

Annual Report 2022

Wantirna Community
Financial Services
Limited

Community Bank
Wantirna

ABN 43 118 000 230

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Contact Us

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ABN 43 118 000 230

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ABN 43 118 000 230

Share Registry:
AFS & Associates Bendigo

www.bendigobank.com.au/branch/vic/community-bank-wantirna/
www.facebook.com/communitybankwantirna

Chair's Report

On behalf of the Board, I have great pleasure in providing this report covering the financial year ended 30 June 2022.

Financial performance

In last year's report I mentioned that the year had been one of the most challenging in the history of Wantirna Community Financial Services Limited. I spoke too soon, because the challenges of the last year exceeded those of the previous year. Covid continued to be part of our lives and impacted the business significantly for the first nine months of the year. Low interest rates that were wonderful for customers with loans were not welcomed by those who relied on investments to support their retirement.

The impact of Covid-19 saw yet more customers moving to online banking. Whilst some of the larger banks have closed branches, citing reduced foot traffic as the main reason, the Board remains committed to providing on-site transactions despite a fall in these numbers over the past years. Staffing was a significant challenge in the past twelve months with the resignation of Branch Manager John Tiganis who moved to a new role with Bendigo. Over the last six months three frontline staff also chose to either retire or not continue working with the company in an unpredictable Covid environment.

Recruiting replacement staff has been challenging during a time when there is a shortage of available applicants across most industries, including banking. This resulted in a period of more than two months when the branch was unable to provide the necessary expertise to service loan applications that are vital to the profitability of the business.

We welcomed Amit Joshi as the new Branch Manager and he has progressively worked to stabilize the lending side of the business, juggle staffing to keep the doors open every day and appoint new staff. Unlike many banks, Community Bank Wantirna was able to provide banking services to customers on every day of the year except one. A number of banks, including Bendigo Bank branches, found it necessary to reduce hours significantly and close branches temporarily.

The Board continues to review all processes within its operations and moved closer to finalizing a new strategic plan. Our aim is to grow the business over five years to minimum footings (Loans and Deposits) of \$150 million. This will enhance our ability to provide significantly more money for community development as well as a healthy return to shareholders.

Community involvement

Our ability to support local community events was significantly reduced during the year as the level of profit was unable to provide funds to support community engagement. However, we were able to spend some market development funds provided by Bendigo Bank to support some local initiatives. One of these included supporting Brooke Stratton who represented Australia at the last Olympics. On her return, Brooke has been an ambassador for the company, resulting in increased business.

We also embarked on supporting the re-invigoration of the Wantirna Traders Association with a view to developing activities in the Centre that draw customers to all businesses. Our very successful Mother's Day flower give away was the first in a number of planned future activities.

Our Staff

Our staff, led by John Tiganis in the first six months and Amit Joshi during the first half of 2022, continue to provide quality support to customers. All are knowledgeable and personal, and are always prepared to go that extra mile to work with customers on appropriate banking solutions.

Executive officer, Chelsea Fletcher, continues to support to the board, staff and the company in general. I thank her personally for her support to me as Chair and acknowledge the significant contribution she made to the smooth running of the company.

Chair's report (continued)

Board

Unfortunately, we again experienced a turnover of Board members for a variety of reasons. The resignations resulted from increased work or personal commitments that significantly impacted on their ability to support the board. The remaining board members are committed to ensuring the future growth of your company and we continue to seek additional people who can fill gaps in the skills matrix of the board.

I would like to thank the Bendigo Bank Regional team who have again provided exceptional support and assistance during the year both to the branch team and to the Board. I am particularly indebted to Chris Cahir for his support and guidance during a particularly difficult year for the company.

We can only enhance our contribution to the local community if we grow the business. Research shows that significant growth can come through existing customers as they review their financial needs and products to suit their lifestyle. Bendigo Bank continues to top the ratings in customer satisfaction and is the logical alternative to the "Big Four" banks who continue to abandon over the counter transactions in many areas.

Word of mouth is the second biggest driver of new business. I urge you to "sing the praises" of the Community Bank Model and encourage family and friends to try the "Big Four" alternative.

I will resign as Chair following the 2021-22 Annual General Meeting but will remain on the Board for the short term. I thank you for the opportunity to lead dedicated staff and board teams who continue to focus on the best outcomes for customers and shareholders.



Jeff Somers
Chair

Manager's Report

At Community Bank Wantirna we make it our purpose to know our customers who entrust us with their banking.

Last financial year continued to be a challenge with external demands on the industry in an environment of low-growth, low interest rates, subdued consumer confidence and increasing competition.

The most prevalent trend in financial services industry is the shift to digital, specifically to mobile and online banking. This trend in combination with other factors has resulted in a change of customer behavior and lower foot traffic at the branch and hence closure of many bank branches across the industry.

During these changing and challenging times, our ability to grow our deposits and maintaining our loan book, have been a positive achievement by the branch. Our total business has grown by \$7.14m from \$112.90m to \$120.04m over the course of last financial year.

We will continue to take the necessary steps to accelerate our strategy and to reshape our business to meet the changing needs of banking, whilst we continue to provide quality outcomes for our customers and meet the expectations of all our stakeholders.

My sincere thanks to Bendigo Bank regional team for their support over the past financial year. I would also like to thank our Chairman Jeff Somers for his support and effort invested in our community company and Community Bank Wantirna. I thank all our directors, past and present, over the last few months since my joining in March 2022 for their sustained support.

My message as always is to get involved, support Community Bank Wantirna by choosing to bank with us, be a positive influence and always seize opportunities to advocate our point of difference to family, friends, and associates.

We are committed to and will continue to build on what we have established since we first opened our doors; to showcase Community Bank Wantirna at every event we sponsor and attend, and in doing so, build our balance sheet for future prosperity.



Amit Joshi
Branch Manager

Wantirna Community Financial Services Limited

ABN: 43 118 000 230

Financial Report

For the year ended
30 June 2022

Directors' Report

The directors present their report together with the financial statements of the company for financial year ended 30 June 2022.

