

# Annual Report 2023

Trafalgar & District Financial  
Services Limited

Community Bank  
Trafalgar & District

ABN 86 102 573 222

# Contents

|  |    |
|--|----|
| Chairperson's report                   | 2  |
| Manager's report                       | 3  |
| Bendigo and Adelaide Bank report       | 5  |
| Community Bank National Council report | 6  |
| Audit and Risk Committee report        | 7  |
| Community Investment Committee report  | 8  |
| Directors' report                      | 9  |
| Auditor's independence declaration     | 13 |
| Financial statements                   | 14 |
| Notes to the financial statements      | 18 |
| Directors' declaration                 | 26 |
| Independent audit report               | 27 |

# Chairperson's report

For year ending 30 June 2023



I am pleased to present the Trafalgar and District Financial Services Limited (TDFS) Annual Report for the year ended 30 June 2023.

Our strong performance has enabled us to return over \$66,000 to our community through sponsorships, donations and community grants to sports clubs, charities and local organisations. We see many of these groups providing support and new business to Community Bank Trafalgar & District and to you, our shareholders, creating constructive and mutually beneficial partnerships, and we continue to prioritise investments that create a positive business relationship with us. We also continue to support young people, having awarded five tertiary scholarships to support students in their studies, at a total value of \$28,000 to be paid over the next three years.

As a reflection of our positive end of year result, I am pleased to report that shareholders will be paid a fully franked dividend of 15c per share for the 2023 financial year, which will be paid on 30 November 2023.

This year we completed activities that saw us achieve the objectives of the first year of our strategic plan. We committed to telling the Community Bank story at community information nights, increased our social media presence, developed a robust new Director induction process and have codified a structured approach for the review of company policies, procedures and risks. Next year we will work to ensure our people are visible in the community and our shareholders are engaged. We are well on our way to delivering on our mission to operate a successful Community Bank branch that provides our community with customer focused, local banking services and plays a key role in contributing to the prosperity of our community.

Under the leadership of Branch Manager Torina Johnston, our staff have consistently delivered high quality customer service and played an important part in supporting community events. The Branch Manager's report outlines the achievements of Community Bank Trafalgar & District in more detail.

I thank all our staff for their commitment and dedication to providing exceptional customer service and I acknowledge Torina for her leadership in managing a period of change. During the year some staff moved on to other career choices and we welcomed a new team that has energised the branch.

TDFS has two directly employed staff members who I acknowledge and thank for their commitment and excellence in support given to myself and the Board. Rosie Carroll, Company Secretary and Moriah Taylor, Community Engagement Adviser are highly talented people. We also thank Reagan Montgomery, our Bookkeeper for his ongoing support to the Board.

I would also like to convey my gratitude to my fellow Directors for their professional, expertise and commitment to the values and purpose of TDFS.

Finally, I want to acknowledge that in November 2023, Community Bank Trafalgar & District will celebrate its 20th birthday and I am proud of what has been achieved in these 20 years. Thank you to all who have been with us since the start, and for your continued investment in our operations. It is an honour to be part of such a strong and supportive customer base.

We look forward to delivering on our purpose; to contribute to the growth of a prosperous community with Community Bank Trafalgar & District being our community's bank of choice.

A handwritten signature in black ink, which appears to read 'Christine Holland'.

**Christine Holland**  
Chairperson

# Manager's report

For year ending 30 June 2023



It is with warmth and gratitude that I deliver my annual financial report as the Branch Manager of Community Bank Trafalgar & District for the year ending 30 June 2023.

Over the past 12 months the branch increased its business by \$5.83 million to finish the year with an overall balance of \$198,775,488 of funds under management. A fairly good result given the challenging and competitive market that we continue to operate under.

The branch experienced a number of highlights for the year. Our deposits grew by \$6.54 million to a total of \$112.388 million and we continued to see strong improvement in new to bank customer relationships, particularly after the closure of ANZ Moe earlier in the year.

Over the past 12 months we've certainly felt the impact of a slowing economy, as evidenced by the rising interest rates and the higher costs of living. This has presented some challenges to the branch in terms of loans growth, with a number of customers choosing to pay down debt or sell investment properties. To that end we did see a small negative growth in our lending book for the first time in a number of years.

Our lending book experienced negative growth in FY23 by -\$772,306 and now sits at a total of \$79.220 million, with most of that loss felt in housing Loans. However, it was pleasing that we did experience growth in leasing, personal loan products as well as rural and wealth which helped offset some of the overall loss on our lending book.

I am eternally grateful of the contributions that each of my team members have made over the past 12 months and in particular I would like to thank Gavin Duffy (Customer Relationship Manager) Bec Schena (Customer Relationship Officer) Shantelle Webb, Lara Noske, Emily Morton and Jess Service (Customer Service Officers) for the terrific results and dedication that they have each shown.

We did experience a couple of staff changes throughout the course of FY23, with the departure of our much-loved long term staff member Shantelle Webb and the addition of Emily Morton and Jess Service. We thank Shantelle for her years of dedication and hard work and wish Emily and Jess all the best as they start their career journey with Community Bank Trafalgar & District.

I would also like to extend my thanks to our Chair Christine Holland and the Board of Directors who continue to volunteer their time to ensure that the Company remains strong.

They do this with minimal acknowledgement, and they need to be commended for their ongoing leadership, support, and commitment that they provide to ensure the success of the Company and the branch. Sadly, Christine has announced that she will be stepping down as Chair at the end of this year and I would like to personally thank her for her guidance and support throughout my time here.

We are steadfastly proud of the results that Community Bank Trafalgar & District has achieved in its 19 years of operation. Through our endeavours we have managed to invest over \$1.83 million dollars back into our community. The strength of Community Bank Trafalgar & District is built on the back of the support provided by our customers, local businesses, community groups and shareholders and I thank every one of you for your ongoing support.

