Annual Report 2023

Sandringham Community Financial Services Limited

Community Bank
Sandringham

ABN 86 099 131 192

Contents

Chairman's report

For year ending 30 June 2023

With a full year contribution from the purchase of Beaumaris Community Financial Services Limited's (BCFSL) revenue right, on 30 November 2021, and favourable interest margin Sandringham Community Financial Services Limited (SCFSL) achieved a record profit after tax of $778,500. This was a substantial increase on the previous year figure of $60,967.

SCFSL's balance sheet has been further strengthened with our total equity now standing at $1,328,384.

The increased income enabled SCFSL to repay most of the $750,000 loan taken out to finance the purchase of BCFSL's revenue right and the small balance remaining on the loan will be finalised before September 2023. In addition to this we have taken the opportunity to undertake a major refurbishment of the Community Bank Sandringham Branch which has given a pleasing environment for our staff to conduct business and has been well received by our customers.

Our business volumes continue to grow, and I will leave it to our Branch Manager, Matthew Gallop to report in more detail on our business activities.

SCFSL is well positioned to meet the challenging economic conditions and although we expect some slower growth in our business, we are comfortable with the budget forecasts for the year ahead. Our cost to income ratio is constantly reviewed to ensure we are operating as efficiently as possible.

Dividend

A fully franked dividend of 8 cents has been paid for the year to 30 June 2023. This is an increase on the 6 cents paid in the previous year.

Community contributions

Community contributions for the year were $810,257 (2022 $153,695). This included a contribution of $600,000 to the Community Enterprise Foundation™, the philanthropic arm of Bendigo Bank where SCFSL sets aside funds for future community projects.

Since commencing Community Bank Sandringham in 2002, we have now contributed more than $3,000,000 to the community through our Donations, Sponsorships, Grants and Dividends.

We are constantly reviewing where we place our community funds to ensure that we are supporting programs that will benefit the health and wellbeing of the community as well as assisting local sporting and special interest groups in the Sandringham, Hampton, Black Rock, and Beaumaris areas.

Details of our community contributions are shown separately in the report.

Strategy

Following the purchase of BCFSL's revenue right we concentrated our efforts on retaining and growing this business and it is pleasing to report that not only have we retained most of the business but have been able to growth the business from the Beaumaris and Black Rock areas. With our increased and ongoing support for the local communities in Hampton, Sandringham, Black Rock and Beaumaris we are confident that our efforts will see increased business volumes flow to our bank.

Directors and Staff

We are fortunate that SCFSL has good quality Directors and staff. The Directors bring a mix of skills and make valuable contributions to the Board and the various committees. I am indebted to their ongoing contribution and support.

In the year ahead we will be reviewing our Board with a view to ensuring that we have a good succession plan in place with the appropriate skills for the future.

We are indebted to our staff, who provide professional and personalised service of the highest standard. It is pleasing to receive many compliments about their service and knowledge when taking to our community groups.

Shareholders

Thank you for your continued support both as shareholders and customers. Many of you have been with us since our Community Bank commenced in 2002 and we look forward to your continued support over the future years.

Graham M Ludecke
Chair

Manager’s report

For year ending 30 June 2023

Community Bank Sandringham is soon to celebrate its 21st birthday and we have had a pleasing year where we grew our total footings by $20 million from $351 million to $371 million. Our Community Bank achieved net growth in our deposit book of $13 million and in our lending book of $7 million.

While limited business was initially gained from the major banks withdrawing from Hampton, Community Bank Sandringham have recently seen a very strong growth in new accounts being opened as their clients over time have found it harder and more frustrating not being able to have a local bank to deal with. The feedback provided around the products and in particular our service offered by the branch staff in these first interactions have allowed us to continually gain more of their business.

Sandringham Community Financial Services Limited (SCFSL) achieved several milestones over the year, having achieved a record profit, celebrated our 20th birthday by returning over $200,000 to a record 60 organisations, contributed $600,000 to the Bendigo Community Enterprise Foundation™ for future community projects and completed a major refurbishment of the branch confirming our commitment to our local community.

As always, SCFSL are pleased to support local organisations through sponsorship, partnership and grants programs that has now exceeded $3 million since opening. Organisations such as Lions Sandringham where SCFSL provided funding for 10 unprivileged youth to enjoy a holiday at the Lions Camp in Licola, Fairways Aged Care to assist the purchase of a specialist bike for their Cycling Without Age program, assisting with the running costs for Sandybeach Centres two buses and funded eight defibrillators for our community. A new group this year was the funding to a local refugee program through New Friends Bayside that assists a refugee family settle into Melbourne.

The branch had a few changes in staff this year with Sharan Talbot, who joined us after the closure of Community Bank Beaumaris, taking up an opportunity in Education which is her passion. Sharan was a cornerstone in the transfer and retention of many of the Community Bank Beaumaris customers. The branch has also welcomed three new staff members in Erin Hallyburton, Oxana Grigoryan and Sahara Lodin. Very experienced staff members Brooke Robinson, Julie Dunn and Anna Wright have continued to provide enormous support to both me and the training and guidance of our new branch staff.

I would like to express my appreciation to the Board of Directors for their continued support and guidance, and this year in particular our Marketing and Community Engagement Director Cait Eves for the enormous effort during our 20 year anniversary to continue to nurture existing and build new community relationships.

I wish to acknowledge my appreciation of the support of Bendigo and Adelaide Bank Limited and our Regional Manager Peter Rice.

While existing customers remain an integral part of our growth, we are really focussing on bringing new customers to our bank and as a valued shareholder would greatly appreciate your assistance in introducing the bank to your family, friends, community and business acquaintances. The product range in extensive and we are confident of being able to offer a competitive package for your banking.

Matthew Gallop
Branch Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2023

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

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

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

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

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

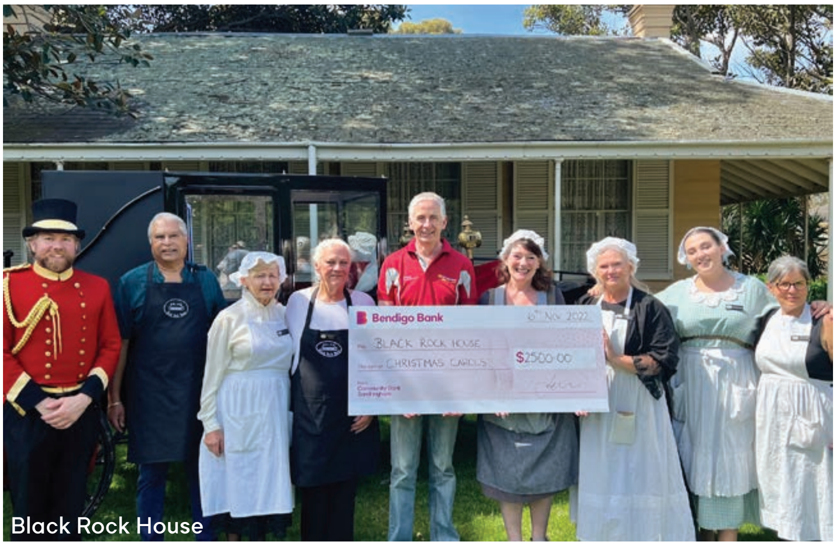
On behalf of the Bank, thank you for continuing to play an essential role in supporting your community. I look forward to seeing us grow together and make a positive impact for generations to come.

