

Annual Report 2024

Creswick & District Financial
Services Limited

Community Bank
Creswick & District
ABN 14 119 315 258



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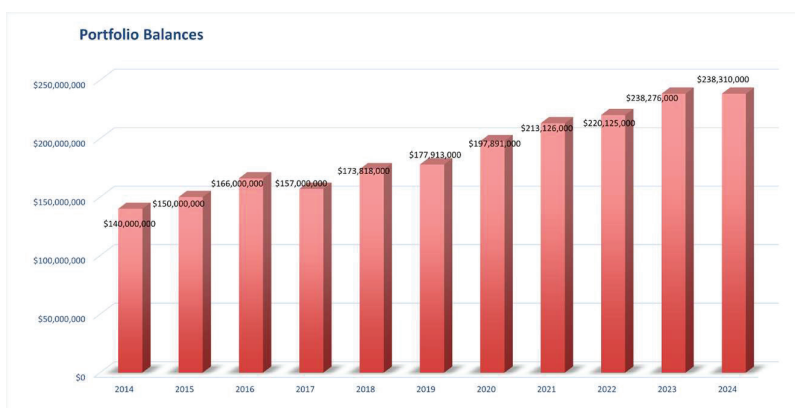
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Chairman's report

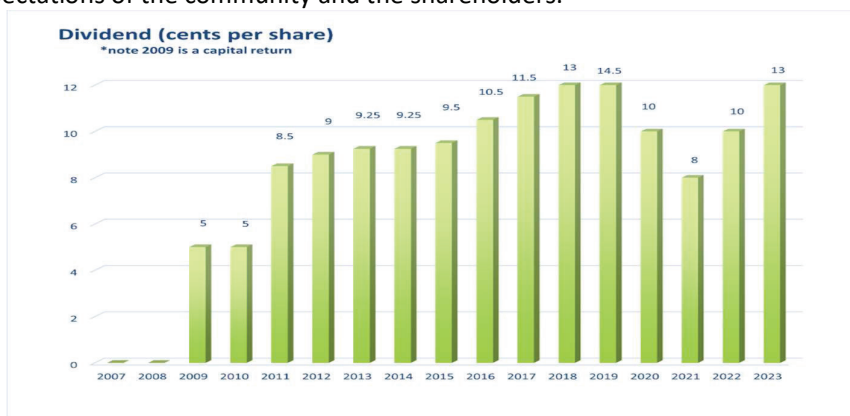
For the year ended 30 June 2024

It is my pleasure and honour to present my chairman's report for the 2023/2024 financial year. During the year we saw our business generate more than \$1,755,000 in income which resulted in more than \$876,000 in profit (before community contributions). These strong and positive numbers are only possible due to the dedicated hardworking staff and board of directors. I am confident that the company is in a position where it can rely on the strong foundations that have been established for the past 17 years to tackle any future challenges.

The increase in portfolio balances goes hand in hand with the strong financial result we have seen the stabilisation of the overall balance to \$238 million. This balance helps provide the stable income we have seen over several years which in turn has enabled us to contribute significantly to our community. It is important not to rest and to work hard to endeavour to increase the business to enable us to continue to grow and continue to invest back into our community.



It is also important to recognise the loyalty of our shareholders. Due to the growth of the business, we have been able to continue to provide value back to our shareholders via our dividends. It is the board's priority to ensure that the business delivers a return to our shareholders. Dividends serve as a bridge between the company's financial success and its shareholders. We as a board ensure the balance of paying dividends and community contributions is in line with the expectations of the community and the shareholders.



From a national perspective, Community Bank Creswick & District is part of the greater Bendigo Bank community bank network which turned 26 years old this year. During this period the network has returned more than \$324 million to local communities for various purposes. During the 2022-23 financial year, the network gave back over \$32 million to their communities. The network's unique social enterprise model involves 305 Community Bank branches, 215 community enterprises, 70,000+ shareholders, and 950,000 customers. Although we focus on our local impacts it is important to recognise Community Bank Creswick & District is part of a bigger network that makes significant impacts nationwide.

This past year has seen another strong year for the company and has delivered a strong result not only for our shareholders but also for the considerable contributions made to over 34 community groups totaling over \$304,000 for the year.

The Board and I are very proud of these significant contributions to our community. We thank our loyal and dedicated customers who enable us to make such an impactful contribution to our community. We continue to make significant contributions to important community groups and events, such as the successful 2024 CresFest that saw thousands of music lovers converge in Creswick for a fantastic weekend of Folk and roots music.

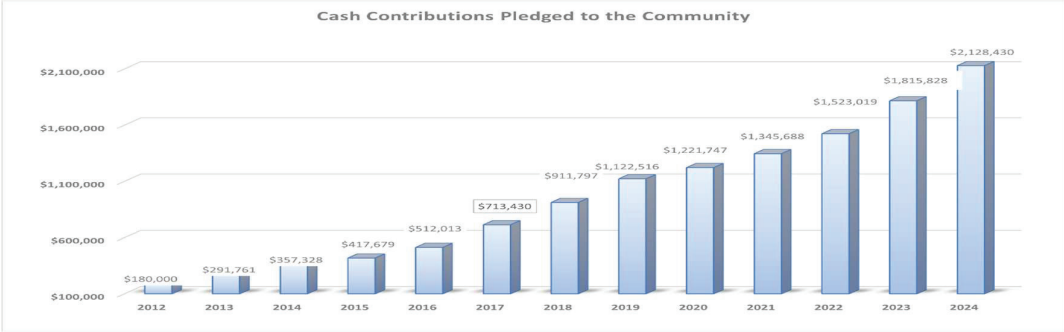
Supporting our youth is a focus of the board and this past year saw Creswick & District Financial Services Ltd make considerable contributions to four Youththrive scholarship recipients. Molly, Floss, Regan and Rhylan were selected from a pool of more than a hundred applicants. The scholarships will support these young people through their tertiary education. The Youthrive Victoria Rural University scholarship includes financial support of \$30,000 over three years, plus mentoring and leadership development.

Another project Community Bank Creswick & District contributed during the past year was assisting the Clunes Men’s Shed with a grant to help with the installation of a new shed and the establishment of a Young Men’s Shed program, the first of its kind in Australia. Men’s Shed’s values are very closely aligned with our values. The Clunes Men’s Shed provides the Clunes local community with a safe and busy environment with an atmosphere of old-fashioned mateship. It provides a space that enables Men to improve their Well-being including improving self-esteem, being productive, contributing to the community, connecting with friends and maintaining an active mind and body.

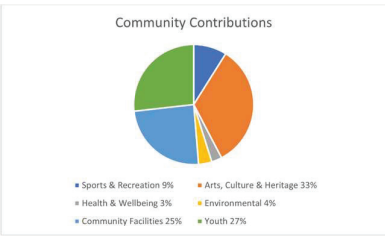
This year’s contributions saw a significant milestone achieved, since the company’s inception we have now contributed over \$2.1 million to the Creswick and District Community. This milestone was celebrated with a community event showcasing the important contributions our company has made since 2007.

Community Bank Creswick & District have contributed to many large infrastructure projects, many small projects and everything in between in the 17 years of operation. From our first major project of contributing to the Doug Lindsay Recreation Reserve Multipurpose Facility to the \$250,000.00 donation to the Hammon Park Trailhead project, we as a community have seen so much growth in our community. These contributions empower our community and provide the opportunity to be in control of our destiny.

