

Annual Report 2023

Highett Community
Financial Services Limited

Community Bank
Highett

ABN 23 094 393 683



Contents

Chairperson's report	2
Manager's report	4
Bendigo and Adelaide Bank report	5
Community Bank National Council report	6
Board of Directors	7
Community impact stories	10
Directors' report	15
Auditor's independence declaration	17
Directors' declaration	18
Financial statements	19
Notes to the financial statements	25
Independent audit report	38

Chairperson's report

For year ending 30 June 2023



An important part of the Community Bank Model is our ability to put profits back into our community. Growing interest in how we support our Community in so many ways is attracting more applications for our grants and sponsorship programs which we are thrilled about.

As Chair of Highett Community Financial Services Limited (HCFSL), it is my pleasure to present our Annual Report for 2023.

In our 22nd year of operation we continued our commitment to being the bank of choice for our Community. Another year of challenges for us all did not dampen our focus or footprint in the Community. Our Community Bank Highett Branch team welcomed familiar faces and new customers to our business ensuring we remain viable, which is essential not only to us but for the Community Bank Model of placing profit back into community projects and activities.

We are so very proud of the work we have done this past year and look forward to impacting many more lives with your support.

Profit before Tax and Community Returns

Our profit before tax is \$756,070 with \$244,892 dispersed via our community grants and sponsorship programs along with other community investment.

	2022-23	2021-22
Total Gross Income	1,781,851	778,295
Less Total Expenses	1,025,781	761,750
Profit before Tax	756,070	16,545
Add back Community Returns and Sponsorships	244,892	29,941
Profit before Tax and Community Returns	976,596	46, 486

Community Investment

An important part of the Community Bank Model is our ability to put profits back into our community. Growing interest in how we support our Community in so many ways is attracting more applications for our grants and sponsorship programs which we are thrilled about.

Connecting at community events and through our information sessions enables all of us to answer questions and to prepare for grant and sponsorship rounds.

Chairperson's report (continued)

Our increase in profits has allowed a significant increase in community investment in 2022-23 as shown below.

Community Returns (donations and grants)	220,526
Sponsorships	24,366
Total for 2022-23	244,892

As shown below, our total returns as at 30 June 2023 are an impressive \$3,320,231.

Dividends / Returns to Shareholders	735,895
Community Returns (donations and grants)	1,515,842
Sponsorship	1,068,494

We will continue to support our growing and diverse community, provide returns to shareholders and deliver essential banking and financial services to our Hightett Community.

Based on our profit and strong balance sheet this year, consistent with the Community Bank Model, the Board has determined that a 10cent fully franked dividend will be paid per share.

The Board

We have seen changes to the (HCFSL) Board throughout the year as commitments to work and family draw away and bring us new Directors. Caren Walliser, Debra Smith, Marlene Johnson and Peter Smith both retired after making an active contribution to our Board, the Company and Community. Welcome to Paul Reid and Amanda James as new members of the Board. Thank you to our current Board members Susan Smith (Secretary) Rick Iversen (Treasurer), Maria Koustsimpiris, Chris Pettit who continued their valuable contribution. The Board is committed to high governance standards and continues to work to ensure the sustainability of our Branch and Community impact.

Our Branch team

Our Branch team continue delivering excellence in customer service and support to our customers. Guireh Darar (Branch Manager), Michelle Canterford (Customer Relationship Manager), Mandy Keys (Customer Relationship Officer), Jane Turner (Customer Service Officer), Bianca Ramadan (Customer Service Officer), Thomas Caldwell (Customer Service Officer) and Ilonka Roode (Community Engagement Manager) are ready to welcome you into our branch. I thank them for their service to our customers, community partners, traders and stakeholders. I would also like to take this opportunity to thank Peter Rice (Regional Manager) and the teams at Bendigo and Adelaide Bank. Our branch team look forward to supporting you with your banking.

Thank you for your support

Thank you to Shareholders, Customers, and Community partners who each play a role in the success and relevance of our branch and business model. Without a viable and sustainable Branch we would not be able to provide profit back into our Community. The impact we generate by being able to support local Community groups through our donations, whether it be via grants or sponsorship ensure our Community can thrive. So, a special thank you to everyone who walks into our branch, who banks with us and who enquires about a banking product or service with us – without you there is no us.

Thank you to the Board and branch team for their diligence, passion and energy without which we wouldn't have the success we do. I wish you continued success and happiness in your roles. As Chair I am grateful for the opportunity to work with and get to know such wonderful people – thank you!



Heather Disher
Chairperson

Manager's report

For year ending 30 June 2023



There were many achievements to be proud of over the past year, Highett Community Financial Services Limited contributions back into our local community for 2022-23 financial year was just shy of \$245,000 bringing our total contributions to over \$3.3 million since our inception in March of 2001.

2022-23 financial year was my first as a Branch Manager and my first with the team at Community Bank Highett. After 9 years' service at Community Bank Caulfield Park, I was given the opportunity to lead the team here at the Branch and I thank the Board for this opportunity. A big shout out goes to the entire team Mandy Keys, Jane Turner, Bianca Ramadan, Michelle Canterford, Thomas Caldwell, and outgoing Branch Manager Daniel Leonov for making my transition to Community Bank Highett so seamless.

In the 2022-23 financial year we also welcomed Ilonka Roode as our Community Engagement Manager. Ilonka, a Highett local herself, has fit straight into our team and has made an immediate impact in the local community by establishing connections with a variety of community groups and leading the way for positive change in our local networks.

There were many achievements to be proud of over the past year, Highett Community Financial Services Limited contributions back into our local community for 2022-23 financial year was just shy of \$245,000 bringing our total contributions to over \$3.3 million since our inception in March of 2001. This is in no way possible without the income generated from the business of our customers and members of the local Community and we thank you for the ongoing support, this is what allows us to continue to be able to reinvest into our local Community year on year.

Given the rapidly increasing interest rate economy we unfortunately did not see growth in our total lending book however we managed to retain and maintain our lending book without taking any significant loss. Our total deposit book grew by \$9.1 million. As at 30 June 2023 our total footing grew to \$194.2 million consisting total deposits at \$135.7 million, total lending at \$54.3 million and other business at \$4.2 million.

Most importantly the team at Community Bank Highett would personally like to thank our Board, State Support, and above all our Customers and Shareholders for their continued support. We look forward to working with all of you in the 2024 financial year and beyond, sharing success and continuing to build a community that thrives now and into the future.

A stylized, cursive signature of Guireh Darar in dark ink.

Guireh Darar
Branch Manager, Community Bank Highett

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



COMMUNITY BANK
NATIONAL COUNCIL

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 through 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

A stylized, handwritten signature in black ink.

