

Annual Report 2024

Redcliffe Peninsula Financial
Services Limited

Community Bank · Margate

ABN 66 109 123 677

Contents

03	A Little About Us	15	Governance Report
04	Chair's Report	18	Directors' Report
06	Manager's Report	22	Independent Auditor's Declaration
09	Bendigo Bank Message	23	Financial Statements & Notes
10	Community Bank National Council Message	50	Independent Auditor's Report
11	Director Profiles' & Composition		

A Little About Us

Sustaining, Building and Supporting our community

Redcliffe Peninsula Financial Services Limited opened our Community Bank at Margate in December 2005 to fill the gap created when other banks closed their doors. We are working to build a sustainable and resilient community and to help local people create the place they want to live. We strive to create and share value with everyone connected to our business.

Bendigo Bank introduced the Community Bank network to empower local communities - giving them direct equity in their banking service provider, as well as the scale advantage associated with an established banking brand. Bendigo Bank provides the balance sheet, the financial products, systems and training, while the local community provides the premises, equipment and staff.

At heart, we are a community business that focuses on supporting our community. We have three main objectives:

1. provide exceptional banking services to our community;
2. grow our capacity to invest in community projects; and
3. provide a reasonable financial return to shareholders, many of whom live locally.

We are a passionate local company, working to support our customers, people, partners, and community through a successful, dependable, and sustainable Community Bank.

We are very proud of our strong and valued brand, our commitment to great customer service and our role in the community. To date, we have invested more than \$915,000 back into the community. We provide economic and social value by funding more community groups and organisations and our financial support and investment ensures many community projects remain viable.

The main reason that we can continue this good work is because of our loyal customers who choose to bank with us. Backed by Bendigo Bank, we can provide robust banking solutions - home loans, personal and business banking, and insurance - as well as exceptional personalised customer service. In short, we are a genuine banking option for all. **So, make sure you help us tell our story!**

Key Business & Community Highlights – Year-on-Year Snapshot

	FY24	FY23	Change	
Revenue	\$1,106,307	\$1,116,176	-0.88%	↓
Expenses <i>(excluding depreciation & amortisation)</i>	\$770,978	\$590,648	30.53%	↑
Profit/(Loss) <i>(after tax)</i>	\$104,908	\$301,540	-65.21%	↓
Book Value	\$152.2 million	\$135.9 million	11.99%	↑
Dividend <i>(per share)</i>	\$0.06	\$0.06	-	↔
Community Investment <i>(aggregate)</i>	\$920,035	\$845,535	8.81%	↑
Shareholders	222	222	-	↔
Directors	6	6	-	↔
Staff	5	6	-16.67%	↓
Customers	4,161	3,593	15.81%	↑

Chair's Report



'Supporting our Community is why our directors become involved with the company. We are committed to growing the company and maintain our role in supporting local communities through investments and funding. Since our company began in December 2005, we have provided more than \$915,000 to local community groups and individuals – this is our mandate.'

Dear Shareholders,

It gives me great pleasure to be able present the 19th Annual Report of Redcliffe Peninsula Financial Services Limited (**RPFSL**) for the financial year ending 30 June 2024.

Reputation & Brand

Our Company and banking business are founded on the establishment of valuable community relationships and these relationships continue to develop between our shareholders, Board, branch manager, our banking team, our customers and the wider community. We continue to improve and expand our business through maximising these relationships. The Board and branch activities are focused on connecting with and servicing our customers, supporting and developing the capacity of our community by working with community organisations, sporting clubs and local schools. This approach achieves results for the business, customers, shareholders, and the wider community.

Community Bank Margate, in our franchise arrangement with Bendigo and Adelaide Bank, strives to achieve the bank's vision to be Australia's Bank of Choice. We aim to achieve this by helping our customers and the community in which we operate to be successful. Our purpose is to feed into the community's prosperity and not off it. This approach also enables us to create good brand awareness and reinforce our reputation in the community.

Performance

FY24 has again proven to be a strong year of growth for Community Bank Margate with encouraging results for RPFSL with our total book value now exceeding ~152.2 million resulting in total revenue of ~\$1.106 million. Our income has been derived from an increased book value with growth of over ~\$16.3 million during the year, an accomplishment from the untiring efforts of our Branch Manager, Gavin Daw, and his hard-working team.

This year has seen a decline in our overall net profit after tax compared to FY23 which amounted to \$104,908 compared to \$301,540 in FY23. This decline was the result of a significant increase in community grants and sponsorships under the RPFSL Community Engagement Program, an adjustment to last financial years' depreciation and amortisation expenses, as well as increasing operating costs associated with, among other things, inflationary impacts. Net profit before tax, depreciation, amortisation, community grants, sponsorships and donations amounted to \$242,308.

Dividend

As a result of another year of strong financial performance, the Company declared on 9 October 2024 a fully franked dividend of \$0.06 per share.

The Company is enlightened to advise that from establishment until FY23, a total of \$0.69 in dividends have been paid out per share, being approximately \$468,000, representing a return of 70% on initial investment.

Community Engagement

The Company to date has invested more than \$915,000 back into our local community which is an incredible achievement and a key mandate when the Company was established in 2005. This year experienced a significant increase in overall spend on sponsorships, grants and donations to local community organisations after several years of difficult fiscal decisions made by the Board.

The community organisations who were supported over the year include:

Organisation	Project	Amount
Peninsula Power FC	Club/team sponsorship	\$5,000.00
Peninsula Power FC	Equipment shed grant	\$1,500.00
Redcliffe Tigers AFL Club	Club/team sponsorship	\$18,000.00
Redcliffe Tigers AFL Club	Digital sign board grant	\$1,000.00
Redcliffe Musical Theatre Inc.	Production sponsorship	\$5,000.00
Redcliffe Dolphins Soccer Club	Club/team sponsorship	\$3,000.00
Tribe Social Belonging	Learner car grant	\$9,000.00
Chameleon Youth Housing	Housing conference & venue hire	\$5,000.00
Redcliffe Historical Society	History convention grant	\$2,000.00
Redcliffe Arts Society	Biggest Art Show competition grant	\$2,000.00
Coastguard Redcliffe	Communications system and flag grant	\$5,000.00
Meals on Wheels Redcliffe	Commercial Fridge grant	\$10,000.00
Quota Club Redcliffe	Support to various charities grant	\$2,000.00
Redcliffe Pottery Club	New Kiln grant	\$3,500.00
Moreton Bay Arts Council	Exhibition & venue hire grant	\$900.00
EMM Power the Shop of Opportunity	Youth employment program grant	\$2,600.00
	Total:	\$74,500.00

In addition to the sponsorships, grants and donations outlined above, the Company has continued to contribute a significant amount of funds to the Community Enterprise Foundation, totalling \$30,000 for the year. These contributions enable the Board to carry out community project work under the Company's Community Engagement Program. The Board continues to evaluate potential major community projects where our community Company would become a key project partner.

Our People

The success of Community Bank Margate would not be possible without our banking business partner, Bendigo and Adelaide Bank. It is through this close working relationship with the Bendigo and Adelaide Bank team that the Company can deliver to our shareholders and make a meaningful contribution to our community.

Of course, none of this can happen without the combined efforts of my fellow directors and particularly our amazing team at Community Bank Margate. My sincere thanks all, but special mentions are required for our incredible Branch Manager, Gavin Daw, and Assistant Branch Manager, Suzy Hill for their professionalism and dedication throughout the year.

The Company could not continue to succeed without the commitment of the Board of Directors who have devoted countless hours to ensure the business continues to grow and service the Redcliffe Peninsula community well. Once again, I would like to make special mention of our Company Secretary, Daniel Petravicus, who has worked tirelessly to ensure we are fulfilling all our

governance requirements. I would also like to thank Peter Morley, our esteemed Treasurer, for his diligent financial management. I also extend my gratitude to our shareholders for their continued support of our Company and our community.

Lastly, I would like to thank my fellow Directors, our Branch Manager and banking team, for supporting me as Chair of the Board over the past 12 months. I look forward to working with the team, our customers, our shareholders, and our community to continue to build a sustainable banking business and to continue making a difference in our community.