Over the past 12 months I am very proud to report that we were supporters of the following Clubs and organisations in our catchment area.

- Trafalgar Bowls Club
- Trafalgar Playgroup
- Trafalgar Junior Football Club

## Manager's report (continued)

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- Trafalgar/Thorpdale RSL
- Yarragon Junior Football Club
- Thorpdale Football/Netball Club
- Baw Baw Sustainability Network
- Trafalgar Boxing Gym
- Thorpdale Recreation Reserve
- Trafalgar Mens Shed
- Yarragon Bowling Club
- Hill End Mechanics Reserve Committee of Management
- HECI Tanjil Valley Art Show.

As we embark on our 20th year, we encourage our shareholders, community sponsorship and grant recipients, friends, families, and neighbours to consider moving their banking to Community Bank Trafalgar & District.

The support that Community Bank Trafalgar & District provides to our community is a great reason to bring your everyday banking, lending, and superannuation business across to Bendigo Bank. We also stand by our outstanding customer service and Bendigo Bank's extensive range of competitive products that we have available. The Trafalgar team and I would love to show you how easy it can be to change to a bank you can feel proud of and where your banking can contribute to the growth and prosperity of our community.

As we approach our 20th Anniversary in November 2023, look out for some exciting news and events being planned, which will not only celebrate our milestone, but they will look to show our continued commitment to our community.

On behalf of Community Bank Trafalgar & District, we hope to welcome you in branch soon and look forward to a successful year ahead.

**Torina Johnston**  
**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 Bank National Council report

For year ending 30 June 2023



As a shareholder in your local Community Bank, you belong to an incredible social enterprise network that to date has reinvested more than \$300 million in our local communities.

And now, as we celebrate our 25th anniversary milestone, we are evolving even further by sharpening our focus on our community enterprises – separate to the banking side of the business. We are uniting our Community Bank companies through a shared vision of being the most influential network of social enterprises in Australia. This means we'll have a bigger and better story to tell about how we collectively deliver impact.

Our future is together because of our extraordinary strength and aligned partnership with each other, and with our partner, Bendigo and Adelaide Bank. Our partnership with the Bank has been fashioned out of shared effort, risk and reward and it continues to serve us well.

And now even with the digital evolution upon us, the foundation of our future still relies on the guiding principles of the Community Bank model. We are community enterprises and the custodians of this incredible model that collaborates with local communities for social good. The objective of our Community Bank network remains the same. Our evolution will be evidenced by the channels that we use to connect with our customers and communities, digital by design and human where it matters.

The Community Bank network was a first mover in Australia with its unique social enterprise model. The first Community Bank opened its doors in 1998, and since then, the network has grown to 307 Community Bank branches. The network represents a diverse cross-section of Australia with 240 social enterprises, 70,000+ shareholders, 1600+ volunteer directors, 1600+ staff and 905,000 customers located in metro, regional, rural and remote locations across the country.

The Community Bank network creates impact through grants, donations and sponsorships that connect with and care for generations of Australians. Network investment ranges from sport, scholarships and school programs, through to community groups, cultural organisations and local councils. We also facilitate and attract partnerships to help support much needed community projects.

The Community Bank National Council (CBNC) is the voice of the Community Bank network. The role of the CBNC is to advocate and influence on behalf of the 240 community enterprises with its partner. It has also been the role of the CBNC to oversee the development of the Community Network Strategy which exists to ensure the ongoing sustainability of this unique collective of social enterprises.

In September this year our Community Bank network celebrates 25 years. It's a tremendous milestone and one which we're hugely proud of achieving. We have never been stronger and we look forward to continuing to serve our shareholders, customers and communities as we embrace our exciting future.

Warm regards

A stylized, handwritten signature in black ink, appearing to read "Sarah Franklyn".

**Sarah Franklyn**  
CBNC Chair

# Audit and Risk Committee report

For year ending 30 June 2023

In 2022-23 the Audit and Risk Committee met four times, significantly contributing to ensuring the financial integrity of Trafalgar & District Financial Services Limited (TDFS).

The committee reviewed financial reports, internal control systems, and auditing processes. Legal and regulatory compliance were examined, policies were refined, and procedures were streamlined for efficiency. The committee also managed shareholder transactions, ensuring fairness and transparency.

The committee continued to strengthen our governance processes. It developed a structured orientation and induction procedure for new Directors and implemented a review system for existing Directors, to enhance the Board's skills and expertise.

Furthermore, the committee's focus on risk management was keen. Potential risks were reviewed carefully and in alignment to the strategic plan of Community Bank Trafalgar & District. A new occupational health and safety risk protocol was established, prioritising the well-being of our staff and customers.

Ethical standards were upheld with the introduction of a whistleblower policy, encouraging a culture of accountability and transparency within the organisation.

Today, we proudly declare a dividend of \$0.15 cents per share for our shareholders. This dividend not only reflects our 2022-23 financial achievements but also recognises the support of our shareholders.

As at 30 June 2023, there were 309 shareholders with a total of 532,850 shares. We are pleased to report that RSD Registry, continues to efficiently manage our Low Volume Market share registry. Their services have proven to be a valuable asset to both TDFS shareholders and the TDFS Board.

For those interested in registering for the purchase, sale, or transfer of shares, RSD Registry offers convenient options. You can reach out to them via email at [shares@rsdregistry.com.au](mailto:shares@rsdregistry.com.au) or by phone at (03) 5445 4222.

**Matthew Steendam (Committee Chair), Anthony Staley and Geoff Conway**  
**Board Audit and Risk Committee**



# Community Investment Committee report

For year ending 30 June 2023

In the past year, our efforts have been focused on creating a stronger presence for Community Bank Trafalgar & District. We've engaged in effective marketing and advertising, and through community information sessions and improved social media interactions, we've shared our story to ensure the community understands the value Community Banking can provide.