Sarah Franklyn
CBNC Chair

Board of Directors

For the financial year ended 30 June 2023



Maria Koutsimpiris

(Chair till 28 November 2022)

Occupation: Project Controls Manager, Acciona Construction Australia Pty Ltd

Work background: Maria is a globally experienced operational, project and strategic executive with a strong governance background. She has worked extensively across complex capital-intensive multinationals and on large billion dollar plus projects and managed large functional and cross functional teams both. Her career spans oil and gas, automotive, consulting engineering, technical services and infrastructure.

Qualifications: Australian Institute of Company Directors Course Graduate, Masters in Business Administration, Bachelor of Engineering (Mechanical) / Bachelor of Science (Mathematics).

Other Directorships: Sole Director of Modern Expression Pty Ltd.

Committees: Executive Mentor for NAWO (National Association of Women in Operations), Advisory Committee Member of Power of Engineering (national charity that promotes Engineering to girls at school), Chair of Women in Engineering Victoria for Engineers Australia.

Former Directorships in last 3 years: NIL

Board Committees and Working Groups: People and Culture Committee, and AGM and Annual Report Working Group.

Interest in shares: NIL

Board of Directors (continued)

Heather Disher

(From 29 August 2022, Chair from 28 November 2022)

Occupation: Currently CEO/Managing Partner of Alchemy Outsourcing and Founder of Disher Advisory Synergy Pty Ltd.

Work background: Provision of advisory and professional Services such as management position contracts, operational, administration, governance and integrator support and delivery and investment in SME emerging businesses.

Qualifications: Certificate Not For Profit Training Governance Essentials and Finance Essentials, Certified Chair Executive Program Advisory Board Centre.

Other Directorships: Pony Club Australia, Geelong Animal Welfare Society, Terima Kasih Holdings & Terima Kasih Investments and Disher Advisory Synergy Pty Ltd.

Former Directorships in last 3 years: NIL

Interest in shares: NIL

Peter Smith

(resigned 29 April 2023)

Occupation: Business Coach, Company Director

Work Background: 30 years of corporate experience working with leading global brands, specialising in Sales and Customer Service, and eight years of operating my own Telstra franchises.

Qualifications: Master of Business Administration, Diploma Asian Studies, Certified 6 Sigma Black Belt and Agile, Accredited Business Coach.

Community: Previously President, Brighton Beach Bowls Club; Black Rock Football Club; St Mary's Hampton Finance Committee; Lae Medical Services Ltd (PNG).

Other Directorships: Connected Six Group Pty Ltd; Dunlop Papua Guinea Ltd.

Former Directorships in last 3 years: NIL

Board Committees and Working Groups: Branch Performance.

Interest in shares: NIL

Rick Iversen

(Treasurer)

Occupation: Currently Head of Product & Scheme, ConnectID

Work background: 25 years' experience in corporate strategy, mergers and acquisitions, and partnership development, with UK and Australian major banks, insurers, and management consulting firms.

Qualifications: GAICD, Master of Applied Finance, Bachelor of Commerce

Other Directorships: Sole trader business

Former Directorships in the last 3 years: NIL

Board Committees and Working Groups: Finance and Assets Committee, Branch Performance Committee

Interest in shares: NIL

Susan Smith

(Company Secretary)

Occupation: Currently Board Secretary, State Library of Victoria.

Work background: Over 35 years' experience in Air Traffic Management, from working as an air traffic controller to corporate executive management, including representing the Federal Government at the International Civil Aviation Organisation (part of the UN). I am currently working as a corporate compliance specialist and board secretary.

Qualifications: Master of Business Administration, Bachelor of Science; Graduate Diploma Corporate Governance, Diploma of Aviation.

Community: Currently on the Finance Audit and Risk Committee Vicsport which represents Victorian Sports Associations. Previous Secretary Aspergers Victoria.

Other Directorships: Swimming Victoria (till Oct 2022), Swimming Australia (from November 2022) and Deputy Chair of Vicsport (till November 2022).

Former Directorships in last three years: NIL

Board Committees and Working Groups: Governance Committee; Finance and Assets Committee and AGM and Annual Report Working Group.

Board of Directors (continued)

Chris Pettit

Occupation: Commercial Credit Manager, Bendigo and Adelaide Bank Limited.

Work background: Over 20 years' experience working as a Chartered Accountant, working with corporate and commercial clients in roles covering assurance, cash flow / working capital management, and turnaround management. Extensive leadership experience and passionate about coaching, mentoring, and workplace learning and development.

Qualifications: Certificate IV Training & Assessment, Chartered Accountant.

Community: Former manager, Beaumaris Sharks Football Club (2018); former treasurer, Gordon Street Pre-School (2010-2012).

Other Directorships: NIL

Former Directorships in the last 3 years: NIL

Board Committees and Working Groups: Finance and Assets Committee and Governance Committee

Interest in shares: NIL

Amanda James

(from 29 August 2022)

Occupation: Currently Chief People Officer Alcidion.

Work background: An experienced Human Resources Executive and Non-Executive Director with an executive career in people and culture strategy development, delivery and operations in global contexts. I enjoy being at the forefront of business transformation initiatives, building relationships and understanding the organisational.

Qualifications: Graduate Diploma of Human Resources, University of Southern Queensland, Graduate Diploma Public Relations, Deakin University; Company Directors Course Graduate AICD.

Other Directorships: Bicycles for Humanity.

Former Directorships in last 3 years: NIL

Interest in shares: NIL

Paul Reid

(from 29 August 2022)

Occupation: Currently Non-executive Director Swoop Holdings (ASX:SWP).

Work background: A senior executive and successful entrepreneur, with the last 12 years building a small regional telecommunications business into an ASX listed company (ASX:SWP). Management Consulting experience with Andersen Consulting & AT Kearney working across the telco, oil & gas, retail, technology, and financial services industries.

Qualifications: Master of Science Information Technology, University of Stirling; Bachelor of Arts, Kingston University; Graduate Company Director s Course AICD.

Other Directorships: Swoop Holdings Limited.

Former Directorships in last 3 years: NIL

Interest in shares: NIL

Marlene Johnson

(from 29 August 2022, resigned 23 April 2023)

Occupation: Currently principal consultant M.J. Johnson and Associates.

Work background: I have worked in the education and training sector for approximately 40 years encompassing a broad range of cross-sectoral teaching, management, and administrative contexts. In April 2008, I set up the consultancy M.J. Johnson & Associates. I have successfully consulted to both government and non-government clients. These consultancies have involved a range of activities including strategic planning, stakeholder facilitation, professional development, project management, writing and editing, workforce recruitment and programme development and evaluation.

