

# Annual Report 2023

Lockhart & District Financial  
Services Limited

Community Bank  
Lockhart & District

ABN 14 099 918 680



# Contents

Chair's report	2
Manager's report	4
Bendigo and Adelaide Bank report	5
Investing in our community	6
Directors' report	7
Auditor's independence declaration	9
Financial statements	10
Notes to the financial statements	14
Directors' declaration	21
Independent audit report	22

# Chair's report

For year ending 30 June 2023

## **Directors Update**

Over the past twelve months our Board of Directors has welcomed Jared Walker into the ranks. Jared is a local business owner with a history of Banking and a enthusiasm for the growth of our community.

I would like to thank Rod McMicking for his tenure on the Board as he has decided to step down at the end of this year. Rod has served in an Executive position as Company Secretary and General Board for over 10 years. Rod has been a great sounding board for me personally as he brings a calm & calculated view to our discussions & is highly regarded by all the Board. Thank you again Rod for your volunteered time & professionalism during your tenure.

We are just over a year in since the Board employed the services of CBVS, a boutique support team specifically tailored to assist Community Bank Boards with governance & risks as well as some day-to-day tasks required from a high performing Board. Bronwyn and her team have worked with us to establish procedures that has not only helped us in the short term but is also ensuring that we are in an advantageous position in the years ahead.

Over the next twelve months we will be recruiting new Directors if you are someone who wishes to contribute to our community, Directors do not need to be located in Lockhart as technology is helping us to easily communicate via video conferencing. We offer a great insight into what is involved being a Director of a company, as well as helping our community financially by way of our community grants program. Please feel free to reach out to myself or any of our Directors with any questions. We hope to see some new faces join our wonderful and diverse Board.

## **Branch Staffing Update**

In the last six months our Branch Operations Team has welcomed Nazeem Ali into the position of Business Development Manager, Nazeem has come to us from an amazing background after working with some of 'the other' banks in Managers roles and achieving great accolades across his career. In his brief time with us we have enjoyed seeing his passion for growth and sharing his knowledge to us as a Board and to the Branch staff.

David Wilkes is back in the Branch Managers role where he has stepped back in & has taken his level of enthusiasm and drive to see success for Community Bank Lockhart & District is inspiring.

We have passionate staff who all share the same love for the community and know they are making a real difference to Lockhart and the surrounding areas. Well done to David and Nazeem, Alison, Carlie, Ellen, Sarah and Veronica for their continued effort and we look forward in seeing what the next twelve months looks like.

I would like to acknowledge Sarah Smyth's time with the Community Bank Lockhart & District. Sarah started in 2002 when the Branch opened its doors for the first time & she has been part of the journey ever since. Thank you for your efforts and commitment over the two decades & safe travels as you set off around the world.

## **Community Grants Program**

Community Bank Lockhart & District continue to work in partnership with local organisations through our yearly sponsorship to sporting groups and public events as well as our Community Grants Program.

This past year Community Bank Lockhart & District have given back over \$200,000 to our community.

Congratulations to all our customers who continue to contribute to our community by banking locally.

The Driver Training Program has been a long-standing initiative of our Community Bank and has again been well supported by our learner drivers. We hope the knowledge gained can be the difference between a close call and disaster for our young drivers.

## Chair's report (continued)

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### **Dividend Payment**

Our Board of Directors ratified that a 10% fully franked dividend will be paid to shareholders on Wednesday 1 November 2023.

It is worth noting that anyone who purchased shares over 20 years ago has had the initial outlay paid back in dividends while still owning the original shares. This is a fantastic result and another reason that if you support your local Community Bank, it in turn can reward you for your support. If anyone would like to enquire on the opportunity to purchase more shares or knows of someone who may be interested in owning some shares in our Community Bank, please contact the Branch 02 6920 4244.

In closing, thank you to Bec and my girls, fellow Board members and Bendigo and Adelaide Bank staff and all our shareholders who continue to support Community Bank Lockhart & District.

A special mention to Rod again for his wonderful contribution over the past 10 years.