Directors

The directors of the company who held office during the financial year and to the date of this report are:

Jeffrey James Somers
Director & Chairman

Project Manager

Jeff has lived in Rowville for the past 23 years, is married to Veronica and has two adult children. Community involvement has been a focus for all of Jeff's life and has included the Rowville Secondary College School Council, Knox Council Community Grants, Churchill-Waverley Golf and Bowls Club and the Rotary Club of Rowville-Lysterfield. He has also been involved in a Rotary Police Mentoring program and was previously a member of Knox Community Financial Services. Jeff has also been awarded an Aston Community Award and a Victoria Day Award. Jeff's qualifications include B.A., B.Ed., M.Ed. Studs., Dip. Bus., Dip. Rel. Ed. and T.P.T.C and he is a life member of the Australian College of Educators. His work experience includes Teaching, Principalship, General Manager, Project Manager, Instructional Designer and VET Assessor. He currently delivers training programs in Financial Literacy for The Smith Family to under privileged secondary students in their later years of schooling. Community Bank branches are an important part of Jeff's life and he holds shares in six Community Bank Companies, including Wantirna Community Financial Services.

Special responsibilities: Member of Community Engagement Committee, Finance & Audit Committee and HR Committee

Interest in shares: 10,500

Phillipa Jane Maloney-Walsh (resigned 9 July 2022)
Director & Secretary

Hypnotherapist and Transformational Coach

Phillipa has been an active member of many community groups since her teens. After having her own workplace accident, she founded and is the chair of a registered Australian charity, the Orange Sock Foundation Inc., who supported those injured at work or in transport accidents.

Phillipa is a life member of the Phoenix Theatre Company Inc and has served as President, Secretary and Treasurer of numerous community groups over the past 35 years, from kindergartens to CFA Auxiliaries. She was a secondary school teacher and has a Masters in Education, (Workplace Education) and worked in adult education for over 20 years. Phillipa has owned and ran Registered Training Organisations and worked as the National Training Manager for a large franchise group. Her last employer was WorkSafe Victoria where she was a senior Auditor of OHS training. She also has a Diploma of Business (Quality Auditing) and other vocational qualifications.

Special responsibilities: Chair of HR Committee and Member of Community Engagement Committee

Interest in shares: 2,000

Directors' report (continued)

Wendy Moo Yin Van Horssen Director

Online Business Owner

Wendy is currently an online Business Owner. She received her master's in business administration from Charles Sturt University Australia, Diploma in Hotel and Catering Management at University of Pennsylvania USA and is currently pursuing Doctor in Philosophy in Entrepreneurship at University Malaysia Sabah. Wendy is a recipient of a Malaysian State Star Award from the Head of State in 2013 for her outstanding community service with the Hotel Association, Lions Club International, member of Rotarian Group Study Exchange in 2000, Toastmaster International Competent Leader 2014 and Public Speaker 2013. As an ex-hotelier and being in the tourism industry since 1979, Wendy brings with her a wealth of international hospitality management experience. She has worked in Australia, Hawaii, South Korea, Malaysia, Indo China, and Europe. Wendy is a strong believer of the community banking model. She connects widely in the local community including volunteer at Proud Tati community, home ground Café. Life member Tutor- U3A, member and guest speaker at Women Association South Melbourne East Australia. Ambassador for Multicultural Business Group Wantirna and Mental Health Foundation Australia. Member of Women Council political party Australia, Victorian Division, Member Peninsula and (Ex Aston) Ex-Vice President of Wantirna political party Australia, Victorian Division, Hon Secretary- Australia Asia Culture & Arts Centre. Reader of Australian Institute of Company Directors / Governance Institute Australian/National Community Bank Council and Institute Health Nursing Association.

Special responsibilities: Chair of Community Engagement Committee, Member of Finance & Audit Committee and HR Committee

Interest in shares: Nil

Carol Lyn Constantine (resigned 27 June 2022) Director

Head of Group Compliance Programs

Carol has lived in the Knox area since 2011, recently purchasing a home in Ferntree Gully. Carol was a member of the Rotary Club of Noble Park between 1996-2011 and served on many Board positions including President and Assistant Governor. Carol received a Notary Paul Harris Fellow for community services in 2008. In March 2020, Carol became a member of the Rotary Club of Rowville-Lysterfield and is now a member of the Board. Carol has also served on Scout Group committees in Cranbourne and Knox area for the past 19 years. Carol's career spans 22 years with Australia Post Group. During her career at Australia Post, Carol held various roles in Corporate Real Estate, Procurement, Communications and IT broadening her experience prior to joining the Risk and Compliance function. Carol brings experience in management, governance, risk and compliance to the Board and has formal qualifications in Governance, Risk and Compliance from the Governance Risk and Compliance Institute (GRCI).

Special responsibilities: Member of HR Committee and Community Engagement Committee

Interest in shares: Nil

Mona Krombholz (appointed 15 December 2021, resigned 1 March 2022) Director

Mona's career spans over 30 years in Australia and overseas and includes senior management and director roles in banking, financial services, advertising and media, digital communications and infrastructure. Mona holds a Master of Laws, Bachelor of Business, finance certifications, and was a Chartered Marketer for over 10 years.

Special responsibilities: Member of HR Committee

Interest in shares: Nil

Directors' report (continued)

Vinh Quang Luong Director & Treasurer

Accountant

Vinh Luong is an experienced Portfolio Manager and Public Accountant with a demonstrated history of working in the financial services industry. Skilled in leadership, budgeting, investment, banking and sales. Strong professional graduated from National Chengchi University (Taiwan). Vinh is a Fellowship member of the Institute of Managers and Leaders Australia and New Zealand (IML ANZ), as well as a Senior Associate Member of the Financial Services Institute of Australasia (FINSIA). Vinh is also an Associate Management Accountant of the Institute of Certified Management Accountants (ICMA).

Special responsibilities: Chair of Finance & Audit Committee

Interest in shares: Nil

Jialin Wu (appointed 15 December 2021, resigned 6 July 2022) Director

Financial Controller

Jialin graduated from University of Melb with a Bachelor of Commerce (Finance and Accounting) and further completed the Chartered Accountant postgraduate qualification. Jialin worked in general management, accounting, commercial and data analytics, M&A, strategy, process automations and system integrations. She commenced her professional career at Ernst & Young, specialising in Audit & Assurance advisory services (Core and Financial Services) and since then, has worked in technology, retail and hospitality. Jialin is currently the Financial Controller for Kinetic Group.

