Annual Report 2024

Stonnington Community Financial Services Limited

Community Bank · Windsor

ABN 31 099 416 092

Contents

03 Chairman’s report.

04 Treasurer’s report.

05 Branch Manager’s report.

06 Directors’ report.

11 Auditor’s independence declaration.

12 Financial statements.

16 Notes to the financial statements.

35 Directors’ declaration.

36 Independent audit report.

Chairman's report.

For year ending June 30 2024.

Dear Shareholders,

As I pen my final report as the Chair of Community Branch Windsor, I reflect on the incredible journey we've undertaken together. After years of commitment and dedication, the time has come for me to step down from my role as Chair and from the Board. This decision has not been made lightly, but it is a time for change and new beginnings, both for me and for the branch.

I am pleased to report that we have a robust succession plan in place, ensuring that Community Bank Windsor is well-prepared for the future. This year, we achieved social enterprise accreditation, a testament to our commitment to social responsibility and sustainable practices. Our risk register continues to work efficiently, helping us navigate the challenges of an ever-evolving financial landscape. Additionally, we have completely rewritten our policy and procedure documents to meet the 2024 standards and BBL requirements, reflecting our dedication to excellence and compliance.

A major highlight of this year is the $150,000 investment into the Community Enterprise Foundation. This contribution brings us closer to reaching the impressive milestone of nearly $2 million in community contributions. Community Bank Windsor remains a profitable business set, ready to face the changing world of banking with resilience and adaptability.

I would like to extend my deepest gratitude to Jon Caneva, who's over 24 years of involvement beginning with heading up the steering committee, and going on to become the inaugural chair, have been instrumental in ensuring the survival and success of this bank. As Jon steps down as Treasurer, his unwavering commitment and dedication deserve a massive thank you. To all the Board members, Charlotte Rendle -Short, who is also our Company secretary, Warrick King, Anja Barisic, Jemima Joseph, Eileen Macken, and our Community Partnership Officer Lee Chia, I am grateful for your energy, passion, honesty, and integrity. Your efforts have been invaluable in guiding Community Bank Windsor through both challenging and prosperous times.

A special thank you goes to our branch team, led by Jawad Beedar, who consistently demonstrate customer service excellence and a genuine care for our community. Your hard work and dedication are the backbone of our branch's success. I also want to acknowledge the support of the BBL team, particularly Rohan Sadler, our regional manager and now State Manager (metro). Your guidance has been crucial in our achievements.

Lastly, to our community partners, we would not be where we are without you. Your dedication to your causes inspires us, and we are proud to strengthen and commit to your work.

Being a part of this amazing team over the past eight years, and serving as Chair for seven of them, has been a journey of learning, growth, and immense satisfaction. I am proud of the progress we've made and the community we continue to support. As I step down, I leave Community Bank Windsor in very capable hands and will continue to watch with pride as it thrives and meets the challenges of the future.

Thank you all for the opportunity to serve this incredible community. I wish the Community Bank Windsor all the very best in the years to come.

Julie Scott
Chairman

Treasurer's report.

For year ending June 30 2024.

Dear Shareholders,

It seems like yesterday that I reported on the outstanding year we had in 2023. I have great pleasure in reporting that 2024 has proven to be even better. After a full year now in our new premises, the move has confirmed to us that it was the right decision. Our costs have reduced, and our balance sheet has strengthened.

This year we made community contributions in the form of grants and sponsorship totalling $180,413, this is the largest annual amount we have contributed in any year previously. The total of community contributions over the past 22 years now totals $1,879,134.

The financials this year show income of $1,187,898 and an operating profit including bank interest of $268,405. This is after community grants and sponsorships.

In May our board declared a fully franked dividend of 5 cents per share to be paid on 1st October 2024.

It goes without saying that our business is only as good as its team and its leadership, and I thank Julie Scott our Chair for the fantastic leadership she provides to our business every day. Julie's focus and dedication is truly amazing. To our other Directors, thank you for all your efforts this year, your contribution has been one of the factors that have made the year as successful as it was. To Jawad and the branch team, thank you for your efforts, it goes without saying that we couldn't have such a year without your hard work and dedication.

In closing, I would like to thank our shareholders and customers for the confidence they have continued to show to our business and the continued trust they place in Community Bank Windsor to look after their banking.

After the AGM this year I will not seek the position as Treasurer but will remain on the board as a Director, taking a back seat role and allowing other Directors to step up into Executive positions. I have truly enjoyed being a part of this business watching it grow and provide so much to our community. I would like to thank all the people that I have connected with over those 22 years from the shareholders that invested to make this venture happen, the Board members that committed time and effort to make it happen and the Branch staff that have worked with us to make it happen on a daily basis. I know that the business is in extremely capable hands and in the best financial position it has ever been.

Thank You

Jon Caneva
Treasurer

Branch Manager's report.