One of our proudest achievements has been our scholarship program. In 2023, we awarded scholarships to Eva Istrate, Allyssa Giles, Taylah Paul, Georgina Murphy and Alexander Kelly to support their undergraduate bachelor degrees. The Scholarship Program will reopen in 2023-24 welcoming a new wave of talented local students.

At Community Bank Trafalgar & District, we are dedicated to fostering long-term prosperity by supporting programs that empower local community groups. Throughout the year, we carefully assessed sponsorship applications submitted to our Community Investment Program, focusing on initiatives that offer tangible financial returns, stakeholder benefits, feasibility, and valuable marketing opportunities.

If your organisation is seeking support and partnership to achieve its goals, we invite you to get in touch with our dedicated Community Engagement Advisor to discover how Community Bank Trafalgar & District can collaborate with your organisation to drive growth and success within our local community.

## Community Engagement Advisor

In 2023 the Board was delighted to welcome Moriah Taylor to Community Bank Trafalgar & District as our Community Engagement Advisor. Moriah has played a pivotal role in the success of our Community Investment Program, contributing significantly to our community information sessions and presentation nights.

We extend our gratitude to Director Debbie Di Sisto and former Community Investment Coordinator Krista Mountford for their leadership in the Community Investment Program prior to Moriah's appointment.

For inquiries about our upcoming Community Investment Program, please contact Moriah directly on 0402 106 088 or via email at [marketing@tdfs.com.au](mailto:marketing@tdfs.com.au).

**David Balfour (Committee Chair),  
Debbie Di Sisto, Debbie Litkowski,  
Christine Holland and  
Moriah Taylor (Community Engagement  
Advisor)**

**Community Investment Committee**

| Donations, Scholarships and Grants 2022/23                        |                     |
|---|---------------------|
| Trafalgar High School   | \$3,000             |
| Student Scholarships  | \$10,000.00         |
| Baw Baw Local Learning and Employment Network                     | \$10,000.00         |
| Baw Baw Live4Life   | \$3,334.00          |
| Ambulance Victoria  | \$5,000.00          |
| West Gippsland Suicide Support Group                              | \$1,500.00          |
| <b>Total</b>  | <b>\$32,834.00</b>  |
| Sponsorship 2022/23   |                     |
| Thorpdale Potato Festival   | \$6,000.00          |
| Yarragon Football & Netball Club                                  | \$4,620.00          |
| Tanjil Valley Art Show  | \$2,500.00          |
| Trafalgar Golf Club   | \$4,000.00          |
| Thorpdale & District Bowling Club                                 | \$5,000.00          |
| Hill End and Grove Rovers Junior Football Club                    | \$4,333.33          |
| Victorian State Emergency Services                                | \$3,187.66          |
| Lions Club of Warragul  | \$1,500.00          |
| Bendigo Bank Charity Golf Day - WGHG & Warragul Specialist School | \$1,500.00          |
| Trafalgar High School   | \$1,500.00          |
| <b>Total</b>  | <b>\$34,140.99</b>  |
| <b>Grand Total</b>  | <b>\$ 66,974.99</b> |

# Directors' report

For the financial year ended 30 June 2023

The Directors present their report on the Company for the financial year ending 30 June 2023.

1. The directors in office at any time during or since the end of the year are:

## **Christine Holland – Board Chair**

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Christine was appointed Director on 1 March 2018, Deputy Chair on 15 November 2018 and Chair on 21 November 2019. Christine's background in governance and as a Director is extensive, spreading over many structures and industry profiles, a Fellow with AICD and presently serving on the Boards of Baw Baw Latrobe LLEN and the Celebrate Baw Baw Awards Committee, and she is also a member of the Gippsland AICD Committee. She was a director of the West Gippsland Healthcare Group, resigning as of 30/06/2023. Christine holds a Masters in Career Development and works as a Career Consultant. Christine is a member of the Community Investment Committee. Her resignation from TDFS is to be announced at the upcoming AGM in November.

## **Anthony Staley – Treasurer**

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Tony was appointed to the Board on 1 October 2020 and is currently TDFS's Treasurer. Tony is a retired accountant, with 30 years' experience in senior roles within the electricity and water sectors. Tony has strong financial and governance skills which have been developed through his previous roles, particularly as Chief Finance Officer and Corporation Secretary of a large local Statutory Authority. Tony has also over 20 years experience on School Councils. Tony has a Bachelor of Business and a Graduate Diploma of Applied Corporate Governance. He holds Fellow membership status with both CPA Australia and the Governance Institute and is a Graduate member of AICD. Tony is a member of the Audit and Risk Committee.

## **Matthew Steendam**

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Matt was appointed Director on 5 December 2019. Matt holds a Bachelor of Agricultural Science from the University of Melbourne, and prior to joining the families diversified potato farming business, was an Agribusiness Relationship Manager with Rural Bank in Gippsland. This role encompassed client relationship management; new business acquisition; and undertaking business, financial, farming and cashflow analysis for clients. Matt also has a strong involvement with Thorpdale CFA, Thorpdale Recreation Reserve Committee of Management and Thorpdale Potato Festival. He is married with three young children and lives at Thorpdale on the family farm. Matt is Chair of the Audit and Risk Committee.

## **David Balfour**

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David was appointed Director on 9 July 2019. David lives in Willow Grove and has been a local councillor for the Thompson and then the North Ward. David has had extensive involvement in local community activities including meetings with local progress associations and town committees and a strong involvement with CFA, Landcare, Reserve Committees, School Councils, UDV and sporting clubs with a strong community connection. David is Chair of the Community Investment Committee.