Special responsibilities: Member of Finance & Audit Committee

Interest in shares: Nil

Daniel Tan Quoc Cheng (appointed 7 July 2021, resigned 15 September 2021) Director

Daniel has 18 years experience in real estate with four years in mobile lending since early 2000. He managed and operated three restaurants in the Springvale Chamber of Commerce. Daniel served as President of SABA - Springvale Asian Business Association since 2014. With over 20 years experience working in customer relationship roles, his strength is in stakeholders engagement.

Special responsibilities: Member of Community Engagement Committee Interest in shares: Nil

Interest in shares: Nil

Pryatharshen (Dash) Thevarajah (appointed 15 December 2021, resigned 6 July 2022) Director

Dash has more than 23 years' experience within the financial services industry from various facets of wholesale & retail banking, governance, compliance, risk, and regulatory reporting. He has written and published regulatory governance papers which have not only changed the landscape for financial services firms across the US, Europe, and the UK but, has changed the law as to how financial institutions should conduct and provide financial service offerings as well as the construction of financial product offerings. Dash has worked and consulted for 60 financial institutions, 4 international audit firms, and 14 regulators across UK, Europe and Australia.

Special responsibilities: Chair Finance & Audit Committee

Interest in shares: Nil

Directors' report (continued)

Karla Madeleine Bader

(appointed 7 July 2021, resigned 17 August 2021)

Director

Accounting Graduate

Living in Victoria, Australia her whole life, Karla completed her secondary education at Killester College in Springvale, where her Year 12 subjects included English, Further Maths, Biology, Physics and Music. Throughout Karla's high school education, she has developed important skills such as problem solving, networking, team building and leadership, especially during her time as Music Leader in 2015 where she organised lunchtime concerts and emceed music performance nights with her music partner. Karla has also enjoyed community involvement at Killester, getting involved with the school productions as well as performing with the school choir at various schools and aged care facilities.

Karla started her accounting journey at Chisholm Institute, in 2017, where she completed a Cert IV, Diploma, and Advanced Diploma. She also had a leadership opportunity in assisting to organise a campus-wide cultural day. In 2019, Karla was offered a position in the Chisholm and La Trobe University's partnership program, which she undertook to complete her Bachelor of Accounting with a distinction average. She looks forward to bringing all her skills to WCFSL.

In Karla's spare time, she collates statistical reports for an online group based on the results of their weekly programs. Karla's love for maths (esp. statistics), as well as music and other creative arts promotes unique perspectives and 'outside the box'

Special responsibilities: Member of Finance and Audit Committee

Interest in shares: Nil

Stephen Paul Palamara

Director

Sales & Marketing Executive

Stephen is an experienced sales and marketing executive, who excels in new business development, with excellent customer building skills. Strength in stakeholder engagement with a demonstrated marketing approach while sharing business acumen to assist businesses to grow their existing customers and achieve their goals.

Stephens career experience has been in the areas of B2B, B2C with telephone and face to face interactions covering, Finance, Hospitality, Retail and SME's.

He enjoys sharing his knowledge with likeminded successful business owners who look to continue to succeed in the business world while maximising their marketing options to grow their respective businesses.

Stephen has over 35 years' business in banking, hospitality, marketing and retail allowing him to understand the banking customer and bring to the board an objective view while providing his skills in the digital and traditional marketing environment. Stephen has a Masters in Marketing and a Grad Cert in Small Business management. His experience, determination, professionalism, and ambition combined with a loyal and old-fashioned hard-working work ethic best describes Stephen.

Special responsibilities: Member of Finance & Audit Committee and Community Engagement Committee

Interest in shares: Nil

Directors' report (continued)

Julian Geoffrey Crane (appointed 7 July 2021)

Director

Sales & Marketing Director

Julian has over 25 years' experience in hospitality business management with extensive experience in business development, client relationship management, partnership marketing and hospitality operations. He started his career with the Sheraton Towers Melbourne (now the Langham) and has worked with key global hotel brands including Four Seasons Hotels & Resorts and Six Senses Hotels Resorts Spas spanning several countries including Australia, UK, Malaysia, Japan, Thailand and the Middle East. Julian's qualifications include BA (Hons) Degree Hotel Business Management and a Marketing Diploma (Chartered Institute of Marketing - UK).

Special responsibilities: Member of Community Engagement Committee, Finance & Audit Committee and HR Committee

Interest in shares: Nil

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

No directors have material interest in contracts or proposed contracts with the company.

Company Secretary

The company secretary is Wendy Moo Yin Van Horsssen. Wendy was appointed to the position of secretary on 9 July 2022.

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 these activities during the financial year.

Operating results

Operations have continued to perform in line with expectations. The profit of the company for the financial year after provision for income tax was:

Year ended 30 June 2022	Year ended 30 June 2021
24,038	34,940

Directors' interests

	Fully paid ordinary shares		
	Balance at the start of the year	Changes during the year	Balance at the end of the year
Jeffrey James Somers	10,500	-	10,500
Phillipa Jane Maloney-Walsh	2,000	-	2,000
Wendy Moo Yin Van Horsssen	-	-	-
Carol Lyn Constantine	-	-	-
Vinh Quang Luong	-	-	-
Daniel Tan Quoc Cheng	-	-	-
Jialin Wu	-	-	-
Mona Krombholz	-	-	-
Pryatharshen (Dash) Thevarajah	-	-	-
Karla Madeleine Bader	-	-	-
Stephen Paul Palamara	-	-	-
Julian Geoffrey Crane	-	-	-

Directors' report (continued)

Dividends

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

	Cents per share	2022 \$
Final unfranked dividend	1	9,215

Significant changes in the state of affairs

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

Events since the end of the financial year

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

Likely developments

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

Environmental regulation

The company is not subject to any significant environmental regulation.