The below graph demonstrates the commitment we have made to our community. Since 2012 we have made an increase in community contributions every year which is a testament to the performance of the business. The 2.1 million dollars given to our worthy community groups not only helps the groups themselves but also makes and encourages the growth of our towns where we live and do business



The contributions we have distributed throughout 2023/24 have touched every sector of our community. As the below chart demonstrates, each sector in our community plays an important role in the well-being of our community and deserves to be supported. By ensuring that we make strategic impacts on all corners of the community. We as a business are not only providing essential banking services but we are nurturing community resilience. It’s a win-win, the business continues to grow and in turn, the community receives support that enables sustainable growth



I extend my heartfelt gratitude to my fellow board members. Their unwavering commitment to our company and the community is truly commendable. As our organisation has grown, so too has the weight of responsibility on the Board's shoulders. Ensuring due diligence, navigating challenges, and safeguarding our community-centric mission—all these tasks have become increasingly complex.

I am confident that our board possesses the resolve and dedication required to steer our company toward a bright future. We remain steadfast in our commitment to serving the community. This year, we welcomed Stephen Kinnersly as a new director. Stephen's unique skills and insights are invaluable, and I eagerly anticipate working alongside him to benefit both our company and our community.

The Board wholeheartedly recognizes the unwavering dedication of our staff at Community Bank Creswick & District. They are the heartbeat of our organisation, committed to nurturing our customer base and delivering exceptional service. We consistently receive positive feedback from our valued customers, a testament to the outstanding work of our team.

Our pride extends beyond mere professionalism. It's about the community spirit that infuses every interaction. Our staff embodies the ethos of community banking, and we celebrate their contributions.

This year, we've been able to empower our Executive Assistant and Community Liaison, Narelle Barrett. Narelle's tireless efforts have connected us to various corners of our community, ensuring that our proud story of community banking resonates far and wide. Her dedication and loyalty are commendable and appreciated not only by the Board but by the entire Creswick and District community.

This year, our organisation achieved well-deserved recognition: we are now a certified Social Enterprise. This milestone isn't just about a new label; it's about fundamentally aligning our purpose with positive impact. As a certified Social Enterprise, our mission is front and centre which is more than profit margins. It's about providing a public benefit—a commitment that extends beyond balance sheets. We're in the business of community transformation. This purpose-driven approach infuses every decision we make, we're here to create ripples of positive change.

With our certification, we've secured our rightful spot. It confirms our position in our community, as active participants. We create opportunities where business and community impact intertwine. Our story now aligns with countless others who believe that business can be a force for good.

As a Board and staff, we take immense pride in the positive and meaningful impact we have been able to achieve. Our efforts have seen significant progress, and we remain committed to continuing this momentum.

Looking ahead, we anticipate the opportunity to deepen our engagement with the community and our customers and explore new ways to contribute to their growth and well-being. We are dedicated to further strengthening these connections and expanding our influence to create even greater positive change in the Creswick & District community.



Marcus Walsh
Chairman

Community Groups supported during the year

Clunes Football Netball Club	Creswick Neighbourhood Centre
Kingston Agricultural Society	Newlyn Football Netball Club
Creswick Bowling Club	Smeaton Bowling Club
Clunes Bowling Club	Mollongghip Hall & Tennis Committee
Fiona Elsey Cancer Research Institute	Pavilion Arts & Sustainability Inc
Ballarat Agricultural & Pastoral Society	Clunes Tourist Development Association
Creswick Essential Bags Initiative	Anderson's Mill Heritage Weekend
Friends of Park Lake	Mt Xavier Bowls Club
CresFest 2024	Creswick District News
Mt Prospect & District Tennis Association	Clunes Booktown 2024
Seeding Victoria	Youthrive
Bald Hills Creswick Landcare Group	Creswick & District Historical Society
Creswick Brass Band	Creswick Smeaton RSL
Clunes & District Agricultural Society	Smeaton Best Wool Best Lamb
Creswick U3A	Grade 6 Awards
Central Highlands Rural Health – Creswick Hospital	Jared Tallent Junior Sportsperson Award
Bigger Hearts Dementia Alliance	BEMPS
Red Cross Creswick	Red Dirt Ball

Branch Manager's Report

For the year ended 30 June 2024

Hello everyone,

I am pleased to report that Community Bank Creswick & District's return to full staffing has significantly contributed to our achievements. As of June 30, we have seen a steady increase in customer numbers, reaching 3,239.

Our total deposits have risen to over \$168 million, up from \$157 million last year. Although our lending has slightly decreased to just above \$51 million, Michael and I are diligently working to rebuild this area. The positive news is that the total book value remains stable, currently standing at over \$238 million.

This year's goals mirror those of the previous year. We aim to continue fostering and expanding our relationships and partnerships within the community. We are grateful for the strong support from local community groups, which will remain a key focus for us moving forward.

Lending growth is a critical area of focus. With upcoming changes to our banking approval systems and the addition of two lenders to our branch, we are optimistic about improving our lending figures throughout 2024 and 2025.

I would like to extend my heartfelt thanks to my branch team—Michael, John, Natalie, Oscar, and Kristin—as well as all our directors and community groups who have supported us over the past year.

A special thank you goes to all of you, our valued customers and shareholders of the Community Bank Creswick & District. Your unwavering support over the past 17 years has been instrumental to our success. It is heartening to see the strong relationships forged with our staff and to experience the essence of traditional banking values in our daily interactions.

Thank you once again for your continued support and dedication.

Grant Hopkinson

Grant Hopkinson
Branch Manager

Directors' Report

For the Year Ended 30 June 2024

The directors present their report, together with the consolidated financial statements of the Group, being Creswick & District Financial Services Limited and its controlled entity Creswick Community Property Group Pty Ltd, for the financial year ended 30 June 2024.

Information on directors

The names, qualifications, experience and special responsibilities of each person who has been a director during the year and to the date of this report are:

Marcus Walsh	<p>Special responsibilities: Chairperson. Appointed 31 October 2017.</p> <p>Experience and expertise: Marcus has been in various roles within the building industry for the past 25 years and is currently a Contracts Manager for a local Project Management Company.</p> <p>Board member since: 2005. Founding director.</p>
Daryl Clifton	<p>Special responsibilities: Company Secretary. Appointed 31 October 2017. Chairperson of the Finance & Audit Committee.</p> <p>Experience and expertise: Master's Degree in Ed, Graduate Certificate in Public Administration and Certificate IV in Work Place Training and Development. Daryl was a senior police officer for 42 years and now works as a Human Resources Manager with a local Ballarat company.</p> <p>Board member since: 2017.</p>
Janine Booth	<p>Special responsibilities: Treasurer. Chairperson of the Grants & Sponsorship Committee. Appointed 31 January 2017.</p> <p>Experience and expertise: Councillor Creswick Shire Council 1992-1996 and Hepburn Shire Council 2005 - 2012 including Mayor 2010. With over 30 years Management experience within Australia Post, Janine currently owns and operates the Creswick Post Office.</p> <p>Board member since: 2005. Founding director.</p>
Michael Beaumont	<p>Special Responsibilities: Chairperson of the Business Development Committee.</p> <p>Experience and expertise: A current Director of the Ballarat Meat Company. Michael has been involved in the retail and wholesale meat business for over 45 years. He has also served with the Miners Rest CFA for over 40 years. Michael is a Justice of the Peace.</p> <p>Board member since: 2010.</p>
Stephen Kinnersly	<p>Experience and expertise: Steve owns and operates a farming business at Tourello. He has been a member of the Clunes & District Agricultural Society for over 25 years and the Ascot CFA for 35 years. He spent 10 years on the Clunes Primary School Council whilst his children attended.</p> <p>Board member since: Appointed 26 March 2024.</p>
Wendy McFarlane	<p>Experience and expertise: Wendy holds a Bachelor of Business degree majoring in Accounting and is a Fellow of CPA Australia. Wendy's career experience includes 20 years as Business Director and Company Secretary at an independent school, several finance and accounting roles in large corporations within the mining and manufacturing industries, and in private practice. Wendy is now enjoying the opportunity to contribute to the community through voluntary roles in local Creswick organisations and with the Art Gallery of Ballarat.</p> <p>Board member since: 2023</p>