Justine Minne
Bendigo and Adelaide Bank

Community impact

$3,000,000 invested in the community since opening, 60+ groups supported in 2022-23

Our community impact: Making good things happen in our Community



Black Rock House


Men's Shed

We celebrated our 20th birthday with the community. Thank you to all who came and celebrated with us at the series of events around Bayside. Our bonus round of project funding was a wonderful addition to wrap up our birthday celebration year.

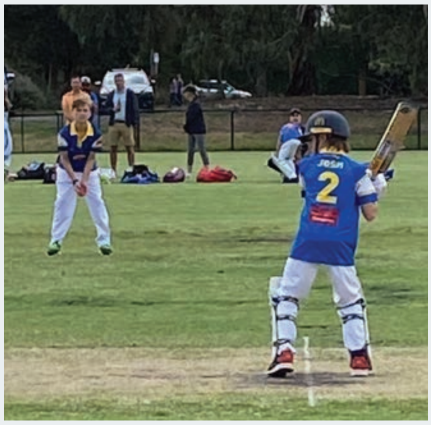
We return over 80% of our profits to local clubs, schools, community groups and initiatives. So far we have invested $3 million to our community with over 60 groups and organisation receiving funds in 2022-23 year. We supported community groups with partnerships and sponsorships through our Bayside Community Engagement Fund. A few stories are included here.

Team Sports 4 All

TEAMSPORTS4ALL

Team Sports 4 All assists families who are experiencing financial and/or social hardship and as a result are unable to afford to have their children involved in community team sport. After meeting the family TS4A arranges the registration into the chosen sport and pays for the fees and uniform costs but more importantly gives ongoing support via our volunteers to encourage long term participation in sport.

In Bayside they currently assist 80 children aged 5-18 years and see first hand how community connection via team sport can improve young people and their families lives. The sports that the kids are playing include Football, Basketball, Scouts, Karate, Parkour, Jiu Jitsu, Netball, Dance, Soccer, Gymnastics and Taekwondo.



Happy 5th Birthday – Celebrating with Sandy Hospital

Can you believe it's been five years since the Sandringham Community Bank Day Procedure Centre opened at Sandringham Hospital?

In that time there have been over 12,000 patients receiving care in the Sandringham Community Bank Day Procedure Centre.

It is truly one of our proudest achievements, to have been able to provide $500,000 to help build this important centre for our community.

Five years on and realising the impact Sandringham Community Bank Day Procedure Centre has had and what it will do in the future for locals – really explains just how important Community Banking is.

Part of the Team

We are proud to be part of many teams in Bayside and a few have created great programs to work with us!

East Sandy Junior Football Club have given us the honour of naming six teams as ours – the two girls teams in U11 and U14 as well as mixed teams in U8, U9, U12 and U13. We have also created goal post protectors in our iconic plum and white colours – look out for them at Chisholm Reserve!

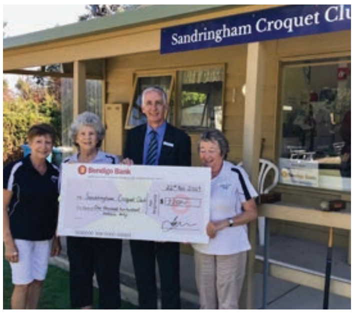
Black Rock Jets are thrilled to be part of the Junior Football league for the first time this season with an U8 and U9 team as well as their fantastic Auskick program.

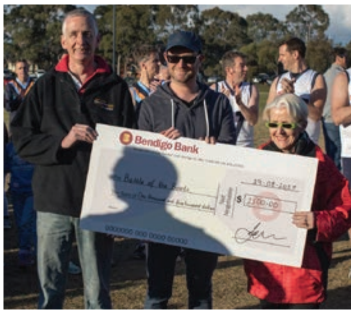
Sandy Little Aths might not be synonymous with winter sports but their Cross country training and coaching has been a huge success.

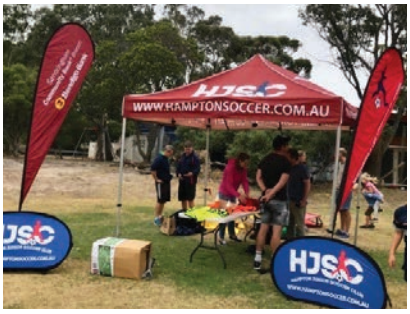
We have also recently provided funds to Sandringham Soccer Club, Beaumaris Sharks Football Club and many other local organisations.

When you bank with us, our Bayside Community benefits.

Over 30 of those were funded from a Community partnership with Community Bank Sandringham this year!