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 27 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

Indemnity and insurance of directors and officers

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

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

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)

Directors' meetings

The number of directors' meetings (including meetings of committees of directors) attended by each of the directors of the company during the financial year were:

	Board Meetings		Community Investment & Youth Committee		Risk, Governance & Audit Committee		Finance, Strategy & HR Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Jeffrey James Somers	14	12	11	9	8	7	1	1
Phillipa Jane Maloney-Walsh	14	9	11	5	-	-	4	4
Wendy Moo Yin Van Horssen	14	12	11	11	8	8	4	4
Carol Lyn Constantine	14	12	11	9	-	-	4	4
Vinh Quang Luong	14	13	11	8	8	8	-	-
Daniel Tan Quoc Cheng	2	2	2	2	-	-	-	-
Jialin Wu	8	5	2	2	3	3	-	-
Pryatharshen (Dash) Thevarajah	8	6	3	1	3	3	1	1
Karla Madeleine Bader	2	2	2	2	1	1	-	-
Mona Krombholz	3	3	1	1	1	1	1	1
Julian Crane	14	10	11	9	8	7	4	1
Stephen Paul Palamara	14	12	11	10	8	5	-	-

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*.

ny during the financial year were:

Directors' report (continued)

Non audit services

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

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

- all non-audit services have been reviewed by the Board to ensure they do not impact on the impartiality, integrity and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the company, acting as an advocate for the company or jointly sharing risks and rewards.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 8.

Signed in accordance with a resolution of the directors at WANTIRNA, VICTORIA



Jeffery James Somers
Chair

19 September 2022

Auditor's independence declaration



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550

afs@afsbendigo.com.au
03 5443 0344

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

As lead auditor for the audit of Wantirna Community Financial Services Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

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



Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 19 September 2022



Joshua Griffin
Lead Auditor



afsbendigo.com.au

Liability limited by a scheme approved under Professional Standards Legislation. ABN: 65 684 604 390

Financial statements

Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2022

	Notes	2022 \$	2021 \$
Revenue from contracts with customers	8	558,236	560,789
Other revenue	9	15,000	34,322
Finance income	10	1,357	2,684
Employee benefit expenses	11c)	(345,875)	(344,811)
Advertising and marketing costs		(2,636)	(3,665)
Occupancy and associated costs		(26,512)	(21,518)
Systems costs		(21,164)	(18,891)
Depreciation and amortisation expense	11a)	(48,929)	(58,919)
Finance costs	11b)	(6,008)	(9,557)
General administration expenses		(79,686)	(73,916)
Profit before community contributions and income tax expense		43,783	66,518
Charitable donations and sponsorships expense		(9,975)	(11,597)
Profit before income tax expense		33,808	54,921
Income tax expense	12	(9,770)	(19,981)
Profit after income tax expense		24,038	34,940
Total comprehensive income for the year attributable to the ordinary shareholders of the company:		24,038	34,940
Earnings per share		¢	¢
- Basic and diluted earnings per share:	29	2.61	3.79

The accompanying notes form part of these financial statements

Financial statements (continued)

Statement of Financial Position As at June 30 2022

	Notes	2022 \$	2021 \$
ASSETS			
Current assets			
Cash and cash equivalents	13a)	490,162	478,621
Trade and other receivables	14a)	47,430	51,479
Total current assets		537,592	530,100
Non-current assets			
Property, plant and equipment	15a)	111,043	120,415
Right-of-use assets	16a)	48,412	167,740
Intangible assets	17a)	55,243	3,112
Deferred tax asset	18a)	55,714	65,485
Total non-current assets		270,412	356,752
Total assets		808,004	886,852
LIABILITIES			
Current liabilities			
Trade and other payables	19a)	23,238	23,273
Lease liabilities	19(a)	43,258	38,093
Employee benefits	21a)	10,910	18,928
Total current liabilities		77,406	80,294
Non-current liabilities			
Trade and other payables	19a)	57,759	2,614
Lease liabilities	19(b)	54,546	194,127
Employee benefits	21b)	9,263	15,609
Total non-current liabilities		121,568	212,350
Total liabilities		198,974	292,644
Net assets		609,030	594,208
EQUITY			
Issued capital	22a)	891,225	891,225
Accumulated losses	23	(282,195)	(297,017)
Total equity		609,030	594,208

The accompanying notes form part of these financial statements

Financial statements (continued)

Statement of Changes in Equity

For the year ended 30 June 2022

	Notes	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020		891,225	(318,134)	573,091
Total comprehensive income for the year		-	34,940	34,940
Dividends provided for or paid	28	-	(13,823)	(13,823)
Balance at 30 June 2021		891,225	(297,017)	594,208
Balance at 1 July 2021		891,225	(297,017)	594,208
Total comprehensive income for the year		-	24,037	24,037
Dividends provided for or paid	28	-	(9,215)	(9,215)
Balance at 30 June 2022		891,225	(282,195)	609,030

The accompanying notes form part of these financial statements

Financial statements (continued)

Statement of Cash Flows

For the year ended 30 June 2021

	Notes	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers		632,846	646,418
Payments to suppliers and employees		(546,586)	(520,852)
Interest received		2,453	2,583
Net cash provided by operating activities	24	88,713	128,149
Cash flows from investing activities			
Payments for property, plant and equipment		(3,426)	(2,135)
Payments for intangible assets		(19,628)	(14,256)
Net cash used in investing activities		(23,054)	(16,391)
Cash flows from financing activities			
Repayment of lease liabilities		(44,903)	(44,903)
Dividends paid	28	(9,215)	(13,823)
Net cash used in financing activities		(54,118)	(58,726)
Net cash increase in cash held		11,541	53,032
Cash and cash equivalents at the beginning of the financial year		478,621	425,589
Cash and cash equivalents at the end of the financial year	13a)	490,162	478,621

The accompanying notes form part of these financial statements

Notes to the financial statements

For the year ended 30 June 2022

Note 1 Reporting entity

This is the financial report for Wantirna Financial Services Limited (the company). The company is a for profit entity limited by shares, and incorporated and domiciled in Australia. The registered office and principal place of business is:

Registered Office	Principal Place of Business
Shop 5 Wantirna Mall 348 Mountain Highway Wantirna Vic 3152	Shop 5 Wantirna Mall 348 Mountain Highway Wantirna Vic 3152

Further information on the nature of the operations and principal activity of the company is provided in the directors' report. Information on the company's related party relationships is provided in Note 27.

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

These financial statements for the year ended 30 June 2022 were authorised for issue in accordance with a resolution of the directors.