Directors' Report

For the Year Ended 30 June 2024

Information on directors (continued)

Graeme Mitchell **Experience and expertise:** 50 years business experience in the clothing trade. 40 years experience as a clothing agency. 20 years experience in retail clothing. Former chairman of Trice Holdings P/L.
Board member since: 2005. Chairperson from 2005 - 2017. Founding Chairperson.

Ian Smith **Experience and expertise:** Ian and his family are long-time residents of Rocklyn. Ian is involved in many local groups including the CFA, Ballarat & District Ploughing Association, Landcare and local farming groups.
Board member since: May 2020.

Jeff Unmack **Experience and expertise:** B.Pharm., M.P.S. Jeff has been working as a qualified Pharmacist for over 30 years. Jeff owns and operates the Creswick Pharmacy and the Clunes Pharmacy. He is a past President of the Ballarat Club.
Board member since: 2015.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Meetings of Directors

During the financial year, 11 meetings of directors (not including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Finance & Audit Committee		Business Development Committee		Grants & Sponsorship Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Marcus Walsh	11	11	3	3	2	2	6	5
Daryl Clifton	11	9	3	3	-	-	6	5
Janine Booth	11	8	3	3	-	-	6	3
Michael Beaumont	11	9	-	-	10	9	-	-
Stephen Kinnersly	4	4	-	-	3	2	-	-
Wendy McFarlane	11	10	1	1	10	8	-	-
Graeme Mitchell	11	5	-	-	-	-	6	1
Ian Smith	11	9	-	-	10	1	-	-
Jeff Unmack	11	8	-	-	10	4	6	5

Directors' Report

For the Year Ended 30 June 2024

Information on directors (continued)

Equity holdings of management personnel

The number of ordinary shares in the company held during the financial year by each director and other key management personnel, including their related parties, are set out below:

	Balance at beginning of year	Changes during the year	Balance at 30 June 2023
Marcus Walsh	501	-	501
Daryl Clifton	1,000	-	1,000
Janine Booth	6,001	-	6,001
Michael Beaumont	19,600	10,000	29,600
Stephen Kinnersly	-	-	-
Wendy McFarlane	-	-	-
Graeme Mitchell	13,501	-	13,501
Ian Smith	100	-	100
Jeff Unmack	10,000	-	10,000
	50,703	10,000	60,703

Company secretary

The secretary of the company at the end of financial year was Daryl Clifton who has been in the positions since 31 October 2017.

Principal activities

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

No significant change in the nature of the Group's activities occurred during the year.

Operating results

The consolidated profit of the Group amounted to \$435,296 (2023: \$690,024).

Dividends paid or recommended

Dividends paid or declared during or since the end of the financial year comprised a fully franked dividend of 13 cents per share totalling \$87,940 which was declared and paid during the year ended 30 June 2024.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of entities in the Group during the financial year.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Directors' Report

For the Year Ended 30 June 2024

Environmental issues

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Contracts and options

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

Indemnification and insurance of officers and auditors

The company has agreed to indemnify each officer (director, secretary or employee) out of assets of the company to the relevant extent for any liability incurred by that person arising out of the discharge of their duties, except where the liability arises out of conduct involving dishonesty, negligence, breach of duty or the lack of good faith. The company also has officers insurance for the benefit of officers of the company against any liability incurred by the officer, which includes the officer's liability for legal costs, in or arising out of the conduct of the business of the company or in or arising out of the discharge of the officer's duties.

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses insurance contracts as such disclosure is prohibited under the terms of the contract. The company has not provided any insurance for an auditor of the company.

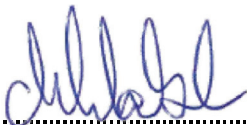
Proceedings on behalf of company


No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2024 has been received and can be found on page 5 of the consolidated financial report. No officer of the company is or has been a partner or director of the auditor of the company.

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

Director: 
.....
Marcus Walsh

Director: 
.....
Daryl Clifton

Dated: 27 August 2024



Creswick & District Financial Services Ltd
ABN 14 119 315 258

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Creswick & District Financial Services Ltd and Controlled Entities

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, there have been:

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

CountPro Audit Pty Ltd
.....
CountPro Audit Pty Ltd

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

.....
Jason D. Hargreaves
Director

180 Eleanor Drive, Lucas

Dated: 23 August 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2024

	Note	Consolidated	
		2024	2023
		\$	\$
Revenue			
Revenue and other income	4	<u>1,755,682</u>	1,818,482
		<u>1,755,682</u>	1,818,482
Expenses			
Administrative expenses		(79,576)	(74,786)
Agents commissions		(33,628)	(32,720)
Advertising and marketing		(18,327)	(6,192)
Bad debt expenses and expected credit losses	5(a)	(115)	(49)
Depreciation expense	5(b)	(42,048)	(33,561)
Employment costs	5(c)	(607,276)	(374,011)
Information technology costs		(31,559)	(26,191)
Occupancy costs		(45,392)	(39,952)
Other expenses		(19,019)	(19,458)
		<u>(876,940)</u>	(606,920)
Operating profit before charitable donations and sponsorships		878,742	1,211,562
Charitable donations and sponsorships		(304,258)	(292,849)
		<u>574,484</u>	918,713
Profit before income taxes		574,484	918,713
Income tax expense	7(a)	(139,188)	(228,689)
		<u>435,296</u>	690,024
Profit for the year		435,296	690,024
Other comprehensive income, net of tax			
<i>Items that will not be reclassified subsequently through profit or loss</i>			
Net gain/(loss) on revaluation of financial assets designated at FVOCI, net of tax	7(c)	50,105	(6,962)
		<u>485,401</u>	683,062
Total comprehensive income for the year		485,401	683,062
Profit for the year attributable to members of the parent entity		435,296	690,024
Total comprehensive income attributable to members of the parent entity		485,401	683,062
Earnings per share for profit from continuing operations attributable to the members of the parent entity			
Basic earnings per share (cents)	21	64.35	102.01

