Annual Report 2023

Gosnells Financial Services Limited

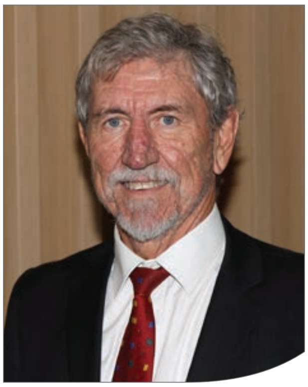
Community Bank
Canning Vale

ABN 11 095 764 533

Contents

Chair's report

For year ending 30 June 2023



Acknowledgement to Country

I wish to acknowledge the Traditional Owners and the Custodians of the land upon which we stand, work, and play together.

We acknowledge the Wadjuk Noongar people as the First Nation People and their connection to the lands and the waters, as they are part of them spiritually and culturally.

We acknowledge their ancestors, Elders past and present, who have led the way for us to follow in their footsteps and may we walk together into the future.

Overview

Welcome to our review for your Community Bank Canning Vale and Gosnells Financial Services Limited.

2022/23 has seen a slow return to positive income year for our Community Bank. As Australia and particularly Western Australia, rose out of the grip of COVID, spending and employment opportunities saw the need due to inflationary factors come off record low interest rates leading to a welcome return of margin to our business. Whilst this increase in interest rates has created concern amongst our clients coming off fixed all time low interest rates, it has also provided opportunity around increasing home loans and increased opportunity for term deposits.

This increased margin rate has created the opportunity to pay down debt significantly and not have to consider an overdraft. In fact, it has allowed the Gosnells Financial Services Limited to invest money in term deposits. A vastly improved situation to be in, to help adjust for changes in our economy.

Your Board of Directors and staff, continue to focus on reducing our operational expenses to ensure we are in the best possible position moving forward.

This year we have had a significant change of staff, I am pleased to report however through hard work by our Branch Manger Michelle Lennox assisted by our Franchise Partner Bendigo Bank, our team seems to be settled. Along with Michelle, our team consists of a Customer Relationship Officer (Natasha) and two Customer Service Officers (Sara & Curtis). Whilst we are still needing one more Customer Service Officer, we are confident that we have the right people.

Gosnells Financial Services Limited will continue to invest in the growth of our staff as they are the face and heartbeat of our business. To all staff, thank you for your dedication and support to grow the business.

Our Board of Directors are a very focused and passionate group. This year saw Steve Mitchison step down as Chair to spend time with his family. Steve's leadership in the last few years saw him reshape our Community Bank Company and focus on getting the right Directors around the table. Our Board consists of Ron Costanzo, Dean Morris, Efthalia Samaras, Iggy Moro and my as Chair.

Claire Hurst is our amazing Company Secretary and is a valued member of the team. Our Directors is focused on growing your Community Bank to be the best Community Bank in Western Australia.

I would like to extend my gratitude and thanks to my fellow board members all of whom are volunteers, for their continued support and commitment.

Along with other Community Company Chair's we work in partnership with Bendigo Bank to improve efficiencies though modernisation and the level of support offered to the network to improve our competitiveness.

The Community Bank network of Western Australia came together for the first time since COVID at the WA Connect Conference in May. This saw Bendigo Bank commit to working with all Community Banks collaboratively to challenge the way we operate and what the future may look like. Subjects covered were around:

- How we might work together to grow our business
- Investigating becoming a Registered Social Enterprise and understanding what the Social Return of Investment is by our Community Banks
- Better and more informed connection with our shareholders and our banking clients

As mentioned, with the recent upward movement in interest rates, this has changed the financial forecast dramatically. We are pleased to report a healthy profit at the end of 22/23 Financial Year. This has allowed us to develop partnerships in the community with organisations that we believe will lead to increased growth for the 23/24 Financial Year. To this end, Board of Directors have decided to investigate a Mobile Relationship Manager role within the branch. This will hopefully achieve real growth on our book, in turn an increased margin share, leading to increased revenue.

In brief we have addressed the challenges we faced by:

1. Maintaining a strong focus on cost reduction.
2. Outperforming several other similar sized Community Banks in terms of business growth, reflecting on this to learn best practice.
3. Continued to grow our referral program and community initiatives to clubs and Not For Profits, schools, and other organisations.
4. Bendigo Bank have now developed improved reporting frameworks that allow improved visibility to our performance and allows us to compare our performance to similar branches. These reports provide us with an opportunity to reconsider how the branch can adapt to the new world of in branch and digital banking.
5. Making sure we are well informed and planning for any change that may occur around interest rates and other world influences. Future proofing.
6. Development of our strategic plan to clearly address our vision and relevance for the next five years that will incorporate importantly a risk profile to help guide our board. This will also cover updated portfolio roles and processes and ensure better governance.
7. Seeking out new Directors with unique skill sets to complement your existing board members and bring new and different thought processes to our community engagement.

We will continue to seek collaboration opportunities with other Community Banks and like-minded organisations to improve our market reach and the returns on our community investments.

Community sponsorships, donations and grants are a core point of difference for the Community Bank network. There are over 200 Community Bank Companies throughout our nation that have collectively given back over $300 million to communities across Australia – this is remarkable achievement.

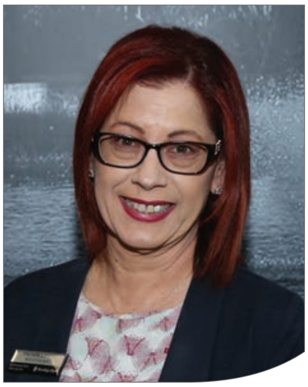
Gosnells Financial Services has now contributed over $550,000 to our community.