Thanks



**Nick Mathews**  
**Chair**

# Manager's report

For year ending 30 June 2023

It is with much pleasure that I present the Manager's report for Community Bank Lockhart & District Branch for year ending 30 June 2023.

Our business levels remained stable year on year with a closing figure of \$135.1 million in banking business as at 30 June 2023. The increase in activity seen last financial year has stopped and a level of instability has taken its place as interest rates continued to rise. It is expected that we will see this continue in overall activity across the board as economic pressures start to filter through impacting on overall business enquiries. On a positive note, Cash Deposits currently held with us are earning rates last seen in 2016/17 and many of our customers are starting to see that benefit now.

2022/23 was a great year for the property sector with equity values increasing across the board in both residential and agricultural land holdings. FY22/23 saw our customers take advantage of this in either liquidating assets or utilising available equity to further their lending needs. Our branch focus for the year ahead will be to continue our strong strategic plan to further business growth and align with Bendigo and Adelaide Bank's greater vision of being Australia's bank of choice.

Community Bank Lockhart & District is incredibly proud to share that we have delivered over \$1.2 million in funds shared throughout our community in the way of grants, sponsorships, and contributions. This is a fantastic milestone for not only our town, but our community. It goes to show the power of supporting a business that is proud to support you.

I would like to thank our local volunteer Board of Directors, Regional Manager Tim Butt as well as their support staff for their guidance & leadership throughout the year. I would also like to especially thank John Walton our Rural Bank Agribusiness Manager. We appreciate your visits to our branch regularly and thank you for servicing the needs of our primary producer and business customers. To our awesome staff, thank you for your continued hard work and effort, I am incredibly proud of the team we have built and look forward to working with you all into the future.

Most importantly I would like to thank our loyal customers. Your ongoing banking support is invaluable in helping our branch to continue to grow, enabling our Community Bank to continue to inject funds back into local projects and initiatives and helping create a vibrant & thriving local Lockhart community.



**David Wilkes**  
**Branch Manager**

# Bendigo and Adelaide Bank report

For year ending 30 June 2023

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

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

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

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

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

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



**Justine Minne**  
**Bendigo and Adelaide Bank**

# Investing in our community



**127+** drivers  
completed driver  
training awareness  
programme

## Thanks to...



**1,774** local  
customers  
at 30 June 2023

**\$135.1 million**  
of loans and deposits  
at 30 June 2023



**358** shareholders who have received  
**\$616,010** in dividends to 30 June 2023  
2022/23: **5 cent** fully franked dividend



# Directors' report

For the financial year ended 30 June 2023

The Directors present their report together with the accounts of Lockhart & District Financial Services Limited for the year ended 30 June 2023.

## Directors

The names of directors who held office during or since the end of the year are:

Kenneth Hogan	Marea Urquhart (Resigned 29/11/22)
Roderick McMicking	Nicholas Mathews
Craig Fletcher	Peter McDonnell
Rachel Westblade	Robyn Pearse
Jared Walker (appointed 16 August 2023)	

All directors have been in office the full year unless stated above.

## Directors' meetings

The number of Directors meetings and number of meetings attended by each of the Directors of the company during the financial year are:

Director	Number Attended	Number eligible to attend
Mr K Hogan	8	11
Mr R McMicking	8	11
Mr C Fletcher	10	11
Mrs R Westblade	9	11

Director	Number Attended	Number eligible to attend
Mr Jared Walker	1	1
Mr N Mathews	11	11
Mr P McDonnell	7	11
Mrs R Pearse	10	11

## Principle activities

The principle activities of the company during the course of the financial period were in providing community banking services under management rights to operate a franchised branch of Bendigo Bank Limited.

## Result

The net profit of the company for the financial year after provision for income tax was \$261,044 (2022 \$94,370).

## Short and long term objectives

Our short term objective is to continue to offer community banking services to the Lockhart and district community. Our long term objective is to achieve increased returns for shareholders and further support the community through various sponsorship arrangements.