Qualifications: Bachelor of education Queensland University of Technology.

Other Directorships: M.J. Johnson and Associates

Former Directorships in last 3 years: NIL

Interest in shares: NIL

Community impact stories

For year ending 30 June 2023

Throughout 2022-23, we have invested in a variety of worthy projects and community organisations across the categories of Community Resilience, Education and Sport and Recreation including:

5th Sandringham Scouts Group – Sensory Room
BayCISS - Secondary School Student Support
Bayside Emergency Community Relief (BCER)
Bayside Toy Library – Musical Instruments
Bentleigh Calisthenics College*
Bentleigh Junior Football Club*
Brighton Philatelic Society
Cheltenham Park Cricket Club*
Hampton Community Centre – Food Pantry
Hampton Hammers Football Netball Club*
Highett Football Netball Club*
Highett Neighbourhood Community House – Nourish Program & Photography Competition
Highett RSL Golf*
Highett Youth Club*
Kingston Collective – Xmas Lunch
Moorabbin Bowls Club*
Moorabbin Kangaroos Football Club*

Resilient Aspiring Women – Urban Gardening
Rotary Club of Brighton – Big Serve & The Bayside Art Show
Rotary Club of Brighton North – Recycle Regatta
Sam's 1000 – Precision Medicine
Sandringham Athletics Club – Chilled Water Fountains
Southern FM*
Story Dogs Moorabbin – Reading Assistance Program
St David's Anglican Church Moorabbin – Animal Farm & Zoom Technology
St Peter's Netball Club East Bentleigh*
St Vincent de Paul Society – Xmas Hampers
Taskforce – Indoor Mural
U3A Moorleigh – Intergenerational Cinema
Volunteers Dinner – Dinner
White Star Dandenong Football Club*

* General Sponsorship

All our community partners do a fantastic job in meeting the needs of our community. Here are a few of their stories.

Sam's 1000 – Precision Medicine

Precision treatment for cancer is not currently offered as standard care for Australians. Sam's 1000 in collaboration with the Australian Genomic Cancer Medicine and the Garvan Institute of Medical Research, Love Your Sister has formulated an affirmative action solution. Precision medicine puts patients on the right medicine, first time, every time. By partnering with businesses like Community Bank Highett, Precision medicine for all can be achieved. We too, at Community Bank Highett believe that Together we can make a difference and that is why we have chosen to throw our support behind Sam's 1000 campaign.



Community impact stories (continued)

Bentleigh Junior Football Club



Community Bank Highett's sponsorship of Bentleigh Junior Football Club (BJFC'S) is dedicated to ensuring the sustainability and growth of BJFC's female teams, which range from U/10 to U/18. We believe in empowering girls to shine on and off the field.

Bentleigh Junior Football Club hosted an unforgettable Girls Gala Day where Community Bank Highett proudly presented the Community Bank Highett Player of the Day Medal to the fantastic Reanna Barbakas. Her outstanding attitude on and off the field is to be admired.

We love that Bentleigh Junior Football Club incorporates a Kicking Goals campaign where they are actively fundraising for causes dear to all. Particularly the Breast Cancer Awareness fundraiser which everyone was very happy to get behind.

Bentleigh Junior Football Club is all about fostering the love of the game and providing a supportive environment for young talents to thrive. With 19 teams spanning from U/8 to U/18, they are a close-knit community of 320 families, united by our passion for Aussie Rules!

Moorabbin Bowls Club

This year Community Bank Highett was once again honoured to sponsor Moorabbin Bowls Club. Moorabbin Bowls Club is where the joy of lawn bowls meets the warmth of community. Whether you're a seasoned bowler or a newcomer looking for a fun and competitive sport, Moorabbin Bowls Club welcomes you with open arms. It's the club's friendly atmosphere that ensures that everyone, regardless of age or skill level can find their place here. This year Community Bank Highett's sponsorship assisted with signage around the club as well as the purchase of a big screen television that helped reduce printing costs for committee meetings and coaching sessions. Community Bank Highett staff and Board members participated in the community Jack Attack Corporate Cup and whilst we didn't bring the trophy home, we were still winners as we walked away with a newly formed partnership in TaskForce.



Highett Football Netball Club

In the heart of Highett, Highett Football Netball Club is an Australian Rules Football and Netball club located in Turner Road Highett. In 2022/2023 Highett Football Netball Club fielded three senior teams, one U/19, two netball and ten junior teams. For decades now, this footy club has brought residents together, providing a sense of belonging and fostering the spirit of sportsmanship.

In recent years, the club faced economic challenges, as many organisations have since COVID. The aim of Highett Football Netball Club has always been to provide a welcoming and inclusive club that people feel they belong to. With the support of Community Bank Highett, the club was able to secure gameday attire and training equipment needed without raising their subscription fees for playing members. We look forward to a continued flourishing relationship in future!



Community impact stories (continued)

Highett Neighbourhood Community House

HNCH (Highett Neighbourhood Community House) has always been synonymous with warmth and inclusivity. This vibrant community hub focuses on bringing to together neighbours from all ages and walks of life and remarkably, over 6700 individuals visit HNCH annually. Thanks to the generous grant from Community Bank Highett, HNCH embarked on a transformative journey that has grown from strength to strength.

Community Bank Highett's grant has enabled HNCH to initiate to interconnected projects that would bridge the generational gaps as well as foster stronger community connections.

1. Nourish Dinners

In 2022-2023 HNCH has served over 180 dinners, inviting anyone from the public to share a meal and forge social connections. These dinners are a testament to the power of community connection, and they have become so popular that free spots are claimed in less than 24 hours. Community Bank Highett has vowed support for the program in 2024 with an aim to serve more than 600 dinners!



2. Intergenerational Program



The second project funded by Community Bank Highett's grant was the 'Intergenerational Program'. This initiative brought together individuals from different age groups to participate in activities aimed at increasing awareness and empathy across generations.

Under the skilled facilitation of Kim Norden from Fruition Projects, the program was a resounding success! It brought together 11 Social Justice students from St Mary's Primary School, teachers, 5 residents from Fairway Bayside Aged Care, and volunteers and staff members from Hampton Community Centre. Hampton RSL even chipped in, contributing to the transportation of residents to HNCH.

Throughout the program, bonds were formed and understanding blossomed! Shared activities included board games, puzzles, art & craft, modified physical games, gardening, and sharing of stories of 'then' and 'now'. Students were amazed to learn there were no seatbelts and helmets back in the day! Residents at Fairway Bayside asked staff between sessions if it was the day they were going to see the children as they were looking forward to it.