For year ending June 30 2024.

Dear Shareholders,

Stonnington Community Financial Services Ltd is celebrating our second year at 149 Chapel St – our new home, and our 22nd year in Chapel Street, Windsor.

Reflecting on the year that's just passed, I would like to thank branch staff Anita and Oscar for their hard work, dedication and continuous support to Community Bank Windsor over the last two years. Additionally, I would like to welcome and thank both Anshul Gupta – who brings with him a wealth of knowledge and experience to the role of home loan specialist, and Manish Gupta (unrelated) – who comes from a logistics background, and has since his commencement, mastered the Customer Service Officer role, receiving positive feedback from customers who interact with him.

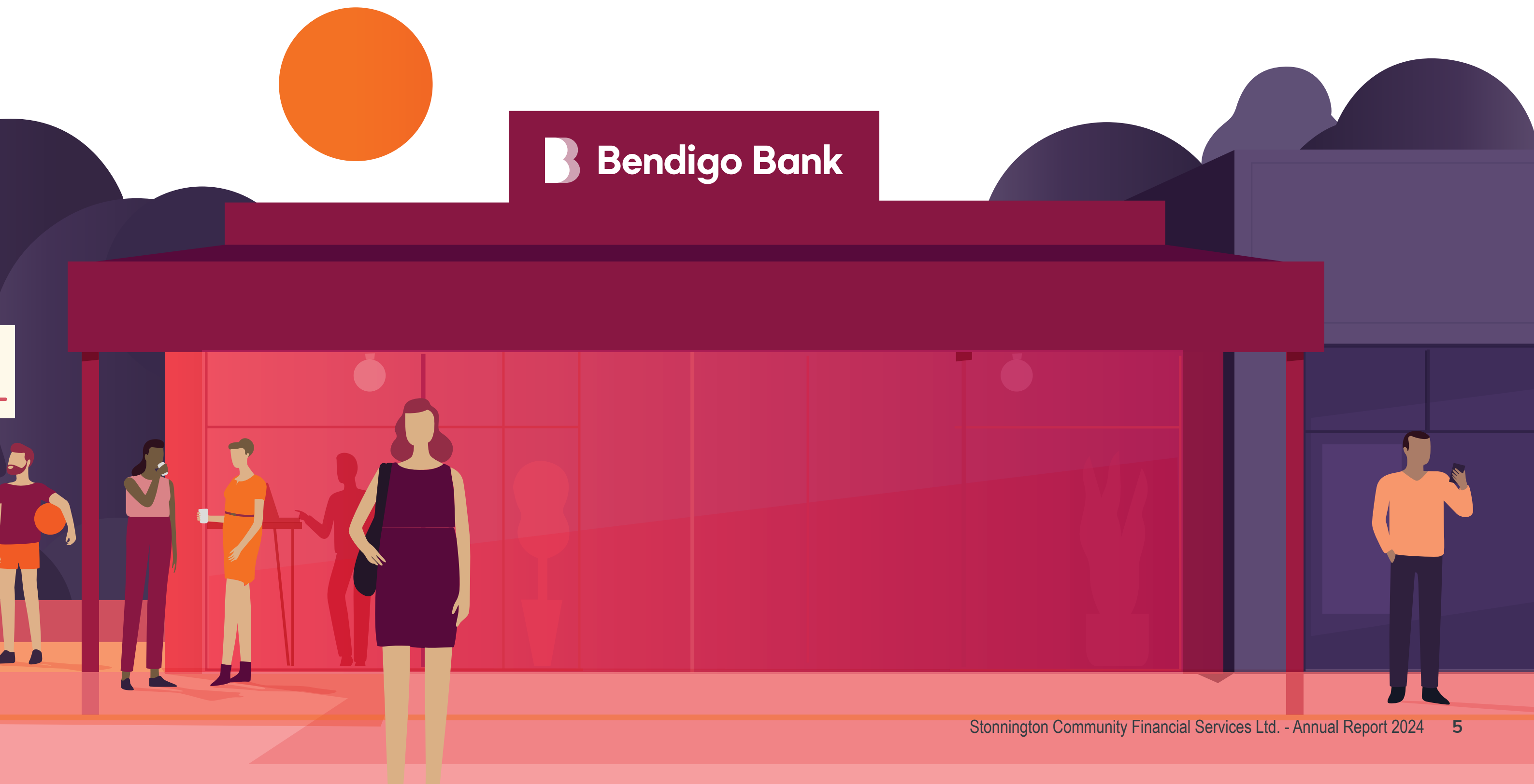
I would also like to thank Julie Scott our Chair, and all of our board members who generously volunteer their time to ensure that our team are supported and on the path to success.

I am happy to report that this year we have contributed $180,414 in grants and sponsorship back to the local community, a 30% increase from the previous year. This achievement highlights the efforts of staff and the board throughout the year.