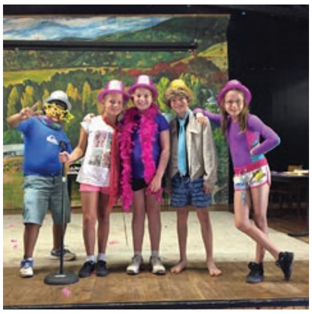


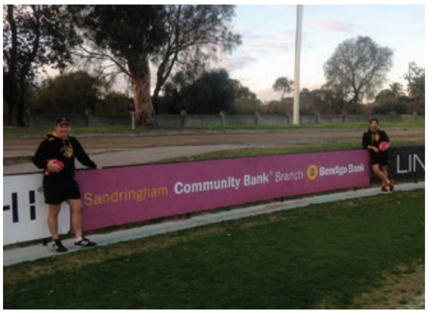


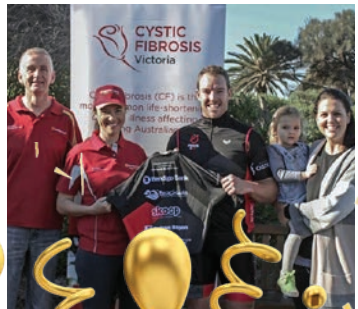
Bendigo Bank

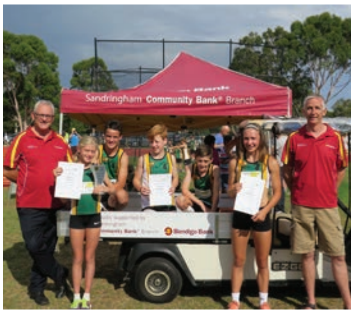
We opened a bank
to grow a community

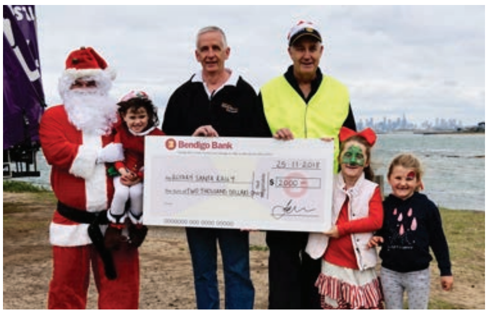
COMMUNITY 20 YEARS BANKING

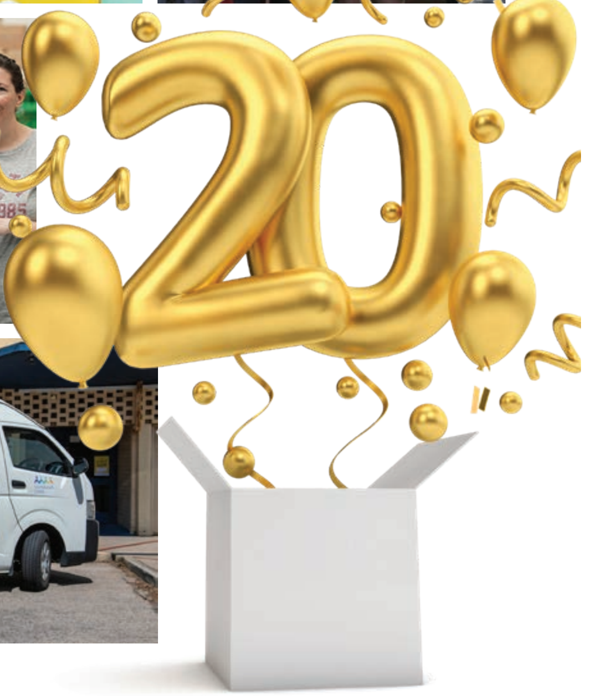












Directors' report

For the financial year ended 30 June 2023

The Directors present their report, together with the financial statements, on Sandringham Community Financial Services Ltd for the financial year ended 30 June 2023.

Board of Directors

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

Graham Manson Ludecke OAM

Title:	Chair, Member Audit and Risk Committee, Member of Remuneration and Nomination Committee
Qualifications:	SF Fin MAICD
Experience & Expertise:	Retired Banker. Held senior banking positions with the National Australia Bank including international postings in Europe and the USA. Currently, President, Black Rock Sports Auxiliary Inc. Life Governor, Sandringham Hospital 1981. Past Directorships include Bentleigh Bayside Community Health/Connect Health.CRAA, Data Advantage Ltd, Southern Family Life, NGV Foundation, Sandringham Hospital, Australian Banking Industry Ombudsman Ltd. Past member of Alfred Health, Community Advisory Committee and Southern Health, Community Advisory Committee.

Michael John Davies

Title:	Deputy Chair, Chair Audit and Risk Committee
Qualifications:	FAIM, AMAMI
Experience & Expertise:	Formally Group President and Director of ITW Australia, Asia Pacific and subsidiary companies. Director of Victoria Carpet Company Pty Ltd, Quest Pty Ltd, HGS Pty Ltd and Sutton Tools Pty Ltd.

Glen Hay Kruger

Title:	Director, Member of Marketing and Community Engagement Committee
Qualifications:	MBA
Experience & Expertise:	20 years experience at senior management level in the not-for-profit area, currently Executive Director of Aries Technology Australia Pty Ltd.

Amanda May Smyth

Title:	Director, Member of Marketing and Community Engagement Committee
Qualifications:	B.Com Economics
Experience & Expertise:	15 years experience both in Australia (David Jones, Big W) and the UK (Austin Reed, Cath Kidston) in Retail Buying. Strong community focus through primary school Parents Associations and Kindergarten Committees.

Board of Directors (continued)

Caitlin Elizabeth Eves

Title:	Director, Chair Marketing and Community Engagement Committee
Qualifications:	B.Com (Management & Marketing)
Experience & Expertise:	Over 15 years experience in Marketing, communications and strategy in global and multinational companies as well as direct consulting for small to medium businesses in financial and other sectors. Also currently Director of Strategy and customer service at FM Group Pty Ltd.

Ian Richard Siebert

Title:	Director, Chair Remuneration and Nomination Committee, Member Marketing and Community Engagement Committee
Qualifications:	B Ec, Dip Tert ed, MBA, FAIM
Experience & Expertise:	10 years experience as a manager and 30 years as a management consultant and Higher Education Leader, Facilitator and Coach.

Hilda Lourdes

Title:	Director, Treasurer, Member of Audit and Risk Committee
Qualifications:	MBA and degree in Finance
Experience & Expertise:	20 years experience with Accounting, Compliance, Risk and business management.

Marlene Snow

Title:	Director, Company Secretary
Qualifications:	MBA and Bachelor of Business
Experience & Expertise:	12 years within Banking and Financial Services

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

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

Directors' Meetings

Attendances by each Director during the year were as follows:

	Board Meetings		Audit and Risk Committee		Community and Marketing Committee		Remuneration and Nomination Committee	
Director	A	B	A	B	A	B	A	B
Graham Manson Ludecke OAM	10	10	3	3	-	-	1	1
Michael John Davies	10	10	3	3	-	-	-	-
Glen Hay Kruger	10	8	-	-	7	5	-	-
Amanda May Smyth	10	9	-	-	7	7	-	-
Caitlin Elizabeth Eves	10	10	-	-	7	7	-	-
Ian Richard Siebert	10	9	-	-	-	-	1	1
Hilda Lourdes	10	7	3	3	-	-	-	-
Marlene Snow	10	8	-	-	7	5	-	-
Independent Member of Risk and Audit Committee								
Leigh Petschel	-	-	3	3	-	-	-	-

A - The number of meetings eligible to attend. B - The number of meetings attended.

Independent Member of Risk and Audit Committee

Leigh Petschel

Qualification Bachelor of Commerce, majoring in Accounting and Finance

Company Secretary

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

Marlene Snow

Qualifications: MBA and Bachelor of Business

Experience & Expertise: 12 years within Banking and Financial Services

Principal Activities

The principal activities of the company during the course of the financial year were in providing Community Bank branch services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

There has been no significant changes in the nature of these activities during the year.

Operating Results

The profit of the company for the financial year after provision for income tax was:

	30 June 2023 ($)	30 June 2022 ($)	Movement
Profit After Tax	778,500	60,967	1177%

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.

Director's Interests

	Fully Paid Ordinary Shares		
Director	Balance at 1 July 2022	Changes During the Year	Balance at 30 June 2023
Graham Manson Ludecke OAM	6,500	3,000	9,500
Michael John Davies	1,000	-	1,000
Glen Hay Kruger	-	-	-
Amanda May Smyth	-	-	-
Caitlin Elizabeth Eves	2,500	2,500	5,000
Ian Richard Siebert	1,000	-	1,000
Hilda Lourdes	-	3,000	3,000
Marlene Snow	-	-	-

Dividends

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

	Cents per Share	Total Amount ($)"
Final fully franked dividend	6.00	$36,600
Total Amount	**6.00**	**$36,600**

Options

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

Significant Changes in the State of Affairs

In the opinion of the directors there were no other significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

Events Since the end of the Financial Year

No matters or circumstances have arisen since the end of the financial year that significantly impact or may significantly impact the operations of the company, the results of those operations or the state of affairs of the company, in future financial years.