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position
As At 30 June 2024

	Note	Consolidated	
		2024	2023
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	8	1,073,050	949,153
Trade and other receivables	9	172,950	172,970
Financial assets	10	308,143	192,476
Current tax assets	7(d)	24,451	-
Total current assets		1,578,594	1,314,599
Non-current assets			
Intangible assets	11	38,184	51,392
Property, plant and equipment	12	972,496	1,014,325
Investment properties	13	956,668	956,668
Total non-current assets		1,967,348	2,022,385
Total assets		3,545,942	3,336,984
Liabilities			
Current liabilities			
Current tax liabilities	7(d)	-	(199,236)
Trade and other payables	14(a)	(92,470)	(86,987)
Employee benefits	16	(64,695)	(48,948)
Total current liabilities		(157,165)	(335,171)
Non-current liabilities			
Trade and other payables	14(a)	(14,672)	(29,222)
Employee benefits	16	(620)	-
Deferred tax liabilities	7(e)	(127,459)	(124,026)
Total non-current liabilities		(142,751)	(153,248)
Total liabilities		(299,916)	(488,419)
Net assets		3,246,026	2,848,565
Equity			
Issued capital	17	618,364	618,364
Retained earnings	18	2,269,080	1,921,724
Land and building revaluation reserve	20	327,168	327,168
Financial asset revaluation reserve	20	31,414	(18,691)
Total equity		3,246,026	2,848,565

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2024

		Consolidated				Total
		Issued capital	Retained earnings	Land and building revaluation reserve	Financial asset revaluation reserve	
Note	\$	\$	\$	\$	\$	
2024						
		618,364	1,921,724	327,168	(18,691)	2,848,565
Balance at 1 July 2023						
Profit attributable to members of the parent entity		-	435,296	-	-	435,296
Total other comprehensive income for the year	7(c)	-	-	-	50,105	50,105
Dividends paid or provided for	19	-	(87,940)	-	-	(87,940)
Balance at 30 June 2024		618,364	2,269,080	327,168	31,414	3,246,026
2023						
		618,364	1,299,346	327,168	(11,729)	2,233,149
Balance at 1 July 2022						
Profit attributable to members of the parent entity		-	690,024	-	-	690,024
Total other comprehensive income for the year	7(c)	-	-	-	(6,962)	(6,962)
Dividends paid or provided for	19	-	(67,646)	-	-	(67,646)
Balance at 30 June 2023		618,364	1,921,724	327,168	(18,691)	2,848,565

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2024

	Note	Consolidated	
		2024	2023
		\$	\$
Cash flows from operating activities:			
Receipts from customers		1,850,598	1,879,551
Payments to suppliers and employees		(1,276,566)	(1,029,043)
Rental income received		21,086	21,507
Interest received		23,329	6,843
Income taxes paid		(376,145)	(33,453)
Net cash provided by operating activities	30	<u>242,302</u>	<u>845,405</u>
Cash flows from investing activities:			
Purchase of property, plant and equipment		(14,526)	(17,984)
Purchase of shares in Bendigo Bank		(19,934)	-
Net cash used in investing activities		<u>(34,460)</u>	<u>(17,984)</u>
Cash flows from financing activities:			
Dividends paid		(83,945)	(67,096)
Net cash used in financing activities		<u>(83,945)</u>	<u>(67,096)</u>
Net decrease in cash and cash equivalents held		123,897	760,325
Cash and cash equivalents at beginning of year		949,153	188,828
Cash and cash equivalents at end of financial year	8(a)	<u>1,073,050</u>	<u>949,153</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2024

The consolidated financial report covers Creswick & District Financial Services Ltd and its controlled entity, Creswick Community Property Group Pty Ltd ('the Group'). Creswick & District Financial Services Ltd is a for-profit Company limited by shares, incorporated and domiciled in Australia.

The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Directors on 27 August 2024.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*. These financial statements comply with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board.

Material accounting policies adopted in the preparation of these financial statements are presented below (and in the specific notes to the financial statements) and have been consistently applied unless otherwise stated.

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

(a) Economic dependency

The Group has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the Community Bank branch at Creswick.

The branch operates as a franchise of Bendigo and Adelaide Bank Limited, using the name "Bendigo Bank", the logo and systems of operation of Bendigo and Adelaide Bank Limited. The Group manages the Community Bank branch on behalf of Bendigo and Adelaide Bank Limited, however, all transactions with customers conducted through the Community Bank branch are effectively conducted between customers and Bendigo and Adelaide Bank Limited.

All deposits made with Bendigo and Adelaide Bank Limited and all personal investment products are products of Bendigo and Adelaide Bank Limited, with the Group 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 and Adelaide Bank Limited, must be approved by Bendigo and Adelaide Bank Limited. All credit transactions are made with Bendigo and Adelaide Bank Limited and all credit products are products of Bendigo and Adelaide Bank Limited.

Notes to the Financial Statements

For the Year Ended 30 June 2024

1 Basis of preparation (continued)

(a) Economic dependency (continued)

Bendigo and Adelaide Bank Limited provides significant assistance in establishing and maintaining the Community Bank branch 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 operations, including advice in relation to:

- The design, layout and fit-out of the Community Bank branch;
- Training for the branch managers 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; and
- Sales techniques and customer relations.

2 Summary of material accounting policies

(a) Impairment of non-financial assets

At the end of each reporting period the Group assesses whether there is any evidence of an impairment indicator for non-financial assets. The assessment includes consideration of external and internal sources of information. Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated. Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(b) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

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

(c) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 30 June 2024, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

Notes to the Financial Statements

For the Year Ended 30 June 2024

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of the consolidated financial statements regarding assumptions about current and future events affecting transactions and balances. These estimates and judgements are reviewed on an ongoing basis and are based on the best information available at the time of preparing the financial statements, however, as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - useful lives of depreciating assets

The Group estimates the useful lives and related depreciation and amortisation charges for its property, plant and equipment and intangible assets. The depreciation and amortisation charge will increase where useful lives are less than previously estimated.

Key estimates - fair value of non-current assets

The Group measures land and buildings at fair value based on periodical (every three years) valuations by appropriately qualified valuers. The Group measure investments in shares at the quoted price for the shares on the Australian Stock Exchange at the reporting date.

Where fair value has not been able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

Key estimates - employee benefits provision

The Group estimates components of the calculation of the provision for employee entitlements including wage growth, CPI movements and the likelihood of employees reaching unconditional service. The timing of when employee benefit obligations are to be settled is also estimated.

Key judgments - deferred taxes

Determining income tax provisions involves judgment on the tax treatment of certain transactions. Deferred tax is recognised on temporary differences where it is probable that there will be taxable revenue against which these can be offset. Management has made judgments as to the probability of future taxable revenues being generated against which tax losses will be available for offset based on budgets, current and future expected economic conditions.

Key judgments - impairment

The Group assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value in use calculations which incorporate various key assumptions.

Notes to the Financial Statements

For the Year Ended 30 June 2024

4 Revenue and other income

Revenue arises from the rendering of services through its franchise agreement with the Bendigo and Adelaide Bank Limited. The revenue recognised is measured by reference to the fair value of consideration received or receivable, excluding rebates and trade discounts. All revenue is stated net of the amount of goods and services tax (GST). The revenue recognition policies for the principal revenue streams of the Group are:

Rendering of services

The entity generates service commissions on a range of products issued by the Bendigo and Adelaide Bank Limited. The revenue includes upfront and trailing commissions, sales fees and margin fees. Commission revenue is recognised when the right to receive the income has been established.

Interest, dividend and other income

Interest income is recognised on an accrual basis using the effective interest rate method. Dividend and other revenue is recognised when the right to the income has been established.