I would like to finish this report by thanking the Shareholders and customers who have supported the Community Bank Canning Vale. Thank you for your business that keeps us going and thank you for your constant encouragement of the staff and the Board which is so up lifting. By banking with our Community Bank Canning Vale, you too are investing in your community to provide better outcomes.

Geoff Wolfenden
Chair

Manager's report

For year ending 30 June 2023



It has been an exciting yet challenging 12 months. As a team we have achieved so much. Our Branch business continues to grow and being the only Bank in the immediate area, we have so many new people wanting to do business with our Community Bank Canning vale which is amazing.

The staff have done an exceptional job during this time, maintaining our existing customers and assisting new customer accounts and services during this time. Our customers have also been very patient with us during periods of where the branch has been closed for lunch due to staff shortages or sickness.

We have had a few staff changes and new faces within the team but they are all progressing along extremely well. Sara is a part time Customer Service Officer who commenced in March 2023 and Curtis is a full time Customer Service Officer who also commenced in March 2023. We have seen two long serving staff members (Julia and Jess) move on to other Community Bank Branches due to promotions which is very positive for both of their careers.

With regards to our overall results for year ending June 2023 they were very encouraging given a competitive environment and the Bank saw many lending rate increases. Overall, we grew our total business portfolio by $9,375,777 for the Financial Year. The Branch overall business held is $138,762,621 which is made up of a loan's portfolio of $33,626,572. Deposits value of $89,017,372 and other business of $16,118,677.

The Board of Directors and staff continue to be involved in community events promoting the Community Bank Canning Vale This is very exciting and gets everyone out networking and promoting all the great things we do in our Community to assist Not For Profit's achieve their goals. To date, we have provided over $550,000 back to the local community in the form of Sponsorships, Donations and Grants. If you are looking to support a Not For Profit contact the Company Secretary Claire on secretary@gosnellsfs.com.au

Our staff and Directors work well with our Franchisor Bendigo and Adelaide Bank Limited and there is a lot of support available. The Bank is always looking at new campaigns to assist the Branch network in obtaining new business. Whether it be an Insurance Campaign to drive business, or a Home Loan Campaign. It all helps when there is a positive reason to call a customer and discuss their banking requirements.

Finally, a big thank you to all our customers and shareholders who continue to support our Branch – without you we do not have a business.

Please feel free to drop in and meet the team or give us a call at the Branch on 9455 4650. We would be happy to help you with your banking needs.

Michelle Lennox
Branch Manager

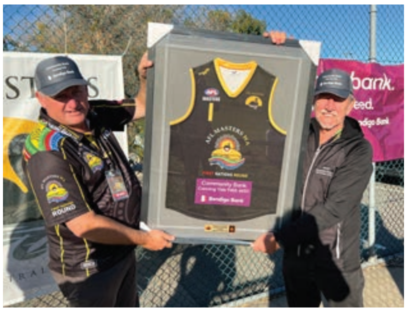
Solomon Dech
Mobile Relationship Manager

Curtis Boylan
Customer Service Officer

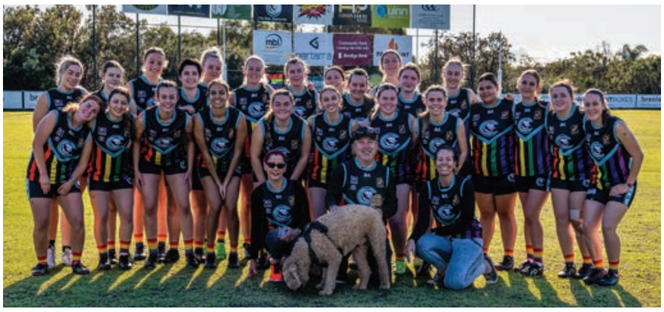
Sara Wilkinson
Customer Service Officer

Roshan Singh
Customer Service Officer

Community engagement

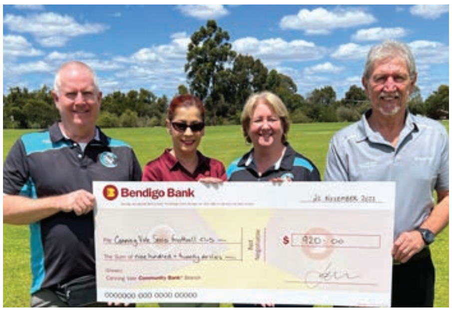


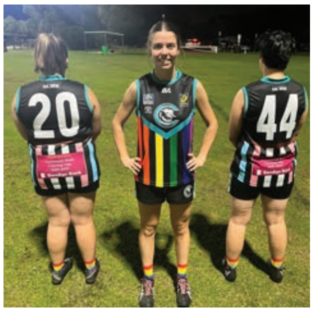
AFL Masters



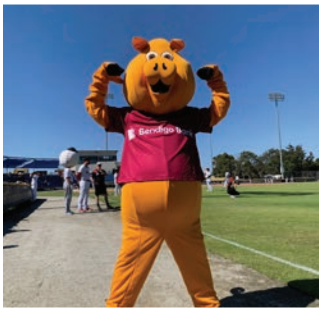
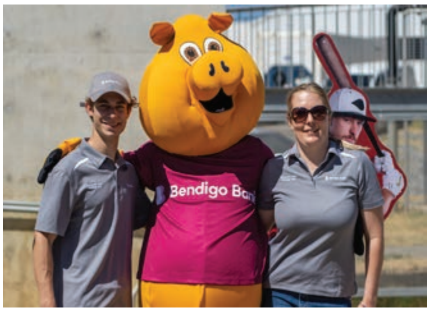
Canning Vale Senior Football Club - PRIDE Round