Likely Developments

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

Environmental Regulations

The company is not subject to any significant environmental regulation.

Indemnification & Insurance of Directors & Officers

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

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The company has not provided any insurance for an auditor of the company or a related body corporate.

Proceedings on Behalf of the Company

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

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

Non-audit Services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor’s expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (RSD Audit) for audit and non-audit services provided during the year are set out in Note 29 to the accounts.

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

- all non audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor’s own work, acting in a management or decision making capacity for the company, acting as an advocate for the company or jointly sharing risks and rewards

Auditor's Independence Declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 14 of this financial report.

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

Michael John Davies
Deputy Chair, Chair Audit and Risk Committee

Dated this 28th day of September, 2023

Auditor's independence declaration

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

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

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

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

(i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) Any applicable code of professional conduct in relation to the audit.

RSD Audit

Mahesh Silva
Principal
41A Breen Street
Bendigo VIC 3550

Dated: 28 September 2023

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

Financial statements

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

	Note	2023 $	2022 $
Revenue			
Revenue from contracts with customers	7	2,819,505	1,078,431
Other revenue	8	480	2,185
Finance income	9	347	907
		2,820,332	**1,081,523**
Expenses			
Employee benefits expense	10	(543,941)	(472,125)
Depreciation and amortisation	10	(142,174)	(101,142)
Finance costs	10	(36,380)	(40,115)
Bad and doubtful debts		(1,616)	(678)
Marketing expenses		(56,767)	(34,914)
IT expenses		(44,839)	(46,684)
ATM expenses		(7,717)	(5,263)
Rates		(56,877)	(6,440)
Insurance expense		(21,531)	(18,049)
Director Fees		(26,375)	(26,400)
Loss on revaluation of financial assets		-	(992)
Other expenses		(77,525)	(87,711)
		(1,015,742)	**(840,514)**
Operating profit before charitable donations and sponsorship		**1,804,590**	**241,009**
Charitable donations and sponsorship	10	(810,257)	(153,695)
Profit before income tax		**994,333**	**87,314**
Income tax expense	11	(215,833)	(26,347)
Profit for the year after income tax		**778,500**	**60,967**
Other comprehensive income		-	-
Total comprehensive income for the year		**778,500**	**60,967**
Profit attributable to the ordinary shareholders of the company		778,500	60,967
Total comprehensive income attributable to ordinary shareholders of the company		**778,500**	**60,967**
Earnings per share		**¢**	**¢**
- basic and diluted earnings per share	31	127.62	9.99

The accompanying notes form part of these financial statements

Statement of financial position
for the year ended 30 June 2023

	Note	2023 $	2022 $
Assets			
Current assets			
Cash and cash equivalents	12	497,933	75,199
Trade and other receivables	13	274,248	163,440
Financial assets	14	45,963	189,147
Other assets	15	1,306	25,736
Total current assets		**819,450**	**453,522**
Non-current assets			
Property, plant and equipment	16	4,528	8,128
Right-of-use assets	17	361,835	476,305
Intangible assets	18	920,618	926,566
Deferred tax assets	19	48,608	51,273
Total non-current assets		**1,335,589**	**1,462,272**
Total assets		**2,155,039**	**1,915,794**
Liabilities			
Current liabilities			
Trade and other payables	20	29,034	116,109
Current tax liability	19	215,951	2,783
Borrowings	21	22,790	250,419
Lease liabilities	22	58,426	41,038
Employee benefits	23	121,534	106,103
Total current liabilities		**447,735**	**516,452**
Non-current liabilities			
Trade and other payables	20	43,392	1
Borrowings	21	-	347,252
Lease liabilities	22	335,321	465,544
Employee benefits	23	207	61
Total non-current liabilities		**378,920**	**812,858**
Total liabilities		**826,655**	**1,329,310**
Net assets		**1,328,384**	**586,484**
Equity			
Issued capital	24	518,507	518,507
Retained earnings	25	809,877	67,977
Total equity		**1,328,384**	**586,484**

The accompanying notes form part of these financial statements

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

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2021		518,507	31,410	549,917
Comprehensive income for the year				
Profit for the year		-	60,967	60,967
Transactions with owners in their capacity as owners				
Dividends paid or provided	30	-	(24,400)	(24,400)
Balance at 30 June 2022		**518,507**	**67,977**	**586,484**
Balance at 1 July 2022		518,507	67,977	586,484
Comprehensive income for the year				
Profit for the year		-	778,500	778,500
Other comprehensive income for the year		-	-	-
Transactions with owners in their capacity as owners				
Dividends paid or provided	30	-	(36,600)	(36,600)
Balance at 30 June 2023		**518,507**	**809,877**	**1,328,384**

The accompanying notes form part of these financial statements

Statement of cash flows
for the year ended 30 June 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Receipts from customers		2,708,697	1,083,686
Payments to suppliers and employees		(1,694,507)	(950,129)
Dividends/ Distributions		480	969
Interest received		341	1,092
Interest paid		(36,380)	(40,115)
Net cash flows provided by operating activities	**26b**	**978,631**	**95,503**
Cash flows from investing activities			
Proceeds from sale of investments		143,184	-
Purchase of investments		-	349,815
Purchase of intangible assets		(28,928)	(974,976)
Net cash flows from/(used in) investing activities		**114,256**	**(625,161)**
Cash flows from financing activities			
Proceeds from borrowings		-	747,671
Repayment of borrowings		(574,882)	(150,000)
Repayment of lease liabilities		(58,671)	(38,691)
Dividends paid		(36,600)	(24,400)
Net cash flows from/(used in) financing activities		**(670,153)**	**534,580**
Net increase in cash held		**422,734**	**4,922**
Cash and cash equivalents at beginning of financial year		75,199	70,277
Cash and cash equivalents at end of financial year	**26a**	**497,933**	**75,199**

The accompanying notes form part of these financial statements

Notes to the financial statements

For the year ended 30 June 2023

Note 1. Corporate Information

These financial statements and notes represent those of Sandringham Community Financial Services Ltd (the Company) as an individual entity. Sandringham Community Financial Services Ltd is a company limited by shares, incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on 28th September 2023.

Further information on the nature of the operations and principal activity of the company is provided in the directors' report. Information on the company's related party relationships is provided in Note 28.

Note 2. Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, were applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar, unless otherwise stated.

Note 3. Summary of Significant Accounting Policies

The company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

(a) Economic Dependency

The Company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the following Community Banks branch:

Sandringham 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.

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

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

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

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

Note 3. Summary of Significant Accounting Policies (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
- calculation of company revenue and payment of many operating and administrative expenses
- the formulation and implementation of advertising and promotional programs
- sales techniques and proper customer relations.

(b) Revenue From Contracts With Customers

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

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

Revenue is recognised on an accruals basis, at the fair value of consideration specified in the franchise agreement. Under *AASB 15 Revenue from Contracts with Customers* (AASB 15), revenue recognition for the company's revenue stream is as follows:

Revenue	Includes	Performance Obligation	Timing of Recognition
Franchise agreement profit share	Margin, commission and fee income	When the company satisfies its obligation to arrange the servies to be provided to the customer by the supplier (Bendigo & Adelaide Bank)	On completion of the provision of the relevant service. Revenue is accrued monthly and paid within 10 business days of month end

All revenue is stated net of the amount of Goods and Services Tax (GST).