	Consolidated	
	2024	2023
	\$	\$
Revenue from contracts with customers		
Commission income	1,662,440	1,758,950
	1,662,440	1,758,950
Other income		
Dividends received	13,337	10,645
Interest received	51,845	7,351
Rental revenue	23,111	21,508
Other income	4,949	20,028
	93,242	59,532
	1,755,682	1,818,482

5 Operating expenses

Operating expenses

Operating expenses are recognised in profit or loss on an accruals basis, which is typically upon utilisation of the service or at the date upon which the entity becomes liable.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that it is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated over the assets useful life to the Group commencing from the time the asset is first held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Notes to the Financial Statements
For the Year Ended 30 June 2024

5 Operating expenses (continued)

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

Buildings and building improvements	2.5% straight line basis
Plant and equipment	13 - 67% diminishing value basis

Gains or losses on disposal of non-current assets

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. The gains and losses are recognised in profit or loss in the period in which the asset is disposed of. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

	Consolidated	
	2024	2023
	\$	\$
(a) Bad debts expenses and expected credit losses		
Bad debt expenses	(115)	(49)
	<u>(115)</u>	<u>(49)</u>
(b) Depreciation expense		
Plant and equipment	(16,805)	(8,131)
Buildings and building improvements	(25,243)	(25,430)
	<u>(42,048)</u>	<u>(33,561)</u>
(c) Employment expenses		
Wages and salaries	(508,567)	(263,668)
Superannuation contributions	(56,416)	(29,327)
Labour hire	-	(50,583)
Other employment expenses	(42,293)	(30,433)
	<u>(607,276)</u>	<u>(374,011)</u>

Notes to the Financial Statements
For the Year Ended 30 June 2024

Consolidated
2024 **2023**
 \$ \$

6 Auditors' remuneration

Remuneration of the auditor, CountPro Audit Pty Ltd, for:

Audit and review the financial statements	(6,600)	(6,150)
	(6,600)	(6,150)

Remuneration of related entity, CountPro Pty Ltd, for:

Accounting and other non-assurance services	(11,400)	(10,600)
	(11,400)	(10,600)
	(18,000)	(16,750)

Accounting and other non-assurance services include financial statement preparation and a range of accounting and taxation services. Phillip Brown, Director of CountPro Pty Ltd, is engaged to provide these services. No person involved in the provision of audit services is involved in the provision of non-assurance services to the Company.

7 Income tax expense

The tax expense recognised in the consolidated statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit or taxable income.
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

Notes to the Financial Statements
For the Year Ended 30 June 2024

7 Income tax expense (continued)

Consolidated
2024 **2023**
 \$ \$

(a) The major components of tax expense comprise:

Current tax expense	(155,422)	(229,229)
Deferred tax benefit	13,269	540
Over provision in respect of prior years	2,965	-
	(139,188)	(228,689)

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

Consolidated
2024 **2023**
 \$ \$

Prima facie tax on profit before income tax *	(146,001)	(231,840)
Tax effect of:		
Over provision in prior years	2,965	-
Non-deductible expenses	(439)	(271)
Franking credits on dividend received	4,287	3,422
Income tax expense	(139,188)	(228,689)

Weighted average effective tax rate 24.23 % 24.89 %

* The parent entity and wholly owned subsidiary have different income tax rates. The income tax rate applicable to the parent entity is 25% (2023: 25%) and the wholly owned subsidiary is 30% (2023: 30%)

(c) Income tax relating to each component of other comprehensive income:

	2024			2023		
	Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
	\$	\$	\$	\$	\$	\$
Net gain/(loss) on revaluation of financial assets	66,807	(16,702)	50,105	(9,282)	2,320	(6,962)
	66,807	(16,702)	50,105	(9,282)	2,320	(6,962)

Notes to the Financial Statements
For the Year Ended 30 June 2024

7 Income tax expense (continued)

	Consolidated	
	2024	2023
	\$	\$
(d) Current tax assets and (liabilities)		
Current tax relates to the following:		
Opening balance	(199,236)	(3,460)
Income tax paid	376,144	33,453
Current tax expense	(152,457)	(229,229)
	<u>24,451</u>	<u>(199,236)</u>
Net current tax assets and (liabilities)		
(e) Deferred tax assets and (liabilities)		
Deferred tax assets comprise:		
Accruals	1,000	944
Employee provisions	16,328	12,237
Asset revaluations - shares in listed companies	-	6,230
	<u>17,328</u>	<u>19,411</u>
Deferred tax liabilities comprise:		
Property, plant & equipment	-	(12,557)
Asset revaluations - shares in listed companies	(10,471)	-
Asset revaluations - land and buildings	(134,316)	(130,880)
	<u>(144,787)</u>	<u>(143,437)</u>
Net deferred tax liabilities	<u>(127,459)</u>	<u>(124,026)</u>

Notes to the Financial Statements
For the Year Ended 30 June 2024

8 Cash and cash equivalents

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

	Consolidated	
	2024	2023
	\$	\$
Operating accounts	42,316	128,200
Savings accounts	1,030,734	820,953
	<u>1,073,050</u>	<u>949,153</u>

(a) Reconciliation of cash

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

	Consolidated	
	2024	2023
	\$	\$
Cash and cash equivalents	1,073,050	949,153
Balance as per consolidated statement of cash flows	<u>1,073,050</u>	<u>949,153</u>

9 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less any provision for expected credit losses. Trade and other receivables are due for settlement usually no more than 30 days from the date of recognition.

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate provision for expected credit losses account with the loss being recognised in profit or loss. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

In some circumstances, the Group renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Group does not necessarily consider the balance to be impaired, however, assessment is made on a case-by-case basis.

Notes to the Financial Statements
For the Year Ended 30 June 2024

9 Trade and other receivables (continued)

	Consolidated	
	2024	2023
	\$	\$
Current		
Trade receivables	148,355	172,519
Accrued income	1,275	450
ATO Activity Statement Account	9,192	-
Distribution receivables	12,094	-
Rent receivables	2,025	-
Other receivables	9	1
	172,950	172,970

Credit Risk

The main source of credit risk relates to a concentration of trade receivables owing by Bendigo and Adelaide Bank Limited, which is the source of the majority of the Group's income.

The following table details the Group's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the Group and the customer or counterparty to the transaction. Receivables which are past due are assessed for impairment by ascertaining the solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be high credit quality.

Consolidated	Current	< 30 days overdue	< 90 days overdue	> 90 days overdue	Total
30 June 2024	\$	\$	\$	\$	\$
Trade receivables	148,355	-	-	-	148,355
Accrued income	1,275	-	-	-	1,275
ATO Activity Statement Account	-	-	-	9,192	9,192
Distribution receivables	12,094	-	-	-	12,094
Rent receivables	2,025	-	-	-	2,025
Other receivables	9	-	-	-	9
	163,758	-	-	9,192	172,950

Consolidated	Current	< 30 days overdue	< 90 days overdue	> 90 days overdue	Total
30 June 2023	\$	\$	\$	\$	\$
Trade receivables	172,519	-	-	-	172,519
Accrued income	450	-	-	-	450
Other receivables	1	-	-	-	1
	172,970	-	-	-	172,970

Notes to the Financial Statements

For the Year Ended 30 June 2024

10 Financial Assets

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

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

Classification

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through other comprehensive income (FVOCI)

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

The Group has an investment in a listed entity over which they do not have significant influence or control. The Group has made an irrevocable election to classify the equity investments as fair value through other comprehensive income as they are not held for trading purposes.