Marnie Baker 2022 visit



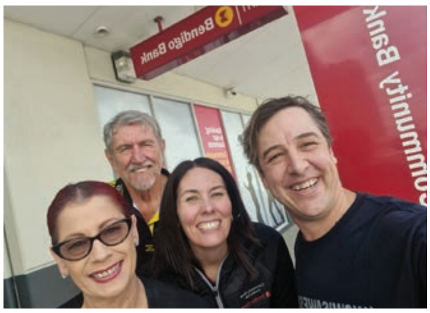
Canning Vale Senior Football Club - CVSFC Cheque presentation, PRIDE Round

Perth Heat Sponsorship

EDO Nigeria Sponsorship

Southern River - Drama sponsorship



Love Your Sister Donation

Bendigo and Adelaide Bank report

For year ending 30 June 2023

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

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

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

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

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

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

Justine Minne
Bendigo and Adelaide Bank

Community Bank National Council report

For year ending 30 June 2023

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

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

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

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

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

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

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

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

Warm regards

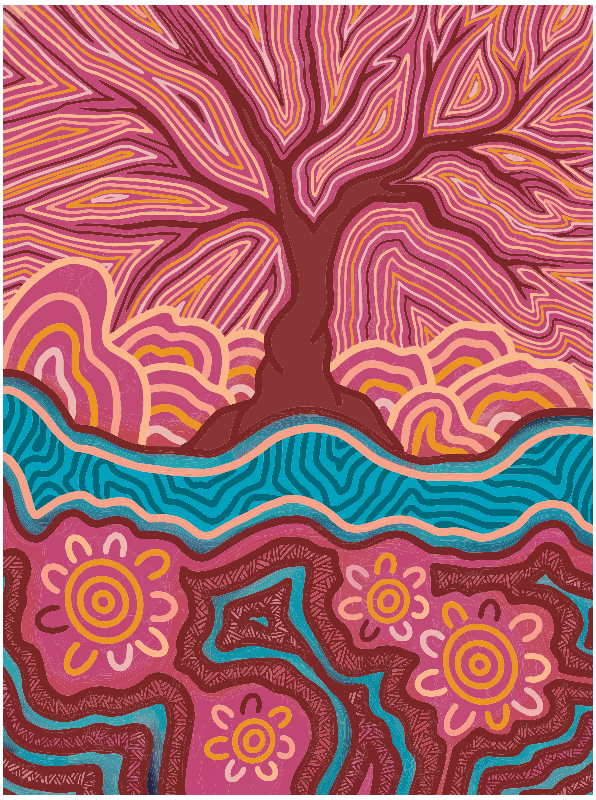
Sarah Franklyn
CBNC Chair

Reflect Reconciliation Action Plan

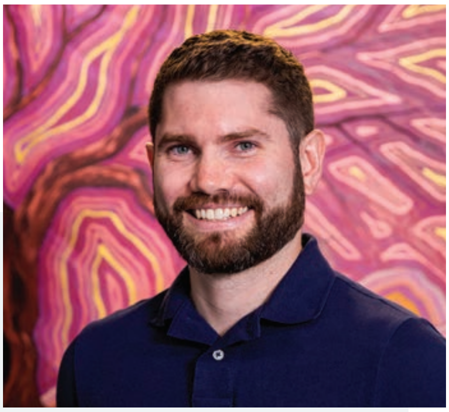
As a way to commemorate the launch of the Bendigo and Adelaide Bank's inaugural Reflect Reconciliation Action Plan 2023, they engaged with Yorta Yorta and Dja Dja Wurrung artist and educator, Troy Firebrace, to create a piece of art that symbolised the importance of and the start of the Bank's journey towards reconciliation.

This Reconciliation Action Plan will support the Bank in understanding, exploring and measuring, where and how we can have the most meaningful impact, and lay firm foundations for Reconciliation across the Group in the years to come.

Learn more about the Reconciliation Action Plan and learn more about the artwork here.



Artist: Troy Firebrace
Country: Yorta Yorta and Dja Dja Wurrung
Year Created: 2023



THE ARTIST

Troy Firebrace is a proud Yorta Yorta and Dja Dja Wurrung artist and educator. Born in Shepparton, Troy was always drawn to art and painting at school, but an absence of Aboriginal history and education in his schooling lead him on a path to becoming an educator too. Troy has a Bachelor in Creative Arts, Major in Fine Arts and a Masters of Teaching Secondary. He has exhibited at Kaiela Arts Shepparton, Dudley House Bendigo and Melbourne Museum. Troy lives in Bendigo with his family.

Official artist statement

The artwork focuses on three elements of Bendigo and Adelaide Bank. Community, Impact and Journey.

As an Aboriginal person, it's my interpretation of the Bank's ambitions and commitments, and feeling the truth in their words, which has let me step forward with trust in my creation.

Community is the connection the Bank is forming by learning about community and country. Ensuring the Bank's choices align with the beliefs, ambitions and respect of the community in which the Bank embeds itself. An authentic connection.

Impact is the result of the good, honest work the Bank strives for. The importance of relationships and quality service not only creates an open dialogue with the community, but also has a positive impact on the sustainability of the places they serve. The commitment of honest change for better impact.

Journey is the path of collective learning as a whole community. There is no one side benefiting from the other. The direction of the pathway is open to the whole community and that leads to prosperity. The truest form of partnership.

The Bank's ambitions are not solely of profit or just talk of finance. They are the model in which real communities are formed; where a simple "hello" becomes "how are you?" A question of investment in someone's life, free from creed, race or status. A question grounded in country.