Revenue Calculation

The franchise agreement provides that three forms of revenue may be earned by the company – margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services.

The revenue earned by the company is dependent on the business that it generates. It may also be affected by other factors, such as economic and local conditions, for example, interest rates.

Margin

Margin is arrived at through the following calculation:

Interest paid by customers on loans, less interest paid to customers on deposits

plus

Deposit returns (i.e. interest return applied by BABL on deposits)

minus

Any costs of funds (i.e. interest applied by BABL to fund a loan)

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

Commission

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

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

Note 3. Summary of Significant Accounting Policies (continued)

Fee Income

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

Core Banking Products

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

Ability to Change Financial Return

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

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

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

(c) Other Revenue

The company's activities include the generation of income from sources other than the core products under the franchise agreement. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and can be reliably measured.

Revenue	Revenue Recognition Policy
Discretionary financial contributions (also "Market Development Fund" or "MDF" income)	MDF income is recognised when the right to receive the payment is established. MDF income is discretionary and provided and receivable at month-end and paid within 14 days after month-end.
Other income	All other revenues that did not contain contracts with customers are recognised as goods and services are provided.

All revenue is stated net of the amount of Goods and Services Tax (GST).

Discretionary Financial Contributions

In addition to margin, commission and fee income, and separate from the franchise agreement, Bendigo Bank has also made MDF payments to the company.

The amount has been based on the volume of business attributed to a branch. The purpose of the discretionary payments is to assist with local market development activities, including community sponsorships and grants. It is for the board to decide how to use the MDF.

The payments from Bendigo Bank are discretionary and may change the amount or stop making them at any time. The company retains control over the funds, the funds are not refundable to Bendigo Bank.

(d) Employee Benefits

Short-term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for salary and wages (including non-monetary benefits), annual leave, and sick leave which are expected to be wholly settled within 12 months of the reporting date. They are measured at amounts expected to be paid when the liabilities are settled, plus related on-costs. Expenses for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

An annual leave liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated.

Note 3. Summary of Significant Accounting Policies (continued)

Other Long-term Employee Benefits

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

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

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

(e) Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current Income Tax

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

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for all deductible temporary differences, carried-forward tax losses, and unused tax credits to the extent that it is probable that future taxable profits will be available against which they can be used.

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

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

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

Goods & Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except:

- when the amount of GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue or expense item.
- when receivables and payables are stated with the amount of GST included.

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

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

(f) Cash & Cash Equivalents

For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise: cash on hand, deposits held with banks, and short-term, highly liquid investments (mainly money market funds) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(g) Property, Plant & Equipment

Recognition & Measurement

Items of property, plant and equipment are measured at cost or fair value as applicable, which includes capitalised borrowings costs, less accumulated depreciation and any accumulated impairment losses.

Note 3. Summary of Significant Accounting Policies (continued)

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

Depreciation

Depreciation is calculated to write-off the cost of items of property, plant and equipment less their estimated residual values using diminishing value method over their estimated useful lives, and is recognised in profit or loss.

The estimated useful lives of property, plant and equipment for the current and comparative periods are as follows:

Asset Class	Method	Useful Life
Right of Use Assets	Straight line	13 years
Furniture and Fittings	Straight line	3 - 20 years

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

(h) Intangible Assets

Intangible assets of the company include the franchise fees paid to Bendigo Bank conveying the right to operate the Community Bank franchise.

Recognition & Measurement

Intangible assets acquired separately are measured on initial recognition at cost.

Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognised in profit or loss as incurred.

Amortisation

Intangible assets are amortised over their useful life and assessed for impairment whenever impairment indicators are present.

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

Asset Class	Method	Useful Life
Goodwill	Straight line	15 years
Franchise fee	Straight line	Franchise term (5 years)

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

(i) Financial Instruments

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

Sub-note (i) and (j) refer to the following acronyms:

Acronym	Meaning
FVTPL	Fair value through profit or loss
FVTOCI	Fair value through other comprehensive income
SPPI	Solely payments of principal and interest
ECL	Expected credit loss
CGU	Cash-generating unit

Recognition & Initial Measurement

Trade receivables are initially recognised when they originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to the acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Note 3. Summary of Significant Accounting Policies (continued)

Classification & Subsequent Measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVTOCI - debt investment; FVTOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVTOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial Assets - Business Model Assessment

The company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed.

Financial Assets - Subsequent Measurement, Gains & Losses

For financial assets at amortised cost, these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial Liabilities - Classification, Subsequent Measurement, Gains & Losses

Borrowings and other financial liabilities (including trade payables) are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial Assets

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Where the company enters into transactions where it transfers assets recognised in the statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred asset, the transferred assets are not derecognised.

Financial Liabilities

The company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

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

Note 3. Summary of Significant Accounting Policies (continued)

(j) Impairment

Non-derivative Financial Instruments

The company recognises a loss allowance for estimated credit losses (ECL)'s on its trade receivables.

ECL's are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received.

In measuring the ECL, a provision matrix for trade receivables is used, taking into consideration various data to get to an ECL, (i.e. diversity of its customer base, appropriate groupings of its historical loss experience etc.).

Recognition of ECL in Financial Statements

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The company's trade receivables are limited to the monthly profit share distribution from Bendigo and Adelaide Bank, which is received 14 days post month end. Due to the reliance on Bendigo and Adelaide Bank the company has reviewed credit ratings provided by Standard & Poors, Moody's and Fitch Ratings to determine the level of credit exposure to the company. The company also performed a historical assessment of receivables from Bendigo and Adelaide Bank and found no instances of default. As a result no impairment loss allowance has been made in relation to trade receivables as at 30 June 2023.

Non-financial Assets

At each reporting date, the company reviews the carrying amount of its non-financial assets (other than investment property, contracts assets, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The company has assessed for impairment indicators and noted no material impacts on the carrying amount of non-financial assets.

(k) Issued Capital

Ordinary Shares

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

(l) Leases

As Lessee

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

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

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

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

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

Note 3. Summary of Significant Accounting Policies (continued)

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

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

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

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

Short-term Leases & Leases of Low-value Assets

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

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

As Lessor

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

(m) Standards Issued But Not Yet Effective

There are no new standards effective for annual reporting periods beginning after 1 January 2022 that are expected to have a significant impact on the company's financial statements.

(n) Comparative Figures

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

Note 4. Significant Accounting Judgements, Estimates & Assumptions

During preparation of the financial statements, management has made judgements and estimates that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual outcomes and balances may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to these estimates are recognised prospectively.