Highett Youth Club

Highett Youth Club is a vibrant and dynamic community organisation that is dedicated to offering Gymnastics, Cheerleading and Calisthenics. Their commitment to providing opportunities for young individuals to develop skills, build confidence, and engage in healthy activities is commendable and Community Bank Highett's ongoing partnership with Highett Youth Club as a major sponsor is a testament to their dedication. This year a highlight has been Imogen Kane's (past coach at Highett Youth Club) appointment as United Nations Youth Ambassador for Australia 2023.



Community impact stories (continued)

Southern FM



Community Bank Highett and Community Bank Sandringham are thrilled to announce our partnership with Southern FM, a dynamic and community-focused radio station that has captured the hearts of residents across Bayside and beyond. The audience for Southern FM primarily includes residents across Bayside (however, their broadcast signal reaches many more neighbouring suburbs). They have a loyal listenership, with approximately 80,000 people tuning in each week. The station's programming is diverse, encompassing various shows, including music, news, sports, health, and cultural programs. Few will know that the station relies solely on volunteers for their operation, with a diverse team of individuals contributing their skills and expertise to create and run programs. As a major sponsor Community Bank Highett has been constantly on the airwaves with various interviews during the year spanning topics across community funding, volunteerism and the success of the Recycle Regatta.

Rotary Club of Brighton North – Recycle Regatta

In March 2023, Brighton North Rotary proudly hosted Bayside's inaugural Recycle Regatta, and at the forefront of this event was Community Bank Highett as Gold Sponsor. The impact on our local community was profound, touching many aspects of our vibrant community life.

Firstly, all supplies were locally sourced and procured from within the community. The Recycle Regatta became an example of positivity, drawing over 500 participants and delivering a total value of \$22,000 to the community.

The enthusiasm was tangible with the involvement of almost every member of the Brighton North Rotary Club, the 1st/14th Brighton Sea Scouts, leaders, cubs, scouts and venturers, as well as the active involvement of 10 schools spanning across Bayside and neighbouring suburbs.

The greatest sight unfolded with 100 paddlers showcasing their creativity in boat design and their fearless determination to navigate the waters without worry about sinking! A large and enthusiastic crowd, numbering over 500, gathered to witness the event.

The Recycle Regatta was an instant hit and is destined to become an annual tradition in our community. Community Bank Highett recognised the intrinsic value of supporting such an event as it perfectly aligned with



our commitment to environmentally friendly initiatives, family-oriented activities, and fostering strong community bonds through volunteerism and shared community pride.

Impact didn't stop at the water's edge – at the conclusion of this great day, more than \$10,000 was raised to support Teen Mental Health First Aid programs for Year 10 students at our local schools, a testament to Community Bank Highett's enduring commitment to the well-being of the youth in our community. Brighton North Rotary Club, with the support of Community Bank Highett, proved that when the community comes together with a shared vision, remarkable things can happen.

Community impact stories (continued)

Volunteers Thank you Dinner

This year Community Bank Highett collaborated with Bayside City Council in celebration and recognition of our volunteers. Recognizing and appreciating the efforts of volunteers is essential for fostering a strong and engaged community. The Volunteers Thank You Dinner was kindly



hosted by Highett Neighbourhood Community House. The attendance of all the volunteer board members from organisations like BayCISS, Brighton Recreation Centre, Castlefield Community Centre, Chatty Café, Community Bank Highett, Hampton Community Centre, Highett Neighbourhood Community House, Resilient Aspiring Women (RAW) and Sandybeach Centre, highlights the collaborative spirit in our community. These boards play a crucial role in guiding and supporting our community organisations, ensuring they can continue their vital work.



The guest speaker, Mariam Issa from RAW, brought a lot of inspiration to the event by sharing her personal journey and emphasizing the importance of community involvement. Volunteer celebrations serve as a great reminder of the power of collective action and the positive change that can result from us working together.

BayCISS



BayCISS (Bayside Community Information and Support Service Inc.) has been on a mission to break down barriers and uplift the lives of local students and families through their Education Support program. The program strives to address social inclusion and intergenerational poverty by supporting students to engage in school activities and classes that support positive educational experiences and outcomes. Armed with the grant from Community Bank Highett, BayCISS set out to forge deeper connections with local schools, teachers, and students.

This year marked a significant turning point as BayCISS representatives went the extra mile to meet face-to-face with school wellbeing coordinators and teachers. These personal interactions helped them gain invaluable insights into the unique challenges that hindered students'

educational success. As part result of the more personal connection, families began to turn to BayCISS not just for educational support but for a broader range of their service offering. Seeing the benefits of the relationship with BayCISS, school staff also shifted their approach and started directly referring their students and families to BayCISS which created an effective pathway to other BayCISS services for vulnerable families and students who also struggle with school avoidance and difficulties engaging with learning opportunities. Community Bank Highett remains committed BayCISS and their Education Support Program which provides funding for school camps, uniforms, textbooks, laptops, tutoring, reading glasses and school related events.

Directors' report

HIGHETT COMMUNITY FINANCIAL SERVICES LIMITED For the year ended 30 June 2023

Directors' Meetings

During the 2022-23 year, 11 Directors meetings were held. Attendance by each Director was as follows:

Director	Meetings as Director	Meetings attended	Director details
Maria Koutsimpiris	10	10	Director since 2019 leave of absence granted from 24 June.
Rick Iversen	11	9	Director since 2021
Peter Smith	9	8	Director 2020 until 29 April 2023
Chris Pettit	11	9	Director since 2020
Susan Smith	11	10	Director since 2021
Heather Disher	8	8	Director since 29 August 2022
Paul Reid	8	8	Director since 29 August 2022
Amanda James	8	8	Director since 29 August 2022
Marlene Johnson	5	5	Director 29 August 2022 until 23 April 2023

Directors are involved in Board Committees and Working Groups that meet throughout the year, as follows:

Committees: Community Partnerships; Branch Performance; Finance and Assets; Governance; and People and Culture.

Working Groups: Strategy Working Group, AGM Working Group.

These meetings involve the discussion of specific topics. Where decisions are required, recommendations are presented to the Board of Directors and dealt with at the regular Director meetings. Directors effectively make all decisions at the regular Director's meetings, hence attendance at 'Committee' meetings has not been disclosed.

Operating Result

The profit of the company for the financial year after providing for community returns, sponsorship and income tax amounted to:

Financial Year Ended	30 June 2022	30 June 2023
Net Profit after Tax	\$11.940	\$566,424

Principal Activities

The principal activities of the company during the course of the year were Financial Services. No significant change in the nature of these activities occurred during the year.

After Reporting Date Events

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

Future Developments

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

Directors' report (continued)

Environmental Issues

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

Dividends

A fully franked dividend was paid during the period for the 2022 year. In line with our constitution the Board has determined that a 10 cents per share fully franked dividend will be paid for the 2023 financial year.