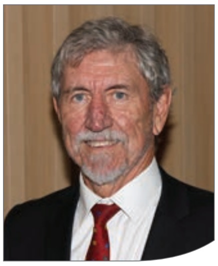
Directors' report

For the financial year ended 30 June 2023

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

Directors

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



Geoffrey Keith Campbell Wolfenden

Title: Non-executive director

Experience and expertise: Geoffrey is a skilled General Manager, Business Development Manager, effective and able to apply change management and work with people management. Strong governance and financial skills. Confident public speaker and presenter. Geoffrey is a current member of the State Emergency Service, Chair of two committees under the Western Australian Football Commission.

Special responsibilities: Chair

Ignazio Rocco Moro

Title: Non-executive director

Experience and expertise: Iggy is a Fellow of Chartered Accountants Australia and New Zealand (CAANZ), a Chartered Tax Advisor of the Tax Institute of Australia, a CA SMSF Specialist and a Director with national accounting and advisory firm SW Accountants and Advisors Pty Ltd (SW). SW is a full-service accounting firm specialising in business growth, profit improvement and maximising overall business performance. Iggy has been in public practice since 1992 and advises clients in tax, business advisory and SMSF. He assists clients achieve their business, financial and personal goals from start-ups, SMEs and multi-national businesses from a wide range of industries. Iggy holds a Bachelor of Business Degree from Edith Cowan University and a Diploma of Financial Planning through CAANZ and Kaplan. As a member of the community and the accounting profession Iggy is committed to volunteering to a number of committees and organisations.

Special responsibilities: Treasurer

Dean Morris

Title: Non-executive director

Experience and expertise: Dean is the founder of GOSAC - Give Our Strays A Chance - an animal rescue and awareness charity. Dean is currently completing a Bachelor of Engineering & Management.

Special responsibilities: Nil.

Renaldo Mario Costanzo

Title: Non-executive director

Experience and expertise: Ron has over 30 years experience in ICT Consulting and Business Development. His clients include the largest government and health sector organisations in WA. He has a strong focus on customer experience and strong commercial and financial expertise. Ron has a strong community focus with past involvement on social sporting club committees and in junior coaching in the Canning Vale area.

Special responsibilities: Community Engagement and Sponsorship

Efthalia Samaras

Title: Non-executive director (appointed 18 October 2022)

Experience and expertise: Efthalia is a member of the Chartered Accountants Australia and New Zealand (CAANZ) and a Graduate of the Australian Institute of Company Directors, with over 20 years' experience in external audit and financial analysis across both public and private sectors. Recognised within the WA public sector for improving integrity and transparency, implementing strategic initiatives, stakeholder engagement and leading and developing teams. Efthalia joined the board officially in October 2022 and enjoys engaging with and giving back to the local community. Her passion and dedication to working with teams to help those in need are well aligned to the values of the board and the objectives of the community bank.

Special responsibilities: Risk and Governance Committee

Stephen David Mitchinson

Title: Non-executive director (resigned 25 January 2023)

Experience and expertise: Stephen is a highly respected strategist and business improvement consultant. Served as Director and/or Chair on a wide variety of advisory boards and not profit for purpose organisations including Auscontact, Australian Institute of Credit Management, Road Safety Council of WA, Business and Technology Advisory Council and others over 3 decades.

Special responsibilities: Nil.

Company secretary

The company secretary is Claire Michelle Hurst. Claire was appointed to the position of secretary on 23 July 2018.

Experience and expertise: Claire is the Local Connection Coordinator with Bendigo Bank, Company Secretary and Community Liaison Administrator with Gosnells Financial Services LTD. Claire had 10 years' experience with Bendigo Bank including Community Bank roles and Bendigo Bank roles including a 6 month secondment with Community Sector Banking. Her expertise are in administration, recruitment and marketing.

Principal activity

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

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

Review of operations

The profit for the company after providing for income tax amounted to $390,125 (30 June 2022: loss of $116,594).

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

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

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

Likely developments

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

Environmental regulation

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

Meetings of directors

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

	Board	
	Eligible	Attended
Geoffrey Keith Campbell Wolfenden	11	10
Ignazio Rocco Moro	11	11
Dean Morris	11	9
Renaldo Mario Costanzo	11	10
Efthalia Samaras	8	6
Stephen David Mitchinson	6	6

Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 25 and note 26 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Directors' interests

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Geoffrey Keith Campbell Wolfenden	-	-	-
Ignazio Rocco Moro	-	-	-
Dean Morris	-	-	-
Renaldo Mario Costanzo	-	-	-
Efthalia Samaras	-	-	-
Stephen David Mitchinson	-	-	-

Indemnity and insurance of directors and officers

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

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

Proceedings on behalf of the company

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

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

Indemnity and insurance of auditor

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

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

Non-audit services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 27 to the accounts.