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note	Judgement
Note 7 - Revenue	Whether revenue is recognised over time or at a point in time
Note 22 - Leases:	
(a) Control	Whether a contract is or contains a lease at inception by assessing whether the company has the right to direct the use of the identified asset and obtain substantially all the economic benefits from the use of that asset
(b) Lease term	Whether the company is reasonably certain to exercise extension options, termination periods, and purchase options

Note 4. Significant Accounting Judgements, Estimates & Assumptions (continued)

Note	Judgement
(c) Discount rates	Judgement is required to determine the discount rate, where the discount rate is the company's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. The incremental borrowing rate is determined with reference to factors specific to the company and underlying asset including: · the amount · the lease term · economic environment · any other relevant factors

(b) Assumptions & Estimation Uncertainty

Information about assumptions and estimation uncertainties at 30 June 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note	Assumption
Note 19 - Recognition of deferred tax assets	Availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilised
Note 16 - Estimation of asset useful lives	Key assumptions on historical experience and the condition of the asset
Note 23 - Long service leave provision	Key assumptions on attrition rate of staff and expected pay increases though promotion and inflation

Note 5. Financial Risk Management

The company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company does not utilise any derivative instruments.

Risk management is carried out directly by the Board of Directors.

(a) Credit Risk

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

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

(b) Liquidity Risk

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

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

30 June 2023		Contractual Cash Flows		
Non-derivative Financial Liability	Carrying Amount	< 12 Months	1 - 5 Years	> 5 Years
Lease liabilities	506,397	75,000	300,000	75,000

Note 5. Financial Risk Management (continued)

(c) Market Risk

Market risk is the risk that changes in market prices - e.g. foreign exchange rates, interest rates, and equity prices will affect the company's income or the value of its holdings in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

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

Price Risk

The company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. There is no exposure to the company in regard to commodity price risk.

Cash Flow & Fair Values Interest Rate Risk

Interest-bearing assets are held with Bendigo and Adelaide Bank and subject to movements in market interest. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest-rate risk.

The company held cash and cash equivalents of $497,933 at 30 June 2023 (2022: $75,199). The cash and cash equivalents are held with Bendigo & Adelaide Bank, which are rated BBB on Standard & Poor's credit ratings.

Note 6. Capital Management

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

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

The distribution limit is the greater of:

(a) 20% of the profit or funds of the company otherwise available for distribution to shareholders in that 12 month period; and

(b) subject to the availability of distributable profits, the relevant rate of return multiplied by the average level of share capital of the company over that 12 month period where the relevant rate of return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2023 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 7. Revenue From Contracts With Customers

Revenue arises from the rendering of services through its franchise agreement with the Bendigo and Adelaide Bank Limited. The revenue recognised is measured by reference to the fair value of consideration received or receivable, excluding sales taxes, rebates, and trade discounts.

	2023 $	2022 $
Revenue		
- Revenue from contracts with customers	2,819,505	1,078,431
	2,819,505	**1,078,431**
Disaggregation of Revenue From Contracts With Customers		
- Margin income	2,624,646	920,413
- Fee income	80,668	63,159
- Commission income	114,191	94,859
	2,819,505	**1,078,431**

Note 7. Revenue From Contracts With Customers (continued)

All revenue from contracts customers shown above was recognised at a point in time. There was no revenue from contracts with customers recognised over time during the financial year.

Note 8. Other Revenue

The company generates other sources of revenue as outlined below.

	2023 $	2022 $
Other Revenue		
- Dividend	480	969
- Other	-	1,216
	480	**2,185**

Note 9. Finance Income

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

Term deposits which can be readily converted to a known amount of cash and subject to an insignificant risk of change may qualify as a cash equivalent.

	2023 $	2022 $
Finance Income		
At amortised cost:		
- Interest from term deposits	347	907
	347	**907**

Note 10. Expenses

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

(a) Employee Benefits Expense

	2023 $	2022 $
Employee Benefits Expense		
- Wages & salaries	435,280	398,844
- Superannuation costs	55,782	49,437
- Other expenses related to employees	52,879	23,844
	543,941	**472,125**

(b) Depreciation & Amortisation Expense

	2023 $	2022 $
Depreciation of Non-current Assets		
- furniture and fittings	3,600	2,900
	3,600	**2,900**
Depreciation of Right-of-use Assets		
- leased buildings	60,306	47,631
	60,306	**47,631**

Note 10. Expenses (continued)

	2023 $	2022 $
Amortisation of Intangible Assets		
- franchise fees	14,150	13,209
- goodwill	64,118	37,402
	78,268	**50,611**
Total depreciation & amortisation expense	**142,174**	**101,142**

The non-current tangible and intangible assets listed above are depreciated and amortised in accordance with the company's accounting policy (see Note 3(g) and 3(h) for details).

(c) Finance Costs

	2023 $	2022 $
Finance Costs		
- Interest paid	36,380	40,115
	36,380	**40,115**

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

(d) Community Investments & Sponsorship

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

	2023 $	2022 $
Community Investments & Sponsorship		
- Direct sponsorship and grant payments	178,678	63,695
- Contribution to the Community Enterprise Foundation™	631,579	90,000
	810,257	**153,695**

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

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

(e) Community Enterprise Foundation™ Contributions

During the financial year the company contributed funds to the CEF, the philanthropic arm of the Bendigo Bank. These contributions paid in form part of community investments and sponsorship expenditure included in profit or loss.

	2023 $	2022 $
Disaggregation of CEF Funds		
Opening balance	94,182	4,155
Contributions paid	694,737	104,211
Grants paid out	(12,100)	(9,474)
Interest received	2,680	26
GST	(62,058)	-
Management fees incurred	(31,577)	(4,736)
Balance available for distribution	**685,864**	**94,182**

Note 11. Income Tax Expense

Income tax expense comprises current and deferred tax. Attributable current and deferred tax expense is recognised in the other comprehensive income or directly in equity as appropriate.

(a) The Components of Tax Expense

	2023 $	2022 $
Current tax expense	246,623	30,792
Deferred tax expense	18,506	12,183
Recoupment of prior year tax losses	(27,889)	(30,792)
Under / (over) provision of prior years	(21,407)	14,164
	215,833	**26,347**

(b) Prima Facie Tax Payable

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

	2023 $	2022 $
Prima facie tax on profit before income tax at 25% (2022: 25%)	248,583	21,829
Add Tax Effect Of:		
- Under/over provision in respect to prior year	(21,407)	14,164
- Change in company tax rates	-	1,768
- Temporary differences	(1,959)	8,963
- Movement in Deferred tax	18,506	10,415
- Adjustment to account for tax losses	(27,889)	(30,792)
Income tax attributable to the entity	**215,834**	**26,347**
The applicable weighted average effective tax rate is:	21.71%	30.18%

Note 12. Cash & Cash Equivalents

	2023 $	2022 $
Cash at bank and on hand	497,933	75,199
	497,933	**75,199**

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less. Any bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

Note 13. Trade & Other Receivables

	2023 $	2022 $
Current		
Trade receivables	274,248	163,440
	274,248	**163,440**

Trade and other receivables are initially measured at the transaction price. Trade and other receivables are due for settlement usually no more than 30 days from the date of recognition.

The Company's main debtor relates to the Bendigo & Adelaide Bank monthly profit share distribution, which is deposited within a reasonable timeframe each month. There are no items that require the application of the lifetime expected credit loss model.