## Key performance indicators

Key performance indicators used by the company to monitor performance include:

- Monthly financial accounts, budgets and forecasts
- Monthly revenue analysis
- Monthly reports from Bendigo Bank Ltd



## Directors' report (continued)

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### **Matters subsequent to the end of the reporting period**

There are no matters or circumstances that have arisen since the end of the reporting period that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

### **Directors interests and benefits**

Since the end of the previous financial year no Director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors shown in the accounts) because of a contract made by the company with the Director or with a firm of which the director is a member, or with a company in which the Director has a substantial interest.

### **Auditor's independence declaration**

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

Dated at Wagga Wagga this 25th day of September 2023

Signed in accordance with a resolution of the directors:



.....  
**Director**

# Auditor's independence declaration



■ PARTNERS:  
P.J. King CA  
A.P. Powell CA  
D.R. Uden CA  
R.K. Nicoll CA  
M.A. Smith CA  
D.T. Rosetta CA

## AUDITORS INDEPENDENCE DECLARATION

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

- (a) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (b) No contraventions of any applicable code of professional conduct in relation to the audit.

**John L Bush & Campbell**  
Chartered Accountants

**David Rosetta**  
Partner

**Wagga Wagga**  
25 September 2023

WAGGA WAGGA  
P. 02 6938 4600 F. 02 6921 7539  
30 Blake Street, PO Box 98  
Wagga Wagga NSW 2650  
ABN. 33 225 395 249

[www.bushcampbell.com.au](http://www.bushcampbell.com.au)



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approved under Professional  
Standards Legislation

# Financial statements

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

	Note	2023 \$	2022 \$
<b>Revenues from ordinary activities</b>	2	1,090,884	676,641
Employee expenses		(377,048)	(360,207)
Administration expenses		(199,009)	(136,330)
Depreciation and amortisation		(31,758)	(33,996)
Sponsorship expense		(135,010)	(20,385)
<b>Net Profit from ordinary activities before income tax expense</b>		<b>348,059</b>	<b>125,723</b>
<b>Income tax expense relating to ordinary activities</b>	3	(87,015)	(31,353)
<b>Net profit from ordinary activities after related income tax expense</b>		<b>261,044</b>	<b>94,370</b>
<b>Total change in equity other than those resulting from transactions with owners as owners</b>		<b>261,044</b>	<b>94,370</b>
<b>Earnings per share</b>	22	47.46 cents	17.16 cents

The Statement of Comprehensive Income is to be read in conjunction with the notes to and forming part of the accounts.

## Financial statements (continued)

### Statement of financial position as at 30 June 2023

	Note	2023 \$	2022 \$
<b>CURRENT ASSETS</b>			
Cash	5	928,909	618,450
Receivables	6	98,008	60,364
Other Financial Assets	7	3,783	7,422
Tax Assets	13	-	-
<b>TOTAL CURRENT ASSETS</b>		<b>1,030,700</b>	<b>686,236</b>
<b>NON-CURRENT ASSETS</b>			
Other Financial Assets	7	58,201	4,408
Tax Assets	8	3,266	-
Property, plant & equipment	9	147,354	159,138
<b>TOTAL NON-CURRENT ASSETS</b>		<b>208,821</b>	<b>163,546</b>
<b>TOTAL ASSETS</b>		<b>1,239,521</b>	<b>849,782</b>
<b>CURRENT LIABILITIES</b>			
Borrowings	10	16,031	114
Payables	11	65,523	43,738
Provisions	12	14,955	16,278
Tax Liabilities	13	86,717	23,470
<b>TOTAL CURRENT LIABILITIES</b>		<b>183,226</b>	<b>83,600</b>
<b>NON CURRENT LIABILITIES</b>			
Borrowings	10	44,322	-
Tax Liabilities	8	-	1,088
Provisions	12	23,349	10,015
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>67,671</b>	<b>11,103</b>
<b>TOTAL LIABILITIES</b>		<b>250,897</b>	<b>94,703</b>
<b>NET ASSETS</b>		<b>988,624</b>	<b>755,079</b>
<b>EQUITY</b>			
Contributed Equity	14	550,009	550,009
Retained Profits	15	438,615	205,070
<b>TOTAL EQUITY</b>		<b>988,624</b>	<b>755,079</b>