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

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

Auditor's independence declaration

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

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

On behalf of the directors

Geoffrey Keith Campbell Wolfenden
Chair

26 September 2023

Auditor's independence declaration

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

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

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

i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 26th September 2023

Joshua Griffin
Lead Auditor

Financial statements

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

	Note	2023 $	2022 $
Revenue from contracts with customers	6	1,241,996	540,848
Other revenue		11,388	20,300
Finance revenue		2,548	183
Total revenue		**1,255,932**	**561,331**
Employee benefits expense	7	(411,407)	(428,726)
Advertising and marketing costs		(11,191)	(28,836)
Occupancy and associated costs		(49,424)	(42,245)
System costs		(28,268)	(34,008)
Depreciation and amortisation expense	7	(62,403)	(60,731)
Finance costs	7	(17,722)	(20,177)
General administration expenses		(105,481)	(80,125)
Fair value losses on financial assets		(1,150)	(12,600)
Total expenses before community contributions and income tax		**(687,046)**	**(707,448)**
Profit/(loss) before community contributions and income tax (expense)/benefit		**568,886**	**(146,117)**
Charitable donations and sponsorships expense		(49,194)	(11,582)
Profit/(loss) before income tax (expense)/benefit		**519,692**	**(157,699)**
Income tax (expense)/benefit	8	(129,567)	41,105
Profit/(loss) after income tax (expense)/benefit for the year	**20**	**390,125**	**(116,594)**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**390,125**	**(116,594)**
		Cents	Cents
Basic earnings per share	29	65.88	(19.69)
Diluted earnings per share	29	65.88	(19.69)

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

Statement of financial position
as at 30 June 2023

	Note	2023 $	2022 $
Assets			
Current assets			
Cash and cash equivalents	9	528,700	70,509
Trade and other receivables	10	124,928	66,210
Investments	11	21,525	22,675
Total current assets		**675,153**	**159,394**
Non-current assets			
Property, plant and equipment	12	8,459	8,072
Right-of-use assets	13	222,867	259,063
Intangible assets	14	46,792	59,850
Deferred tax assets	8	156,429	285,996
Total non-current assets		**434,547**	**612,981**
Total assets		**1,109,700**	**772,375**
Liabilities			
Current liabilities			
Trade and other payables	15	66,861	62,146
Lease liabilities	16	51,142	46,130
Employee benefits	17	74,376	76,986
Total current liabilities		**192,379**	**185,262**
Non-current liabilities			
Trade and other payables	15	29,535	44,302
Lease liabilities	16	234,313	275,801
Employee benefits	17	879	5,860
Lease make good provision	18	25,180	23,861
Total non-current liabilities		**289,907**	**349,824**
Total liabilities		**482,286**	**535,086**
Net assets		**627,414**	**237,289**
Equity			
Issued capital	19	588,400	588,400
Retained earnings/(accumulated losses)	20	39,014	(351,111)
Total equity		**627,414**	**237,289**

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

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

	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2021	588,400	(234,517)	353,883
Loss after income tax benefit	-	(116,594)	(116,594)
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	**-**	**(116,594)**	**(116,594)**
Balance at 30 June 2022	**588,400**	**(351,111)**	**237,289**
Balance at 1 July 2022	588,400	(351,111)	237,289
Profit after income tax expense	-	390,125	390,125
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	**-**	**390,125**	**390,125**
Balance at 30 June 2023	**588,400**	**39,014**	**627,414**

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

Statement of cash flows
for the year ended 30 June 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,320,179	577,828
Payments to suppliers and employees (inclusive of GST)		(770,241)	(650,688)
Dividends received		1,388	5,300
Interest received		129	338
Interest and other finance costs paid		-	(156)
Net cash provided by/(used in) operating activities	**28**	**551,455**	**(67,378)**
Cash flows from investing activities			
Payments for property, plant and equipment	12	(3,335)	-
Payments for intangible assets		(26,849)	-
Proceeds from disposal of investments		-	90,605
Net cash provided by/(used in) investing activities		**(30,184)**	**90,605**
Cash flows from financing activities			
Repayment of lease liabilities	16	(63,080)	(60,949)
Net cash used in financing activities		**(63,080)**	**(60,949)**
Net increase/(decrease) in cash and cash equivalents		458,191	(37,722)
Cash and cash equivalents at the beginning of the financial year		70,509	108,231
Cash and cash equivalents at the end of the financial year	**9**	**528,700**	**70,509**

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

Notes to the financial statements

For the year ended 30 June 2023

Note 1. Reporting entity

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Shop 2, The Vale Shopping Centre, 271 Amherst Road Canning Vale, WA, 6155.

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

Note 2. Basis of preparation and statement of compliance

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 September 2023. The directors have the power to amend and reissue the financial statements.

Note 3. Significant accounting policies

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

Changes in accounting policies, standards and interpretations

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

Current and non-current classification

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

An asset is classified as current when, it is expected to be realised or intended to be sold or consumed in the company's normal operating cycle, it is held primarily for the purpose of trading, it is expected to be realised within 12 months after the reporting period or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when, it is either expected to be settled in the company's normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within 12 months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Note 3. Significant accounting policies (continued)

Impairment

Non-derivative financial assets

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

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

Non-financial assets

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

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

Goods and Services Tax (GST)

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

Fair value measurement hierarchy

The company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: inputs are based on the quoted market price at the close of business at the end of the reporting period

Level 2: inputs are based on a valuation performed by a third party qualified valuer using quoted prices for similar assets in an active market

Level 3: unobservable inputs for the asset or liability.

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

Estimation of useful lives of assets

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

Impairment of non-financial assets

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

Going concern

At each reporting date management must asses the company's ability to continue as a going concern are appropriate. Management's decision will be underpinned by assumptions and judgements about future events.

Recovery of deferred tax assets

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

Lease term

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

Incremental borrowing rate

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

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and inflation have been taken into account.

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

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

Lease make good provision

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

Note 5. Economic dependency

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

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

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

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

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

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

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

Note 6. Revenue from contracts with customers

	2023 $	2022 $
Margin income	1,124,556	425,544
Fee income	52,813	53,618
Commission income	64,627	61,686
	1,241,996	**540,848**

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:

Note 6. Revenue from contracts with customers (continued)

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

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

Revenue calculation

The franchise agreement provides that three forms of revenue may be earned by the company which are margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services. The revenue earned by the company is dependent on the business that it generates, interest rates and funds transfer pricing and other factors, such as economic and local conditions.