## Directors' report (continued)

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### 1. The directors in office (continued)

#### **Geoff Conway**

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Geoff was appointed Director on 27 May 2022. Geoff's qualifications include a Masters in Business Administration, Diploma of Teaching, Certificate vi in Workplace Training and Assessment, and he is a Graduate of the Institution of Fire Engineers. Geoff has over 42 years experience as a leader, manager and professional development trainer in public and emergency management agencies in Victoria. Geoff has worked internationally as a consultant on behalf of Australian Government agencies supporting organisational improvement initiatives in Asia and South America. Now he is a founder and the principal consultant with Crossbow Consulting Services, a consultancy focusing on the provision of support to government and NGOs.

#### **Debbie Di Sisto – Board Deputy Chair**

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Debbie was appointed Director on 1 August 2019. Debbie has lived in Trafalgar all of her life and attended both Trafalgar Primary & Trafalgar High School as a student. Debbie holds Certificates in Events Management, Retail Operations and Financial Services. Debbie has previously worked in the mining industry as a payroll administrator, retail industry in sales, banking industry as a customer service consultant and construction industry as an administration assistant. Debbie's husband is a dairy farmer and they live on their farm just out of Trafalgar. Debbie was a member of the Audit & Risk Committee until the AGM, after which she joined the Community Investment committee.

#### **Wayne Vernon**

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Wayne was appointed to the Board of TDFS on 25 August 2021. Wayne is a regenerative farmer based in Willow Grove, but has devoted the majority of his career to regulating major hazard industries. He has experience in strategy development, business planning, programme delivery, and the development and auditing of management systems. Wayne has worked internationally in the development of risk-based regulatory systems, and has extensive experience in the management of health and safety. He holds a Masters Degree in Electrical and Electronic Engineering, and is a Fellow of both Engineers Australia and the Institution of Engineering and Technology. Wayne resigned from TDFS as of 24/04/2023.

#### **David Jacavou**

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David was appointed to the Board on 1 September 2021. David lives in Trafalgar and is the Operation Manager for Southern Plant, and is Director of Southern Investment Company and Southern Rental. David is a qualified Diesel Fitter and has a Certificate III HS. David resigned from TDFS as of 04/10/2022.

#### **Debbie Litkowski**

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Debbie was appointed to the Board on 1 September 2021. Debbie lives in Trafalgar and has managed various businesses over the past 20 years, and is currently completing a Master of Business Administration (MBA). Debbie has a Diploma in Business Management.

#### **Rosie Carroll – Company Secretary**

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Rosie was appointed Company Secretary on 16 March 2021. Rosie is an experienced Executive Assistant and Company Secretary, who is currently employed as an Executive Assistant to a CEO and Board Secretary of a large, charitable not for profit health service provider, and has previous experience working in the legal sector. Rosie has a Bachelor of Business.

2. The principal activity of the Company during the financial year was the management of a community bank.
3. The net profit after tax of the Company for the financial year was \$738,114 (2022: \$165,575)

## Directors' report (continued)

4. During the financial year the Company continued its trading activities, the results of those operations were in line with projections.
5. There was no significant change in the state of the affairs on the Company during the financial year.
6. The Franchise Agreement between Trafalgar and District Financial Services (TDFS) and Bendigo and Adelaide (BEN) dated 28 August 2018 relating to the operations of Community Bank Trafalgar & District was due for renewal on 24 November 2023. The existing Agreement had a further two five terms remaining, totalling 10 years. In late August 2023, TDFS concluded the renewal process executing BEN's most current version of the Agreement which reflects contemporary legislative and regulatory changes.
7. Other than matters identified in this report, no matters of circumstances have arisen since the end of the financial year which significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.
8. The directors are not aware of any likely developments in the operation of the Company or of any change in the expected results of those operations in future financial years.
9. No Indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company.
10. No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is party for the purpose of taking responsibility on behalf of the Company of all or any part of those proceedings.
11. The company was not a party to any such proceedings during the year.
12. The Company's operation are not regulated by any significant environmental regulation under a law of the Commonwealth, or of a State or Territory.
13. 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 with a Director, a firm of which a Director is a member, or an entity in which a Director has a substantial financial interest other than the benefits disclosed in Note 8. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the accounts, or the fixed salary or an employee of the company.
14. During the Financial year, 12 meetings of directors were held. Attendances by each director were as follows:

| Director          | Director Since | Directors Meetings |                         |
|-------------------|----------------|--------------------|-------------------------|
|                   |                | Eligible to Attend | Number Attended         |
| Anthony Staley    | 2020           | 12                 | 12                      |
| Christine Holland | 2018           | 12                 | 10                      |
| David Balfour     | 2019           | 12                 | 9                       |
| David Jacavou     | 2021           | 3                  | 3 (resigned 04/10/2022) |
| Debbie Di Sisto   | 2019           | 12                 | 11                      |
| Debbie Litkowski  | 2021           | 12                 | 11                      |
| Geoff Conway      | 2022           | 12                 | 11                      |
| Matt Steendam     | 2019           | 12                 | 11                      |
| Wayne Vernon      | 2021           | 9                  | 7 (resigned 24/04/2023) |
| Non-Director      |                |                    |                         |
| Rosie Carroll     | 2021           | 12                 | 11                      |
| Torina Johnston   | 2021           | 11                 | 10                      |

All Directors are widely experienced in the general business environment in which the company operates.

## Directors' report (continued)

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### **Auditors Independence Declaration**

The directors received the following declaration from the auditor of the company:

Kidmans Partners Audit Pty Ltd

Signed in accordance with a resolution of the Board of Directors.