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the accounts

## Financial statements (continued)

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

	Issued capital \$	Retained earnings \$	Total \$
<b>Balance as at 1 July 2021</b>	550,009	138,200	688,209
Profit for period	-	94,370	94,370
Dividend paid	-	(27,500)	(27,500)
<b>Balance as at June 30 2022</b>	<b>550,009</b>	<b>205,070</b>	<b>755,079</b>
Profit for period	-	261,044	261,044
Dividend paid	-	(27,500)	(27,500)
<b>Balance as at June 30 2023</b>	<b>550,009</b>	<b>438,615</b>	<b>988,624</b>

The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the accounts.

## Financial statements (continued)

### Statement of cash flows for the year ended 30 June 2023

	Note	2023 \$	2022 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts in the course of operations		1,047,762	679,210
Cash payments in the course of operations		(701,755)	(514,444)
Cash receipts from interest and dividends		5,478	724
<b>Net cash used by operating activities</b>	<b>16(ii)</b>	<b>351,485</b>	<b>165,490</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of intangibles		(67,155)	-
Purchase of plant and equipment		(6,612)	(10,844)
<b>Net cash used in investing activities</b>		<b>(73,767)</b>	<b>(10,844)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net receipts/(repayment) from borrowings		60,239	(16,794)
Payment of dividends		(27,500)	(27,500)
<b>Net cash used in financing activities</b>		<b>32,739</b>	<b>(44,294)</b>
<b>Net increase / (decrease) in cash held</b>		<b>310,458</b>	<b>110,352</b>
Cash at the beginning of the financial year		618,450	508,097
<b>Cash at the end of the financial year</b>	<b>16(i)</b>	<b>928,909</b>	<b>618,450</b>

The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the accounts.

# Notes to the financial statements

For the year ended 30 June 2023

## Note 1 Statement of significant accounting policies

The significant policies that have been adopted in the presentation of these financial statements are:

### (a) Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with the Accounting Standards, other pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The financial report has been prepared on the basis of historical costs and does not take into account changing money values nor current valuations of the non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

### (b) Income Tax

The Company adopts the liability method of tax effect accounting whereby the income tax expense is based on profit from ordinary activities adjusted for any permanent differences.

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income are brought to account as either a provision for deferred income tax or as a deferred tax asset.

Deferred tax assets are not brought to account unless it is probable that the benefit will be realised.

### (c) Property, Plant and Equipment

Freehold land and buildings are brought to account on the cost basis.

Plant and equipment are measured on the cost basis.

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight line basis over their useful lives to the economic entity.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rate
Buildings	2.5%
Plant and equipment	20-40%

### (d) Intangibles

#### *Franchise Fees*

The Company has entered into a five year franchise agreement with Bendigo Bank for an initial 5 year term.

### (e) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Contributions are made by the Company entity to employee superannuation funds and are charged as expenses when incurred.

### (f) Comparative Figures

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

# Notes to the financial statements (continued)

## Note 1 Statement of significant accounting policies (continued)

### (g) Revenue

#### *Revenue from contracts with customers*

The Company recognises revenue as the amount of the transaction price that is allocated to the performance obligation, excluding any amounts of variable consideration, when the performance obligation has been satisfied. All revenue is stated net of the amount of goods and services tax (GST).

#### *Revenue calculation*

The Company provides banking services under a franchise agreement. Bendigo and Adelaide Bank Limited decides the form of revenue the company earns on different types of products and services. The franchise agreement provides that three forms of revenue may be earned by the company – margin, commission and fee income. The revenue earned by the company is dependent on the business that it generates. It may also be affected by other factors, such as economic and local conditions, for example, interest rates.

#### *Margin*

Margin is arrived 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 and Adelaide Bank Limited for a deposit,
- minus any costs of funds i.e. interest applied by Bendigo and Adelaide Bank Limited to fund a loan.