This investment is carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income.

Impairment of financial assets

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Notes to the Financial Statements
For the Year Ended 30 June 2024

10 Financial Assets (continued)

	Consolidated	
	2024	2023
	\$	\$
Financial assets - at amortised cost		
Term deposits	35,508	19,911
	<u>35,508</u>	<u>19,911</u>
Financial assets - FVOCI		
Shares in listed companies at fair value	272,635	172,565
	<u>272,635</u>	<u>172,565</u>
	<u><u>308,143</u></u>	<u><u>192,476</u></u>

The term deposit was reinvested during the year for a term of 12 months.

11 Intangible assets

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

	Consolidated	
	2024	2023
	\$	\$
Franchise fees		
At cost	134,117	134,117
Accumulated amortisation	(95,933)	(82,725)
	<u>38,184</u>	<u>51,392</u>

12 Property, plant and equipment

Property

Land and buildings are carried at their fair value, based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are recognised against revaluation reserve directly in equity and all other decreases are recognised through profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Notes to the Financial Statements
For the Year Ended 30 June 2024

12 Property, plant and equipment (continued)

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount of the assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows are discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An assets carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

	Consolidated	
	2024	2023
	\$	\$
Land and buildings		
At fair value *	900,000	900,000
Less accumulated depreciation	(59,304)	(39,500)
	840,696	860,500
Building improvements		
At cost	190,715	190,715
Less accumulated depreciation	(86,697)	(81,257)
	104,018	109,458
Furniture, fixtures and fittings		
At cost	59,658	59,439
Less accumulated depreciation	(31,876)	(15,072)
	27,782	44,367
Total property, plant and equipment	972,496	1,014,325

* The land and buildings comprise one property owned by the subsidiary which is held for use by the Group in the business operations. The land and buildings are measured at fair value based on an independent valuation carried out by WBP Group Pty Ltd dated 27 April 2021. The directors have assessed that the carrying value of the land and buildings at 30 June 2024 is not materially different to the fair value of the land and buildings.

Notes to the Financial Statements
For the Year Ended 30 June 2024

12 Property, plant and equipment (continued)

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land and buildings	Building improvements	Furniture, fixtures and fittings	Total
Consolidated	\$	\$	\$	\$
30 June 2024				
Balance at the beginning of year	860,500	109,458	44,367	1,014,325
Additions	-	-	219	219
Depreciation expense	(19,804)	(5,440)	(16,804)	(42,048)
Balance at the end of the year	840,696	104,018	27,782	972,496

	Land and buildings	Building improvements	Furniture, fixtures and fittings	Total
Consolidated	\$	\$	\$	\$
30 June 2023				
Balance at the beginning of year	880,249	115,139	20,978	1,016,366
Additions	-	-	32,289	32,289
Disposals	-	-	(769)	(769)
Depreciation expense	(19,749)	(5,681)	(8,131)	(33,561)
Balance at the end of the year	860,500	109,458	44,367	1,014,325

Notes to the Financial Statements
For the Year Ended 30 June 2024

13 Investment properties

Investment property comprises land and buildings which are held to generate long term capital gains and long term rental yields. All tenant leases are on an arms length basis. Investment properties are measured at fair value as determined by the Directors based on periodic, but ordinarily triennial, independent valuations by appropriately qualified property valuers. Changes to fair value are recorded in profit or loss.

	Consolidated	
	2024	2023
	\$	\$
Investment property		
At fair value *	956,668	956,668
	956,668	956,668

* The investment property is measured at fair value based on the amount paid by the subsidiary to acquire the investment property in 2021. The directors have assessed that the carrying value of the investment property at 30 June 2024 is not materially different to the fair value of the investment property.

(a) Movements in carrying amounts of investment properties

	Consolidated	
	2024	2023
	\$	\$
Balance at the beginning of the year	956,668	956,668
Balance at the end of the year	956,668	956,668

Notes to the Financial Statements
For the Year Ended 30 June 2024

14 Financial liabilities

Financial liabilities include trade payables, other payables, loans from third parties and loans from or other amounts due to related parties. Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Financial liabilities are initially measured at fair value plus transaction costs, except where the instrument is classified as 'fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately. Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

(a) Trade and other payables

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

	Consolidated	
	2024	2023
	\$	\$
Current		
Trade payables	(21,728)	(30,860)
Accrued expenses	(4,000)	(3,750)
Credit cards	(590)	1,144
Dividend creditor	(6,745)	(2,750)
Franchise fee creditor	(14,611)	(14,611)
GST payable	(28,206)	(32,669)
PAYG withholding	(16,590)	(3,466)
Superannuation payable	-	(25)
	(92,470)	(86,987)
Non-current		
Franchise fee creditor	(14,672)	(29,222)
	(14,672)	(29,222)
	(107,142)	(116,209)

Notes to the Financial Statements

For the Year Ended 30 June 2024

15 Fair value measurement

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis depending on the requirements of the applicable Accounting Standards.

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

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

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

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

The Group measures the following assets and liabilities at fair value on a recurring basis:

- Shares in listed companies
- Land and buildings
- Investment property

(a) Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

Notes to the Financial Statements
For the Year Ended 30 June 2024

15 Fair value measurement (continued)

(a) Fair value hierarchy (continued)

The table below shows the assigned level for each asset and liability held at fair value by the Group:

Consolidated		Level 1	Level 2	Level 3	Total
30 June 2024		\$	\$	\$	\$
Recurring fair value measurements					
Shares in listed companies	10	272,635	-	-	272,635
Land and buildings	12	-	840,696	-	840,696
Investment property	13	-	956,668	-	956,668
		272,635	1,797,364	-	2,069,999

Consolidated		Level 1	Level 2	Level 3	Total
30 June 2023		\$	\$	\$	\$
Recurring fair value measurements					
Shares in listed companies	10	172,565	-	-	172,565
Land and buildings	12	-	860,500	-	860,500
Investment property	13	-	956,668	-	956,668
		172,565	1,817,168	-	1,989,733

Level 1 measurements

The revaluation of financial assets at FVOCI under Level 1 relate to investments in listed entities and are based on the quoted price for the investments on the Australian Stock Exchange at the reporting date.

Level 2 measurements

The revaluation of freehold land and buildings and investment property to their fair value is determined by the Directors each year based on independent valuations undertaken by an independent qualified valuer at least every three years and taking into consideration current market conditions and recent observable market data.

Transfers between levels of the hierarchy

There were no transfers between levels of the fair value hierarchy.

Highest and best use

The current use of each asset measured at fair value is considered to be its highest and best use.

Notes to the Financial Statements
For the Year Ended 30 June 2024

15 Fair value measurement (continued)

(b) Valuation techniques and input measures used to measure Level 2 fair values

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

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

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

Consolidated			
Description	Fair value at 30 June 2024	Description and valuation techniques	Inputs used
	\$		
Land and buildings	840,696	Market approach	Independent valuation by qualified valuer less accumulated depreciation
Investment property	956,668	Market approach	Arms length contract of purchase

There were no changes during the period in the valuation techniques used by the Group to determine Level 2 fair values.