Stephen Hart

Chairperson

Redcliffe Peninsula Financial Services Limited

Manager's Report



GAVIN DAW
Branch Manager

TEAM MEMBERS

Suzy Hill

Assistant Branch Manager

Carly Vanderwert






Customer Relationship Officer

Maggie Hewitt

Customer Service Officer

Angelika Luistro

Customer Service Officer

	FY24	FY23	Change	
Book Value	\$152.2 million	\$135.9 million	11.99%	
Deposits	\$89.5 million	\$74.1 million	20.78%	
Loans	\$56.6 million	\$56.7 million	-0.18%	
Other Business	\$5.6 million	\$4.7 million	19.15%	
Business Growth	\$16.3 million		12.30%	

As the Branch Manager of Community Bank Margate, I am delighted to share our remarkable achievements over the past financial year.

Our focus continues to be on adding value to our current customers while building new relationships within the community. This strategy is designed to grow our business and establish us as the most customer-connected bank on the Redcliffe Peninsula.

Retail banking remains competitive and challenging, with new competitors entering the market almost daily and interest rates on the rise. We address these challenges by enhancing our connections with customers and community groups. We offer a wide range of competitive products and services, which we promote to our customers, community groups, and local businesses. Our exceptional, personalised service sets us apart from the competition.

Our business growth has allowed Community Bank Margate to continue supporting local community groups and clubs. Over the past year, Redcliffe Peninsula Financial Services Limited (**RPFSL**) has supported various local groups, including Peninsula Power FC, Redcliffe Tigers AFC, and Redcliffe Musical Theatre. We are extremely proud of these contributions and will continue to develop and strengthen these partnerships, while also establishing new relationships within the community.

In FY23, Community Bank Margate experienced significant growth, with the branch growing by \$16.3 million. This outstanding result is a testament to the efforts of our staff, directors, customers, and shareholders, and it represents a major victory for the Margate community.


To sustain this growth, I urge all shareholders to consider whether they want their banking to contribute to the development of our community. I encourage you to ask your friends and families

the same question and invite them to consider banking with us, where they will receive exceptional personal service and banking products while indirectly contributing to their local community.

I would like to express my gratitude to our team—Suzy, Carly, Maggie, and Angelika—for their continuous dedication, teamwork, and enthusiasm over the past year. We also said goodbye to Hannah & James during the year, and I thank them for their support over the past 12 months.

I also want to thank our Board of Directors, who dedicate many hours and work tirelessly to support me in my role as Branch Manager and to ensure the ongoing success of our business.

Finally, thank you all for your support. I look forward to working with you in the coming year as we continue to grow and positively impact our amazing community.

A handwritten signature in black ink, appearing to read 'Gavin Daw', with a stylized flourish at the end.

Gavin Daw

Branch Manager

Community Bank Margate, Bendigo & Adelaide Bank

Bendigo & Adelaide Bank Message

This past year has been particularly significant for Bendigo Bank and the Community Bank network. After five years apart, we had the opportunity to come together in person and connect in Bendigo at our National Conference in September.

It was lovely to see so many familiar faces and to meet many directors who haven't attended previously. We feel proud to support such an amazing network.

We are committed to our strategy and the qualities that make Bendigo Bank unique, by staying true to our connection with communities, our regional roots, and our position as Australia's most trusted bank.

As Bendigo Bank adapts to the evolving digital landscape and changing customer expectations, the Community Bank Network is organically evolving in response.

Over the past 12 months, we have seen Community Bank companies seek to enhance their presence within their communities more than ever.

This has been through expanding or consolidating branch sites, collaborating with local, state, and national governments to support community initiatives, or by prioritising social value alongside financial performance through Social Trader accreditation.

The anniversary of the Community Bank model, along with changing environmental factors, provides an opportunity to reset and establish a clear pathway towards the next 25 years.

Bendigo Bank's purpose, to feed into the prosperity of communities, and our willingness to ensure our purpose is relevant to the needs of communities in which we are present, is a key contributor to our commercial success.

When we utilise our combined strengths, exercise our imaginations and have the courage to commit to creating our own opportunities, we will be the partner of choice for customers and communities regardless of location or cause.

Community, regional presence, and trust are the distinctive attributes of Bendigo Bank that we have maintained and plan to uphold in the future.

While Bendigo Bank emphasises commercial success, our foundation remains in community values. Our aim is to generate mutual value by providing solutions to local challenges.

On behalf of Bendigo Bank, thank you for being a shareholder in your local Community Bank. Your contribution helps foster economic growth, creates employment opportunities, and provides essential financial services to the members of your community.

Your dedication and support is making a positive impact on your community.

Warmest regards,

Justine Minne

Head of Community Banking
Bendigo and Adelaide Bank

Community Bank National Council Message

This year our Community Bank network celebrated 26 years of providing grassroots support to metro, regional, rural and remote communities across Australia. It's a milestone that has been widely applauded by our customers and partners who recognise the significant role we play in the lives of everyday Australians. We're there when it matters – whether that be as second responders in times of natural disaster, crisis and need; or as community builders, providing resources and support; help and hope.

In the 2022-23 financial year, our Community Bank network gave back more than \$32 million in grants, sponsorships and donations to local community projects and initiatives. Over 26 years, we have returned more than \$324 million to local communities for emergency services; facilities and infrastructure; sport and recreation; education and research; health and wellbeing; art, culture and heritage as well as environment and animal welfare.

As a shareholder in your local Community Bank, you are part of this incredible social enterprise network that is playing an ever-important role in the Australian economy. With close working relationships with local, state and federal government, peak governing bodies, clubs and community organisations, we are integrally connected and in tune with the needs of everyday Australians.

Our Community Bank network is a first mover in Australia with our unique social enterprise model. The first Community Bank opened its doors in 1998, and since then, the network has grown to 305 Community Bank branches. Today we represent a diverse cross-section of Australia with more than 215 community enterprises, 70,000+ shareholders, 1500+ volunteer directors, 1700 staff and 950,000 customers.

Our Community Bank National Council (**CBNC**) plays a pivotal role in these relationships. The CBNC consists of both elected and appointed members from every state and territory. The role of council is to represent the network with its partners and to engage in strategic planning that delivers positive outcomes for our business and our communities.

The 2024 - 2026 Community Bank National Council Strategic Plan has four key focus areas:

- Impact – a planned, deliberate approach with investments that enhance community prosperity.
- Leadership and advocacy – to ensure the long-term sustainability of our enterprises.
- Network alignment – enabling us to develop and nurture partnerships that align with our defined areas of social impact.
- Commercial prosperity – supporting the commercial success of our enterprises

It is through this strategic plan, which has a foundation built on connection and collaboration, that we will deliver a strong, and secure future for our directors, shareholders, staff and the communities we serve.

Warm regards,

Lauren Bean

General Manager

Community Bank National Council

Director Profiles & Composition

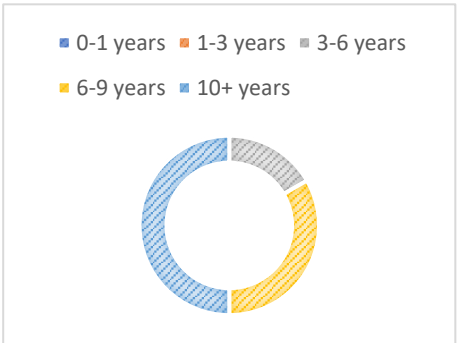
A strong, diverse team with a broad and complementary mix of skills and experience.

The Board recognises the value of diversity to support sound decision making.

As at 30 June 2024, the Board had 6 Directors. The Board regularly reviews its size and composition and considers a number of factors including independence, skills, experience and diversity of views.

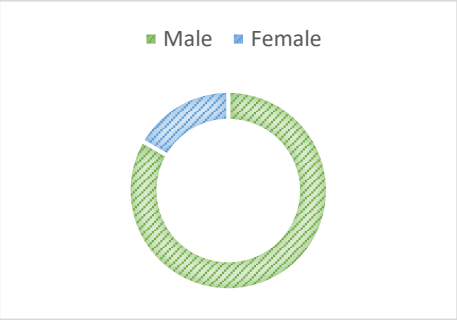
Board Tenure

0-1 years	0%
1-3 years	0%
3-6 years	17%
6-9 years	33%
10+ years	50%



Board Diversity

Male	83%
Female	17%



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

Mr Stephen Hart

Director and Chair of the Board



Biography

Until recently, Steve was a property consultant after having spent 5 years as the CEO of the Redcliffe Hospital Foundation until 2012. Prior to this he was the Manager of Redcliffe and Bayside Herald and Managing Director and Co-Owner of The Magazine Publishing Company. Steve brings significant experience to the Company from his vast experience in marketing, strategy and community relations.