For those products and services on which margin is paid, the company is entitled to a share of the margin earned by Bendigo and Adelaide Bank Limited (i.e. income adjusted for Bendigo and Adelaide Bank Limited's interest expense and interest income return). However, if this reflects a loss, the company incurs a share of that loss. Products and services on which margin is paid include variable rate deposits and variable rate home loans.

#### *Commission*

Commission is a fee paid for products and services sold. It may be paid on the initial sale or on an ongoing basis. Commission is payable on the sale of an insurance product such as home and contents. Examples of products and services on which ongoing commissions are paid include leasing and other products.

The Company has considered the treatment of trail commissions in accordance with AASB 15. It was concluded that there is no way to determine, with high probability, the present value of on-going commissions. For these reasons on-going trail commission is recognised when calculated and remitted to the Company.

#### *Fee income*

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

### (h) New Accounting standards adopted during the year

There were no new accounting standards adopted during the year that had a material impact on the financial statements of the company.

	2023 \$	2022 \$
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## Note 2 Revenue

<b>Operating activities</b>		
Fees	35,859	37,011
Gross margin	850,023	444,188
Commissions	179,881	172,502
Market development	10,000	15,000
	<b>1,075,763</b>	<b>668,701</b>



## Notes to the financial statements (continued)

	2023 \$	2022 \$
<b>Note 2 Revenue (continued)</b>		
<b>Non-operating activities</b>		
Interest	5,478	724
Other Income	9,643	7,216
	<b>1,090,884</b>	<b>676,641</b>

### Note 3 Income tax expense

The prima facie tax on profit ordinary activities before income tax is reconciled as follows:

Tax expense at 25% (2022 - 25%)	87,015	31,431
Add/(less) tax effect of:		
- Restatement of deferred tax asset due to change in tax rate	-	(78)
- Permanent Difference	-	-
	<b>87,015</b>	<b>31,353</b>

### Note 4 Profit from ordinary activities

Profit from ordinary activities before income tax has been determined after:

#### (a) Expenses

Amortisation of intangibles	13,362	13,221
Auditors remuneration - auditing & reviewing financial statement	13,200	12,450
Auditors remuneration - other services	8,460	8,260
Depreciation of non-current assets	18,396	20,775

### Note 5 Cash assets

Cash at bank	928,909	618,450
	<b>928,909</b>	<b>618,450</b>

### Note 6 Receivables

Trade debtors (Bendigo Receivable)	93,473	60,364
Other receivables	4,535	-
	<b>98,008</b>	<b>60,364</b>

### Note 7 Other financial assets

<b>Current</b>		
Prepayments	3,783	7,422
	<b>3,783</b>	<b>7,422</b>

## Notes to the financial statements (continued)

	2023 \$	2022 \$
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### Note 7 Other financial assets (continued)

<b>Non-current</b>		
Current franchise fee	67,155	66,111
Less: accumulated amortisation	(8,954)	(61,703)
	<b>58,201</b>	<b>4,408</b>

### Note 8 Deferred tax assets & liabilities

Deferred Tax Assets/(Liability)	3,266	(1,088)
	<b>3,266</b>	<b>(1,088)</b>

### Note 9 Property, plant and equipment

Land - at cost	27,258	27,258
Buildings - at cost	164,125	164,125
Less: accumulated depreciation	(84,143)	(78,433)
	<b>79,982</b>	<b>85,692</b>
Plant and equipment - at cost	208,643	202,031
Less: accumulated depreciation	(168,529)	(155,843)
	<b>40,114</b>	<b>46,188</b>
<b>Total</b>	<b>147,354</b>	<b>159,138</b>

#### (b) Movement in Carrying Amounts

	Freehold Land	Buildings	Plant & Equipment	Total
Balance at the beginning of year	27,258	85,692	46,188	159,138
Additions	-	-	6,612	6,612
Disposal	-	-	-	-
Depreciation	-	(5,710)	(12,686)	(18,396)
<b>Balance at the end of year</b>	<b>27,258</b>	<b>79,982</b>	<b>40,114</b>	<b>147,354</b>