The cost of living increases have had an impact on our overall footings (loans and deposits) with a 5% drop on the previous year, also causing something of a slowdown in lending opportunities and growth, the flow on affect being the capacity for customers to borrow and consumer confidence in the property market.

We are optimistic that 2025 will see improvements in consumer confidence, allowing us to grow our loans and deposits book and staying committed to Bendigo Bank being Australia's Bank of Choice.

Jawad Beedar
Branch Manager



Directors' report.

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2024.

Directors

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

Name:	**Julie Scott**
Title:	Non-executive director
Qualifications:	Diploma of Catering Management and Certificate 2 Wine Appreciation - WSET.
Experience and expertise:	Julie was Company Secretary until appointed as Chairperson in October 2018. Julie is an experienced manager, who has developed her skills over the past 31 years in both Catering Management and Banking, including over 12 years within the Bendigo Bank Community® Bank network. Her specific areas of interest are volunteering within her community, and mentoring good people to be better.
Name:	**Charlotte Rendle-Short**
Title:	Non-executive director
Qualifications:	Masters of Business Administration, Med Admin, Diploma of education, Bachelor of Music and Certificate in Executive Coaching & Mentoring.
Experience and expertise:	Charlotte was appointed as Company Secretary in November 2018. Charlotte has had more than 33 years experience in education, having held senior leadership positions at school and system level. In her current work, Charlotte coaches and mentors principals and school leadership teams across all three sectors.
Name:	**Giovanni Jon Caneva**
Title:	Non-executive director
Qualifications:	A registered BAS Agent with a Certificate IV in Accounting.
Experience and expertise:	Jon has been Treasurer since June 2017. Jon assists other businesses with business development, adminstration, bookkeeping and BAS preparation. He also owned and operated the then Duke of Windsor Hotel (Lucky Coq) for 14 years and was instrumental in getting the Windsor Community Bank® Branch and Windsor IGA up and running.
Name:	**Warrick King**
Title:	Non-executive director
Qualifications:	Warrrick is a Chartered Accountant with a Graduate Diploma in Applied Finance & Investment. He is currently completing a Graduate Diploma of Applied Corporate Governance.
Experience and expertise:	Warrick was appointed as a director in January 2019. He was a Manager at PwC and Financial Controller at a Global Services Company. Warrick is currently the General Manager Finance and Company Secretary for a privately owned corporate group.
Name:	**Anja Barisic**
Title:	Non-executive director
Qualifications:	Bachelor of Journalism.
Experience and expertise:	Anja was appointed as a director in June 2021. She has extensive experience delivering marketing solutions through social media, online and digital. An analytical and big picture thinker, with a proven track-record in developing, leading and owning marketing campaigns that increase lead acquisition, customer retention and lifetime value. Anja is currently serving as the ANZ Marketing Manager at PERSOLKELLY.

Name:	**Jemima Joseph**
Title:	Non-executive director
Qualifications:	Bachelor of Business (Accounting and Finance), Masters of Applied Finance, Chartered Financial Analyst and Graduate of the Australian Institute of Company Directors.
Experience and expertise:	Jemima was appointed as a director in July 2022. Jemima is the Head of Digital Strategy at L1 Capital, where she is responsible for the development and execution of the digital strategy for the L1 Capital group. She has over 18 years' of investment management experience, specialising in strategic Investment Communications and Digital Marketing across retail, intermediary and institutional markets.

Name:	**Eileen Macken**
Title:	Non-executive director
Qualifications:	Qualified as a Certified Practicing Accountant and Certified Public Accountant. Eileen is also a graduate of the Australian Institute of Company Directors.
Experience and expertise:	Eileen has over 30 years of financial and management accounting experience across several industries including Professional Services, Building and Software as a CFO and managing Finance Business Partner teams.

Name:	**Lee Chia**
Title:	Non-executive director (appointed 2 May 2024)
Qualifications:	Lee has completed an Arts degree majoring in Japanese and Psychology and then later completed a Post Graduate Diploma in Human Resource Management.
Experience and expertise:	Lee has a background predominately in global human resources management specifically implementing and managing global HR systems, policies employee satisfaction surveys and performance reviews for various engineering firms. Lee is our current Community Liaison Officer and works extensively with all community groups and the community in general. In this capacity, Lee is responsible for the marketing and social media as well as managing the community partnerships program with guidance from the Board and Bendigo Bank. She has done this role for 6 years to date.

Company secretary

The company secretary is Charlotte Rendle-Short. Charlotte was appointed to the position of company secretary in November 2018.

Principal activity

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

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

Review of operations

The profit for the company after providing for income tax amounted to $146,299 (30 June 2023: $226,386).

Operations have continued to perform in line with expectations.

Directors' report. (continued)

Stonnington Community Financial Services Ltd for the year ended 30 June 2024.