Options

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

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

The particulars of shares held by the directors of the company in the company or in related bodies corporate have been noted and are declared in the register of directors' shareholdings.

Directors' Benefits

No director has received or has become entitled to receive, during or since the financial year, a benefit because of a contract made by the company or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest. Director reimbursements and honorariums are paid to compensate for expenses incurred.

Indemnification 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. The company has not provided any insurance for the auditor of the company or a related body corporate.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been included in this report.

Signed in accordance with a resolution by the Board of Directors



Heather Disher, Director/Chairperson



Rick Iversen, Director/Treasurer

Date: 04 September 2023

Auditor's independence declaration



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

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

Auditors Independence Declaration under section 307C of the Corporations Act 2001 to the Directors of Highett Community Financial Services Limited

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

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

RSD Audit

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

Kathie Teasdale
Partner

41A Breen Street
Bendigo VIC 3550

Dated: 5 September 2023

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

Directors' declaration

HIGHETT COMMUNITY FINANCIAL SERVICES LIMITED For the year ended 30 June 2023

The directors of the company declare that:

1. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
2. In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

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



Heather Disher

Director/Chairperson



Rick Iversen

Director/Treasurer

Date: 04 September 2023

Financial statements

Statement of Profit or Loss and Other Comprehensive Income

HIGHETT COMMUNITY FINANCIAL SERVICES LIMITED

For the year ended 30 June 2023

	NOTES	2023	2022
Revenue			
Revenue from Ordinary Activities	4	1,781,851	778,295
Total Revenue		1,781,851	778,295
Expenses			
Community Returns (Donations & Grants)		(220,526)	(10,000)
Sponsorship		(24,366)	(19,941)
Marketing Expenses		(7,094)	(2,348)
Employee and Associated Costs		(499,909)	(420,064)
Occupancy and Associated Costs		(25,282)	(34,397)
System Costs		(38,047)	(46,095)
Depreciation and Amortisation	5	(79,862)	(80,514)
General Administration Expenses		(87,299)	(103,282)
Interest Expense	6	(43,395)	(45,108)
Total Expenses		(1,025,781)	(761,750)
Profit/(Loss) before Taxation		756,070	16,545
Income Tax Expense			
Income Tax Expense	7	(189,646)	(4,605)
Total Income Tax Expense		(189,646)	(4,605)
Net Profit After Tax		566,424	11,940
Dividends Provided For or Paid			
Dividends Provided For or Paid	8	(23,209)	(23,209)
Total Dividends Provided For or Paid		(23,209)	(23,209)
Other Appropriations			
Other Appropriations	21	10,000	10,000
Total Other Appropriations		10,000	10,000
Net Profit After Tax & Dividends		553,216	(1,269)

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Statement of Financial Position

HIGHETT COMMUNITY FINANCIAL SERVICES LIMITED

As at 30 June 2023

	NOTES	30 JUN 2023	30 JUN 2022
Assets			
Current Assets			
Cash and Cash Equivalents	9	350,555	195,670
Receivables	10	172,320	87,098
Financial Assets	11	1,129,319	623,340
Other Current Assets	12	1,719	2,655
Total Current Assets		1,653,913	908,763
Non-Current Assets			
Property, Plant and Equipment	13	148,211	152,337
Right-of-use Asset	14	722,071	779,076
Intangibles	15	38,974	53,475
Deferred Tax Asset	16	68,034	70,548
Total Non-Current Assets		977,290	1,055,436
Total Assets		2,631,202	1,964,199
Liabilities			
Current Liabilities			
Payables	17	22,812	25,018
Provisions	18	35,870	37,121
Accrued Expenses	19	16,675	13,234
Taxation	20	178,821	3,092
Financial Liabilities	21	10,000	10,000
Property Lease Liability	22	45,337	41,331
Total Current Liabilities		309,515	129,795
Non-Current Liabilities			
Payables	17	14,501	29,002
Provisions	18	10,983	7,076
Financial Liabilities	21	-	10,000
Property Lease Liability	22	914,799	960,137
Total Non-Current Liabilities		940,283	1,006,215
Total Liabilities		1,249,798	1,136,010
Net Assets		1,381,404	828,189
Equity			
Share Capital	23	464,175	464,175
Retained Earnings	24	917,229	364,014
Total Equity		1,381,404	828,189

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Statement of Changes in Equity

HIGHETT COMMUNITY FINANCIAL SERVICES LIMITED

For the year ended 30 June 2023

	ISSUED CAPITAL	ACCUMULATED PROFITS	TOTAL EQUITY
Transactions - 2022			
Balance as at 1 July 2021	464,175	365,283	829,458
Total comprehensive income for the year	-	11,940	11,940
Transactions	-	-	-
Transfer to Highett Youth Club Liability from Accumulated Profit	-	10,000	10,000
Dividends provided for or paid	-	(23,209)	(23,209)
Balance as at 30 June 2022	464,175	364,014	828,189

	ISSUED CAPITAL	ACCUMULATED PROFITS	TOTAL EQUITY
Transactions - 2023			
Balance as at 1 July 2022	464,175	364,014	828,189
Total comprehensive income for the year	-	566,424	566,424
Transactions	-	-	-
Transfer to Highett Youth Club Liability from Accumulated Profit	-	10,000	10,000
Dividends provided for or paid	-	(23,209)	(23,209)
Balance as at 30 June 2023	464,175	917,229	1,381,404

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Statement of Cash Flows

HIGHETT COMMUNITY FINANCIAL SERVICES LIMITED

For the year ended 30 June 2023

	2023	2022
Operating Activities		
Receipt from Customers	1,866,664	828,631
Payments to Suppliers and Employees	(1,056,549)	(687,799)
Interest Received	6,544	2,277
Interest and other costs of finance paid	(58,945)	(69,802)
Income Tax Refunded/(Paid)	(19,634)	6,729
Net Cash Flows from Operating Activities	738,081	80,036
Investing Activities		
Proceeds from Sale of Investments	565	1,233
Payment for Property, Plant and Equipment	(4,230)	(23,708)
Payment for Investments	(506,544)	(2,277)
Net Cash Flows from Investing Activities	(510,208)	(24,752)
Financing Activities		
Repayment of leases	(49,779)	(45,789)
Dividends provided for or paid	(23,209)	(23,209)
Net Cash Flows from Financing Activities	(72,988)	(68,998)
Net Cash Flows	154,885	(13,713)
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	195,670	209,383
Cash and cash equivalents at end of period	350,555	195,670
Net change in cash for period	154,885	(13,713)