Notes to the Financial Statements
For the Year Ended 30 June 2024

16 Employee benefits

Short term employee benefits

Provision is made for the Group's liability for short term employee benefits. Short term employee benefits are arising (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short term employee benefits are measured at the amounts expected to be paid when the obligation is settled.

The liability for annual leave is recognised in the provision for employee benefits. All other short term employee benefits are presented as payables.

Other long term employee benefits

Provision is made for employees long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurement for changes in assumptions of obligations for other long term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

	Consolidated	
	2024	2023
	\$	\$
Current liabilities		
Provision for employee benefits	(64,695)	(48,948)
	(64,695)	(48,948)
Non-current liabilities		
Provision for employee benefits	(620)	-
	(620)	-
	(65,315)	(48,948)

Notes to the Financial Statements
For the Year Ended 30 June 2024

17 Share capital

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

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

	Consolidated	
	2024	2023
	\$	\$
Ordinary fully paid shares	676,459	676,459
Less return of capital	(33,823)	(33,823)
Less equity raising costs	(24,272)	(24,272)
	618,364	618,364

	Consolidated	
	2024	2023
	No.	No.
Movements in share capital		
Ordinary fully paid shares		
At the beginning of the reporting period	676,459	676,459
Shares issued during the year	-	-
At the end of the reporting period	676,459	676,459

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 dividends to shareholders. Capital is represented by total equity as recorded in the Statement of Financial Position.

In accordance with the franchise agreement and subject to the amount permitted to be distributed under the *Corporations Act 2001*, in any 12 month period the funds distributed to shareholders shall not exceed the distribution limit. The distribution limit is the greater of:

- a) 20% of the sum of the profit before tax for the financial year plus any accumulated profit from previous financial years plus any community contributions made during the year, and
- b) the Relevant Rate of Return (being the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%) multiplied by the value of share capital at the end of the financial year.

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 Group is such that amounts will be paid in the form of charitable donations and sponsorships. Charitable donations and sponsorship paid can be seen in the Statement of Profit or Loss and Other Comprehensive Income.

There has been no change to the Group's approach to capital management during the year.

Notes to the Financial Statements
For the Year Ended 30 June 2024

18 Retained earnings

	Consolidated	
	2024	2023
	\$	\$
Balance at the beginning of the reporting period	1,921,724	1,299,346
Profit after income tax	435,296	690,024
Dividends paid	(87,940)	(67,646)
	<u>2,269,080</u>	<u>1,921,724</u>

19 Dividends

Dividends paid or provided for:

Fully franked ordinary dividend of 13 cents per share (2023: 10 cents per share) paid during the year

(87,940)	(67,646)
<u>(87,940)</u>	<u>(67,646)</u>

Franked dividends declared or paid during the year were franked at the tax rate of 25% (2023: 25%).

20 Reserves

The reserves include unrealised gains or losses on Land and buildings and Financial assets arising from their revaluation to fair value. Movements in the revaluation reserves are recorded in other comprehensive income.

	Consolidated	
	2024	2023
	\$	\$
Land and building revaluation reserve		
Balance at the beginning of the reporting period	327,168	327,168
	<u>327,168</u>	<u>327,168</u>
Financial asset revaluation reserve		
Balance at the beginning of the reporting period	(18,691)	(11,729)
Fair value movements during the period	50,105	(6,962)
	<u>31,414</u>	<u>(18,691)</u>
	<u>358,582</u>	<u>308,477</u>

Notes to the Financial Statements

For the Year Ended 30 June 2024

21 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issues during the year.

	2024	2023
Basic earnings per share (cents)	64.35	102.01
Earnings used in calculating basic earnings per share (dollars)	435,296	690,024
Weighted average number of ordinary shares used in calculating basic earnings per share (number)	676,459	676,459

22 Financial risk management

The Group is exposed to a variety of financial risks through its use of financial instruments. The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets. The most significant financial risks to which the Group is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk

Financial instruments

The principal categories of financial instrument used by the Group are:

- Cash at bank
- Trade receivables
- Investments in listed shares
- Trade and other payables
- Loans from related parties

		Consolidated	
		2024	2023
		\$	\$
Financial assets			
Cash and cash equivalents	8	1,073,050	949,153
Trade and other receivables	9	172,950	172,970
Financial Assets	10	308,143	192,476
Total financial assets		1,554,143	1,314,599
Financial liabilities			
Trade and other payables	14	(107,142)	(116,209)
Total financial liabilities		(107,142)	(116,209)

Notes to the Financial Statements

For the Year Ended 30 June 2024

22 Financial risk management (continued)

Objectives, policies and processes

The Board of Directors has overall responsibility for the establishment and oversight of the Group's financial risk management framework. This includes the development of policies covering specific areas such as interest rate risk, liquidity risk and credit risk. The Board has established an Audit and finance committee which reports regularly to the Board. The Audit and finance committee is assisted in the area of risk by an internal audit function.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The Group has a concentration of credit risk as a result of the financial dependency on Bendigo and Adelaide Bank Limited with virtually all of the company's bank deposits trade receivables and financial assets being with the Bendigo and Adelaide Bank Limited. The group's exposure to credit risk is limited to Australia by geographic area.

The group does not have any financial assets that are past due (2023: nil past due) and, based on historic performance, the group believes that no impairment charge is necessary in respect of financial assets.

The credit risk for trade receivables, liquid funds and other short-term financial asset is considered negligible, since the principle counterparty, Bendigo and Adelaide Bank Limited, are a reputable bank with high quality external credit ratings.

(b) Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Group maintains cash and marketable securities to meet its liquidity requirements. Funding for long-term liquidity needs is additionally secured by an ability to sell long-term financial assets.

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Notes to the Financial Statements
For the Year Ended 30 June 2024

22 Financial risk management (continued)

(b) Liquidity risk (continued)

At the reporting date, the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any financing facilities.

Financial guarantee liabilities are treated as payable on demand since the Group has no control over the timing of any potential settlement of the liabilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the consolidated statement of financial position due to the effect of discounting.

	Weighted average effective interest rate 2024 %	Weighted average effective interest rate 2023 %	Within 1 year 2024 \$	Within 1 year 2023 \$	Total 2024 \$	Total 2023 \$
Financial Assets						
Cash and cash equivalents	-	-	1,073,050	949,153	1,073,050	949,153
Trade and other receivables	-	-	172,950	172,970	172,950	172,970
Financial assets	5	3	308,143	192,476	308,143	192,476
			1,554,143	1,314,599	1,554,143	1,314,599
Financial Liabilities						
Trade and other payables	-	-	(92,470)	(86,987)	(107,142)	(116,209)
			1,461,673	1,227,612	1,447,001	1,198,390

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The financial instruments that primarily expose the Group to interest rate risk are borrowings, fixed interest securities and cash and cash equivalents.

Notes to the Financial Statements
For the Year Ended 30 June 2024

22 Financial risk management (continued)

Sensitivity analysis

The following table illustrates the sensitivity to the Group's exposures to changes in interest rates and equity prices. The table indicates how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

The sensitivities assume that the movement in a particular variable is independent of other variables.