Margin income

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

	Interest paid by customers on loans less interest paid to customers on deposits
plus:	any deposit returns i.e. interest return applied by Bendigo Bank for a deposit
minus:	any costs of funds i.e. interest applied by Bendigo Bank to fund a loan.

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

Commission income

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

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

Fee income

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

Core banking products

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

Ability to change financial return

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

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

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

Note 7. Expenses

Employee benefits expense

	2023 $	2022 $
Wages and salaries	333,503	366,603
Superannuation contributions	45,955	42,790
Expenses related to long service leave	(1,453)	(2,119)
Other expenses	33,402	21,452
	411,407	**428,726**

Depreciation and amortisation expense

	2023 $	2022 $
Depreciation of non-current assets		
Leasehold improvements	340	345
Plant and equipment	884	839
Furniture and fittings	1,724	1,714
	2,948	**2,898**
Depreciation of right-of-use assets		
Leased land and buildings	**46,397**	**46,180**
Amortisation of intangible assets		
Franchise fee	2,176	7,119
Franchise renewal fee	10,882	4,534
	13,058	**11,653**
	62,403	**60,731**

Finance costs

	2023 $	2022 $
Lease interest expense	16,403	18,772
Unwinding of make-good provision	1,319	1,249
Other	-	156
	17,722	**20,177**

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

Leases recognition exemption

	2023 $	2022 $
Expenses relating to low-value leases	**10,434**	**14,890**

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

Note 8. Income tax

	2023 $	2022 $
Income tax expense/(benefit)		
Movement in deferred tax	2,049	(10,297)
Recoupment of prior year tax losses	128,113	-
Net benefit of franking credits on dividends received	(595)	(2,271)
Future income tax benefit attributable to losses	-	(28,537)
Aggregate income tax expense/(benefit)	**129,567**	**(41,105)**
Prima facie income tax reconciliation		
Profit/(loss) before income tax (expense)/benefit	**519,692**	**(157,699)**
Tax at the statutory tax rate of 25%	129,923	(39,425)
Tax effect of:		
Non-deductible expenses	90	22
Other assessable income	149	569
	130,162	**(38,834)**
Net benefit of franking credits on dividends received	(595)	(2,271)
Income tax expense/(benefit)	**129,567**	**(41,105)**

	2023 $	2022 $
Deferred tax assets/(liabilities)		
Carried-forward tax losses	116,617	244,136
Employee benefits	18,852	20,750
Lease liabilities	71,364	80,483
Provision for lease make good	6,295	5,965
Accrued expenses	-	93
Income accruals	(626)	(22)
Right-of-use assets	(55,717)	(64,766)
Net fair value gain on investment	(356)	(643)
Deferred tax asset	**156,429**	**285,996**

Accounting policy for income tax

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

Accounting policy for current tax

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

Accounting policy for deferred tax

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.

Note 8. Income tax (continued)

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

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

Note 9. Cash and cash equivalents

	2023 $	2022 $
Cash at bank and on hand	225,525	27,463
Term deposits	303,175	43,046
	528,700	**70,509**

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand and deposits held at call with financial institutions. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Note 10. Trade and other receivables

	2023 $	2022 $
Trade receivables	**117,169**	**60,152**
Accrued income	2,506	87
Prepayments	5,253	5,971
	7,759	**6,058**
	124,928	**66,210**

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Note 11. Investments

	2023 $	2022 $
Current assets		
Ordinary shares	**21,525**	**22,675**
Reconciliation		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening fair value	22,675	125,880
Disposals	-	(90,605)
Revaluation decrements	(1,150)	(12,600)
Closing fair value	**21,525**	**22,675**

Refer to note 24 for further information on fair value measurement.

Note 11. Investments (continued)

Accounting policy for financial assets

Financial assets are recognised at their market value. Financial assets are derecognised when the rights to receive cash flows have been transferred and the company has transferred substantially all the risks and rewards of ownership.

Note 12. Property, plant and equipment

	2023 $	2022 $
Leasehold improvements - at cost	3,421	3,421
Less: Accumulated depreciation	(1,549)	(1,209)
	1,872	**2,212**
Plant and equipment - at cost	16,412	13,080
Less: Accumulated depreciation	(12,956)	(12,075)
	3,456	**1,005**
Fixtures and fittings - at cost	19,557	19,557
Less: Accumulated depreciation	(16,426)	(14,702)
	3,131	**4,855**
	8,459	**8,072**

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

	Leasehold improvements $	Plant and equipment $	Furniture and fittings $	Total $
Balance at 1 July 2021	2,557	1,844	6,569	10,970
Depreciation	(345)	(839)	(1,714)	(2,898)
Balance at 30 June 2022	**2,212**	**1,005**	**4,855**	**8,072**
Additions	-	3,335	-	3,335
Depreciation	(340)	(884)	(1,724)	(2,948)
Balance at 30 June 2023	**1,872**	**3,456**	**3,131**	**8,459**

Accounting policy for property, plant and equipment

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

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

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

Leasehold improvements	5 to 15 years
Plant and equipment	2 to 40 years
Furniture, fixtures and fittings	4 to 40 years

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

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

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

Note 12. Property, plant and equipment (continued)

Changes in estimates

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

Note 13. Right-of-use assets

	2023 $	2022 $
Land and buildings - right-of-use	545,943	535,742
Less: Accumulated depreciation	(323,076)	(276,679)
	222,867	**259,063**

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

	Land and buildings $
Balance at 1 July 2021	341,831
Remeasurement adjustments	(36,588)
Depreciation expense	(46,180)
Balance at 30 June 2022	**259,063**
Remeasurement adjustments	10,201
Depreciation expense	(46,397)
Balance at 30 June 2023	**222,867**

Accounting policy for right-of-use assets

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

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

Refer to note 16 for more information on lease arrangements.