Appointed: 24 July 2007

Other current external directorships
Nil.

Board Committees & Special Responsibilities:

Member, Community Engagement & Marketing Committee; and Chairman of the Board.

Ms Rae Frawley

Director and Deputy Chair of the Board



Biography

Rae has had an extensive career as an elected local government representative where she was a Councillor for 8 years until her retirement in 2012. In addition to this, Rae has worked for the Redcliffe hospital as a medical records and dental clinic clerk as well as being a small business operator. More recently, Rae was the Relief Manager of Peninsula Park Retirement Village.

Appointed: 26 June 2007

Other current external directorships
Nil.

Board Committees & Special Responsibilities:

Chair, Audit, Governance and Risk Committee; and Assistant Treasurer.

Mr Daniel Petravicius

LLB(Hons), BBus(Econ), GDLP, CertGov&RiskMgt,
J.P (Qual), GIA(Affiliated), MAICD
Director and Company Secretary



Biography

Daniel is corporate governance professional and currently a Company Secretary with BoardRoom and is a qualified lawyer. Prior to his current position, Daniel was a Senior Assistant Company Secretary at BoardRoom and before that spent several years' working within boutique commercial law firms assisting clients with commercial litigation, business transactions and general corporate governance.

Appointed: 26 June 2018

Other current external directorships
Nil.

Board Committees & Special Responsibilities:

Member, Audit, Governance and Risk Committee; and Company Secretary.

Mr Peter Morley

Dip. Financial Planning. Dip. Marketing. Cert. IV
Workplace Training & Assessment. Cert. IV
Mortgage Broking
Director and Treasurer



Appointed: 24 January 2017

Board Committees & Special Responsibilities:

Member, Audit, Governance and Risk Committee; and Treasurer.

Biography

Peter has had an extensive career as a finance professional having been a financial planner and is a former Director of Morley Investment Group Pty Ltd. In addition to this, he is a passionate and active member of several not-for-profit organisations, including the past President of the Redcliffe Rotary Club.

Other current external directorships

Nil.

Mr Brent Campbell

BCom, MAICD
Director



Appointed: 24 July 2012

Board Committees & Special Responsibilities:

Chair, Property and OH&S Committee; and Member, Community Engagement and Marketing Committee.

Biography

Brent has had an extensive career in property management having commenced employment with Retail First in 2003. Between his significant experience in property management, Brent is also a trusted marketing advisor having received the Property Council of Australia's Excellence in Marketing Award. During his career at Retail First he has been a Marketing Manager of Peninsula Fair shopping centre and Margate Village, Centre Manager of Bluewater Square in Redcliffe, Retail Manager of Toowong Village and Tower, and most recently was the Retail Manager of Mt Ommaney Shopping Centre.

Other current external directorships

Nil.

Mr Joel Hudson

BA(Hons), MAICD
Director



Biography

Joel has extensive experience in business, management, sales and marketing. He is currently the CEO of the Australian Institute of Professional Coaches (AIPC). Prior to this, he held senior management positions within AIPC including Chief Operating Officer and National Careers Manager. Before commencing with AIPC, Joel held positions in sales and business development within the employment and property sectors as well as having led local community newspapers. Joel is involved with local community sports clubs having volunteered at many events through the community.

Appointed: 23 April 2019

Board Committees & Special Responsibilities:

Chair, Community Engagement and Marketing Committee.

Other current external directorships

Nil.

Mr Gavin Daw

Director



Biography

Gavin Daw is a seasoned banking professional with over 16 years' of experience in the financial services industry. As a dedicated Bank Manager at Bendigo Bank, Gavin has consistently demonstrated exceptional leadership, strategic planning, and customer service skills. Under his leadership, Community Bank Margate has consistently achieved and exceeded its financial targets, earning a reputation for reliability and trustworthiness in the community.

Appointed: 8 January 2024 (*resigned 18 April 2024*)

Board Committees & Special Responsibilities:

Branch Manager, Community Bank Margate

Other current external directorships

Nil.

Gavin's expertise extends to risk management, regulatory compliance, and operational efficiency. He has a proven track record of implementing effective strategies that enhance productivity, streamline processes, and mitigate risks.

Governance Report

The Company places great importance on its governance framework, adopting a proactive approach to ensure the structures, values and behaviours of the Company have the interests of its stakeholders as a primary focus.

Polices & Procedures to ensure compliance with the law

The Company has adopted the following governance strategies, policies and procedures to ensure it complies with the law as well as our obligations under our franchise agreement with Bendigo & Adelaide Bank Group.

Board Charter & Code of Conduct – the Board has identified and documented the roles and obligations of its Directors and Officers in a Board Governance Charter. The Board Charter promotes ethical, considered and independent judgement of matters before the Board. In addition, the Boards responsibilities are further enshrined in the Company Code of Conduct which affects both the Board as well as staff. These documents highlight the statutory and common law obligations of Directors and Officeholders generally and also sets out the expectations that are placed on them in terms of the time dedicated to the Company's affairs.

Whistleblower Policy – the Board is committed to promoting a culture of integrity and ethical behaviour, where our decisions, actions and conduct reflect and reinforce our values. Therefore, the Company has adopted a Whistleblower Policy allowing for concerns to be raised in a safe environment free from fear of personal detriment. All whistleblower concerns raised under this policy are treated seriously and are investigated carefully in conjunction with Bendigo and Adelaide Bank.

Workplace Health & Safety and Pandemic Policy – the Board takes workplace health and safety (WHS) as well as our business continuity planning, extremely seriously and is committed to dedicating an appropriate level of time and planning for instances that are beyond our control. We aim to ensure that the responsibilities of the Company are able to be maintained within the minimum amount of time, with minimal disruption and at minimal cost as well as maintaining a healthy and safe working environment.

Monthly Secretary Reports – the Company Secretary provides a report to the Board at each monthly Board meeting regarding the various compliance obligations and notes outstanding matters. The Company Secretary oversees all low-volume market coordination and compliance as well as manages ASIC reporting (in conjunction with the Treasurer), and monitors compliance with the Franchise Agreement and Company Constitution.

Compliance Calendar – the compliance requirements of the company have been defined and listed in a Compliance/Company Calendar, which is reviewed by the Audit, Governance & Risk Committee on an ongoing basis. The individual items due for completion are reported by the Committee and the Company Secretary to the Board each month.

Privacy Policy – Bendigo and Adelaide Bank have incorporated the requirements of the Australian Privacy Principles a Privacy Policy that considers the privacy of shareholders, community groups and other stakeholders. Due to the size our company, we have adopted Bendigo and Adelaide Bank's Privacy Policy which our staff must adhere to.

