)	288
- Employee provisions	9,665	(699)	8,966
Total deferred tax assets	28,191	7,476	35,667
Deferred Tax Liabilities			
- Right-of-use assets	-	-	-
- Accrued income	(199)	3,436	3,237
Total deferred tax liabilities	(199)	3,436	3,237
Net deferred tax assets	28,390	4,040	32,430

Notes to the Financial Statements

For the year ended 30 June 2024

Note 19. Trade & Other Payables

	2024 \$	2023 \$
Current		
Trade creditors	230,157	608,529
Other creditors and accruals	30,783	16,609
	260,940	625,138
Non-Current		
Other creditors and accruals	15,181	-
	15,181	-

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 20. Lease Liabilities

Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate on the adoption date. The discount rate used on recognition was 5.79%.

The discount rate used in calculating the present value of enforceable future payments takes into account the particular circumstances applicable to the underlying leased assets (including the amount, lease term, economic environment, and other relevant factors).

The Company has applied judgement in estimating the remaining lease term including the effects of any extension or termination options reasonably expected to be exercised, applying hindsight if appropriate.

(a) Lease Portfolio

The Company's lease portfolio includes:

Lease	Details
East Keilor Branch	The lease agreement is a non-cancellable lease with an initial term of 2 years which commenced in January 2023. The lease has three further 1 year extension options expiring in November 2027.

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

(b) Lease Liabilities

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2024 \$	2023 \$
Current	49,894	47,064
Non-current	126,204	177,275

Notes to the Financial Statements

For the year ended 30 June 2024

Note 20. Lease Liabilities (continued)

(b) Lease Liabilities (continued)

	Minimum lease payments due				
	< 1 Year	1 - 2 Years	3 - 5 Years	> 5 years	Total
30 June 2024					
Lease payments	58,855	58,855	77,296	-	195,006
Finance charges	(8,961)	(5,994)	(3,953)	-	(18,908)
Net present values	49,894	52,861	73,343	-	176,098
30 June 2023					
Lease payments	58,885	58,855	136,423	-	264,845
Finance charges	(11,791)	(8,961)	(9,042)	-	(26,987)
Net present values	47,094	49,894	127,381	-	237,858

Note 21. Employee Benefits

	2024 \$	2023 \$
Current		
Provision for annual leave	14,120	25,144
Provision for long service leave	14,566	10,044
	28,686	35,188
Non-Current		
Provision for long service leave	7,295	676
	7,295	676

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.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 22. Issued Capital

(a) Issued Capital

	2024		2023	
	Number	\$	Number	\$
Ordinary shares - fully paid	594,400	594,400	594,400	594,400
Less: Shares brought back	46,470	(32,632)	46,470	(32,632)
	640,870	561,768	640,870	561,768

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

(b) Movements in share capital

	2024 \$	2023 \$
<i>Fully paid ordinary shares:</i>		
At the beginning of the reporting period	640,870	640,870
At the end of the reporting period	640,870	640,870

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 23. Retained Earnings

	Note	2024 \$	2023 \$
Balance at the beginning of the reporting period		950,195	445,624
Profit for the year after income tax		452,323	543,023
Dividends paid	29	(64,087)	(38,452)
Balance at the end of the reporting period		1,338,431	950,195

Notes to the Financial Statements

For the year ended 30 June 2024

Note 24. Cash Flow Information

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

	Note	2024 \$	2023 \$
Cash and cash equivalents	11	378,102	757,015
As per the Statement of Cash Flows		378,102	757,015

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

	2024 \$	2023 \$
Profit for the year after income tax	452,323	543,023
Non-cash flows in profit		
- Depreciation	59,640	85,866
- Amortisation	15,195	15,125
Changes in assets and liabilities		
- (Increase) / decrease in trade and other receivables	27,900	(78,673)
- (Increase) / decrease in prepayments and other assets	(32,654)	(12,153)
- (Increase) / decrease in deferred tax asset	9,253	(4,438)
- Increase / (decrease) in current tax liabilities	(159,409)	137,035
- Increase / (decrease) in trade and other payables	(379,379)	464,315
- Increase / (decrease) in provisions	117	(2,794)
Net cash flows from / (used in) operating activities	(7,014)	1,147,306