Dividends

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

	2024 $
Fully franked dividend of 5 cents per share (2023: 5 cents)	32,500

Significant changes in the state of affairs

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

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

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations

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

Environmental regulation

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

Meetings of directors

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

	Board Meetings	
Director	Eligible	Attended
Julie Scott	10	9
Charlotte Rendle-Short	10	10
Giovanni Jon Caneva	10	10
Warrick King	10	10
Anja Barisic	10	9
Jemima Joseph	10	7
Eileen Macken	10	7
Lee Chia	3	3

Eligible: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 23 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Directors' interests

The interest in company shareholdings for each director are:

DIRECTOR	Fully paid ordinary shares		
	Balance at the start of the year	Changes	Balance at the end of the year
Julie Scott	500	-	500
Charlotte Rendle-Short	-	-	-
Giovanni Jon Caneva	62,500	-	62,500
Warrick King	-	-	-
Anja Barisic	-	-	-
Jemima Joseph	-	-	-
Eileen Macken	-	-	-
Lee Chia	-	-	-

Shares under option

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

Shares issued on the exercise of options

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

Indemnity and insurance of directors and officers

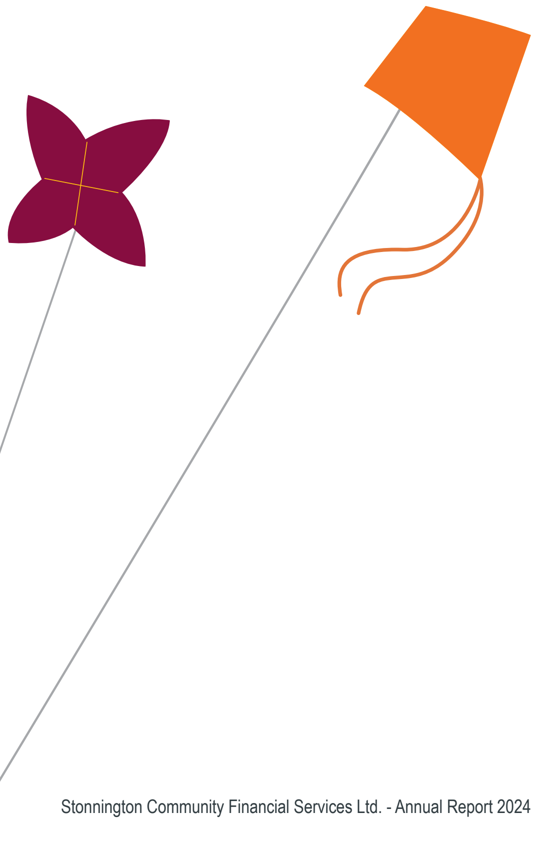
The company has indemnified all directors and management in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or management of the company except where the liability arises out of conduct involving the lack of good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

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

Proceedings on behalf of the company

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

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



Indemnity and insurance of auditor

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

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

Directors' report. (continued)

Stonnington Community Financial Services Ltd for the year ended 30 June 2024.

Non-audit services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 25 to the accounts.

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

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

Auditor's Independence Declaration.

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

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

On behalf of the directors

Julie Scott
Chair/Director
29 August 2024

Auditor's independence declaration.

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

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 14 October 2024

Joshua Griffin
Lead Auditor

afsbendigo.com.au

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 2024.

	Note	2024 $	2023 $
Revenue from contracts with customers	6	1,187,898	1,298,449
Other revenue		-	9,167
Finance revenue		11,352	4,148
Total revenue		**1,199,250**	**1,311,764**
Employee benefits expense	7	(484,237)	(445,848)
Occupancy expenses		(3,696)	(9,591)
IT expenses		(34,787)	(49,357)
Depreciation and amortisation expense	7	(80,953)	(135,015)
Repairs and maintenance	7	(2,074)	(43,935)
Insurance expenses		(13,395)	(18,749)
ATM exenses		(7,282)	(11,781)
Finance costs	7	(56,999)	(33,821)
Administration and general expenses		(124,007)	(141,137)
Total expenses before community contributions and income tax expense		**(807,430)**	**(889,234)**
Profit before community contributions and income tax expense		**391,820**	**422,530**
Charitable donations and sponsorships expense		(180,414)	(125,833)
Profit before income tax expense		**211,406**	**296,697**
Income tax expense	8	(65,107)	(70,311)
Profit after income tax expense for the year		**146,299**	**226,386**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**146,299**	**226,386**

		Cents	Cents
Basic earnings per share	27	22.51	34.83
Diluted earnings per share	27	22.51	34.83

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

Bendigo Bank

Statement of Financial Position for the year ended 30 June 2024.