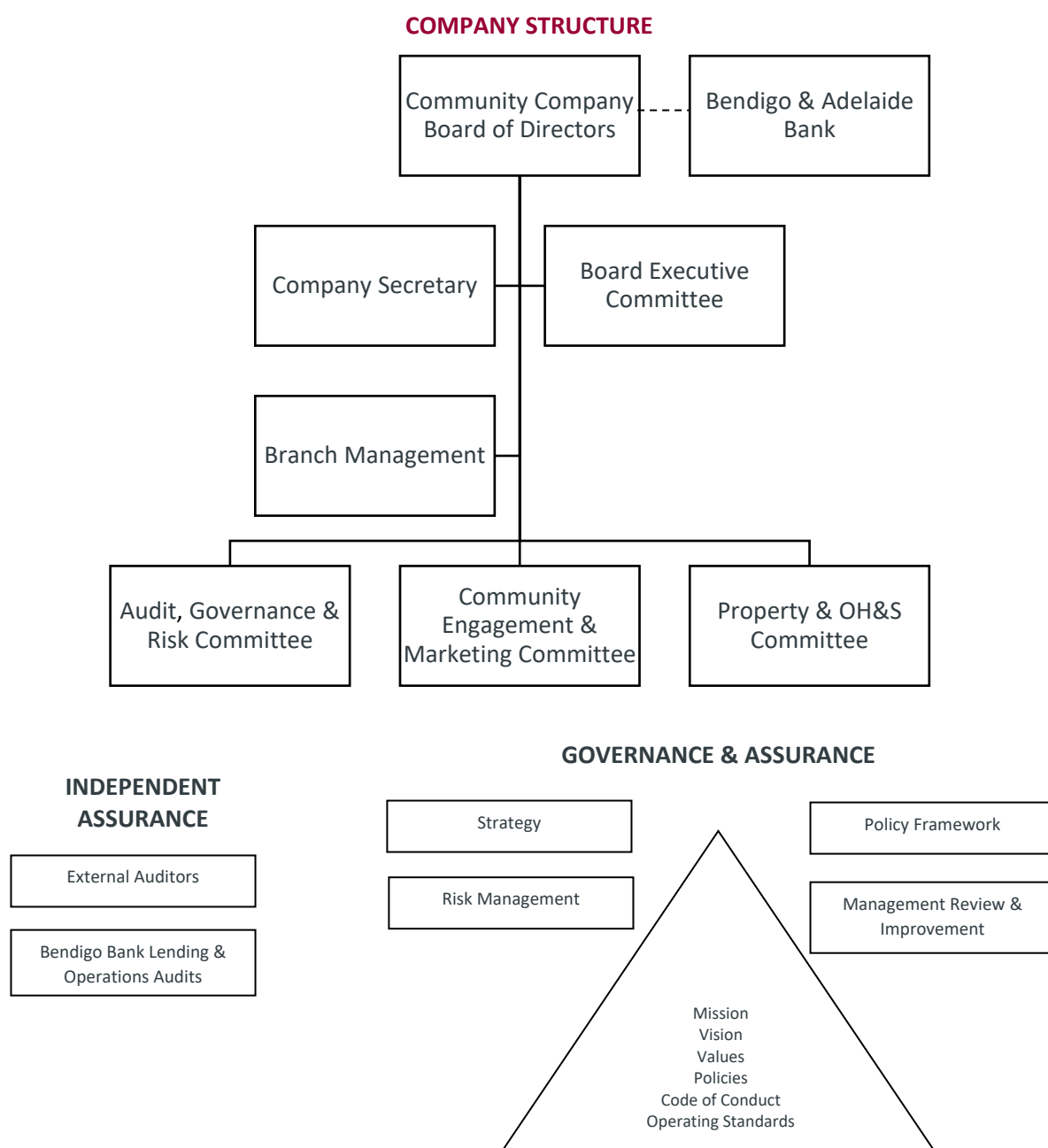
Audit, Governance & Risk Committee – this Board Committee has a special role in ensuring the Company complies with its corporate governance obligations and requirements.

Company Structure

Our Company does not have an executive structure because of its scale and the desire of the Board to be directly connected to the local community. Accordingly, the Company has its Management, that is

the Branch Manager as well as an Executive Committee of the Board of Directors which includes the Board Chair and Deputy Chair, Treasurer and Company Secretary.

The below figure depicts our current company structure:



Due to the size and scale of the Company, Directors are involved in many practical roles such as financial management, marketing, community engagement as well as compliance and risk management. These types of roles are usually overseen by an executive in a larger corporation. Directors are not specifically remunerated for this, rather remuneration is governed by their special responsibilities (this is contained in the Company's Director Remuneration Policy).

Role of the Chairman

The Chairman's role is defined in the Board Charter and is responsible for a range of roles that deal with leadership of the Board and the Company, generally. The principal role is to facilitate effective discussion and decision making at the Board level of materially relevant issues to the conduct of the Company. The Chairman will be an independent director where possible.

Role of the Branch Manager

The Manager provides operational leadership to the Company's branch operations and is responsible for the operational aspect of the Company. The Manager is responsible for the implantation of strategy, business growth, asset management, communications, and community relations. The Manager is responsible for the banking operations and provides the Board with a direct link to Bendigo Bank and its systems and procedures.

Board Appointments

The Board has prepared a Skills Matrix to identify the various skills and experience of its current members and to assist it in identifying the skills that need to be required to the Board in the future. The Board does not have a standing Nominations Committee, rather the Risk, Governance and Risk Committee will fill in this role from time to time when considering the apportionment of a new director. All new Directors must satisfy a comprehensive due diligence process that meets the requirements of the Company's and Bendigo Bank's risk management systems.

Directors are elected by shareholders for a maximum of three years, with retirements on a rotating basis. The Chairman, as part of their annual discussion with Directors, will canvas each Director's view of their future plans to remain on the Board. The Board Charter considers the ongoing succession planning for the Board composition.

An induction procedure is in place to ensure all new Directors are able to learn as much about the company as possible in a short time frame and to be able to contribute to the Board's functions as soon as possible.

The Board does not have a formal diversity policy because of the scale of the Company and the small geographic area the Company services. The Board does have an aspiration to have greater gender balance on the Board but is mindful that service on the Board is not remunerated on commercial terms and the limitations this creates.

Director's Report

Your directors submit their report of the Company for the financial year ended 30 June 2024.

Review of operations

The profit of the Company for the financial year after providing for income tax amounted to:

Year ended 30 June 2024	Year ended 30 June 2023
\$	\$
\$104,908	\$301,540

Operations have continued to perform in line with expectations.

Dividend

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

Fully franked dividend of 6 cents per share (FY2023: nil cents), being \$40,882.

Subsequent to financial year-end, the following dividends were proposed by the directors. The dividends have not been provided for in the financial statements.

Fully franked dividend of 6 cents per share (FY2024: \$0.06), being \$40,882.

Directors

The names of the Company's Directors in office during the financial year and since the end of the financial year, including their skills, experience, qualifications and responsibilities are set out in the Directors Profile section.

No Directors have material interests in contracts or proposed contracts with the Company unless otherwise specified in the Annual Report.

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

Principal Activity

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

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

Proceedings on behalf of the Company

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

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of

confidentiality clause of the contract of insurance.

Likely Developments

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

Company Secretary

The company secretary is Mr Daniel Petravicus. Mr Petravicus was appointed to the position of Secretary on 15 April 2019 and his biography can be located in the 'Director's Profiles' section of the Annual Report.

Matters Subsequent to the End of the Financial Year

In September 2024 the company renewed its franchise agreement with Bendigo Bank. The expiry date of the new franchise agreement is December 2029, and is wholly under the same terms and conditions as the existing franchise agreement which expires in December 2024.

Apart from the dividend declared as discussed above, no other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Indemnity and Insurance of Auditor

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

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

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

the *Corporations Act 2001*.

Environment Regulations

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

Directors' Benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 24 and note 25 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Shares under Option

There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Significant Changes in the State of Affairs

On 1 July 2023, Bendigo Bank updated the Funds Transfer Pricing (FTP) base rate on certain deposits which has reduced the income earned on these products.

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

Likely Developments

No matter, circumstance or likely development in operations has arisen during or since the end of the financial year that has significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

Environmental Regulation

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

Director Interests

The interest in company shareholdings for each director are:

Director	Fully Paid Ordinary Shares		
	Balance Year Beginning	Changes	Balance Year End
Stephen Hart	1001	-	1001
Daniel Petravicius	100	-	100
Peter Morley	100	-	100
Rae Frawley	100	-	100
Brent Campbell	100	-	100
Joel Hudson	100	-	100
Gavin Daw	-	-	-

Meetings of Directors

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

	Board Meetings	
	<u>Eligible</u>	<u>Attended</u>
Stephen Hart	7	5
Daniel Petravicius	7	7
Peter Morley	7	6
Rae Frawley	7	5
Brent Campbell	7	7
Joel Hudson	7	6
Gavin Daw	2	2

Non-Audit Services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 26 to the accounts.

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

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

Auditor's Independence Declaration

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

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

On behalf of the directors,



.....
Stephen Hart, Chairman
Dated 4 November 2024



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

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

As lead auditor for the audit of Redcliffe Peninsula Financial Services Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

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

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 4 November 2024

A handwritten signature in black ink, appearing to read 'Joshua Griffin'.