Note 14. Financial Assets

	2023 $	2022 $
At Amortised Cost		
Term deposits	38,117	181,301
At FVTPL		
Listed investments	7,846	7,846
	45,963	**189,147**

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

Note 15. Other Assets

	2023 $	2022 $
Prepayments	1,306	25,736
	1,306	**25,736**

Other assets represent items that will provide the entity with future economic benefits controlled by the entity as a result of past transactions or other past events.

Note 16. Property, Plant & Equipment

(a) Carrying Amounts

	2023 $			2022 $		
	At Cost	Accumulated Depreciation	Written Down Value	At Cost	Accumulated Depreciation	Written Down Value
Furniture & fittings	215,121	(210,593)	4,528	215,121	(206,993)	8,128
	215,121	**(210,593)**	**4,528**	**215,121**	**(206,993)**	**8,128**

(b) Movements in Carrying Amounts

2023	Furniture & Fittings $
Opening carrying value	8,128
Depreciation expense	(3,600)
Closing carrying value	**4,528**

2022	Furniture & Fittings $
Opening carrying value	11,029
Depreciation expense	(2,901)
Closing carrying value	**8,128**

(c) Capital Expenditure Commitments

The entity does not have any capital expenditure commitments as at 30 June 2023 (2022: None).

(d) Changes in Estimates

During the financial year, the company assessed estimates used for property, plant and equipment including useful lives, residual values, and depreciation methods.

There were no changes in estimates for the current reporting period.

Note 17. Right-of-use Assets

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

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

The company's lease portfolio includes building only.

Options to Extend or Terminate

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

AASB 16 Amounts Recognised in the Statement of Financial Position

	Leased Buildings $	Total ROU Asset $
Leased asset	603,058	603,058
Depreciation	(241,223)	(241,223)
	361,835	**361,835**

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

	2023 $	2022 $
Depreciation expense related to right-of-use assets	60,306	47,631

Note 18. Intangible Assets

(a) Carrying Amounts

	2023			2022		
	At Cost / Valuation	Accumulated Amortisation	Written Down Value	At Cost / Valuation	Accumulated Amortisation	Written Down Value
Franchise fee	72,320	(11,949)	60,371	123,733	(121,532)	2,201
Goodwill	961,767	(101,520)	860,247	961,767	(37,402)	924,365
	1,034,087	**(113,469)**	**920,618**	**1,085,500**	**(158,934)**	**926,566**

(b) Movements in Carrying Amounts

2023	Franchise Fee $	Goodwill $
Opening carrying value	2,201	924,365
Additions	72,320	-
Amortisation expense	(14,150)	(64,118)
Closing carrying value	**60,371**	**860,247**

2022	Franchise Fee $	Goodwill $
Opening carrying value	15,411	-
Additions	-	961,767
Amortisation expense	(13,210)	(37,402)
Closing carrying value	**2,201**	**924,365**

Note 19. Tax Assets & Liabilities

(a) Current Tax

	2023 $	2022 $
Income tax payable	215,951	2,783

(b) Deferred Tax

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

	30 June 2022 $	Recognised in P & L $	Recognised in Equity $	30 June 2023 $
Deferred Tax Assets				
- Expense accruals	990	(990)	-	-
- Undeducted donations	22,607	(12,034)	-	10,573
- Right of Use Assets	7,569	409	-	7,978
- Unused tax losses	-	-	-	-
- Employee provisions	26,541	3,843	-	30,384
Total deferred tax assets	**57,707**	**(8,772)**	**-**	**48,935**
Deferred Tax Liabilties				
- Accrued income	-	-	-	-
- Prepayment	(6,434)	6,107	-	(327)
- Property, plant & equipment	-	-	-	-
Total deferred tax liabilities	**(6,434)**	**6,107**	**-**	**(327)**
Net deferred tax assets/(liabilities)	**51,273**	**(2,665)**	**-**	**48,608**

Movement in the company's deferred tax balances for the year ended 30 June 2022:

	30 June 2021 $	Recognised in P & L $	Recognised in Equity $	30 June 2022 $
Deferred Tax Assets				
- Expense accruals	-	990	-	990
- Undeducted donations	-	22,607	-	22,607
- Right of Use Assets	5,334	2,235	-	7,569
- Unused tax losses	47,480	(47,480)	-	-
- Employee provisions	26,891	(350)	-	26,541
Total deferred tax assets	**79,705**	**(21,998)**	**-**	**57,707**
Deferred Tax Liabilties				
- Prepayment	(2,085)	(4,349)	-	(6,434)
Total deferred tax liabilities	**(2,085)**	**(4,349)**	**-**	**(6,434)**
Net deferred tax assets	**77,620**	**(26,347)**	**-**	**51,273**

Note 20. Trade & Other Payables

	2023 $	2022 $
Current		
Trade creditors	41,239	100,339
Franchise Fees payable	14,464	-
GST payable/(receivable)	(26,669)	15,770
	29,034	**116,109**
Non-Current		
Franchise Fees payable	43,392	1
	43,392	**1**

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Note 21. Borrowings

	2023 $	2022 $
Current		
Secured Liabilities		
Bank loan	22,790	250,419
	22,790	**250,419**
Non-Current		
Secured Liabilities		
Bank loan	-	347,252
	-	**347,252**
Total borrowings	**22,790**	**597,671**

Loans

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measures at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings as classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

The company has a mortgage loan which is subject to normal terms and conditions. The current interest rate is 3.585%. This loan has been created to fund the purchase of the Beaumaris CFSL books and is secured by Sandringham CFSL's property

Note 22. Lease Liabilities

Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate on the adoption date. The discount rate used on recognition was 4.5%.

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

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

Note 22. Lease Liabilities (continued)

(a) Lease Portfolio

The company's lease portfolio includes:

Lease	Details
Sandringham Branch	The lease agreement is a non-cancellable lease with an initial term of 13 years which commenced in July 2019. There has been a variation to the lease from 1 July 2022 which has a term of 5 years and one further 5 years extension available.

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

(b) Lease Liabilities

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

	2023 $	2022 $
Current	58,426	41,038
Non-current	335,321	465,544

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2023 were as follows:

	Minimum lease payments due				
	< 1 Year	1 - 2 Years	3 - 5 Years	> 5 years	Total
30 June 2023					
Lease payments	75,000	75,000	225,000	75,000	450,000
Finance charges	16,574	13,845	24,169	1,809	56,397
Net present values	**91,574**	**88,845**	**249,169**	**76,809**	**506,397**
30 June 2022					
Lease payments	63,000	63,000	189,000	315,000	630,000
Finance charges	(21,962)	(20,132)	(48,041)	(33,493)	(123,628)
Net present values	**41,038**	**42,868**	**140,959**	**281,507**	**506,372**

Total cash outflows for leases for the year ended 30 June 2023 was $75,000 (2022: $63,000).