Assets	Note	2024 $	2023 $
Current assets			
Cash and cash equivalents	9	338,773	225,570
Trade and other receivables	10	106,586	118,146
Investments	11	208,262	200,000
Total current assets		**653,621**	**543,716**
Non-current assets			
Financial assets		16,250	16,249
Property, plant and equipment	12	361,298	374,534
Right-of-use assets	13	977,463	1,031,833
Intangible assets	14	44,488	57,835
Deferred tax assets	8	12,631	12,347
Total non-current assets		**1,412,130**	**1,492,798**
Total assets		**2,065,751**	**2,036,514**
Liabilities			
Current liabilities			
Trade and other payables	15	118,287	141,649
Lease liabilities	16	14,020	11,123
Current tax liabilities	8	21,277	77,983
Employee benefits	17	18,321	13,056
Total current liabilities		**171,905**	**243,811**
Non-current liabilities			
Lease liabilities	16	990,279	1,004,299
Employee benefits	17	3,631	2,267
Provisions	18	40,000	40,000
Total non-current liabilities		**1,033,910**	**1,046,566**
Total liabilities		**1,205,815**	**1,290,377**
Net assets		**859,936**	**746,137**
Equity			
Issued capital	19	647,010	647,010
Retained earnings		212,926	99,127
Total equity		**859,936**	**746,137**

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

Financial statements. (continued)

Statement of Changes in Equity for the year ended 30 June 2024.

	Note	Issued Retained $	Capital Earnings $	Total Equity $
Balance at 1 July 2022		**647,010**	**(94,759)**	**552,251**
Profit after income tax expense		-	226,386	226,386
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		**-**	**226,386**	**226,386**
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	21	-	(32,500)	(32,500)
Balance at 30 June 2023		**647,010**	**99,127**	**746,137**
Balance at 1 July 2023		**647,010**	**99,127**	**746,137**
Profit after income tax expense		-	146,299	146,299
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		**-**	**146,299**	**146,299**
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	21	-	(32,500)	(32,500)
Balance at 30 June 2024		**647,010**	**212,926**	**859,936**

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

Statement of Cash Flows for the year ended 30 June 2024.

	Note	2024 $	2023 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,318,522	1,252,785
Payments to suppliers and employees (inclusive of GST)		(972,069)	(851,174)
Interest received		11,078	3,636
Income taxes paid		(122,097)	(403)
Net cash provided by operating activities	**26**	**235,434**	**404,844**
Cash flows from investing activities			
Proceeds from redemption of/(payments for) investments		(8,262)	209,161
Payments for property, plant and equipment		-	(408,191)
Payments for intangible assets		(13,347)	(8,008)
Proceeds from disposal of property, plant and equipment		-	6,364
Net cash used in investing activities		**(21,609)**	**(200,674)**
Cash flows from financing activities			
Interest and other finance costs paid		(56,999)	(33,821)
Dividends paid	21	(32,500)	(12,181)
Repayment of lease liabilities		(11,123)	(26,161)
Net cash used in financing activities		**(100,622)**	**(72,163)**
Net increase in cash and cash equivalents		**113,203**	**132,007**
Cash and cash equivalents at the beginning of the financial year		225,570	93,563
Cash and cash equivalents at the end of the financial year	**9**	**338,773**	**225,570**

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

Notes to the financial statements.

For the year ended 30 June 2024.

NOTE 1. REPORTING ENTITY

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 149 Chapel St, Windsor VIC 3181.

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

NOTE 2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 August 2024. The directors have the power to amend and reissue the financial statements.

NOTE 3. MATERIAL ACCOUNTING POLICY INFORMATION

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

Adoption of new and revised accounting standards

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

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

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

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

Accounting standards issued but not yet effective

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

Current and non-current classification

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

Note 3. Material accounting policy information. (Continued)

Investments

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

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Impairment of non-financial assets

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

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

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

NOTE 4. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

Judgements

Timing of revenue recognition associated with trail commission

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

Notes to the financial statements.

For the year ended 30 June 2024.

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

Allowance for expected credit losses on trade and other receivables

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

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

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

Impairment of non-financial assets

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

Recovery of deferred tax assets

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

Lease term

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

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

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

Estimates and assumptions

Estimation of useful lives of assets

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

Incremental borrowing rate

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

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

Employee benefits provision

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

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

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

Lease make good provision

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

NOTE 5. ECONOMIC DEPENDENCY

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

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

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

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

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

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

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

Notes to the financial statements.

For the year ended 30 June 2024.