Joshua Griffin
Lead Auditor

Redcliffe Peninsula Financial Services Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue from contracts with customers	7	1,097,915	1,094,990
Other revenue		2,437	12,658
Fair value gain on financial assets		5,955	8,528
Total revenue		<u>1,106,307</u>	<u>1,116,176</u>
Employee benefits expense	8	(559,503)	(433,709)
Advertising and marketing costs		(7,185)	(5,711)
Occupancy and associated costs		(17,655)	(18,980)
System costs		(35,163)	(34,259)
Depreciation and amortisation expense	8	(93,021)	(66,725)
Finance costs	8	(19,567)	(13,512)
General administration expenses		(131,905)	(84,477)
Total expenses before community contributions and income tax expense		<u>(863,999)</u>	<u>(657,373)</u>
Profit before community contributions and income tax expense		242,308	458,803
Charitable donations, sponsorship and grants expense	8	<u>(103,724)</u>	<u>(56,749)</u>
Profit before income tax expense		138,584	402,054
Income tax expense	9	<u>(33,676)</u>	<u>(100,514)</u>
Profit after income tax expense for the year		104,908	301,540
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>104,908</u></u>	<u><u>301,540</u></u>
		Cents	Cents
Basic earnings per share	28	15.40	44.26
Diluted earnings per share	28	15.40	44.26

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

Redcliffe Peninsula Financial Services Limited
Statement of financial position
As at 30 June 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	10	170,516	265,495
Trade and other receivables	11	70,188	74,875
Financial assets	12	101,526	93,751
Investments	13	250,000	50,000
Total current assets		<u>592,230</u>	<u>484,121</u>
Non-current assets			
Property, plant and equipment	14	142,442	166,843
Right-of-use assets	15	266,945	61,483
Intangible assets	16	6,427	25,240
Total non-current assets		<u>415,814</u>	<u>253,566</u>
Total assets		<u>1,008,044</u>	<u>737,687</u>
Liabilities			
Current liabilities			
Trade and other payables	17	30,093	48,854
Borrowings		58	32
Lease liabilities	18	36,160	37,966
Current tax liabilities	9	38,049	25,486
Total current liabilities		<u>104,360</u>	<u>112,338</u>
Non-current liabilities			
Lease liabilities	18	240,378	18,052
Deferred tax liabilities	9	3,864	2,727
Provisions		24,623	33,777
Total non-current liabilities		<u>268,865</u>	<u>54,556</u>
Total liabilities		<u>373,225</u>	<u>166,894</u>
Net assets		<u>634,819</u>	<u>570,793</u>
Equity			
Issued capital	19	644,605	644,605
Accumulated losses		(9,786)	(73,812)
Total equity		<u>634,819</u>	<u>570,793</u>

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

Redcliffe Peninsula Financial Services Limited
Statement of changes in equity
For the year ended 30 June 2024

		Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022		644,605	(375,352)	269,253
Profit after income tax expense		-	301,540	301,540
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	301,540	301,540
Restated balance at 30 June 2023		<u>644,605</u>	<u>(73,812)</u>	<u>570,793</u>
Balance at 1 July 2023		644,605	(73,812)	570,793
Profit after income tax expense		-	104,908	104,908
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	104,908	104,908
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	21	-	(40,882)	(40,882)
Balance at 30 June 2024		<u>644,605</u>	<u>(9,786)</u>	<u>634,819</u>

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

Redcliffe Peninsula Financial Services Limited
Statement of cash flows
For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,214,919	1,185,249
Payments to suppliers and employees (inclusive of GST)		(981,051)	(750,110)
Interest and other finance costs paid		(347)	(7,365)
Income taxes paid		(19,976)	-
Net cash provided by operating activities	27	<u>213,545</u>	<u>427,774</u>
Cash flows from investing activities			
Investment in term deposits		(200,000)	(50,000)
Payments for property, plant and equipment		-	(2,282)
Payments for intangible assets		(13,838)	(13,838)
Net cash used in investing activities		<u>(213,838)</u>	<u>(66,120)</u>
Cash flows from financing activities			
Interest and other finance costs paid		(17,517)	(4,570)
Repayment of lease liabilities		(36,313)	(60,333)
Dividends paid	21	(40,882)	-
Repayment of borrowings		26	(94,730)
Net cash used in financing activities		<u>(94,686)</u>	<u>(159,633)</u>
Net increase/(decrease) in cash and cash equivalents		(94,979)	202,021
Cash and cash equivalents at the beginning of the financial year		<u>265,495</u>	<u>63,474</u>
Cash and cash equivalents at the end of the financial year	10	<u><u>170,516</u></u>	<u><u>265,495</u></u>

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

Redcliffe Peninsula Financial Services Limited
Notes to the financial statements
30 June 2024

Note 1. Reporting entity

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Shop 1A, 270 Oxley Avenue, Margate QLD 4019.

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

Note 2. Basis of preparation and statement of compliance

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

The directors have a reasonable expectation that the company has adequate resources to pay its debts as and when they fall due for the foreseeable future. For these reasons, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 4 November 2024. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

The accounting policies that are material to the company are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Adoption of new and revised accounting standards

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current financial year. A description of the impact of new or amended Accounting Standards and Interpretations that have had a material impact on the company during the current financial year is outlined below:

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates is mandatory for annual reporting periods beginning on or after 1 January 2023 and was adopted by the company in the preparation of the 30 June 2024 financial statements.

AASB 2021-2 includes amendments to AASB 101 *Presentation of Financial Statements*, requiring the company to disclose material accounting policy information in its financial statements rather than significant accounting policies which was required in previous financial years. Accounting policy information is material if it, when considered with other information, could reasonably be expected to influence decisions of primary users based on the financial statements.

Adoption of AASB 2021-2 has had no impact on the numerical information disclosed in the company's financial statements. Rather, adoption has required the company to remove significant accounting policy information from the notes to the financial statements that is not considered material.

Accounting standards issued but not yet effective

An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to the company has been performed. No new or amended Accounting Standards or Interpretations that are not mandatory have been early adopted, nor are they expected to have a material impact on the company in future financial years.

Current and non-current classification

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

Redcliffe Peninsula Financial Services Limited
Notes to the financial statements
30 June 2024

Note 3. Material accounting policy information (continued)

Financial assets at fair value through profit or loss

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

Investments

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the company has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of non-financial assets

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

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

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 4. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. The directors continually evaluate their judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

The directors base their judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events that it believes to be reasonable under the circumstances. Differences between the accounting judgements and estimates and actual results and outcomes are accounted for in future reporting periods. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Judgements

Timing of revenue recognition associated with trail commission

The company receives trailing commission from Bendigo Bank for products and services sold. Ongoing trailing commission payments are recognised on a monthly basis when earned as there is insufficient detail readily available to estimate the most likely amount of revenue without a high probability of significant reversal in a subsequent reporting period. The receipt of ongoing trailing commission revenue is outside the control of the company.

Allowance for expected credit losses on trade and other receivables

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Redcliffe Peninsula Financial Services Limited
Notes to the financial statements
30 June 2024

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

The company has not recognised an allowance for expected credit losses in relation to trade and other receivables for the following reasons:

- The company's trade receivables are limited to the monthly profit share distribution from Bendigo Bank, which is received 10 business days post month end.
- The credit risk (i.e. the risk that a customer will not make repayments) is for Bendigo Bank to bear as long as the company has complied with the appropriate procedures and relevant obligations and has not exercised a discretion in granting or extending credit. The directors are not aware of any such non-compliance at balance date.
- The company has reviewed credit ratings provided by Standard & Poors, Moody's and Fitch Ratings to determine the level of credit exposure to the company.
- The company has not experienced any instances of default in relation to receivables owed to the company from Bendigo Bank.

Fair value measurement hierarchy

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

- Level 1: inputs are based on the quoted market price at the close of business at the end of the reporting period
- Level 2: inputs are based on a valuation performed by a third party qualified valuer using quoted prices for similar assets in an active market
- Level 3: unobservable inputs for the asset or liability.

Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Impairment of non-financial assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. The directors did not identify any impairment indications during the financial year.

Recovery of deferred tax assets

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

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term.