	2023 \$	2022 \$
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### Note 10 Borrowings

<b>Current</b>		
Bendigo Bank - Credit Card	1,257	114
Bendigo Bank - Franchise Fee Loan	14,774	-
	<b>16,031</b>	<b>114</b>
<b>Non-Current</b>		
Bendigo Bank - Franchise Fee Loan	44,322	-
	<b>44,322</b>	<b>-</b>

## Notes to the financial statements (continued)

	2023 \$	2022 \$
<b>Note 11 Payables</b>		
Trade Creditors	35,899	29,662
ATO Payable	29,624	14,076
	<b>65,523</b>	<b>43,738</b>

### Note 12 Provisions

<b>Current</b>		
<b>Employee Entitlements</b>	<b>14,955</b>	<b>16,278</b>
<b>Non-Current</b>		
<b>Employee Entitlements</b>	<b>23,349</b>	<b>10,015</b>

### Note 13 Tax liabilities

Provisions for Income Tax Payable/(Receivable)	86,717	23,470
	<b>86,717</b>	<b>23,470</b>

### Note 14 Contributed equity

<b>550,009 fully paid ordinary shares</b>	<b>550,009</b>	<b>550,009</b>
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### Note 15 Retained profits

Retained profits at the beginning of the financial year	205,070	138,200
Net profit / (loss) from ordinary activities	261,044	94,370
Dividend paid	(27,500)	(27,500)
<b>Retained profits at the end of the financial year</b>	<b>438,615</b>	<b>205,070</b>

### Note 16 Cash flow information

#### (i). Reconciliation of Cash

For the purpose of the statement of Cash Flows, cash includes cash on hand and at bank. Cash at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the statement of financial position as follows:

<b>Cash at bank</b>	<b>928,909</b>	<b>618,450</b>
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#### (ii). Reconciliation of Operating Profit to Net Cash Used in Operating Activities:

Profit / (loss) for Year:	261,044	94,370
<b>Non cash flows recored in ordinary activities</b>		
Amortisation	13,362	13,221
Depreciation	18,396	20,775

## Notes to the financial statements (continued)

	2023 \$	2022 \$
<b>Note 16 Cash flow information (continued)</b>		
<b>Net cash provided / (used) in operating activities before changes in assets and liabilities during the year (Increase) / decrease in other assets</b>	3,639	1,306
(Increase) / decrease in receivables	(37,644)	3,293
(Increase) / decrease in tax assets	(4,354)	(952)
Increase / (decrease) in payables	21,784	12,441
Increase / (decrease) in tax liabilities	63,247	30,257
Increase / (decrease) in provisions	12,011	(9,221)
<b>Net Cash Used in Operating Activities</b>	<b>351,485</b>	<b>165,490</b>

### Note 17 Segment reporting

The economic entity operates predominately in one business and geographical segment being the provision of finance services.

### Note 18 Related party transactions

There were no related party transactions between the company and directors during the year.

The names of the Directors who have held office during the financial year are:

Kenneth John Hogan	Marea Katherine Urquhart
Roderick Neil Fergusson McMicking	Nicholas William Mathews
Craig Anthony Fletcher	Peter Andrew McDonnell
Rachel Jacinta Westblade	Robyn Maree Pearse
Jared Walker	

### Note 19 Company details

The registered office of the company is:

Lockhart & District Financial Services Limited  
98 Green Street  
LOCKHART NSW 2656

### Note 20 Financial instruments

#### Financial Risk Management

The Company's activities expose it to a variety of financial risks including credit, interest rate and liquidity risks. The Company does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risks. Further, due to the nature of the Company's investments and other financial instruments it is not exposed to significant price risks.

#### Fair Values

The carrying amounts and estimated fair values of financial assets and financial liabilities held at balance date are the same.