Note 23. Employee Benefits

	2023 $	2022 $
Current		
Provision for annual leave	41,067	37,730
Provision for long service leave	80,467	68,373
	121,534	**106,103**
Non-Current		
Provision for long service leave	207	61
	207	**61**

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

Employee Attrition Rates

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

Note 24. Issued Capital

(a) Issued Capital

	2023		2022	
	Number	$	Number	$
Ordinary shares - fully paid	610,008	518,507	610,008	518,507
Less: equity raising costs	-	-	-	-
	610,008	**518,507**	**610,008**	**518,507**

Ordinary shares are classified as equity.

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

(b) Movements in share capital

	2023 $	2022 $
Fully paid ordinary shares:		
At the beginning of the reporting period	518,507	518,507
At the end of the reporting period	**518,507**	**518,507**

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At the shareholders' meetings each shareholder is entitled to one vote when a poll is called, or on a show of hands. The company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the company's residual assets.

Note 25. Retained Earnings

	Note	2023 $	2022 $
Balance at the beginning of the reporting period		67,977	31,410
Profit for the year after income tax		778,500	60,967
Dividends paid	30	(36,600)	(24,400)
Balance at the end of the reporting period		**809,877**	**67,977**

Note 26. Cash Flow Information

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

	Note	2023 $	2022 $
Cash and cash equivalents	12	497,933	75,199
As per the Statement of Cash Flows		**497,933**	**75,199**

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

	2023 $	2022 $
Profit for the year after income tax	778,500	60,967
Non-cash flows in profit		
- Depreciation	63,906	50,531
- Amortisation	78,268	50,611
- Fair Value decreass	-	992

Note 26. Cash Flow Information (continued)

	2023 $	2022 $
Changes in assets and liabilities		
- (Increase) / decrease in trade and other receivables	(110,808)	(95,299)
- (Increase) / decrease in prepayments and other assets	24,430	(17,394)
- (Increase) / decrease in deferred tax asset	2,665	26,347
- Increase / (decrease) in trade and other payables	(87,075)	20,147
- Increase / (decrease) in current tax liability	213,168	-
- Increase / (decrease) in provisions	15,577	(1,399)
Net cash flows from operating activities	**978,631**	**95,503**

Note 27. Financial Instruments

The following shows the carrying amounts for all financial instruments at amortised costs. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	2023 $	2022 $
Financial Assets			
Trade and other receivables	13	274,248	163,440
Cash and cash equivalents	12	497,933	75,199
Term deposits	14	38,117	181,301
Listed Investments	14	7,846	7,846
		818,144	**427,786**
Financial Liabilities			
Trade and other payables	20	72,426	116,110
Borrowings	21	22,790	597,671
Lease liabilities	22	393,747	506,582
		488,963	**1,220,363**

Note 28. Related Parties

(a) Key Management Personnel

Key management personnel includes any person having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any Director (whether executive or otherwise) of that company. The only key management personnel identified for the company are the Board of Directors, the members of which are listed in the Directors' report.

(b) Other Related Parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

(c) Transactions With Key Management Personnel & Related Parties

No key management personnel or related party has entered into any contracts with the company.

(d) Key Management Personnel Shareholdings

The number of ordinary shares in the company held by each key management personnel during the financial year has been disclosed in the Director's Report.

Note 28. Related Parties (continued)

(e) Other Key Management Transactions

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

Note 29. Auditor's Remuneration

The appointed auditor of Sandringham Community Financial Services Ltd for the year ended 30 June 2023 is RSD Audit. Amounts paid or due and payable to the auditor are outlined below.

	2023 $	2022 $
Audit & Review Services		
Audit and review of financial statements (RSD Audit)	5,750	5,995
	5,750	**5,995**
Non-Audit Services		
Preparation of the financial statements	1,800	1,870
Other non-audit services	2,240	1,815
	4,040	**3,685**
Total auditor's remuneration	**9,790**	**9,680**

Note 30. Dividends

The following dividends were provided for and paid to shareholders during the reporting period as presented in the statement of changes in equity and statement of cash flows.

	2023		2022	
	Number	$	Number	$
Fully franked dividend	610,008	36,600	610,008	24,400
Dividends provided for and paid during the year	**610,008**	**36,600**	**610,008**	**24,400**

The tax rate at which dividends have been franked is 25% (2022: 25%).

Note 31. Earnings Per Share

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	2023 $	2022 $
Profit attributable to ordinary shareholders	778,500	60,967

	Number	Number
Weighted average number of ordinary shares	610,008	610,008

	¢	¢
Basic and diluted earnings per share	127.62	9.99

Note 32. Events After the Reporting Period

There have been no significant events after the end of the financial year that would have a material impact on the financial statements or the company's state of affairs.

Note 33. Commitments & Contingencies

Any commitments for future expenditure associated with leases are recorded in Note 22. Details about any capital commitments are detailed in Note 16(d).

The company has no other commitments requiring disclosure.

There were no contingent liabilities or assets at the date of this report that would have an impact on the financial statements.

Note 34. Company Details

The registered office of the company is:

Sandringham Community Financial Services Ltd	76 Station Street Sandringham VIC 3191

The principal place of business is:

Sandringham Community Financial Services Ltd	76 Station Street Sandringham VIC 3191

Note 35. Fair Value Measurements

The company may measure some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair value of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The company measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- freehold land and buildings
- listed investments

The company does not subsequently measure any liabilities at fair value on a non-recurring basis.

(a) Fair Value Hierarchy

AASB 13: Fair value measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level	Measurement Details
Level 1	Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Measurements based on unobservable inputs for the asset or liability.

Fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Note 35. Fair Value Measurements (continued)

The following tables provide the fair values of the company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

	30 June 2023			
	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring Fair Value Measurements				
Financial Assets				
Listed investments	7,846	-	-	7,846
	7,846	**-**	**-**	**7,846**

	30 June 2022			
	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring Fair Value Measurements				
Financial Assets				
Listed investments	7,846	-	-	7,846
	7,846	**-**	**-**	**7,846**

There were no transfers between levels for assets measured at fair value on a recurring basis during the reporting period (2022: no transfers).

(b) Valuation Techniques

The company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the company are consistent with one or more of the following valuation approaches:

Approach	Valuation Details
Market Approach	Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
Income Approach	Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value
Cost Approach	Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Directors' declaration

For the financial year ended 30 June 2023

In accordance with a resolution of the directors of Sandringham Community Financial Services Ltd, we state that:

In the opinion of the directors:

(a) The financial statements and notes of the company are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and

  (ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable

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

Michael John Davies
Deputy Chair, Chair Audit and Risk Committee

Dated this 28th day of September, 2023

Independent audit report

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Bendigo, Victoria
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SANDRINGHAM COMMUNITY FINANCIAL SERVICES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

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

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

(i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance and its cash flows for the year then ended; and

(ii) complying with Australian Accounting Standards.

Basis for Opinion

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

Other Information

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

Director's Responsibility for the Financial Report

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

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

rsd Audit

Auditor's Responsibility for the Audit of the Financial Report

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

As part of an audit in accordance with 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

Independence

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

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

RSD Audit

Mahesh Silva
Principal

Dated: 28 September 2023.

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Bendigo Bank

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