**Christine Holland**  
**Chair**

Date: 7 September 2023

# Auditor's independence declaration



Accountants and Advisors

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## Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Trafalgar & District Financial Services Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been:

- (i) no contraventions of the auditor independence requirements as set out in 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.

**KIDMANS PARTNERS AUDIT PTY LTD**

A handwritten signature in black ink, appearing to read 'John Petridis', written over a light grey rectangular background.

**John Petridis**  
Director

Melbourne, 7 September 2023

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Kidmans Partners Audit Pty Ltd

Suite 4, 255 Whitehorse Road, Balwyn,  
Victoria, Australia 3103

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Victoria, Australia 3103

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# Financial statements

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

|  | Note | 2023<br>\$       | 2022<br>\$     |
|--|------|------------------|----------------|
| <b>REVENUE</b>                                 |      |                  |                |
| Income from operations                         |      | 1,687,571        | 987,512        |
| Government grants                              |      | 802              | 4,069          |
| Interest received                              |      | 16,061           | 932            |
| <b>TOTAL REVENUE</b>                           |      | <b>1,704,434</b> | <b>992,513</b> |
| <b>EXPENSES</b>                                |      |                  |                |
| Employee benefit expenses                      |      | 471,727          | 470,476        |
| Depreciation                                   |      | 26,890           | 27,089         |
| Amortisation of franchise fee                  |      | 13,184           | 13,238         |
| General administration                         |      | 110,742          | 105,740        |
| Leasing costs                                  |      | 10,854           | 15,693         |
| Audit services                                 |      | 5,780            | 5,400          |
| Advertising and promotion                      |      | 23,175           | 20,147         |
| Sponsorship, grants and donations              |      | 44,345           | 95,848         |
| Occupancy costs                                |      | 14,086           | 14,095         |
| <b>TOTAL EXPENSES</b>                          |      | <b>720,783</b>   | <b>767,726</b> |
| <b>PROFIT BEFORE MARKET DEVELOPMENT</b>        |      | <b>983,651</b>   | <b>224,787</b> |
| Contribution - CEF                             | -    | -                | -              |
| <b>PROFIT BEFORE INCOME TAX</b>                |      | <b>983,651</b>   | <b>224,787</b> |
| Income tax expense                             | 3    | 245,537          | 59,212         |
| <b>PROFIT FOR THE YEAR</b>                     |      | <b>738,114</b>   | <b>165,575</b> |
| Other comprehensive income                     |      | -                | -              |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b> |      | <b>738,114</b>   | <b>165,575</b> |
| <b>Earnings per share (cents per share)</b>    |      |                  |                |
| - basic earnings per share (cents)             |      | 138.52           | 31.07          |
| - diluted earnings per share (cents)           |      | 138.52           | 31.07          |

The accompanying notes form part of these financial statements

## Financial statements (continued)

Statement of financial position  
as at 30 June 2023

|                                      | Note | 2023<br>\$       | 2022<br>\$       |
|--------------------------------------|------|------------------|------------------|
| <b>ASSETS</b>                        |      |                  |                  |
| <b>CURRENT ASSETS</b>                |      |                  |                  |
| Cash and cash equivalents            | 5    | 1,560,099        | 731,173          |
| Trade and other receivables          |      | 145,000          | 91,510           |
| Tax Assets                           |      | -                | 7,181            |
| Other                                |      | 8,179            | 429              |
| <b>TOTAL CURRENT ASSETS</b>          |      | <b>1,713,278</b> | <b>830,293</b>   |
| <b>NON-CURRENT ASSETS</b>            |      |                  |                  |
| Intangibles                          | 14   | 5,310            | 18,493           |
| Property, Plant & Equipment          | 2    | 633,059          | 643,005          |
| Right-of-Use Asset                   | 7    | 31,177           | 45,034           |
| Deferred Tax Asset                   | 3    | 8,504            | 8,718            |
| <b>TOTAL NON-CURRENT ASSETS</b>      |      | <b>678,050</b>   | <b>715,250</b>   |
| <b>TOTAL ASSETS</b>                  |      | <b>2,391,328</b> | <b>1,545,543</b> |
| <b>LIABILITIES</b>                   |      |                  |                  |
| <b>CURRENT LIABILITIES</b>           |      |                  |                  |
| Interest Bearing Liabilities         |      | 18,105           | 15,391           |
| Trade and other payables             |      | 101,366          | 122,022          |
| Tax Liabilities                      |      | 201,405          | -                |
| Provisions                           | 4    | 14,720           | 17,672           |
| <b>TOTAL CURRENT LIABILITIES</b>     |      | <b>335,596</b>   | <b>155,085</b>   |
| <b>NON-CURRENT LIABILITIES</b>       |      |                  |                  |
| Interest Bearing Liabilities         |      | 19,141           | 35,190           |
| Deferred Tax Liability               | 3    | 13,009           | 16,387           |
| Provisions                           | 4    | 4,805            | 4,933            |
| <b>TOTAL NON-CURRENT LIABILITIES</b> |      | <b>36,955</b>    | <b>56,510</b>    |
| <b>TOTAL LIABILITIES</b>             |      | <b>372,551</b>   | <b>211,595</b>   |
| <b>NET ASSETS</b>                    |      | <b>2,018,777</b> | <b>1,333,948</b> |
| <b>EQUITY</b>                        |      |                  |                  |
| Contributed Equity                   |      | 532,850          | 532,850          |
| Accumulated Profits                  | 10   | 1,485,927        | 801,098          |
| <b>TOTAL EQUITY</b>                  |      | <b>2,018,777</b> | <b>1,333,948</b> |