Note 3 Changes in accounting policies, standards and interpretations

There are a number of amendments to accounting standards issued by the AASB that became mandatorily effective for accounting periods beginning on or after 1 July 2021, and are therefore relevant for the current financial year. The amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Note 4 Summary of significant accounting policies

The company has consistently applied the following accounting policies to all periods presented in these financial statements.

a) 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.

Notes to the Financial statements (continued)

For the year ended 30 June 2022

Note 4 Summary of significant accounting policies (continued)

a) Revenue from contracts with customers (continued)

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

Revenue	Includes	Performance obligation	Timing of recognition
Franchise agreement profit share	Margin, commission, and fee income	When the company satisfies its obligation to arrange 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 Goods and Services Tax (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 – margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services.

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

Margin

Margin is arrived at through the following calculation:

- Interest paid by customers on loans less interest paid to customers on deposits
- plus 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

Commission

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

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

Fee income

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

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.

Notes to the Financial statements (continued)

For the year ended 30 June 2022

Note 4 Summary of significant accounting policies (continued)

a) Revenue from contracts with customers (continued)

Ability to change financial return (continued)

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.

b) Other revenue

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

Revenue	Revenue recognition policy
Discretionary financial contributions (also "Market Development Fund" or "MDF" income)	MDF income is recognised when the right to receive the payment is established. MDF income is discretionary and provided and receivable at month-end and paid within 14 days after month-end.

Other income All other revenues that did not contain contracts with customers are recognised as goods and services are provided.

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

Discretionary financial contributions

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

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

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

c) Economic dependency - Bendigo Bank

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.

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

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

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

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

Notes to the Financial statements (continued)

For the year ended 30 June 2022

Note 4 Summary of significant accounting policies (continued)

c) Economic dependency - Bendigo Bank (continued)

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

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

d) Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for salary and wages where the employee has provided the service but payment has not yet occurred at the reporting date. They are measured at amounts expected to be paid, plus related on-costs. Non-accumulating sick leave is expensed when the leave is taken and measured at the rates paid or payable.

An annual leave liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated. The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The company's obligations for employees' annual leave and long service leave entitlements are recognised in employee benefits in the statement of financial position.

Defined superannuation contribution plans

The company contributes to a defined contribution plan. Obligations for superannuation contributions to defined contribution plans are expensed as the related service is provided.

Other long-term employee benefits

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

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

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

Notes to the Financial statements (continued)

For the year ended 30 June 2022

Note 4 Summary of significant accounting policies (continued)

e) Taxes

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

Current income tax

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

Deferred tax

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

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

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

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

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

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except when the amount of GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue or expense item.

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

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

f) Cash and cash equivalents

For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise cash on hand and deposits held with banks.

g) Property, plant and equipment

Items of property, plant and equipment are measured at cost or fair value as applicable, less accumulated depreciation. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

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

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

Notes to the Financial statements (continued)

For the year ended 30 June 2022

Note 4 Summary of significant accounting policies (continued)

g) Property, plant and equipment (continued)

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

<u>Asset class</u>	<u>Method</u>	<u>Useful life</u>
Leasehold improvements	Straight-line	6 to 40 years
Plant and equipment	Straight-line	2.5 to 40 years

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

h) Intangible assets

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

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

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

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

<u>Asset class</u>	<u>Method</u>	<u>Useful life</u>
Franchise fee	Straight-line	Over the franchise term (5 years)
Franchise renewal fee	Straight-line	Over the franchise term (5 years)
Goodwill	Straight-line	6.25 years

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

i) Financial instruments

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

Trade receivables are initially recognised at the transaction price when they originated. All other financial assets and financial liabilities are initially measured at fair value plus, transaction costs (where applicable) when the company becomes a party to the contractual provisions of the instrument. These assets and liabilities are subsequently measured at amortised cost using the effective interest method, except for the equity securities which remain at fair value through profit or loss (FVTPL).

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the rights are transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and rewards associated with the asset. Financial liabilities are derecognised when its contractual obligations are discharged, cancelled, or expire. Any gain or loss on derecognition is recognised in profit or loss.

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

j) Impairment

Non-derivative financial assets

Expected credit losses (ECL) are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received. At each reporting date, the entity recognises the movement in the ECL (if any) as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

Notes to the Financial statements (continued)

For the year ended 30 June 2022

Note 4 Summary of significant accounting policies (continued)

j) Impairment (continued)

Non-derivative financial assets (continued)

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. Due to the reliance on Bendigo Bank the company has reviewed credit ratings provided by Standard & Poors, Moody's and Fitch Ratings to determine the level of credit exposure to the company. The company also performed a historical assessment of receivables from Bendigo Bank and found no instances of default. As a result no ECL has been made in relation to trade receivables as at 30 June 2022.

Non-financial assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets that have an indefinite useful life 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 the impairment loss (if any).

If the recoverable amount of an asset (or cash-generating unit) 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.

k) Issued capital

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

l) Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

m) Leases

At inception of a contract, the company assesses whether a contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration and obtain substantially all the economic benefits from the use of that asset.

As a lessee

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the company's incremental borrowing rate.

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

Lease payments included in the measurement of the lease liability comprise fixed or variable lease payments that depend on an index or rate and lease payments in a renewal option if the company is reasonably certain to exercise that option. For leases of property the company has elected to separate lease and non-lease components when calculating the lease liability.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the company changes its assessment of whether it will exercise an extension option or if there is a revised in-substance fixed lease payment.

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

Notes to the Financial statements (continued)

For the year ended 30 June 2022

Note 4 Summary of significant accounting policies (continued)

m) Leases (continued)

As a lessee (continued)

Where the company is a lessee for the premises to conduct its business, extension options are included in the lease term except when the company is reasonably certain not to 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 demised leased premises.

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

The right-of-use asset is 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.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Short-term leases and leases of low-value assets

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

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

Note 5 Significant accounting judgements, estimates, and assumptions

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

a) Judgements

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

<u>Note</u>	<u>Judgement</u>
- Note 20 - leases:	
a) control	a) whether a contract is or contains a lease at inception by assessing whether the company has the right to direct the use of the identified asset and obtain substantially all the economic benefits from the use of that asset;
b) lease term	b) whether the company is reasonably certain to exercise extension options, termination periods, and purchase options;
c) discount rates	c) judgement is required to determine the discount rate, where the discount rate is the company's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. The incremental borrowing rate is determined with reference to factors specific to the company and underlying asset including the amount, the lease term, economic environment and other relevant factors.