NOTE 6. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2024 $	2023 $
Margin income	1,083,264	1,200,134
Fee income	68,071	60,625
Commission income	36,563	37,690
	1,187,898	**1,298,449**

Accounting policy for revenue from contracts with customers

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

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

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

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

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

Revenue calculation

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

Margin

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

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

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

Commission

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

Note 6. Revenue from contracts with customers. (Continued)

Fee income

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

Core banking products

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

Ability to change financial return

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

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

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

NOTE 7. EXPENSES

Employee benefits expense

	2024 $	2023 $
Wages and salaries	413,175	376,707
Superannuation contributions	45,470	38,975
Other expenses	25,592	30,166
	484,237	**445,848**

Depreciation and amortisation expense

	2024 $	2023 $
Depreciation of non-current assets		
Leasehold improvements	9,779	5,663
Plant and equipment	3,457	30,748
Motor vehicles	-	909
	13,236	**37,320**
Depreciation of right-of-use assets		
Leased land and buildings	54,370	85,125
Amortisation of intangible assets		
Franchise fee	2,224	2,217
Franchise renewal process fee	11,123	10,353
	13,347	**12,570**
	80,953	**135,015**

Notes to the financial statements.

For the year ended 30 June 2024.

Note 7. Expenses. (continued)

Finance costs

	2024 $	2023 $
Lease interest expense	56,999	33,821

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

Charitable donations, sponsorships and grants

	2024 $	2023 $
Direct donation, sponsorship and grant payments	2,053	7,467
Contribution to the Community Enterprise Foundation™	178,361	118,366
	180,414	**125,833**

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

The funds contributed 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.

Disaggregation of CEF funds	2024 $	2023 $
Opening balance	111,830	62,165
Contributions paid in	178,361	118,366
Grants paid out	(83,283)	(69,346)
Interest received	4,440	1,363
Management fees incurred	(7,895)	(718)
Balance available for distribution	**203,453**	**111,830**

NOTE 8. INCOME TAX

	2024 $	2023 $
Income tax expense		
Current tax	65,107	79,778
Movement in deferred tax	1,163	(9,467)
Under/over provision in respect to prior years	(1,163)	-
Aggregate income tax expense	65,107	70,311
Prima facie income tax reconciliation		
Profit before income tax expense	211,406	296,697
Tax at the statutory tax rate of 25%	52,852	74,174
Tax effect of:		
Tax effect of temporary differences	12,255	(3,863)
Income tax expense	65,107	70,311

Deferred tax assets/(liabilities)	2024 $	2023 $
Employee benefits	5,488	2,384
Provision for lease make good	10,000	10,000
Accrued expenses	5,625	4,387
Income accruals	(325)	(321)
Prepayments	(1,448)	-
Right-of-use assets	(6,709)	(4,103)
Deferred tax asset	12,631	12,347

	2024 $	2023 $
Provision for income tax	21,277	77,983

Accounting policy for income tax

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

Accounting policy for current tax

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

Accounting policy for deferred tax

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

Notes to the financial statements.

For the year ended 30 June 2024.

NOTE 9. CASH AND CASH EQUIVALENTS

	2024 $	2023 $
Cash at bank and on hand	338,773	225,570

NOTE 10. TRADE AND OTHER RECEIVABLES

	2024 $	2023 $
Trade receivables	99,241	116,862
Accrued income	1,558	1,284
Prepayments	5,787	-
	7,345	**1,284**
	106,586	**118,146**

Accounting policy for trade and other receivables

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

NOTE 11. INVESTMENTS

Current assets	2024 $	2023 $
Term deposits	208,262	200,000

NOTE 12. PROPERTY, PLANT AND EQUIPMENT

	2024 $	2023 $
Leasehold improvements - at cost	349,550	349,550
Less: Accumulated depreciation	(15,442)	(5,663)
	334,108	**343,887**
Plant and equipment - at cost	63,812	63,812
Less: Accumulated depreciation	(36,622)	(33,165)
	27,190	**30,647**
	361,298	**374,534**

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

Note 12. Property, plant and equipment. (Continued)

	Leasehold improvements $	Plant and equipment $	Motor vehicles $	Total $
Balance at 1 July 2022	**-**	**10,809**	**5,253**	**16,062**
Additions	349,550	58,641	-	408,191
Disposals	-	(8,055)	(4,344)	(12,399)
Depreciation	(5,663)	(30,748)	(909)	(37,320)
Balance at 30 June 2023	**343,887**	**30,647**	**-**	**374,534**
Depreciation	(9,779)	(3,457)	-	(13,236)
Balance at 30 June 2024	**334,108**	**27,190**	**-**	**361,298**

Accounting policy for property, plant and equipment

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

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

- Leasehold improvements 6 to 20 years
- Plant and Equipment 1 to 40 years

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

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

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

NOTE 13. RIGHT-OF-USE ASSETS

	2024 $	2023 $
Land and buildings - right-of-use	1,061,354	1,061,354
Less: Accumulated depreciation	(83,891)	(29,521)
	977,463	**1,031,833**

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

	Land and Buildings $
Balance at 1 July 2022	**55,605**
Additions	1,061,353
Depreciation expense	(85,125)
Balance at 30 June 2023	**1,031,833**
Depreciation expense	(54,370)
Balance at 30 June 2024	**977,463**

Notes to the financial statements.