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Statement of Cash Flows - Note 1

HIGHETT COMMUNITY FINANCIAL SERVICES LIMITED

For the year ended 30 June 2023

1. Reconciliation of Cash

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

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

	2023	2022
Cash and Cash Equivalents		
1201 - General Cheque A/C	275,883	128,349
1202 - Market Development A/C	785	2,241
1203 - Manager's Visa A/C	953	8
1205 - Staff Expenses Account	2,190	153
1206 - Everyday Business A/C	69,824	63,824
1207 - Dividend Payments A/C	834	863
1208 - Chairperson's Expense Account	22	133
Petty Cash	63	98
Total Cash and Cash Equivalents	350,555	195,670

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Statement of Cash Flows - Note 2

HIGHETT COMMUNITY FINANCIAL SERVICES LIMITED

For the year ended 30 June 2023

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

	2023	2022
Net cash provided by Operating Activities		
Profit from ordinary activities after tax	563,847	11,940
Non Cash Items:		
Depreciation	3,727	4,379
Amortisation	76,135	76,135
Changes in assets/(liabilities)		
Increase/(decrease) in Tax Liabilities	186,754	17,759
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase)/decrease in Plant & Equipment Assets	-	-
Other		
(Increase)/decrease in Receivables	(85,223)	(27,080)
(Increase)/decrease in Deferred Tax Asset	2,514	4,605
Increase/(decrease) in Payables	(15,771)	(12,092)
Increase/(decrease) in Accrued Expenses	3,441	2,184
Increase/(decrease) in Provisions	2,657	2,206
Total Net cash provided by Operating Activities	738,081	80,036

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Notes to the financial statements

HIGHETT COMMUNITY FINANCIAL SERVICES LIMITED

For the year ended 30 June 2023

1. General Information

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of Highett Community Financial Services Limited (the Company). For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The presentation currency used in these financial statements is Australian dollars (\$). Amounts in these financial statements are stated in Australian dollars unless otherwise noted.

Statement of compliance

The Company does not have 'public accountability' as defined in AASB 1053 *Application of Tiers of Australian Accounting Standards* and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

Rounding off of amounts

The company is a company of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in this directors' report are rounded off to the nearest dollar, unless otherwise indicated.

Economic Dependency - Bendigo and Adelaide Bank Limited

The company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the Community Bank® branch at Highett, Victoria. The branch operates as a franchise of Bendigo and Adelaide Bank Limited, using the name "Bendigo Bank" and the logo and system of operations of Bendigo and Adelaide Bank Limited.

The company manages the Community Bank® branch on behalf of Bendigo and Adelaide Bank Limited, however all transactions with customers conducted through the Community Bank® branches are effectively conducted between the customers and Bendigo and Adelaide Bank Limited.

All deposits are made with Bendigo and Adelaide Bank Limited, and all personal and investment products are products of Bendigo and Adelaide Bank Limited, 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 and Adelaide Bank Limited, must be approved by Bendigo and Adelaide Bank Limited. All credit transactions are made with Bendigo and Adelaide Bank Limited, and all credit products are products of Bendigo and Adelaide Bank Limited.

Bendigo and Adelaide Bank Limited provides significant assistance in establishing and maintaining the Community Bank® branch 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.

These notes should be read in conjunction with the attached compilation report.

Notes to the financial statements (continued)

Information about the Company

Highett Community Financial Services Ltd is a company limited by shares, incorporated and domiciled in Australia.

The registered office and principal place of business are:

Registered Office & Principal Place of Business

322-324 Highett Road
Highett VIC 3190

2. Financial Risk Management

The company's activities expose it to a limited variety of financial risks: market risk, price risk, credit risk, liquidity risk and cash flow interest rate risk.

Market Risk

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

Price Risk

The company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. The company is not exposed to commodity price risk.

Credit Risk

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

Liquidity Risk

Prudent liquidity management implies maintaining sufficient cash and marketable securities and the availability of funding from credit facilities. The company believes its sound relationship with Bendigo and Adelaide Bank Limited mitigates this risk significantly.

Cash Flow Interest Rate Risk

Interest-bearing assets are held with Bendigo and Adelaide Bank Limited and subject to movements in market interest. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest-rate risk. The company believes that its sound relationship with Bendigo and Adelaide Bank Limited mitigates this risk significantly.

3. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Taxation

Judgement is required in assessing whether deferred tax assets and certain tax liabilities are recognised on the balance sheet. Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future sales volumes, operating costs, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation.

These notes should be read in conjunction with the attached compilation report.

Notes to the financial statements (continued)

These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the balance sheet and the amount of other tax losses and temporary differences not yet recognised. In such circumstance, some or all of the carrying amount of recognised deferred tax assets and liabilities may require adjustment, resulting in corresponding credit or charge to the statement of comprehensive income.

Estimation of Useful Lives of Assets

The estimation of the useful lives of assets has been based on historical experience and the condition of the asset is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Impairment of Assets

At each reporting date, the directors review the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the assets fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement. Where it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs.

	2023	2022
4. Revenue from Ordinary Activities		
Gross Margin Income	1,679,906	690,598
Upfront Product Commission	12,245	11,328
Trailer Product Commission	17,035	18,340
Fee Income	57,351	56,016
Interest	15,314	2,012
Total Revenue from Ordinary Activities	1,781,851	778,295

	2023	2022
5. Depreciation and Amortisation		
Amortisation	76,135	76,135
Depreciation	3,727	4,379
Total Amortisation / Depreciation	79,862	80,514

	2023	2022
6. Interest Expense		
Make-good interest	245	235
Right-of-use interest	43,150	44,873
Total Interest Expense	43,395	45,108

These notes should be read in conjunction with the attached compilation report.

Notes to the financial statements (continued)

7. Income Tax Expense

Income tax expense comprises current and deferred tax.

	2023	2022
Amounts recognised in profit or loss		
Current tax expense / (credit)		
Current tax	187,132	-
Movement in deferred tax	2,514	4,605
Adjustment to deferred tax on AASB16 retrospective application	-	-
Adjustment to deferred tax on employee provisions	-	-
Adjustment to deferred tax to reflect reduction in tax rate in future periods	-	-
Total Current tax expense / (credit)	189,646	4,605

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

	2023	2022
Prima face income tax reconciliation		
Operating profit before taxation		
Operating profit before taxation	756,070	16,545
Prima Facie Tax on profit from ordinary activities		
Prima Facie Tax on profit from ordinary activities @ 25% (2022: 25%)	189,018	4,136
Tax effect of:		
Non deductible expenses	639	466
Temporary differences	2,978	1,718
Other assessable income	-	-
Non assessable income	-	-
Movement in deferred tax	2,514	4,605
Leases initial recognition	-	-
Employee provision recognition	-	-
Reduction in company tax rate in future periods	-	-
Adjustment to account for tax loss for the period	(5,503)	(6,320)
Income tax expense	189,646	4,605
	2023	2022

8. Dividends Provided For or Paid

Dividends Provided For or Paid	23,209	23,209
Total Dividends Provided For or Paid	23,209	23,209
	2023	2022

9. Cash and Cash Equivalents

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the below figures:	-	-
Bank Accounts	350,555	195,670
Total Cash and Cash Equivalents	350,555	195,670

These notes should be read in conjunction with the attached compilation report.