Notes to the Financial statements (continued)

For the year ended 30 June 2022

Note 5 Significant accounting judgements, estimates, and assumptions (continued)

b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 30 June 2022 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note	Assumptions
- Note 18 - recognition of deferred tax assets	availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilised;
- Note 15 - estimation of useful lives of assets	key assumptions on historical experience and the condition of the asset;
- Note 21 - long service leave provision	key assumptions on attrition rate and pay increases though promotion and inflation;

Note 6 Financial risk management

The company has exposure to credit, liquidity and market risk arising from financial instruments. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company does not use derivative instruments.

Risk management is carried out directly by the board of directors.

a) Credit risk

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

The company'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 of the bank.

b) Liquidity risk

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

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities. The contractual cash flows amounts are gross and undiscounted.

30 June 2022

Non-derivative financial liability	Carrying amount	Contractual cash flows		
		Not later than 12 months	Between 12 months and five years	Greater than five years
Lease liabilities	102,060	46,213	55,847	-
Trade payables	67,299	9,540	57,759	-
	169,359	55,753	113,606	-

Notes to the Financial statements (continued)

For the year ended 30 June 2022

Note 6 Financial risk management (continued)

b) Liquidity risk (continued)

Exposure to liquidity risk (continued)

30 June 2021

Non-derivative financial liability	Carrying amount	Not later than 12 months	Contractual cash flows	
			Between 12 months and five years	Greater than five years
Lease liabilities	256,703	46,213	201,602	8,888
Trade payables	25,887	23,273	2,614	-
	282,590	69,486	204,216	8,888

c) Market risk

Market risk

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

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

Price risk

The primary goal of the company's investment in equity securities is to hold the investments for the long term for strategic purposes.

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.

Cash flow and fair value interest rate risk

Interest-bearing assets and liabilities are held with Bendigo Bank and subject to movements in market interest.

The company held cash and cash equivalents of \$490,162 at 30 June 2022 (2021: \$478,621). The cash and cash equivalents are held with Bendigo Bank, which are rated BBB+ on Standard & Poor's credit ratings.

Note 7 Capital management

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

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

The distribution limit is the greater of:

- 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%.

Notes to the Financial statements (continued)

For the year ended 30 June 2022

Note 7 Capital management (continued)

The board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2022 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 8 Revenue from contracts with customers

	2022	2021
	\$	\$
- Margin income	477,774	481,554
- Fee income	33,085	31,839
- Commission income	47,377	47,397
	<u>558,236</u>	<u>560,790</u>

Note 9 Other revenue

	2022	2021
	\$	\$
- Market development fund income	15,000	23,543
- Cash flow boost	-	10,779
	<u>15,000</u>	<u>34,322</u>

Note 10 Finance income

	2022	2021
	\$	\$
- Term deposits	<u>1,357</u>	<u>2,684</u>

Finance income is recognised when earned using the effective interest rate method.

Note 11 Expenses

a) Depreciation and amortisation expense	2022	2021
	\$	\$
<i>Depreciation of non-current assets:</i>		
- Leasehold improvements	4,524	4,847
- Plant and equipment	4,848	4,216
	<u>9,372</u>	<u>9,063</u>
<i>Depreciation of right-of-use assets</i>		
- Leased land and buildings	26,052	32,735
	<u>26,052</u>	<u>32,735</u>

Notes to the Financial statements (continued)

For the year ended 30 June 2022

Note 11 Expenses (continued)

a) Depreciation and amortisation expense (continued)	2022	2021
	\$	\$
<i>Amortisation of intangible assets:</i>		
- Franchise fee	2,078	2,244
- Franchise renewal process fee	10,507	11,197
- Other	920	3,680
	<u>13,505</u>	<u>17,121</u>

Total depreciation and amortisation expense

	<u>48,929</u>	<u>58,919</u>
b) Finance costs		
- Lease interest expense	<u>6,008</u>	<u>9,557</u>

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

c) Employee benefit expenses	2022	2021
	\$	\$
Wages and salaries	297,090	295,075
Contributions to defined contribution plans	29,239	27,979
Expenses related to long service leave	(5,405)	7,367
Other expenses	24,951	14,390
	<u>345,875</u>	<u>344,811</u>

d) Recognition exemption

The company pays for the right to use information technology equipment. The underlying assets have been assessed as low value and exempted from recognition under AASB 16 accounting. Expenses relating to low-value exempt leases are included in system costs expenses.

	2022	2021
	\$	\$
Expenses relating to low-value leases	<u>8,240</u>	<u>6,447</u>

Note 12 Income tax expense

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

a) Amounts recognised in profit or loss	2022	2021
	\$	\$
<i>Current tax expense/(credit)</i>		
- Current tax	1,450	12,462
- Movement in deferred tax	8,320	238
- Reduction in company tax rate	-	7,281
	<u>9,770</u>	<u>19,981</u>

Notes to the Financial statements (continued)

For the year ended 30 June 2022

Note 12 Income tax expense (continued)		
b) <i>Prima facie</i> income tax reconciliation	2022	2021
	\$	\$
Operating profit before taxation	33,808	54,921
Prima facie tax on profit/(loss) from ordinary activities at 25% (2021: 26%)	1,450	14,279
Tax effect of:		
- Non-deductible expenses	-	1,224
- Non-assessable income	-	(2,803)
- Temporary differences	-	(238)
- Movement in deferred tax	8,320	238
- Reduction in company tax rate	-	7,281
	<u>9,770</u>	<u>19,981</u>

Note 13 Cash and cash equivalents

a) Cash and cash equivalents	2022	2021
	\$	\$
- Cash at bank and on hand	490,162	140,311
- Term deposits	-	338,310
	<u>490,162</u>	<u>478,621</u>

Note 14 Trade and other receivables

a) Current assets	2022	2021
	\$	\$
Trade receivables	37,993	40,281
Prepayments	9,166	9,830
Other receivables and accruals	271	1,357
	<u>47,430</u>	<u>51,468</u>