The accompanying notes form part of these financial statements



## Financial statements (continued)

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

|  | Contributed<br>Equity<br>\$ | Retained<br>earnings<br>\$ | Total<br>equity<br>\$ |
|--|-----------------------------|----------------------------|-----------------------|
| <b>Balance at 1 July 2022</b>                                | 532,850                     | 801,098                    | 1,333,948             |
| Total comprehensive income for the year                      | -                           | 738,114                    | 738,114               |
| <i>Transactions with owners in their capacity as owners:</i> |                             |                            |                       |
| Shares issued during the year                                | -                           | -                          | -                     |
| Dividends recognised for the year                            | -                           | (53,285)                   | (53,285)              |
| <b>Balance at 30 June 2023</b>                               | <b>532,850</b>              | <b>1,485,927</b>           | <b>2,018,777</b>      |
| <b>Balance at 1 July 2021</b>                                | 532,850                     | 688,810                    | 1,221,660             |
| Total comprehensive income for the year                      | -                           | 165,575                    | 165,575               |
| <i>Transactions with owners in their capacity as owners:</i> |                             |                            |                       |
| Shares issued during the year                                | -                           | -                          | -                     |
| Dividends recognised for the year                            | -                           | (53,287)                   | (53,287)              |
| <b>Balance at 30 June 2022</b>                               | <b>532,850</b>              | <b>801,098</b>             | <b>1,333,948</b>      |

The accompanying notes form part of these financial statements

## Financial statements (continued)

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

|  | Note     | 2023<br>\$       | 2022<br>\$      |
|--|----------|------------------|-----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>        |          |                  |                 |
| Receipts from customers                            |          | 1,797,489        | 1,067,844       |
| Payments to suppliers and employees                |          | (874,801)        | (803,754)       |
| Interest received                                  |          | 16,061           | 932             |
| Income tax paid                                    |          | (40,115)         | (44,363)        |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>   | <b>6</b> | <b>898,634</b>   | <b>220,659</b>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>        |          |                  |                 |
| Payments for property, plant and equipment         |          | (3,087)          | (20,968)        |
| <b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b> |          | <b>(3,087)</b>   | <b>(20,968)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>        |          |                  |                 |
| Proceeds from lease liabilities                    |          | 3,003            | 2,801           |
| Repayment of lease liabilities                     |          | (17,153)         | (15,966)        |
| Repayment of borrowings                            |          | 814              | (768)           |
| Dividends paid                                     |          | (53,285)         | (53,288)        |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>       |          | <b>(66,621)</b>  | <b>(67,221)</b> |
| <b>Net increase/(decrease) in Cash Held</b>        |          | <b>828,926</b>   | <b>132,471</b>  |
| Cash and Cash Equivalents at beginning of year     |          | 731,173          | 598,702         |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>    | <b>5</b> | <b>1,560,099</b> | <b>731,173</b>  |

The accompanying notes form part of these financial statements

# Notes to the financial statements

For the year ended 30 June 2023

## 1. Summary of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the economic entity of Trafalgar & District Financial Services Limited ("the Company") as an individual entity. The Company is a company limited by shares, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based in historical costs and does not take into account changing money values, or except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied.

### (a) Basis of preparation

These general purpose financial statements for the year reporting period ended 30 June 2023 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This financial report is intended to provide users with an update on the latest annual financial statements of the Company. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2023, together with any public announcements made during the following year.

### (b) Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. 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.

### (c) Accounting policies

The same accounting policies and methods of computation have been followed in this financial report as were applied to prior financial statements

These policies have been consistently applied to all the years presented, unless otherwise stated.

### (d) Property, Plant and Equipment

Each class of property, plant and equipment are carried at cost less where applicable any accumulated depreciation.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the incorporated association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

The carrying amount of fixed assets is reviewed annually to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets, employment and subsequent disposal. The expected net cash flows have been discounted to their present value in determining the recoverable amounts.

The depreciable amount of all fixed assets are depreciated using the diminishing value method over their useful lives to the Company commencing from the time the asset is held ready for use.

# Notes to the financial statements (continued)

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## 1. Summary of significant accounting policies (continued)

### (d) Property, Plant and Equipment (continued)

The depreciation rates used for each for each class of depreciable asset are:-

Plant and Equipment 5% - 100%

### (e) Right-of-use Assets

The right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset. Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities. The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

### (f) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### (g) Revenue

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

#### *Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### *Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

### (h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of a cost of acquisition of the asset or as part of an item if the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are included in the Statement of Cash Flows on a gross basis, and the GST component arising from investing and financing activities, which is recoverable from, or payable to the Australian Taxation Office, are classified as operating activities

### (i) Intangibles

The franchise fee is valued in the accounts at cost and is being amortised over a period of five years. The balance is reviewed annually and any balance representing future benefits for which the realisation is considered to be no longer recoverable is written off.

### (j) Comparative figures

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

# Notes to the financial statements (continued)

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## 1. Summary of significant accounting policies (continued)

### **(k) Leases**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred. Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down

### **(l) Employee Benefits**

#### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, 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.

#### *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 amounts expected to be paid in respect of services provided by employees up to the reporting date.

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

### **(m) Income Tax**

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects either the accounting profit nor taxable profit or loss: and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised: Liabilities for wages and salaries, including non-monetary benefits, 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.

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business and, at the time of the transaction, effects neither the accounting profit nor taxable profit or loss: and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that are enacted or substantially enacted at the reporting date.

## Notes to the financial statements (continued)

### 1. Summary of significant accounting policies (continued)

#### (n) Trade and other payables

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

#### (o) Provision for impairment of inventories

The Entity performs an annual assessment of the assets valuation to determine if there is a requirement for an Provision for Impairment. The provision for impairment assessment requires a degree of estimation and judgement.