For the year ended 30 June 2024.

Note 13. Right-of-use assets. (continued)

Accounting policy for right-of-use assets

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

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

Refer to note 16 for more information on lease arrangements.

NOTE 14. INTANGIBLE ASSETS

	2024 $	2023 $
Franchise fee	133,677	133,677
Less: Accumulated amortisation	(126,262)	(124,038)
	7,415	**9,639**
Franchise renewal fee	145,834	145,834
Less: Accumulated amortisation	(108,761)	(97,638)
	37,073	**48,196**
	44,488	**57,835**

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

	Franchise fee $	Franchise renewal fee $	Total $
Balance at 1 July 2022	**735**	**2,938**	**3,673**
Additions	11,121	55,611	66,732
Amortisation expense	(2,217)	(10,353)	(12,570)
Balance at 30 June 2023	**9,639**	**48,196**	**57,835**
Amortisation expense	(2,224)	(11,123)	(13,347)
Balance at 30 June 2024	**7,415**	**37,073**	**44,488**

Accounting policy for intangible assets

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

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

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

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

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

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

Change in estimates

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

NOTE 15. TRADE AND OTHER PAYABLES

Current liabilities	2024 $	2023 $
Trade payables	2,074	2,131
Other payables and accruals	116,213	139,518
	118,287	**141,649**

Financial liabilities at amortised cost classified as trade and other payables	2024 $	2023 $
Total trade and other payables	118,287	141,649
less other payables and accruals (net GST payable to the ATO)	(7,071)	(17,337)
	111,216	**124,312**

NOTE 16. LEASE LIABILITIES

	2024 $	2023 $
Current liabilities		
Land and buildings lease liabilities	14,020	11,123
Non-current liabilities		
Land and buildings lease liabilities	990,279	1,004,299

Reconciliation of lease liabilities	2024 $	2023 $
Opening balance	1,015,422	54,050
Remeasurement adjustments	-	987,533
Lease interest expense	56,999	33,821
Lease payments - total cash outflow	(68,122)	(59,982)
	1,004,299	**1,015,422**

Accounting policy for lease liabilities

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

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

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

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options	Reasonably certain to exercise options	Lease term end date used in calculations
Windsor Branch	5.62%	5 years	3 x 5 years	Yes	March 2042

Notes to the financial statements.

For the year ended 30 June 2024.

NOTE 17. EMPLOYEE BENEFITS

	2024 $	2023 $
Current liabilities		
Annual leave	18,321	13,056
Non-current liabilities		
Long service leave	3,631	2,267

Accounting policy for short-term employee benefits

Liabilities for annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating non-vesting sick leave is expected when the leave is taken and is measured at the rates paid or payable.

Accounting policy for other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

NOTE 18. PROVISIONS

	2024 $	2023 $
Lease make good	40,000	40,000

Lease make good

In accordance with the branch lease agreement, the company must restore the leased premises to the original condition before the expiry of the lease term. The company has estimated the provision based on experience and consideration of the expected future costs to remove all fittings and the ATM as well as the cost to remedy any damages caused during the removal process. The lease is due to expire in March 2042 at which time it is expected the face-value costs to restore the premises will fall due.

NOTE 19. ISSUED CAPITAL

	2024		2023	
	Number	$	Number	$
Ordinary shares - fully paid	650,000	647,010	650,000	647,010

Accounting policy for issued capital

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

Note 19. Issued capital. (Continued)

Rights attached to issued capital

Ordinary shares

Voting rights

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

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

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

Dividends

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

Transfer

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

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

Prohibited shareholding interest

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").

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

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

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

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

Notes to the financial statements.

For the year ended 30 June 2024.

NOTE 20. CAPITAL MANAGEMENT

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

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

The distribution limit is the greater of:

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

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

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

NOTE 21. DIVIDENDS

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

	2024 $	2023 $
Fully franked dividend of 5 cents per share (2023: 5 cents)	32,500	32,500

Accounting policy for dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

NOTE 22. FINANCIAL RISK MANAGEMENT

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

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

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

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

Note 22. Financial risk management. (Continued)

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

	2024 $	2023 $
Financial assets at amortised cost		
Trade and other receivables (note 10)	100,799	118,146
Cash and cash equivalents (note 9)	338,773	225,570
Term deposits (note 11)	208,262	200,000
	647,834	**543,716**

	2024 $	2023 $
Financial liabilities		
Trade and other payables (note 15)	111,216	124,312
Lease liabilities (note 16)	1,004,299	1,015,422
	1,115,515	**1,139,734**

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

Accounting policy for financial instruments

Financial assets

Classification

The company classifies its financial assets at amortised cost.

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

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

Derecognition

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

Impairment of trade and other receivables

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

Financial liabilities

Classification

The company classifies its financial liabilities at amortised cost.