Note 15 Property, plant and equipment

a) Carrying amounts	2022	2021
	\$	\$
<i>Leasehold improvements</i>		
At cost	208,662	208,662
Less: accumulated depreciation	(118,073)	(113,225)
	<u>90,589</u>	<u>95,437</u>
<i>Plant and equipment</i>		
At cost	115,341	111,915
Less: accumulated depreciation	(94,888)	(86,937)
	<u>20,453</u>	<u>24,978</u>
Total written down amount	<u>111,042</u>	<u>120,415</u>

Notes to the Financial statements (continued)

For the year ended 30 June 2022

Note 15 Property, plant and equipment (continued)		
b) Reconciliation of carrying amounts	2022	2021
	\$	\$
<i>Leasehold improvements</i>		
Carrying amount at beginning	95,437	100,284
Depreciation	(4,848)	(4,847)
	<u>90,589</u>	<u>95,437</u>
<i>Plant and equipment</i>		
Carrying amount at beginning	24,977	27,058
Additions	3,426	2,135
Depreciation	(7,950)	(4,216)
	<u>20,453</u>	<u>24,977</u>
Total written down amount	<u>111,042</u>	<u>120,414</u>

c) Changes in estimates

During the financial year, the company assessed estimates used for property, plant and equipment including useful lives, residual values, and depreciation methods. There were no changes in estimates for the current reporting period.

Note 16 Right-of-use assets

a) Carrying amounts	2022	2021
	\$	\$
<i>Leased land and buildings</i>		
At cost	395,103	488,379
Less: accumulated depreciation and impairment	(346,691)	(320,639)
Total written down amount	<u>48,412</u>	<u>167,740</u>
b) Reconciliation of carrying amounts	2022	2021
	\$	\$
<i>Leased land and buildings</i>		
Carrying amount at beginning	167,740	209,639
Remeasurement adjustments	(93,276)	(9,164)
Depreciation	(26,052)	(32,735)
Total written down amount	<u>48,412</u>	<u>167,740</u>

Note 17 Intangible assets

a) Carrying amounts	2022	2021
	\$	\$
<i>Franchise fee</i>		
At cost	43,685	32,746
Less: accumulated amortisation	(34,477)	(32,400)
	<u>9,208</u>	<u>346</u>
<i>Franchise renewal process fee</i>		
At cost	168,425	113,729
Less: accumulated amortisation	(122,390)	(111,883)
	<u>46,035</u>	<u>1,846</u>

Notes to the Financial statements (continued)

For the year ended 30 June 2022

Note 17 Intangible assets (continued)		
a) Carrying amounts (continued)	2022	2021
	\$	\$
<i>Goodwill</i>		
At cost	8,280	8,280
Less: accumulated amortisation and impairment	(8,280)	(7,360)
	-	920
Total written down amount	55,243	3,112
b) Reconciliation of carrying amounts		
<i>Franchise fee</i>		
Carrying amount at beginning	346	2,590
Additions	10,940	-
Amortisation	(2,078)	(2,244)
	9,208	346
<i>Franchise renewal process fee</i>		
Carrying amount at beginning	1,846	13,043
Additions	54,696	-
Amortisation	(10,507)	(11,197)
	46,035	1,846
<i>Goodwill</i>		
Carrying amount at beginning	920	4,600
Amortisation	(920)	(3,680)
	-	920
Total written down amount	55,243	3,112

c) Changes 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 18 Tax assets and liabilities		
a) Deferred tax	2022	2021
	\$	\$
<i>Deferred tax assets</i>		
- expense accruals	1,917	3,149
- employee provisions	5,043	8,634
- lease liability	24,451	58,055
- carried-forward tax losses	36,473	37,923
Total deferred tax assets	67,884	107,761

Notes to the Financial statements (continued)

For the year ended 30 June 2022

Note 18 Tax assets and liabilities (continued)		
a) Deferred tax (continued)	2022	2021
	\$	\$
<i>Deferred tax liabilities</i>		
- income accruals	67	342
- right-of-use assets	12,103	41,935
Total deferred tax liabilities	12,170	42,277
Net deferred tax assets (liabilities)	55,714	65,484
Movement in deferred tax charged to Statement of Profit or Loss and Other Comprehensive Income	9,770	19,981

Note 19 Trade creditors and other payables

Where the company is liable to settle an amount within 12 months of reporting date, the liability is classified as current. All other obligations are classified as non-current.

a) Current liabilities	2022	2021
	\$	\$
Trade creditors	9,540	190
Other creditors and accruals	13,698	23,083
	23,238	23,273
b) Non-current liabilities		
Other creditors and accruals	57,759	2,614
	57,759	2,614

Note 20 Lease liabilities

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

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

The company's lease portfolio includes:

- Wantirna branch	The lease agreement commenced in November 2011. A 3 year renewal option was exercised in September 2021. The company has no renewal options available. As such, the lease term end date used in the calculation of the lease liability is September 2024. The discount rate used in calculations is 4.29%.
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a) Current lease liabilities	2022	2021
	\$	\$
Property lease liabilities	46,213	46,213
Unexpired interest	(2,955)	(8,120)
	43,258	38,093
b) Non-current lease liabilities		
Property lease liabilities	55,847	210,490
Unexpired interest	(1,301)	(16,363)
	54,546	194,127

Notes to the Financial statements (continued)

For the year ended 30 June 2022

Note 20 Lease liabilities (continued)		
	2022	2021
	\$	\$
c) Reconciliation of lease liabilities		
Balance at the beginning	232,220	276,730
Remeasurement adjustments	(95,521)	(9,164)
Lease interest expense	6,008	9,557
Lease payments - total cash outflow	(44,903)	(44,903)
	<u>97,804</u>	<u>232,220</u>
d) Maturity analysis		
- Not later than 12 months	46,213	46,213
- Between 12 months and 5 years	55,847	210,490
Total undiscounted lease payments	<u>102,060</u>	<u>256,703</u>
Unexpired interest	(4,256)	(24,483)
Present value of lease liabilities	<u>97,804</u>	<u>232,220</u>

Note 21 Employee benefits

	2022	2021
	\$	\$
a) Current liabilities		
Provision for annual leave	<u>10,910</u>	<u>18,928</u>
b) Non-current liabilities		
Provision for long service leave	<u>9,263</u>	<u>15,609</u>

c) Key judgement and assumptions

Employee attrition rates

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

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.