	Consolidated	
	2024	2023
	\$	\$
Change in profit after tax		
+1% in interest rates	584	1,111
-1% in interest rates	(584)	(1,111)
Change in equity		
+1% in interest rates	584	1,111
-1% in interest rates	(584)	(1,111)

(d) Fair value estimates

The directors estimates of the fair value of financial assets and liabilities are presented in the following table and compared to their carrying amounts as presented in the Statement of Financial Position. Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied to the market since their initial recognition by the company.

	Carrying amount	Fair Value	Carrying amount	Fair value
	2024	2024	2023	2023
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents *	1,073,050	1,073,050	949,153	949,153
Trade and other receivables *	172,950	172,950	172,970	172,970
Financial assets	308,143	308,143	192,476	192,476
	<u>1,554,143</u>	<u>1,554,143</u>	1,314,599	1,314,599
Financial liabilities				
Trade and other payables *	(107,142)	(107,142)	(116,209)	(116,209)
	<u>(107,142)</u>	<u>(107,142)</u>	(116,209)	(116,209)

* Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values.

Notes to the Financial Statements
For the Year Ended 30 June 2024

23 Statutory information

The registered office and principal place of business of the company is:

Creswick & District Financial Services Ltd
 1 Raglan Street
 Creswick Victoria 3363

24 Parent entity

The following information has been extracted from the books and records of the parent, Creswick & District Financial Services Ltd and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Creswick & District Financial Services Ltd has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the consolidated financial statements of the parent entity. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

	2024	2023
	\$	\$
Statement of Financial Position		
Assets		
Current assets	1,215,667	1,292,722
Non-current assets	1,660,328	1,406,441
Total Assets	2,875,995	2,699,163
Liabilities		
Current liabilities	(155,583)	(328,955)
Non-current liabilities	(15,292)	(29,222)
Total Liabilities	(170,875)	(358,177)
	2,705,120	2,340,986
Equity		
Issued capital	618,364	618,364
Retained earnings	2,055,341	1,741,312
Financial asset revaluation reserve	31,415	(18,690)
Total Equity	2,705,120	2,340,986
Statement of Profit or Loss and Other Comprehensive Income		
Total profit or loss for the year, after tax	401,970	659,764
Other comprehensive income	50,105	(6,962)
Total comprehensive income	452,075	652,802

Notes to the Financial Statements
For the Year Ended 30 June 2024

25 Controlled entities

	Country of incorporation	Percentage owned (%)* 2024	Percentage owned (%)* 2023
Parent entity:			
Creswick & District Financial Services Ltd	Australia		
Subsidiaries:			
Creswick Community Property Group Pty Ltd	Australia	100	100

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

26 Operating segments

The Group operates in the financial services sector where it provides banking services to its clients. The Group operates in one geographic area being Creswick, Victoria and the surrounding district. The Group has a franchise agreement in place with Bendigo and Adelaide Bank Limited who account for the majority of the revenue earned by the Group.

27 Events occurring after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

28 Contingencies

In the opinion of the Directors, the Group did not have any contingent assets or liabilities at 30 June 2024 (30 June 2023: none).

29 Key management personnel and related party disclosures

(a) Key management personnel

Any person(s) having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any Director (whether executive or otherwise) of that entity is considered key management personnel.

Short term employee benefits

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

Notes to the Financial Statements
For the Year Ended 30 June 2024

29 Key management personnel and related party disclosures (continued)

Post employment benefits

These amounts are the current year's estimated cost of providing the Group's defined benefits scheme post-retirement, superannuation contributions made during the year and post employment life insurance benefits.

Other long term benefits

These amounts represent long service leave benefits accruing during the year, long-term disability benefits and deferred bonus payments.

Share based payments

These amounts represent the expense related to the participation of key management personnel in equity-settled benefits as measured by the fair value of the options, rights and shares granted on grant date.

(b) Other related parties

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

(c) Key management personnel shareholdings

The number of ordinary shares in Creswick & District Financial Services Ltd held by each person who was considered to be key management personnel during the year, and their related parties, in the Group is as follows:

	2024	2023
	No.	No.
Marcus Walsh	501	501
Daryl Clifton	1,000	1,000
Janine Booth	6,001	6,001
Michael Beaumont	29,600	19,600
Stephen Kinnersly	-	-
Wendy McFarlane	-	-
Graeme Mitchell	13,501	13,501
Ian Smith	100	100
Jeff Unmack	10,000	10,000
	60,703	50,703

Each share held has a paid up value of \$1 and is fully paid.

Notes to the Financial Statements
For the Year Ended 30 June 2024

29 Key management personnel and related party disclosures (continued)

(d) Other key management transactions

There have been no other transactions involving related parties other than those described above.

30 Cash flow information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

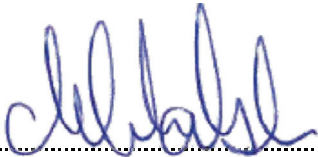
	Consolidated	
	2024	2023
	\$	\$
Profit for the year	435,296	690,024
Non-cash flows in profit:		
- depreciation	42,048	33,561
- amortisation	13,209	13,173
- net loss on disposal of assets	-	769
- reinvestment of term deposit interest	(15,597)	(59)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	20	(70,641)
- (increase)/decrease in investments	(13,330)	(10,650)
- increase/(decrease) in trade and other payables	1,245	(11,122)
- increase/(decrease) in income taxes payable	(223,687)	195,776
- increase/(decrease) in deferred tax liability	(13,269)	(540)
- increase/(decrease) in provisions	16,367	5,114
Cashflows from operations	242,302	845,405

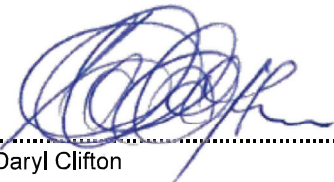
Directors' Statement

The directors of the Company declare that:

1. the consolidated financial statements and notes for the year ended 30 June 2024 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the consolidated financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position and performance of the consolidated group;
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director

Marcus Walsh

Director

Daryl Clifton

Dated: 27 August 2024



Creswick & District Financial Services Ltd

Independent Auditors' Report to the members of Creswick & District Financial Services Ltd

Opinion

We have audited the financial report of Creswick & District Financial Services Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies, and the directors' statement.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of Directors for the Financial Report

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

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



Creswick & District Financial Services Ltd

Independent Auditors' Report to the members of Creswick & District Financial Services Ltd

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 Group'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 Group'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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

CountPro Audit Pty Ltd
CountPro Audit Pty Ltd

A handwritten signature in blue ink, appearing to read 'Jason Hargreaves', is written over a horizontal dotted line.

Jason Hargreaves
Director

180 Eleanor Drive, Lucas

Dated: 28 August 2024

Community Bank - Creswick & District
1 Raglan Street,
Creswick VIC 3363
Phone: 5345 1233
Email: creswickmailboxl@bendigoadelaide.com.au
Web: bendigobank.com.au/creswick

Clunes Agency
49 Fraser Street,
Clunes VIC 3370
Phone: 5345 3223
Web: bendigobank.com.au/clunes-newsagency

Franchisee: Creswick & District Financial Services Limited
ABN: 14 119 315 258
1 Raglan Street
Creswick VIC 3363
Phone: 5345 1233
Email: admin@cdfsl.com.au

Share Registry:
RSD Registry
PO Box 30, Bendigo VIC 3552
Phone: 5445 4222
Fax: 5444 4344
Email: shares@rsdregistry.com.au

 Community Bank Creswick & District

 **Bendigo Bank**