Note 25. Financial Instruments

The following shows the carrying amounts for all financial instruments at amortised cost. 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	2024 \$	2023 \$
Financial Assets			
Trade and other receivables	12	172,735	200,635
Cash and cash equivalents	11	378,102	757,015
Term deposits	13	1,518,252	1,273,863
		2,069,089	2,231,513
Financial Liabilities			
Trade and other payables	19	276,121	625,138
Lease liabilities	20	176,098	220,339
		452,219	845,477

Notes to the Financial Statements

For the year ended 30 June 2024

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

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

	2024	2023
	\$	\$
Short-term employee benefits	11,600	13,000
Total key management personnel compensation	11,600	13,000

Short-term Employee Benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive Directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to Executive Directors and other key management personnel.

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

(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 \$
Zapped Media	Social media services	2,400

East Keilor Community Financial Services Ltd

Notes to the Financial Statements

For the year ended 30 June 2024

Note 27. Related Parties (continued)

(d) 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.

(e) Other Key Management Transactions

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

Note 28. Auditor's Remuneration

The appointed auditor of East Keilor Community Financial Services Ltd for the year ended 30 June 2024 is

	2024	2023
	\$	\$
Audit & Review Services		
Audit and review of financial statements (RSD Audit)	6,200	5,750
Total auditor's remuneration	6,200	5,750

Note 29. 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.

	2024		2023	
	Number	\$	Number	\$
Fully franked dividend	640,870	64,087	640,870	38,452
Dividends provided for and paid during the year	640,870	64,087	640,870	38,452

The tax rate at which dividends have been franked is 25% (2023: 25%).

Note 30. Earnings Per Share

The calculation of basic and diluted earnings per share has been based on the following profit attributable to

	2024	2023
	\$	\$
Profit attributable to ordinary shareholders	452,323	543,023
	Number	Number
Weighted average number of ordinary shares	640,870	640,870
	¢	¢
Basic and diluted earnings per share	70.58	84.73

Notes to the Financial Statements

For the year ended 30 June 2024

Note 31. 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 32. Commitments & Contingencies

Any commitments for future expenditure associated with leases are recorded in Note 20. 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 33. Company Details

The registered office of the Company is:

East Keilor Community Financial Services Ltd

53 Wyong Street, Keilor East VIC 3033

The principal place of business is:

East Keilor Community Financial Services Ltd

53 Wyong Street, Keilor East VIC 3033

East Keilor Community Financial Services Ltd

Consolidated Entity Disclosure Statement

As at 30 June 2024

The Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001*.

East Keilor Community Financial Services Ltd has no controlled entities and, therefore, is not required by Australian Accounting Standards to prepare consolidated financial statements. As a result, section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

Director's Declaration

For the year ended 30 June 2024

In accordance with a resolution of the directors of East Keilor Community Financial Services Ltd, 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 2024 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.
- (c) The information disclosed in the attached consolidated entity disclosure statement, on page 39 is true and correct.

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


Gerard Mahoney
Chair/Director

Dated this 16th day of September, 2024

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF EAST KEILOR COMMUNITY FINANCIAL SERVICES LIMITED**

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of East Keilor Community Financial Services Limited (the Company), which comprises the statement of financial position as at 30 June 2024, 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, the consolidated entity disclosure statement and other explanatory information, and the directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance and its cash flows for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we 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:

- (i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- (ii) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- (iii) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (iv) the consolidated entity disclosure statement that is true and correct and is free of 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 Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control.

We 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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We 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.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the 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.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to

bear on our independence, and where applicable, related safeguards.

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

Chartered Accountants

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

Mahesh Silva

Partner

Bendigo

Dated: 17 September 2024

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