Note 22 Issued capital

	2022		2021	
	Number	\$	Number	\$
Ordinary shares - fully paid	921,509	921,509	921,509	921,509
Less: equity raising costs	-	(30,284)	-	(30,284)
	<u>921,509</u>	<u>891,225</u>	<u>921,509</u>	<u>891,225</u>

Notes to the Financial statements (continued)

For the year ended 30 June 2022

Note 22 Issued capital (continued)

b) Rights attached to issued capital

Ordinary shares

Voting rights

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

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

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

Dividends

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

Transfer

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

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

Prohibited shareholding interest

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

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

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

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

Where a person has a prohibited shareholding interest, the voting and dividend rights attaching to the shares in which the person (and his or her associates) have a prohibited shareholding interest, 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.

Notes to the Financial statements (continued)

For the year ended 30 June 2022

Note 22 Issued capital (continued)

b) Rights attached to issued capital (continued)

Prohibited shareholding interest (continued)

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

Note 23 Accumulated losses

	2022 \$	2021 \$
Balance at beginning of reporting period	(297,017)	(318,134)
Net profit after tax from ordinary activities	24,038	34,940
Dividends provided for or paid	(9,215)	(13,823)
Balance at end of reporting period	<u>(282,194)</u>	<u>(297,017)</u>

Note 24 Reconciliation of cash flows from operating activities

	2022 \$	2021 \$
Net profit after tax from ordinary activities	24,038	34,940
Adjustments for:		
- Depreciation	35,424	41,798
- Amortisation	13,505	17,121
Changes in assets and liabilities:		
- (Increase)/decrease in trade and other receivables	4,049	2,464
- (Increase)/decrease in other assets	9,770	29,533
- Increase/(decrease) in trade and other payables	16,291	(5,710)
- Increase/(decrease) in employee benefits	(14,364)	8,003
Net cash flows provided by operating activities	<u>88,713</u>	<u>128,149</u>

Note 25 Financial instruments

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

	Note	2022 \$	2021 \$
Financial assets			
Trade and other receivables	14	38,264	41,638
Cash and cash equivalents	13	490,162	140,311
Term deposits	13	-	338,310
		<u>528,426</u>	<u>520,259</u>

Notes to the Financial statements (continued)

For the year ended 30 June 2022

Note 25 Financial instruments (continued)

	Note	2022 \$	2021 \$
Financial liabilities			
Trade and other payables	19	9,540	25,887
Lease Liabilities	20	97,804	232,220
		<u>107,344</u>	<u>258,107</u>

Note 26 Auditor's remuneration

Amount received or due and receivable by the auditor of the company for the financial year.

	2022 \$	2021 \$
<i>Audit and review services</i>		
- Audit and review of financial statements	5,200	7,924
<i>Non audit services</i>		
- General advisory services	1,100	-
- Share registry services	4,307	4,310
Total auditor's remuneration	<u>10,607</u>	<u>12,234</u>

Note 27 Related parties

a) Details of key management personnel

The directors of the company during the financial year were:

Jeffrey James Somers
Phillipa Jane Maloney-Walsh
Wendy Moo Yin Van Horssen
Carol Lyn Constantine
Vinh Quang Luong
Daniel Tan Quoc Cheng
Jialin Wu
Mona Krombholz
Pryatharshen (Dash) Thevarajah
Julian Geoffrey Crane
Stephen Paul Palamara
Karla Madeleine Bader

b) Key management personnel compensation

Key management personnel compensation comprised the following.

	2022 \$	2021 \$
Directors fees	<u>3,647</u>	<u>1,446</u>

c) Related party transactions

No director or related entity has entered into a material contract with the company.

Notes to the Financial statements (continued)

For the year ended 30 June 2022

Note 28 Dividends provided for or paid

a) Dividends provided for and paid during the period

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

	30 June 2022		30 June 2021	
	Cents	\$	Cents	\$
Unfranked dividend	1.00	9,215	1.50	13,823

Note 29 Earnings per share

a) Based and diluted earnings per share

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

	2022	2021
	\$	\$
Profit attributable to ordinary shareholders	24,038	34,940
	Number	Number
Weighted-average number of ordinary shares	921,509	921,509
Basic and diluted earnings per share	2.61	3.79

Note 30 Commitments

a) Other commitments

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

Note 31 Contingencies

There were no contingent liabilities or contingent assets at the date of this report to affect the financial statements.

Note 32 Subsequent events

There have been no significant events occurring after the reporting period which may affect either the company's operations or the results of those operations or the company's state of affairs.

Directors' declaration

In accordance with a resolution of the directors of Wantirna Financial Services Limited, we state that:

In the opinion of the directors:

- (a) the financial statements and notes of the company are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Jeff Somers

Jeffrey James Somers, Chair

19 September 2022

Independent audit report



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

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

Report on the Audit of the Financial Report

Opinion

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

- Statement of financial position as at 30 June 2022
- Statement of profit or loss and other comprehensive income
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements, including a summary of significant accounting policies
- The directors' declaration of the company.

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

- giving a true and fair view of the company's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

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

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



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Independent audit report (continued)



Andrew Frewin Stewart
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03 5443 0344

Other Information

The company usually prepares an annual report that will include the financial statements, directors' report and declaration and our independence declaration and audit report (the financial report). The annual report may also include "other information" on the entity's operations and financial results and financial position as set out in the financial report, typically in a Chairman's report and Manager's report, and reports covering governance and shareholder matters.

The directors are responsible for the other information. The annual report is expected to be made available to us after the date of this auditor's report.

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

Our responsibility is to read the other information identified above when it becomes available 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 we identify that a material inconsistency appears to exist when we read the annual report (or become aware that the other information appears to be materially misstated), we will discuss the matter with the directors and where we believe that a material misstatement of the other information exists, we will request management to correct the other information.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's responsibilities for the Audit of the Financial Report

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



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Independent audit report (continued)



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

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 19 September 2022

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

Joshua Griffin
Lead Auditor

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Share Registry:
AFS & Associates Bendigo

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