Note 14. Intangible assets

	2023 $	2022 $
Franchise fee	72,401	72,401
Less: Accumulated amortisation	(64,602)	(62,426)
	7,799	**9,975**
Franchise renewal fee	54,409	54,409
Less: Accumulated amortisation	(15,416)	(4,534)
	38,993	**49,875**
	46,792	**59,850**

Note 14. Intangible assets (continued)

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

	Franchise $ fee	Franchise renewal fee $	Total $
Balance at 1 July 2021	6,213	-	6,213
Additions	10,881	54,409	65,290
Amortisation expense	(7,119)	(4,534)	(11,653)
Balance at 30 June 2022	**9,975**	**49,875**	**59,850**
Amortisation expense	(2,176)	(10,882)	(13,058)
Balance at 30 June 2023	**7,799**	**38,993**	**46,792**

Accounting policy for intangible assets

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

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

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

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

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

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

Change in estimates

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

Note 15. Trade and other payables

	2023 $	2022 $
Current liabilities		
Trade payables	3,415	2,131
Other payables and accruals	63,446	60,015
	66,861	**62,146**
Non-current liabilities		
Other payables and accruals	**29,535**	**44,302**

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

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

Note 16. Lease liabilities

	2023 $	2022 $
Current liabilities		
Land and buildings lease liabilities	65,290	62,354
Unexpired interest	(14,148)	(16,224)
	51,142	**46,130**
Non-current liabilities		
Land and buildings lease liabilities	259,274	313,588
Unexpired interest	(24,961)	(37,787)
	234,313	**275,801**

Reconciliation of lease liabilities

	2023 $	2022 $
Opening balance	321,931	400,696
Remeasurement adjustments	10,201	(36,588)
Lease interest expense	16,403	18,772
Lease payments - total cash outflow	(63,080)	(60,949)
	285,455	**321,931**

Maturity analysis

	2023 $	2022 $
Not later than 12 months	65,290	62,354
Between 12 months and 5 years	259,274	265,886
Greater than 5 years	-	47,702
	324,564	**375,942**

Accounting policy for lease liabilities

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

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

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

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the company changes its assessment of whether it will exercise an extension option, or if there is a revised in-substance fixed lease payment.

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

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

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

Note 16. Lease liabilities (continued)

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Canning Vale branch	5.39%	5 years	N/A	N/A	March 2028

Note 17. Employee benefits

	2023 $	2022 $
Current liabilities		
Annual leave	40,880	47,018
Long service leave	33,496	29,968
	74,376	**76,986**
Non-current liabilities		
Long service leave	**879**	**5,860**

Accounting policy for employee benefits

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

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

Superannuation contributions

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

Short-term employee benefits

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

Other long-term employee benefits

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

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

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

Note 18. Lease make good provision

	2023 $	2022 $
Lease make good	**25,180**	**23,861**

Lease make good

In accordance with the branch lease agreement, the company must restore the leased premises to the original condition before the expiry of the lease term. The company has estimated the provision to be $32,360 for the Canning Vale Branch lease, based on experience and consideration of the expected future costs to remove all fittings and the ATM as well as the cost to remedy any damages caused during the removal process. The lease is due to expire on March 2028 at which time it is expected the face-value costs to restore the premises will fall due.

Accounting policy for provisions

Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. The provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Note 19. Issued capital

	2023 Shares	2022 Shares	2023 $	2022 $
Ordinary shares - fully paid	592,180	592,180	592,180	592,180
Less: Equity raising costs	-	-	(3,780)	(3,780)
	592,180	**592,180**	**588,400**	**588,400**

Accounting policy for issued capital

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

Rights attached to issued capital

Ordinary shares

Voting rights

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

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

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

Dividends

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

Note 19. Issued capital (continued)

Transfer

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

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

Prohibited shareholding interest

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").

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

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

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

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

Note 20. Retained earnings/(accumulated losses)

	2023 $	2022 $
Accumulated losses at the beginning of the financial year	(351,111)	(234,517)
Profit/(loss) after income tax (expense)/benefit for the year	390,125	(116,594)
Retained earnings/(accumulated losses) at the end of the financial year	**39,014**	**(351,111)**

Note 21. Capital management

The board's policy is to maintain a strong capital base so as to sustain future development of the company. The board monitor the return on capital and the level of distributions to shareholders. Capital is represented by total equity as recorded in the statement of financial position.

In accordance with the franchise agreement, in any 12 month period the funds distributed to shareholders shall not exceed the distribution limit.

The distribution limit is the greater of:

- 20% of the profit or funds of the company otherwise available for distribution to shareholders in that 12 month period; and
- subject to the availability of distributable profits, the relevant rate of return multiplied by the average level of share capital of the company over that 12 month period where the relevant rate of return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the financial year can be seen in the statement of profit or loss and other comprehensive Income.

There were no changes in the company's approach to capital management during the year.

Note 22. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Franking credits

	2023 $	2022 $
Franking account balance at the beginning of the financial year	253,889	251,618
Franking credits from franked dividends received	595	2,271
	254,484	**253,889**
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	**254,484**	**253,889**

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

Note 23. Financial instruments

	2023 $	2022 $
Financial assets		
Trade and other receivables	119,675	60,239
Cash and cash equivalents	528,700	70,509
Investments	21,525	22,675
	669,900	**153,423**
Financial liabilities		
Trade and other payables	96,396	106,448
Lease liabilities	285,455	321,931
	381,851	**428,379**

Accounting policy for financial instruments

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

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

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

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

Financial risk management

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

Note 23. Financial instruments (continued)

Market risk

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of $528,700 at 30 June 2023 (2022: $70,509).