In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations, comparison of terms and conditions to prevailing market rates, incurrence of significant penalties, existence of significant leasehold improvements and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

The company includes extension options applicable to the lease of branch premises in its calculations of both the right-of-use asset and lease liability except where the company is reasonably certain it will not exercise the extension option. This is due to the significant disruption of relocating premises and the loss on disposal of leasehold improvements fitted out in the leased premises.

Redcliffe Peninsula Financial Services Limited
Notes to the financial statements
30 June 2024

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

Estimates and assumptions

Estimation of useful lives of assets

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

Incremental borrowing rate

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

Lease make good provision

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

Note 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry of the franchise agreement in December 2024. Subsequent to year end, the company signed a new franchise agreement until December 2029.

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

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

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

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

Redcliffe Peninsula Financial Services Limited
Notes to the financial statements
30 June 2024

Note 5. Economic dependency (continued)

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

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

Note 6. Change to comparative figures

Classification of term deposits

During the year the directors reviewed the requirements of AASB 107 *Statement of Cash Flows* and noted term deposits normally qualify as a cash and cash equivalent only when they have initial investment periods of three months or less. In previous financial years the company classified all term deposits as cash and cash equivalents in the preparation of the financial statements even if they had initial investment periods greater than three months.

In the preparation of the financial statements for the current financial year, the directors updated its accounting policy to align to the requirements of AASB 107, restating comparatives figures to reclassify term deposits with initial investment periods greater than three months as current investments instead of cash and cash equivalents in the Statement of financial position.

The change in classification had the following impacts on comparative figures:

- Cash and cash equivalents decreased and investments increased by \$50,000 at 30 June 2023 as reported in the Statement of financial position.
- Opening and closing cash balances were reduced to exclude term deposits with initial investment periods greater than three months as reported in the Statement of cash flows.
- Investments in and redemptions of term deposits with initial investment periods greater than three months are now classified within investment activities as reported in the Statement of cash flows.

The change in classification had no impact on the company's net profit or net asset position.

Calculation of right-of-use asset cost and accumulated depreciation

On adoption of AASB 16 *Leases* on 1 July 2019, the company previously recognised the right-of-use asset cost and accumulated depreciation on a gross basis from the commencement of the lease as if AASB 16 had always been applied by the company.

During the financial year the company recorded a change in accounting policy, whereby it elected to recognise the right-of-use asset net of accumulated depreciation on initial adoption of AASB 16. The change in accounting policy had no impact on the company's net profit or net asset position, however it did reduce the company's right-of-use asset cost and accumulated depreciation at 30 June 2023 by \$2,492.

Note 7. Revenue from contracts with customers

	2024	2023
	\$	\$
Margin income	978,578	981,751
Fee income	52,567	49,046
Commission income	66,770	64,193
	<u>1,097,915</u>	<u>1,094,990</u>

Redcliffe Peninsula Financial Services Limited
Notes to the financial statements
30 June 2024

Note 7. Revenue from contracts with customers (continued)

Accounting policy for revenue from contracts with customers

The company has entered into a franchise agreement with Bendigo Bank. The company delivers banking and financial services of Bendigo Bank to its community. The franchise agreement provides for a share of interest, fee, and commission revenue earned by the company. Interest margin share is based on a funds transfer pricing methodology which recognises that income is derived from deposits held, and that loans granted incur a funding cost. Fees are based on the company's current fee schedule and commissions are based on the agreements in place. All margin revenue is recorded as non-interest income when the company's right to receive the payment is established.

The company acts as an agent under the franchise agreement and revenue arises from the rendering of services through its franchise agreement.

Revenue is recognised on an accruals basis, at the fair value of consideration specified in the franchise agreement, as follows:

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

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

Revenue calculation

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

Margin Income

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

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

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

Commission Income

Commission income is generated from the sale of products and services. This commission is recognised at a point in time which reflects when the company has fulfilled its performance obligation. Refer to Note 4 for further information regarding key judgements applied by the directors in relation to the timing of revenue recognition from trail commission.

Fee income

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

Core banking products

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

Redcliffe Peninsula Financial Services Limited
Notes to the financial statements
30 June 2024

Note 7. Revenue from contracts with customers (continued)

Ability to change financial return

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

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

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

Note 8. Expenses

Employee benefits expense

	2024	2023
	\$	\$
Wages and salaries	455,833	352,000
Superannuation contributions	52,604	39,829
Expenses related to long service leave	(4,255)	1,153
Payroll tax	25,014	9,417
Other expenses	30,307	31,310
	<u>559,503</u>	<u>433,709</u>

Accounting policy for employee benefits

The company seconded employees from Bendigo and Adelaide Bank Limited. The total cost of these employees, including an allowance for accrued annual and long service leave, is charged to the company by Bendigo and Adelaide Bank Limited by offsetting against the monthly profit share arrangement. The company recognises these costs as an expense on a monthly basis.

Depreciation and amortisation expense

	2024	2023
	\$	\$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	22,663	12,136
Plant and equipment	1,738	1,944
	<u>24,401</u>	<u>14,080</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	49,807	46,112
<i>Amortisation of intangible assets</i>		
Franchise fee	3,136	1,089
Franchise renewal fee	15,677	5,444
	<u>18,813</u>	<u>6,533</u>
	<u>93,021</u>	<u>66,725</u>

Redcliffe Peninsula Financial Services Limited
Notes to the financial statements
30 June 2024

Note 8. Expenses (continued)

Finance costs

	2024	2023
	\$	\$
Bank loan interest paid or accrued	347	7,365
Lease interest expense	17,517	4,570
Unwinding of make-good provision	1,703	1,577
	<u>19,567</u>	<u>13,512</u>

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

Leases recognition exemption

	2024	2023
	\$	\$
Expenses relating to low-value leases	<u>12,439</u>	<u>13,767</u>

Charitable donations, sponsorships and grants expense

	2024	2023
	\$	\$
Direct donation, sponsorship and grant payments	73,724	26,749
Contribution to the Community Enterprise Foundation™	<u>30,000</u>	<u>30,000</u>
	<u>103,724</u>	<u>56,749</u>

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

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

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

Redcliffe Peninsula Financial Services Limited
Notes to the financial statements
30 June 2024

Note 9. Income tax

	2024	2023
	\$	\$
<i>Income tax expense</i>		
Current tax	32,538	25,486
Movement in deferred tax	1,138	4,431
Recoupment of prior year tax losses	-	70,597
	<u>33,676</u>	<u>100,514</u>
<i>Aggregate income tax expense</i>		
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	138,584	402,054
Tax at the statutory tax rate of 25%	34,646	100,514
Tax effect of:		
Other deductible items	(970)	-
Income tax expense	<u>33,676</u>	<u>100,514</u>
	2024	2023
	\$	\$
<i>Deferred tax assets/(liabilities)</i>		
Employee benefits	-	1,125
Lease liabilities	69,134	14,005
Provision for lease make good	6,156	8,444
Right-of-use assets	(66,736)	(15,371)
Fair value of investments	(12,418)	(10,930)
Deferred tax liability	<u>(3,864)</u>	<u>(2,727)</u>
	2024	2023
	\$	\$
Provision for income tax	<u>38,049</u>	<u>25,486</u>

Accounting policy for income tax

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

Accounting policy for current tax

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

Accounting policy for deferred tax

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

Note 10. Cash and cash equivalents

	2024	2023
	\$	\$
Cash at bank and on hand	<u>170,516</u>	<u>265,495</u>

Redcliffe Peninsula Financial Services Limited
Notes to the financial statements
30 June 2024

Note 11. Trade and other receivables

	2024	2023
	\$	\$
Trade receivables	54,625	61,837
Other receivables	3,500	-
Prepayments	12,063	13,038
	<u>15,563</u>	<u>13,038</u>
	<u>70,188</u>	<u>74,875</u>
	2024	2023
	\$	\$
<i>Financial assets classified as trade and other receivables</i>		
Total trade and other receivables	70,188	74,875
less prepayments	<u>(12,063)</u>	<u>(13,038)</u>
	<u>58,125</u>	<u>61,837</u>

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. The company's trade receivables are limited to the monthly profit share distribution from Bendigo Bank, which is received 10 business days post month end.