#### (p) 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. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

|  | 2023<br>\$ | 2022<br>\$ |
|--|------------|------------|
|--|------------|------------|

### 2. Property, plant and equipment

|   |                |                |
|---|----------------|----------------|
| Land & Buildings at Cost  | 478,212        | 478,212        |
| Plant and Equipment at Cost   | 376,905        | 373,818        |
| Less Accumulated Depreciation                                       | (222,058)      | (209,025)      |
|   | <b>633,059</b> | <b>643,005</b> |
| Reconciliation of written-down value of Property, Plant & Equipment |                |                |
| Balance at beginning of year  | 643,005        | 637,570        |
| Additions   | 3,087          | 19,101         |
| Disposals   | -              | (434)          |
| Depreciation Expense  | (13,033)       | (13,232)       |
| <b>Balance at end of year</b>                                       | <b>633,059</b> | <b>643,005</b> |

### 3. Income tax expense

The prima facie tax payable in operating profit is reconciled to the income tax expense as follows:

|   |                |                |
|---|----------------|----------------|
| Prima facie tax payable on accounting profit at 25% (2022: 25%) | 245,913        | 56,197         |
| <b>Add:</b>   |                |                |
| Non-deductible permanent differences                            |                |                |
| Non-deductible entertainment                                    | (376)          | 530            |
| <b>Less:</b>  |                |                |
| Adjustment for change in tax rate                               | -              | (2,485)        |
| <b>Income Tax Expense</b>                                       | <b>245,537</b> | <b>59,212</b>  |
| Timing differences deductible when incurred                     |                |                |
| Provision for holiday pay, accrued and prepaid expenses         | (730)          | 36             |
| Provision for long service leave                                | (125)          | (8,430)        |
|   | <b>(855)</b>   | <b>(8,394)</b> |

## Notes to the financial statements (continued)

|  | 2023<br>\$    | 2022<br>\$    |
|--|---------------|---------------|
| <b>3. Income tax expense (continued)</b> |               |               |
| Movement in Deferred Tax Liability       | (3,378)       | (1,964)       |
| <b>Deferred Tax Asset</b>                |               |               |
| Accrued Expenses                         | 3,622         | 3,067         |
| Provision for Holiday Pay                | 3,680         | 4,418         |
| Provision for Long Service Leave         | 1,201         | 1,233         |
|  | <b>8,504</b>  | <b>8,718</b>  |
| <b>Deferred Tax Liabilities</b>          |               |               |
| Accrued Interest                         | 2,045         | 107           |
| Depreciation - Acc v Tax Difference      | 11,262        | 14,575        |
| Rent Expense                             | (298)         | 1,705         |
|  | <b>13,009</b> | <b>16,387</b> |

## 4. Provisions

|                             |               |               |
|-----------------------------|---------------|---------------|
| <b>Current</b>              |               |               |
| Annual Leave                | 14,720        | 17,672        |
| Long Service Leave          | -             | -             |
|                             | <b>14,720</b> | <b>17,672</b> |
| <b>Non - Current</b>        |               |               |
| <b>Long Service Leave</b>   |               |               |
|                             | <b>4,805</b>  | <b>4,933</b>  |
| Average number of employees | 7             | 7             |

## 5. Cash & cash equivalents

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

|                     |                  |                |
|---------------------|------------------|----------------|
| <b>Cash at Bank</b> | <b>1,560,099</b> | <b>731,173</b> |
|---------------------|------------------|----------------|

## 6. Cash flow information

|  |                |                |
|--|----------------|----------------|
| Reconciliation of cash flow from operations with operating profit / (loss) |                |                |
| Operating profit after tax   | 738,114        | 165,575        |
| Non-operating Cash flows in operating results                              |                |                |
| Depreciation   | 26,890         | 27,523         |
| Amortisation   | 13,184         | 13,238         |
| Changes in Assets and Liabilities  |                |                |
| Decrease / (Increase) in receivables                                       | (53,490)       | (16,745)       |
| (Decrease) / Increase in payables  | (49,743)       | 62,175         |
| (Decrease) / Increase in provisions  | (3,080)        | (42,794)       |
| (Decrease) / Increase in tax payable                                       | 229,923        | 644            |
| Decrease / (Increase) in deferred tax assets                               | 214            | 9,079          |
| (Increase) / Decrease in deferred tax liabilities                          | (3,378)        | 1,964          |
| <b>Net cash provided by operating activities</b>                           | <b>898,634</b> | <b>220,659</b> |

## Notes to the financial statements (continued)

|                                | 2023<br>\$    | 2022<br>\$    |
|--------------------------------|---------------|---------------|
| <b>7. Right-of-use-asset</b>   |               |               |
| Right-to-Use Asset             | 76,004        | 76,004        |
| Less: Accumulated Depreciation | (44,827)      | (30,970)      |
|                                | <b>31,177</b> | <b>45,034</b> |

### 8. Related party transactions

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

No transactions with related entities.

### 9. Segment reporting

The Company operates in the service sector where it conducts a Community Bank in Trafalgar, Yarragon, Willow Grove, Thorpdale, Narracan, Erica, Rawson, Walhalla and Tanjil South of Gippsland in Victoria.

|  | 2023<br>\$       | 2022<br>\$     |
|--|------------------|----------------|
| <b>10. Accumulated profits</b>                             |                  |                |
| Accumulated profit at the beginning of the financial year  | 801,098          | 688,810        |
| Net profit after income tax                                | 738,114          | 165,575        |
| Less dividends paid  | (53,285)         | (53,287)       |
| <b>Accumulated profit at the end of the financial year</b> | <b>1,485,927</b> | <b>801,098</b> |

### 11. Dividends paid on ordinary shares

|                   |        |        |
|-------------------|--------|--------|
| Franked dividends | 53,285 | 53,289 |
|-------------------|--------|--------|

(10 cents per share for 2023, 10 cents per share for 2022)