Notes to the financial statements (continued)

	2023	2022
10. Receivables		
Profit Share Receivables	163,044	86,584
Accrued Interest Receivable	9,276	513
Total Receivables	172,320	87,098

	2023	2022
11. Financial Assets		
Term Deposits	1,129,319	623,340
Total Financial Assets	1,129,319	623,340

	2023	2022
12. Other Current Assets		
AFS & Associates - Dividend Account	1,719	2,655
Total Other Current Assets	1,719	2,655

	2023	2022
13. Property Plant and Equipment		
Leasehold Improvements		
At Cost	245,053	245,053
Less Accumulated Depreciation	(102,564)	(96,054)
Total Leasehold Improvements	142,489	148,998
Plant and Equipment		
At Cost	45,332	41,103
Less Accumulated Depreciation	(39,610)	(37,764)
Total Plant and Equipment	5,722	3,338
Total Property Plant and Equipment	148,211	152,337

14. Right-of-use Assets

Right-of-use assets are measured at amounts equal to the present value of enforceable future payments on the adoption date, including the impact of exercising the options.

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

	2023	2022
Right-of-use Assets		
Right-of-use asset	1,169,233	1,169,233
Accumulated amortisation on right-of-use asset	(447,162)	(390,157)
Total Written Down Value	722,071	779,076

These notes should be read in conjunction with the attached compilation report.

Notes to the financial statements (continued)

	2023	2022
15. Intangibles		
Franchise Fees		
At Cost	72,505	72,505
Less Accumulated Amortisation	(33,531)	(19,030)
Total Franchise Fees	38,974	53,475
Total Intangibles	38,974	53,475

16. Deferred Tax Assets

Movement in the company's deferred tax balances for the current year.

	30 June 2022	Recognised in Profit or Loss	Recognised in Equity	30 June 2023
<i>Deferred Tax Asset</i>				
Employee provisions	9,680	603	-	10,283
Make-good provisions	1,369	62	-	1,431
Lease liability	250,367	(10,323)	-	240,044
Accrued expenses	3,309	860	-	4,169
Carried forward tax losses	5,503	(5,503)	-	0
Total Deferred Tax Assets	270,228	(14,301)	-	255,927
<i>Deferred Tax Liabilities</i>				
Right-of-use assets	194,768	(14,251)	-	180,517
Accrued interest	128	2,191	-	2,319
Property, Plant & Equipment	4,784	273	-	5,057
Total Deferred Tax Liabilities	199,680	(11,787)	-	187,893
Net Deferred Tax Assets/(Liabilities)	70,548	(2,514)	-	68,034

These notes should be read in conjunction with the attached compilation report.

Notes to the financial statements (continued)

	2023	2022
17. Payables		
Current		
Trade Creditors	-	2,374
PAYG Withholding Payable	6,592	5,488
Unclaimed Dividend Monies	1,719	2,655
Franchise Renewal Fee via Revenue Share	14,501	14,501
Total Current	22,812	25,018
Non Current		
Franchise Renewal Fee via Revenue Share	14,501	29,002
Total Non Current	14,501	29,002
Total Payables	37,313	54,020

18. Provisions

	2023	2022
Provisions		
Current liabilities		
Provision for Holiday Pay	32,906	29,350
Provision for Long Service Leave	2,964	7,771
Total Current liabilities	35,870	37,121
Non-current liabilities		
Provision for Long Service Leave	5,263	1,602
Make-good on leased premises	5,720	5,474
Total Non-current liabilities	10,983	7,076
Total Provisions	46,852	44,197

As at the reporting date, the make-good of the leased premises is not expected to be wholly settled within 12 months. The balance is classified as non-current.

	2023	2022
Make-good provision		
Face-value of make-good costs recognised	10,000	10,000
Present value discounting	(4,526)	(4,761)
Make-good interest	245	235
Total Make-good provision	5,720	5,474

These notes should be read in conjunction with the attached compilation report.

Notes to the financial statements (continued)

	2023	2022
19. Accrued Expenses		
Accrued Salaries & Wages	11,233	8,338
Accrued Expenses	1,342	996
Provision for Audit Fees	4,100	3,900
Total Accrued Expenses	16,675	13,234
	2023	2022
20. Taxation		
GST	(7,895)	5,682
Provision For Taxation	186,508	(2,590)
Other Creditors - ATO	208	-
Total Taxation	178,821	3,092
	2023	2022
21. Financial Liabilities		
Current		
Unsecured		
Highett Youth Club	10,000	10,000
Total Unsecured	10,000	10,000
Total Current	10,000	10,000
Non Current		
Unsecured		
Highett Youth Club	-	10,000
Total Unsecured	-	10,000
Total Non Current	-	10,000
Total Financial Liabilities	10,000	20,000

\$100,000 was provided to Highett Youth Club to assist with the New Club Building, and a loan account was established during the 2015 financial year. The principal is to be paid by HCFS LTD in 10 annual instalments of \$10,000, 1 Instalment is still to be paid.

Notes to the financial statements (continued)

22. Lease Liabilities

Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate on the adoption rate. The discount rate used on recognition was 4.39%.

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

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

Lease liability measurement

Where the company is a lessee for the premises to conduct its business, extension options are included in the lease term except where 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 demised leased premises.

	2023	2022
Current Lease Liabilities		
Property Lease Liabilities	86,593	84,481
Unexpired interest	(41,255)	(43,150)
Total Current Lease Liabilities	45,337	41,331

	2023	2022
Non Current Lease Liabilities		
Property Lease Liability	1,184,999	1,271,592
Unexpired Interest	(270,200)	(311,456)
Total Non Current Lease Liabilities	914,799	960,137

	2023	2022
Maturity Analysis		
Undiscounted Lease Payments		
Not later than 12 months	86,593	84,481
Between 12 months and 5 years	368,567	359,578
Greater than 5 years	816,432	912,014
Total Undiscounted Lease Payments	1,271,592	1,356,073
Unexpired Interest	(311,456)	(354,605)
Present Value of Lease Liabilities	960,136	1,001,468

These notes should be read in conjunction with the attached compilation report.