Note 12. Financial assets

	2024	2023
	\$	\$
Equity securities - designated at fair value through profit or loss	<u>101,526</u>	<u>93,751</u>

The company classifies financial assets as a current asset when it expects to realise the asset, or intends to sell or consume it, no more than 12 months after the reporting period. All other financial assets are classified as non-current.

Accounting policy for financial assets

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

Note 13. Investments

	2024	2023
	\$	\$
<i>Current assets</i>		
Term deposits	<u>250,000</u>	<u>50,000</u>

Redcliffe Peninsula Financial Services Limited
Notes to the financial statements
30 June 2024

Note 14. Property, plant and equipment

	2024	2023
	\$	\$
Leasehold improvements - at cost	286,758	286,758
Less: Accumulated depreciation	<u>(166,077)</u>	<u>(143,414)</u>
	<u>120,681</u>	<u>143,344</u>
Plant and equipment - at cost	147,389	147,389
Less: Accumulated depreciation	<u>(125,628)</u>	<u>(123,890)</u>
	<u>21,761</u>	<u>23,499</u>
	<u><u>142,442</u></u>	<u><u>166,843</u></u>

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

	Leasehold improvements \$	Plant and equipment \$	Total \$
Balance at 1 July 2022	155,480	23,161	178,641
Additions	-	2,282	2,282
Depreciation	<u>(12,136)</u>	<u>(1,944)</u>	<u>(14,080)</u>
Balance at 30 June 2023	143,344	23,499	166,843
Depreciation	<u>(22,663)</u>	<u>(1,738)</u>	<u>(24,401)</u>
Balance at 30 June 2024	<u><u>120,681</u></u>	<u><u>21,761</u></u>	<u><u>142,442</u></u>

Accounting policy for property, plant and equipment

Property, plant and equipment are measured at cost or fair value as applicable, less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Leasehold improvements	5 to 10 years
Plant and equipment	2.5 to 27 years

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

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

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

Changes in estimates

During the financial year, the company assessed estimates used for property, plant and equipment including useful lives, residual values, and depreciation methods. The estimated useful life of recent leasehold improvements has been reassessed and updated. This change reflects the extension of the lease term by an additional five years upon renewal, aligning the useful life of these assets with the revised lease period. The impact of this update has been incorporated prospectively from the renewal date.

Redcliffe Peninsula Financial Services Limited
Notes to the financial statements
30 June 2024

Note 15. Right-of-use assets

	2024	2023
	\$	\$
Land and buildings - right-of-use	497,792	242,523
Less: Accumulated depreciation	<u>(230,847)</u>	<u>(181,040)</u>
	<u><u>266,945</u></u>	<u><u>61,483</u></u>

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

	Land and buildings \$
Balance at 1 July 2022	107,595
Depreciation expense	<u>(46,112)</u>
Balance at 30 June 2023	61,483
Remeasurement adjustments	255,269
Depreciation expense	<u>(49,807)</u>
Balance at 30 June 2024	<u><u>266,945</u></u>

Accounting policy for right-of-use assets

Right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease. Right-of-use assets are subject to impairment and are adjusted for any remeasurement of lease liabilities.

Refer to note 18 for more information on lease arrangements.

Note 16. Intangible assets

	2024	2023
	\$	\$
Franchise fee	10,890	10,890
Less: Accumulated amortisation	<u>(9,819)</u>	<u>(6,683)</u>
	<u>1,071</u>	<u>4,207</u>
Franchise renewal fee	54,450	54,450
Less: Accumulated amortisation	<u>(49,094)</u>	<u>(33,417)</u>
	<u>5,356</u>	<u>21,033</u>
	<u><u>6,427</u></u>	<u><u>25,240</u></u>

Redcliffe Peninsula Financial Services Limited
Notes to the financial statements
30 June 2024

Note 16. Intangible assets (continued)

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

	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2022	5,296	26,477	31,773
Amortisation expense	(1,089)	(5,444)	(6,533)
Balance at 30 June 2023	4,207	21,033	25,240
Amortisation expense	(3,136)	(15,677)	(18,813)
Balance at 30 June 2024	<u>1,071</u>	<u>5,356</u>	<u>6,427</u>

Accounting policy for intangible assets

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

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

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

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

<u>Asset class</u>	<u>Method</u>	<u>Useful life</u>	<u>Expiry/renewal date</u>
Franchise fee	Straight-line	Over the franchise term (5 years)	December 2024
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	December 2024

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

Change in estimates

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

Note 17. Trade and other payables

	2024 \$	2023 \$
<i>Current liabilities</i>		
Trade payables	10,347	10,723
Other payables and accruals	<u>19,746</u>	<u>38,131</u>
	<u>30,093</u>	<u>48,854</u>
	2024 \$	2023 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	30,093	48,854
less other payables and accruals (net GST payable to the ATO)	<u>(3,665)</u>	<u>(8,849)</u>
	<u>26,428</u>	<u>40,005</u>

Redcliffe Peninsula Financial Services Limited
Notes to the financial statements
30 June 2024

Note 18. Lease liabilities

	2024 \$	2023 \$
<i>Current liabilities</i>		
Land and buildings lease liabilities	36,160	37,966
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	240,378	18,052
<i>Reconciliation of lease liabilities</i>		
	2024 \$	2023 \$
Opening balance	56,018	116,351
Remeasurement adjustments	256,833	-
Lease interest expense	17,517	4,570
Lease payments - total cash outflow	(53,830)	(64,903)
	276,538	56,018

Remeasurement adjustments

During the period the company signed a new lease agreement for the existing branch premises. The new agreement extended the lease by an additional 5 years to September 2029.

Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially measured at the present value of the lease payments to be made over the term of the lease, including renewal options if the company is reasonably certain to exercise such options, discounted using the company's incremental borrowing rate.

The company has applied the following accounting policy choices in relation to lease liabilities:

- The company has elected not to separate lease and non-lease components when calculating the lease liability for property leases.
- The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases and low-value assets, which include the company's lease of information technology equipment. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Margate Branch	7.5%	5 years	N/A	N/A	September 2029

Note 19. Issued capital

	2024 Shares	2023 Shares	2024 \$	2023 \$
Ordinary shares - fully paid	681,359	681,359	666,359	666,359
Less: Equity raising costs	-	-	(21,754)	(21,754)
	681,359	681,359	644,605	644,605

Redcliffe Peninsula Financial Services Limited
Notes to the financial statements
30 June 2024

Note 19. Issued capital (continued)

Accounting policy for issued capital

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

Rights attached to issued capital

Ordinary shares

Voting rights

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

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

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

Dividends

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

Transfer

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

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

Prohibited shareholding interest

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

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

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

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

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

Redcliffe Peninsula Financial Services Limited
Notes to the financial statements
30 June 2024

Note 19. Issued capital (continued)

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

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

Note 20. Capital management

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

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

The distribution limit is the greater of:

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

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

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

Note 21. Dividends

The following dividends were provided for and paid to shareholders during the financial year as presented in the Statement of changes in equity and Statement of cash flows.

	2024 \$	2023 \$
Fully franked dividend of 6 cents per share (2023: nil cents)	40,882	-

Dividends proposed but not recognised at balance date

Since the end of the financial year, the board of directors has proposed to pay a fully franked dividend of 6 cents per share, to be paid on 22 November 2024. The financial impact of the dividend, amounting to \$40,882, has not been recognised in the financial statements for the financial year ended 30 June 2024, and will be recognised in the subsequent financial statements.

Redcliffe Peninsula Financial Services Limited
Notes to the financial statements
30 June 2024

Note 21. Dividends (continued)

Franking credits

	2024	2023
	\$	\$
Franking account balance at the beginning of the financial year	29,350	29,350
Franking credits (debits) arising from income taxes paid (refunded)	19,976	-
Franking debits from the payment of franked distributions	(13,627)	-
	<u>35,699</u>	<u>29,350</u>
<i>Franking transactions that will arise subsequent to the financial year end:</i>		
Balance at the end of the financial year	35,699	29,350
Franking credits (debits) that will arise from payment (refund) of income tax	15,809	13,028
Franking credits available for future reporting periods	<u>51,508</u>	<u>42,378</u>

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

Accounting policy for dividends

Dividends are recognised in the financial year they are declared.