#### Market Risk – Sensitivity Analysis

The Company's financial assets which are subject to interest rate risk comprise cash on hand, at bank and on call, and term deposits which are generally short term and are held to maturity. Therefore the Company does not consider that a change in risk variable (interest) would have a significant effect on profit or equity.

## Notes to the financial statements (continued)

### Note 20 Financial instruments (continued)

#### Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provision for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The Company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the entity.

#### Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash or credit facilities to meet the operating requirements of the Company. This is managed through committed undrawn facilities and prudent cash flow management.

The exposure to interest rate risk, which is the risk that financial instruments will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of consolidated financial assets and financial liabilities, is as follows:

	Weighted Av Interest rate		Floating Interest rate		Non-interest bearing		Total	
	2023 %	2022 %	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
<b>Financial Assets</b>								
Cash at bank	2.14	0.13	928,909	618,450			928,909	618,450
Receivable Assets					98,008	60,364	98,008	60,364
<b>Total Financial Assets</b>			<b>928,909</b>	<b>618,450</b>	<b>98,008</b>	<b>60,364</b>	<b>1,026,917</b>	<b>679,084</b>
<b>Financial Liabilities</b>								
Borrowings & Payables	-	-	-	-	124,621	94,703	124,621	94,703
<b>Total Financial Liabilities</b>			<b>-</b>	<b>-</b>	<b>124,621</b>	<b>94,703</b>	<b>124,621</b>	<b>94,703</b>

### Note 21 Dividends

Dividends paid for the year were at 5c per share (2022 5c per share)

	2023 \$	2022 \$

### Note 22 Earnings per share

Net Profit used in calculation of EPS	261,044	94,370
Number of ordinary shares used in calculation of EPS	550,009	550,009

# Directors' declaration

For the financial year ended 30 June 2023

The directors of the company declare that:

1. The financial statements and notes, are in accordance with the *Corporations Act 2001*:
  - a) comply with Accounting Standards and the *Corporations Regulations 2001*; and
  - b) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the company and economic entity;
2. 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.

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



.....  
**Director**

Dated this 25th day of September 2023

# Independent audit report



PARTNERS:	
P.J. King	CA
A.P. Powell	CA
D.R. Uden	CA
R.K. Nicoll	CA
M.A. Smith	CA
D.T. Rosetta	CA

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

### LOCKHART AND DISTRICT FINANCIAL SERVICES LIMITED

#### Opinion

We have audited the accompanying financial report of Lockhart and District Financial Services Limited, which comprises the statement of financial position as at 30 June 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of their 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* section of our report. We are independent of the Company in accordance with 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 responsibilities in accordance with the Code.

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

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

#### Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

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

WAGGA WAGGA  
P. 02 6938 4600 F. 02 6921 7539  
30 Blake Street, PO Box 98  
Wagga Wagga NSW 2650  
ABN. 33 225 395 249

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## Independent audit report (continued)

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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.

### **Directors' 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 controls 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 to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibility**

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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

**JOHN L BUSH & CAMPBELL**  
**Chartered Accountants**

**David Rosetta**  
**Partner**

**Wagga Wagga**  
**25 September 2023**



Community Bank Lockhart & District  
98 Green Street,  
Lockhart NSW 2656  
Phone: 02 6920 4244 Fax: 02 6920 4233  
Email: [lockhartmailbox@bendigobank.com.au](mailto:lockhartmailbox@bendigobank.com.au)  
Web: [bendigobank.com.au/branch/nsw/community-bank-lockhart-district](http://bendigobank.com.au/branch/nsw/community-bank-lockhart-district)

Franchisee: Lockhart & District Financial Services Limited  
ABN: 14 099 918 680  
98 Green Street  
Lockhart NSW 2656  
Phone: 02 6920 4244 Fax: 02 6920 4233

Share Registry:  
AFS & Associates Pty Ltd  
PO Box 454, Bendigo VIC 3552  
Phone: 5443 0344  
Fax: 5443 5304  
Email: [shareregistry@afsbendigo.com.au](mailto:shareregistry@afsbendigo.com.au)

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 **Bendigo Bank**