Equity Price risk

All of the company's listed equity investments are listed on the Australian Stock Exchange (ASX). Changes in equity securities value is recognised through profit or loss.

2023	% change increase	Effect on profit before tax	Effect on equity	% change decrease	Effect on profit before tax	Effect on equity
Equity securities	10%	**2,156**	**1,617**	10%	**(2,156)**	**(1,617)**

2022	% change increase	Effect on profit before tax	Effect on equity	% change decrease	Effect on profit before tax	Effect on equity
Equity securities	10%	**2,268**	**1,701**	10%	**(2,268)**	**(1,701)**

Credit risk

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

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

Liquidity risk

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

Exposure to liquidity risk

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

	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
2023				
Trade and other payables	66,861	29,535	-	96,396
Lease liabilities	65,290	259,274	-	324,564
Total non-derivatives	**132,151**	**288,809**	**-**	**420,960**

Note 23. Financial instruments (continued)

	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
2022				
Trade and other payables	62,146	44,302	-	106,448
Lease liabilities	62,354	265,886	47,702	375,942
Total non-derivatives	**124,500**	**310,188**	**47,702**	**482,390**

Note 24. Fair value measurement

	Level 1 $	Level 2 $	Level 3 $	Total $
2023				
Assets				
Equity securities	21,525	-	-	21,525
Total assets	**21,525**	**-**	**-**	**21,525**

	Level 1 $	Level 2 $	Level 3 $	Total $
2022				
Assets				
Equity securities	22,675	-	-	22,675
Total assets	**22,675**	**-**	**-**	**22,675**

There were no transfers between levels during the financial year.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Note 25. Key management personnel disclosures

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

Geoffrey Keith Campbell Wolfenden	Renaldo Mario Costanzo
Ignazio Rocco Moro	Efthalia Samaras
Dean Morris	Stephen David Mitchinson

Compensation

Key management personnel compensation comprised the following.

	2023 $	2022 $
The directors received funds in the period to cover estimated out of pocket expenses related to performing the role as a director.	**14,050**	**-**

Note 26. Related party transactions

The following transactions occurred with related parties:

	2023 $	2022 $
Accounting, bookkeeping and business advisory services provided by SW Accountants and Advisors Pty Ltd, where a director is a partner of the firm:	18,135	16,000
Directors received reimbursements in the period. The total amount received was:	279	1,932

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

Note 27. Remuneration of auditors

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

	2023 $	2022 $
Audit services		
Audit or review of the financial statements	**5,400**	**5,200**
Other services		
Taxation advice and tax compliance services	660	600
General advisory services	3,756	2,710
Share registry services	4,190	3,720
	8,606	**7,030**
	14,006	**12,230**

Note 28. Reconciliation of profit/(loss) after income tax to net cash provided by/(used in) operating activities

	2023 $	2022 $
Profit/(loss) after income tax (expense)/benefit for the year	390,125	(116,594)
Adjustments for:		
Depreciation and amortisation	62,403	66,944
Net fair value (profit)/loss on equity instruments designated at FVTPL	1,150	12,600
Lease liabilities interest	16,403	18,772
Change in operating assets and liabilities:		
Increase in trade and other receivables	(58,718)	(26,489)
Decrease/(increase) in deferred tax assets	129,567	(41,105)
Increase in trade and other payables	16,797	8,736
Increase/(decrease) in employee benefits	(7,591)	8,509
Increase in other provisions	1,319	1,249
Net cash provided by/(used in) operating activities	**551,455**	**(67,378)**

Note 29. Earnings per share

	2023 $	2022 $
Profit/(loss) after income tax	**390,125**	**(116,594)**

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	592,180	592,180
Weighted average number of ordinary shares used in calculating diluted earnings per share	**592,180**	**592,180**

	Cents	Cents
Basic earnings per share	65.88	(19.69)
Diluted earnings per share	65.88	(19.69)

Accounting policy for earnings per share

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

Note 30. Commitments

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

Note 31. Contingencies

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

Note 32. Events after the reporting period

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

Directors' declaration

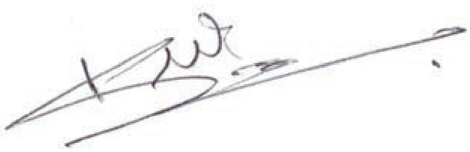
For the financial year ended 30 June 2023

In the directors' opinion:

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

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

On behalf of the directors



Geoffrey Keith Campbell Wolfenden
Chair

26 September 2023

Independent audit report

Andrew Frewin Stewart
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Independent auditor's report to the Directors of Gosnells Financial Services Limited

Report on the Audit of the Financial Report

Opinion

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

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

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

i. giving a true and fair view of the company's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

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

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

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Other Information

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

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

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

Our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If we identify that a material inconsistency appears to exist when we read the annual report (or become aware that the other information appears to be materially misstated), we will discuss the matter with the directors and where we believe that a material misstatement of the other information exists, we will request management to correct the other information. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

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

Auditor's responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists.

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 26th September 2023

Joshua Griffin
Lead Auditor

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communitybankcanningvale

Bendigo Bank

Bendigo and Adelaide Bank Limited ABN 11 068 049 178, AFSL/Australian Credit Licence 237879 A1429506 OUT_32008886 28/09/2023