Note 22. Financial risk management

Financial risk management objectives

The company's financial instruments include trade receivables and payables, cash and cash equivalents, investments and lease liabilities. The company does not have any derivatives.

The directors are responsible for monitoring and managing the financial risk exposure of the company, to which end it monitors the financial risk management policies and exposures and approves financial transactions within the scope of its authority.

The directors have identified that the only significant financial risk exposures of the company are liquidity and market (price) risk. Other financial risks are not significant to the company due to the following factors:

- The company has no foreign exchange risk as all of its account balances and transactions are in Australian Dollars.
- The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo Bank. The company monitors credit worthiness through review of credit ratings, Bendigo Bank is rated A- on Standard & Poor's credit ratings.
- The company has no direct exposure to movements in commodity prices.
- The company's interest-bearing instruments are held at amortised cost which have fair values that approximate their carrying value since all cash and payables have maturity dates within 12 months.
- The company has minimal borrowings.

Further details regarding the categories of financial instruments held by the company that hold such exposure are detailed below.

Redcliffe Peninsula Financial Services Limited
Notes to the financial statements
30 June 2024

Note 22. Financial risk management (continued)

	2024	2023
	\$	\$
Financial assets		
Trade and other receivables (note 11)	58,125	61,837
Cash and cash equivalents (note 10)	170,516	265,495
Financial assets (note 12)	101,526	93,751
Investments (note 13)	250,000	50,000
	<u>580,167</u>	<u>471,083</u>
Financial liabilities		
Trade and other payables (note 17)	26,428	40,005
Lease liabilities (note 18)	276,538	56,018
Borrowings	58	32
	<u>303,024</u>	<u>96,055</u>

At balance date, the fair value of financial instruments approximated their carrying values.

Accounting policy for financial instruments

Financial assets

Classification

The company classifies its financial assets at either amortised cost or fair value through profit or loss (FVTPL).

Financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial asset.

The company's financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents and investments in term deposits.

The company's financial assets measured at FVTPL comprise investments in listed entities over which the company does not have significant influence nor control.

Derecognition

A financial asset is derecognised when the company's contractual right to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

Impairment of trade and other receivables

Impairment of trade receivables is determined using the simplified approach which uses an estimation of lifetime expected credit losses. The company has not recognised an allowance for expected credit losses in relation to trade and other receivables. Refer to note 4 for further information.

Financial liabilities

Classification

The company classifies its financial liabilities at amortised cost.

Derecognition

A financial liability is derecognised when it is extinguished, cancelled or expires.

Market risk

Market risk is the risk that changes in market prices - e.g. foreign exchange rates, interest rates, and equity prices - will affect the company's income or the value of its holdings in financial instruments.

Redcliffe Peninsula Financial Services Limited
Notes to the financial statements
30 June 2024

Note 22. Financial risk management (continued)

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest-rate risk. The company held cash and cash equivalents of \$170,516 and term deposits of \$250,000 at 30 June 2024 (2023: \$265,495 and \$50,000).

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.

Equity Price risk

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

	% change increase	Effect on profit before tax	Effect on equity	% change decrease	Effect on profit before tax	Effect on equity
2024						
Equity securities	10%	<u>10,153</u>	<u>7,614</u>	(10%)	<u>(10,153)</u>	<u>(7,614)</u>
	% change increase	Effect on profit before tax	Effect on equity	% change decrease	Effect on profit before tax	Effect on equity
2023						
Equity securities	10%	<u>9,375</u>	<u>7,031</u>	(10%)	<u>(9,375)</u>	<u>(7,031)</u>

Liquidity risk

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

Exposure to liquidity risk

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

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2024				
Borrowings	58	-	-	58
Trade and other payables	26,428	-	-	26,428
Lease liabilities	60,924	281,721	19,144	361,789
Total non-derivatives	<u>87,410</u>	<u>281,721</u>	<u>19,144</u>	<u>388,275</u>
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2023				
Borrowings	32	-	-	32
Trade and other payables	40,005	-	-	40,005
Lease liabilities	40,194	18,232	-	58,426
Total non-derivatives	<u>80,231</u>	<u>18,232</u>	<u>-</u>	<u>98,463</u>

Redcliffe Peninsula Financial Services Limited
Notes to the financial statements
30 June 2024

Note 23. Fair value measurement

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2024				
<i>Assets</i>				
Equity securities	101,526	-	-	101,526
Total assets	101,526	-	-	101,526
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2023				
<i>Assets</i>				
Equity securities	93,751	-	-	93,751
Total assets	93,751	-	-	93,751

There were no transfers between levels during the financial year.

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

Note 24. Key management personnel disclosures

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

Stephen John Hart	Brent Anthony Campbell
Daniel Petravicius	Joel Lee Hudson
Peter John Morley	Gavin John Daw
Rae Amelda Frawley	

Key management personnel compensation comprised the following.

	2024 \$	2023 \$
Short-term employee benefits	29,800	25,700
Post-employment benefits	4,075	3,449
	<u>33,875</u>	<u>29,149</u>

Compensation of the company's key management personnel includes salaries and contributions to a post-employment superannuation fund.

Note 25. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 24.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Terms and conditions of transaction with related parties

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

Redcliffe Peninsula Financial Services Limited
Notes to the financial statements
30 June 2024

Note 25. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	2024 \$	2023 \$
A director provided governance consultancy services to the company below market rates.	8,150	3,795
A director provided business budget consulting to the company below market rates.	1,000	1,000

Note 26. Remuneration of auditors

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

	2024 \$	2023 \$
<i>Audit services</i>		
Audit or review of the financial statements	7,650	6,400
<i>Other services</i>		
General advisory services	4,695	4,300
Share registry services	6,626	5,404
	11,321	9,704
	18,971	16,104

Note 27. Reconciliation of profit after income tax to net cash provided by operating activities

	2024 \$	2023 \$
Profit after income tax expense for the year	104,908	301,540
Adjustments for:		
Depreciation and amortisation	93,021	66,725
Dividends received - non-cash	(2,437)	-
Administration expenses - non-cash	617	-
Lease liabilities interest	17,517	4,570
(Increase)/decrease in fair value of equity instruments designated at FVTPL	(5,955)	(8,528)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	4,687	(35,670)
Decrease in deferred tax assets	-	72,299
Decrease in trade and other payables	(3,319)	(2,952)
Increase in provision for income tax	12,563	25,486
Increase in deferred tax liabilities	1,137	2,727
Increase/(decrease) in other provisions	(9,194)	1,577
Net cash provided by operating activities	213,545	427,774

Redcliffe Peninsula Financial Services Limited
Notes to the financial statements
30 June 2024

Note 28. Earnings per share

	2024	2023
	\$	\$
Profit after income tax	<u>104,908</u>	<u>301,540</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>681,359</u>	<u>681,359</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>681,359</u>	<u>681,359</u>
	Cents	Cents
Basic earnings per share	15.40	44.26
Diluted earnings per share	15.40	44.26

Accounting policy for earnings per share

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

Note 29. Commitments

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

Note 30. Contingencies

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

Note 31. Events after the reporting period

In September 2024 the company renewed it's franchise agreement with Bendigo Bank. The expiry date of the new franchise agreement is December 2029, and is wholly under the same terms and conditions as the existing franchise agreement which expires in December 2024.

Apart from the dividend declared as disclosed in note 21, no other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Redcliffe Peninsula Financial Services Limited
Directors' declaration
30 June 2024

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- the company does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, a consolidated entity disclosure statement has not been included as section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

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

On behalf of the directors



Stephen John Hart
Chair

Dated 4 November 2024



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
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03 5443 0344

Independent auditor's report to the Directors of Redcliffe Peninsula Financial Services Limited

Report on the Audit of the Financial Report

Opinion

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

- Statement of financial position as at 30 June 2024
- Statement of profit or loss and other comprehensive income for the year then ended
- Statement of changes in equity for the year then ended
- Statement of cash flows for the year then ended
- Notes to the financial statements, including material accounting policies
- The directors' declaration.

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

- i. giving a true and fair view of the company's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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



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Other Information

The 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 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we will 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.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's responsibilities for the Audit of the Financial Report

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



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

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

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

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, actions taken to eliminate threats or safeguards applied.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 4 November 2024

Joshua Griffin
Lead Auditor

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