### 12. Franking credit balance

|  |         |         |
|--|---------|---------|
| Franking account balance as at the end of the financial year | 352,839 | 344,928 |
|--|---------|---------|

### 13. Company details

The registered office of the Company is 82 Smith Street, WARRAGUL Victoria

The principal place of business is 107b Princes Highway, Yarragon, Victoria

### 14. Intangibles

|                       |              |               |
|-----------------------|--------------|---------------|
| Franchise Fee at cost | 65,919       | 65,919        |
| Less Amortisation     | (60,609)     | (47,426)      |
|                       | <b>5,310</b> | <b>18,493</b> |



## Notes to the financial statements (continued)

|   | 2023<br>\$     | 2022<br>\$     |
|---|----------------|----------------|
| 15. Earnings per share  |                |                |
| <b>Earnings used in calculating basic and diluted earnings per share</b>          | <b>738,114</b> | <b>165,575</b> |
| <b>Weighted average number of shares for basic and diluted earnings per share</b> | <b>532,850</b> | <b>532,850</b> |

## 16. Key management personnel disclosures

### Compensation

The aggregate compensation made to directors and other members of key management personnel of the entity is set out below:

|                               |                |                |
|-------------------------------|----------------|----------------|
| <b>Aggregate Compensation</b> | <b>119,980</b> | <b>150,332</b> |
|-------------------------------|----------------|----------------|

## 17. Financial instruments

|                                    | Effective Interest Rate |        | Floating Interest Rate |                | Fixed Interest Rate |                |               |               | Non Interest Bearing |                |
|------------------------------------|-------------------------|--------|------------------------|----------------|---------------------|----------------|---------------|---------------|----------------------|----------------|
|                                    | 2023                    | 2022   | 2023                   | 2022           | Within 1 Year       |                | 1 to 5 Years  |               | 2023                 | 2022           |
|                                    |                         |        |                        |                | 2023                | 2022           | 2023          | 2022          |                      |                |
| <b>Financial Assets</b>            |                         |        |                        |                |                     |                |               |               |                      |                |
| Cash at Bank                       | 3.45%                   | 0.13%  | 614,196                | 299,964        | 945,903             | 431,209        | -             | -             |                      |                |
| Receivables                        |                         |        |                        |                |                     |                |               |               | 145,000              | 91,510         |
| <b>Total Financial Assets</b>      |                         |        | <b>614,196</b>         | <b>299,964</b> | <b>945,903</b>      | <b>431,209</b> | <b>-</b>      | <b>-</b>      | <b>145,000</b>       | <b>91,510</b>  |
| <b>Financial Liabilities</b>       |                         |        |                        |                |                     |                |               |               |                      |                |
| Loan                               |                         |        | -                      | -              |                     |                |               |               |                      |                |
| Payables                           | 13.99%                  | 13.99% | 1,542                  | 728            |                     |                |               |               | 101,366              | 122,022        |
| Occupancy lease                    | 5.00%                   | 5.00%  |                        |                | 16,563              | 14,663         | 19,141        | 35,190        |                      |                |
| Chattel Mortgage Liabilities       | -                       | -      |                        |                | -                   | -              |               |               |                      |                |
| <b>Total Financial Liabilities</b> |                         |        | <b>1,542</b>           | <b>728</b>     | <b>16,563</b>       | <b>14,663</b>  | <b>19,141</b> | <b>35,190</b> | <b>101,366</b>       | <b>122,022</b> |

### (b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets was the carrying amount, net of any provisions for doubtful debts, as disclosed in the Statement of Financial Position and Notes to the Financial Statements.

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

### (c) Net Fair Value

For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in a standardised form. Financial assets where the carrying amount exceeds net fair values have been written down as the company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and Notes to the Financial Statements.

## Notes to the financial statements (continued)

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### 18. Current and non-current classification

Assets and liabilities are presented in the Statement of Financial Position based on current and non-current classification.

An asset is classified as current when:

- it is either expected to be realised or intended to be sold or consumed in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is expected to be realised within 12 months after the reporting period; or
- the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- it is either expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

### 19. Events after the reporting period

The Franchise Agreement between Trafalgar and District Financial Services (TDFS) and Bendigo and Adelaide (BEN) dated 28 August 2018 relating to the operations of Community Bank Trafalgar & District was due for renewal on 24 November 2023. The existing Agreement had a further two five terms remaining, totalling 10 years. In late August 2023, TDFS concluded the renewal process executing BEN's most current version of the Agreement which reflects contemporary legislative and regulatory changes.

No other matter or circumstance has arisen since 30 June 2023 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.

# Directors' declaration

For the financial year ended 30 June 2023

The directors of Trafalgar & District Financial Services Limited, declare that:

- (1) The financial statements and notes, as set out on pages 15 to 26 are in accordance with the Corporations Act 2001, including:
  - (a) complying with Australian Accounting Standards; and
  - (b) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the year ended on that date.
- (2) In the directors opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



**Christine Holland**  
**Chair**

Dated this 7th day of September 2023

# Independent audit report



Accountants and Advisors

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAFALGAR & DISTRICT FINANCIAL SERVICES LIMITED

### Opinion

We have audited the financial report of Trafalgar & District 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, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of Trafalgar & District Financial Services Limited has been prepared in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

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.

### Responsibilities of the Directors for the Financial Report

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

Kidmans Partners Audit Pty Ltd

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAFALGAR & DISTRICT FINANCIAL SERVICES LIMITED (CONTINUED)**

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

The directors are responsible for overseeing the Company's financial reporting process.

**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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

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

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

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

**Kidmans Partners Audit Pty Ltd**  
ABN: 46 143 986 841

A handwritten signature in black ink, appearing to read 'John Petridis', written over a light grey background.

**John Petridis**  
Director

Melbourne, 7 September 2023

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