Derecognition

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

Market risk

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

Notes to the financial statements.

For the year ended 30 June 2024.

Note 22. Financial risk management. (Continued)

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of $338,773 and term deposits of $208,262 at 30 June 2024 (2023: $225,570 and $200,000)

Price risk

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

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

2024	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	118,287	-	-	118,287
Lease liabilities	70,165	302,352	1,316,512	1,689,029
Total non-derivatives	**188,452**	**302,352**	**1,316,512**	**1,807,316**

2023	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	141,649	-	-	141,649
Lease liabilities	68,122	293,545	1,395,484	1,757,151
Total non-derivatives	**209,771**	**293,545**	**1,395,484**	**1,898,800**

NOTE 23. KEY MANAGEMENT PERSONNEL DISCLOSURES

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

- Julie Scott
- Anja Barisic
- Charlotte Rendle-Short
- Jemima Joseph
- Giovanni Jon Caneva
- Eileen Macken
- Warrick King
- Lee Chia

Compensation

These amounts include fees and benefits paid to the non-executive Chair and non-executive Directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to Executive Directors and other key management personnel.

	2024 $	2023 $
Short-term employee benefits	9,000	8,000
Total key management personnel compensation	**9,000**	**8,000**

NOTE 24. RELATED PARTY TRANSACTIONS

Key management personnel

Disclosures relating to key management personnel are set out in note 23.

Receivable from and payable to related parties

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

Terms and conditions of transactions with related parties

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

Transactions with related parties

The following transactions occurred with related parties:

	2024 $	2023 $
Caneva Management Pty Ltd, a company of which Giovanni Caneva is a director provided bookkeeping and administration services	12,000	12,000
Windsor Primary School, with Warrick King as a Community Member on the School Council was sponsored by the company	8,500	2,000
South Melbourne Park Primary School, with Julie Scott's sister being Treasurer on the School Council was sponsored by the company	2,500	2,500

NOTE 25. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by Andrew Frewin Stewart (2024) and RSD Audit (2023), the auditor of the company:

	2024 $	2023 $
Audit services		
Audit or review of the financial statements	7,500	5,750
Other services		
General advisory services	1,795	-
	9,295	**5,750**

Notes to the financial statements.

For the year ended 30 June 2024.

NOTE 26. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2024 $	2023 $
Profit after income tax expense for the year	146,299	226,386

Adjustments for:

Depreciation and amortisation	80,952	135,015
Net loss on disposal of non-current assets	-	6,035
Bad debts	-	1,463
Finance costs	56,999	33,821

Change in operating assets and liabilities:

- Decrease/(increase) in trade and other receivables	11,560	(55,344)
- Increase in deferred tax assets	(284)	(9,466)
- Decrease in other operating assets	-	5,417
- Decrease in trade and other payables	(10,015)	(25,073)
- Increase/(decrease) in provision for income tax	(56,706)	75,786
- Increase in employee benefits	6,629	10,804

Net cash provided by operating activities	**235,434**	**404,844**

NOTE 27. EARNINGS PER SHARE

	2024 $	2023 $
Profit after income tax	146,299	226,386

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	650,000	650,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	650,000	650,000

	Cents	Cents
Basic earnings per share	22.51	34.83
Diluted earnings per share	22.51	34.83

Accounting policy for earnings per share

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

NOTE 28. COMMITMENTS

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

NOTE 29. CONTINGENCIES

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

NOTE 30. EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Director's declaration.

For the year ended 30 June 2024

In the directors' opinion:

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

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

On behalf of the directors

Julie Scott
Chair/Director
29 August 2024

Independent audit report.

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

Independent auditor's report to the Directors of Stonnington Community Financial Services Limited

Report on the Audit of the Financial Report

Qualified Opinion

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

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

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial report of Stonnington 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 2024 and of its financial performance for the year ended on that date; and
ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Qualified Opinion

The financial report for the year ended 30 June 2023 of Stonnington Community Financial Services Ltd. was not audited by Andrew Frewin Stewart. Due to not being provided access to the prior year files, it was not practical for us to audit the comparative balances disclosed in the financial report for the year ended 30 June 2024.

Since the opening balances impact directly on the determination of the results of operations, we were unable to determine whether adjustments to the results of operations might be necessary for the year ended 30 June 2024 as a consequence of any potential misstatements of the opening balances.

Accordingly, no conclusion on these comparative amounts is provided.

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

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

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

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's responsibilities for the Audit of the Financial Report

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

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.

Independent audit report. (continued)

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 14 October 2024

Joshua Griffin
Lead Auditor

afsbendigo.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

Notes.

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Bendigo Bank

Bendigo and Adelaide Bank Limited ABN 11 068 049 178, AFSL/Australian Credit Licence 237879 A1429506 OUT_38661816 03/07/2024