Notes to the financial statements (continued)

	2023	2022
23. Contributed Capital		
Issued & Paid Up Capital	464,175	464,175
Total Contributed Capital	464,175	464,175

Ordinary shares at \$1.00 each fully paid.

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

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

24. Accumulated Profits

Financial Year	2023	2022
Balance at beginning of reporting period	364,014	365,283
Transfer from/to Reserve from Accumulated Profits	0	0
Transfer from Accumulated Profit to Non Current Liability	10,000	10,000
Dividends Provided For or Paid	(23,209)	(23,209)
Net Profit after Tax	566,424	11,940
Balance at the reporting date	917,229	364,014

25. Superannuation Commitments

The entity participated in several Industry Superannuation Funds to provide benefits to employees on retirement, death or disability. Benefits provided under the plan are based on accumulated contributions and earnings for each employee.

Employees contribute various percentages of their gross income and the company also contributes at the rate of 12%.

26. Auditor's Remuneration

Remuneration of the auditor of the company for preparation of the annual audit report:

Financial Year	2023	2022
Auditor's Remuneration	5,750	5,795

Notes to the financial statements (continued)

27. Key Management Personnel Disclosures

The following honorarium payments were made to Directors:

Amount	Number of Directors
\$0	4
\$1 - \$500	3
\$501 - \$1,000	2
\$1,001 - \$1,500	3

28. Events Occurring After the Reporting Date

There have been no events after the end of the financial year that would materially affect the financial statements.

29. Contingent Liabilities

There were no contingent liabilities at the date of this report to affect the financial statements.

30. Statement of Significant Accounting Policies

The financial report has been prepared on an accrual basis and under the historical cost convention, except for certain assets, which, as noted, have been written down to fair value as a result of impairment. Unless otherwise stated, the accounting policies adopted are consistent with those of the prior year.

The accounting policies that have been adopted in the preparation of the statements are as follows:

Revenue

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefit will flow to the company and any specific criteria have been met. Interest and fee revenue are recognised when earned. The gain or loss on disposal of property, plant and equipment is recognised on a net basis and is classified as income rather than revenue. All revenue is stated net of the amount of Goods and Services Tax (GST).

The franchise agreement with Bendigo and Adelaide Bank Limited provides for three types of revenue earned by the company. First, the company is entitled to 50% of the monthly gross margin earned by Bendigo and Adelaide Bank Limited on products and services provided through the company that are regarded as “day to day” banking business. This arrangement also means that if the gross margin reflects a loss (that is, the gross margin is a negative amount), the company effectively incurs, and must bear, 50% of that loss.

The second source of revenue is commission paid by Bendigo and Adelaide Bank Limited on the other products and services provided through the company. The commission is currently payable on various specified products and services, including insurance, financial planning, common fund, Sandhurst Select, superannuation, commercial loan referrals, leasing referrals, fixed loans and certain term deposits (>90 days). The amount of commission payable can be varied in accordance with the Franchise Agreement (which, in some cases, permits commissions to be varied at the discretion of Bendigo and Adelaide Bank Limited). This discretion has been exercised on several occasions previously. For example, in February 2011 and February 2013 Bendigo and Adelaide Bank Limited reduced commissions on two core banking products to ensure a more even distribution of income between Bendigo and Adelaide Bank Limited and its Community Bank® partners. The revenue share model is subject to regular review to ensure that the interests of Bendigo and Adelaide Bank Limited and Community Bank® companies remain balanced.

The third source of revenue is a proportion of the fees and charges charged to customers. This proportion, determined by Bendigo and Adelaide Bank Limited, may vary between products and services and may be amended by Bendigo and Adelaide Bank Limited from time to time.

Notes to the financial statements (continued)

Income Tax

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of reporting year. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (or recovered from) the relevant taxation authority.

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

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

Employee Benefits

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

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

Cash and Cash Equivalents

Cash and Cash Equivalents includes cash on hand, deposits held at call with banks or financial institutions, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts i.e. investments which are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

Trade Receivables and Payables

Receivables are carried at their amounts due. The collectability of debts is assessed at reporting date and specific provision is made for any doubtful accounts. Liabilities for trade creditors and other amounts are carried at cost that is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

Property, Plant and Equipment

Each class of plant and equipment and leasehold improvements are carried at cost less, where applicable, any accumulated depreciation and impairment losses.

The cost of the Leasehold Improvements includes all costs paid to contractors for provision of the improvements. Subsequent costs are included in the asset's carrying amount recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The depreciable amount of all fixed assets including capitalised leased assets, is depreciated on a diminishing value basis over their useful lives to Highett Community Financial Services Limited commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

Notes to the financial statements (continued)

The following estimated useful lives are used in the calculation of depreciation:

- Leasehold Improvements	40 Years
- Plant and Equipment	2.5 - 40 Years

Intangibles

The Franchise Fee paid to Bendigo and Adelaide Bank Limited has been recorded at cost and is amortised on a straight line basis over the life of the franchise agreement.

Leases

Our branch operating premises at 322 - 324 Highett Road, Highett VIC 3190 are currently leased until 18th March 2026 with a further 2 options of 5 years. The next review date is 18th March 2026.

Provisions

Provisions are recognised when Highett Community Financial Services Limited has a legal or constructive obligation, as a result of past events, for which it is probable that the outflow of economic benefit will result and that the outflow can be measured reliably.

A provision of dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

Contributed Equity

Ordinary shares are recognised at the fair value of the consideration received by the company.
All Ordinary Shares were issued at \$1.00 per share.

Capital Management

The board's policy is to maintain a strong capital base so as to sustain future development of the company. The board of directors monitor the return on capital and the level of dividends to shareholders. Capital is represented by equity as recorded in the balance sheet.

In accordance with the franchise agreement, the funds distributed to shareholders shall not exceed the distribution limit of 20% of available profit for distribution for any 12 month period.

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

Goods and Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the balance sheet are shown inclusive of GST. Cash flows are presented in the Statement of cash flows statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Independent audit report



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HIGHTETT COMMUNITY FINANCIAL SERVICES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

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

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

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

Basis for Opinion

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

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Director's Responsibility for the Financial Report

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

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

Richmond Sinnott & Delahunty, trading as RSD Audit
ABN 60 616 244 309
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Auditor's Responsibility for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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

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

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

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

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

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

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



Independence

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

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

RSD Audit

Chartered Accountants

A handwritten signature in dark ink, appearing to read 'Katie' or 'Kathie', with a stylized flourish at the end.

Kathie Teasdale

Partner

Bendigo

Dated: 5 September 2023

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