

Annual Report 2024

Freycinet Coast Financial
Services Limited

Community Bank
Swansea and Bicheno

ABN 32 127 068 222

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Chair's Report

The financial year has delivered a solid financial performance.

The operating profit was \$268,591 (2023 \$412,315) which is continuing to benefit from the higher interest rate environment and the flow on benefits from the shared margins with Bendigo Bank (BEN).

It should be noted however that the Market Development Fund funding was discontinued by BEN effective 1 July 2023 and the consequent loss of income 2024 \$nil (2023 \$48,542).

The book of loans and deposits has remained largely steady over the financial year.

Last financial year the company exhausted all the carry forward tax losses and incurred a small income tax expense of \$16,493. This year the company reduced its taxation liability to \$32,325 using the Community Enterprise Foundation (CEF) with a contribution of \$125,000.

The contribution to the CEF will be utilised to fund future community grants.

On the human resources front there have been several changes over the financial year. As indicated in previous reports this is a constant challenge for management and the board as all new staff require training in BEN policies and procedures which takes time and effort.

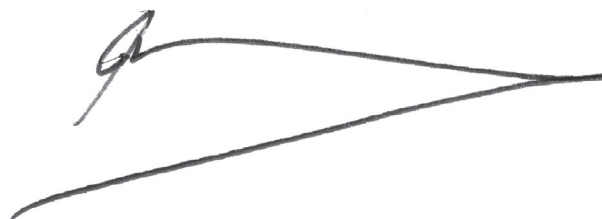
Kristen our Senior Branch Manager is doing an excellent job in managing the Swansea and Bicheno branches and the branch at St Helens in the continuing resource sharing arrangements with Break O'Day Financial Services.

I would like to thank the Board for their dedication and time for meetings over the year. We have worked well and are always looking for new members. I have approached a few people during the year with a view to joining the Board without success.

Once again thanks to Martyn Neville our Regional Manager who has provided good support to the Board, attends our meetings and is a good resource to have to discuss issues with.

Thanks to our staff for their efforts over the year. Changes in staff put additional pressures on and I believe everyone is doing their best to support the business.

The company has a solid base to continue to deliver banking services for the communities it operates in and to maintain and grow the business for the next financial year.



John Fletcher
CHAIRMAN

Branch Manager's Report

The 2024 financial year has delivered a solid financial performance for Community Bank Swansea and Bicheno. We have remained competitive in the market and continue to be focused on attracting new people to bank with Bendigo Bank & existing customers to do more with us.

Community Banking has now reinvested \$320 Million in profits into Australian Communities since 1998.

The Community Bank model means when banking with us our profits are retained in our community; a maximum of 20% to local shareholders and 80% of our profits can be delivered back to the community by way of grants and sponsorships.

Bank local, the more people that allow Bendigo Bank to be their bank of choice, the more funds we can return to our community.

This financial year our Community Bank returned \$40,984 via grants & sponsorship.

Large contributions were made to Bicheno Surf Life Saving Club, Bicheno Beams, Bicheno Primary School, RFDS - Staff training for mobile dental van, Bursaries for year 10 leavers at St Mary's and Triabunna District Schools.

Our total community contributions as of 30 June 2024 is \$464,562.

As always, we have had some staff changes. We farewelled Jessie Smith & Alison Oliver and welcomed Nik Clark & Nonni Warcon. Danielle Huppatz was promoted to a Customer Relationship Officer . And more recently our new Customer Relationship Manager , Cody Milne who has relocated to Swansea from the Bendigo Bank Rosny Park . The team have continued to provide our customers with exceptional service. I am very proud of my team and the customer service they provide. We pride ourselves on guiding customers through financial decisions and helping customers to achieve their goals & dreams.

My heartfelt thanks to Martyn Neville, our Regional Manager for his support & guidance.

Our board of directors are volunteers working for our community, all people with very busy lives. I thank them for their support, and for their service to our community.

To our shareholders, thank you for your ongoing support. It is because of you that we have a bank in our regional towns.

We want to stay profitable & relevant, and to do so we require your ongoing support.

So, I ask you, our Shareholders- when was the last time you reviewed your current banking?! Do you have banking with other financial institutions that is not currently supporting your Community Bank?

Bendigo Bank are the better big bank, Australia's most trusted bank, with Australia's most satisfied home loan customers. In the current interest rate environment, our Free Home Loan Health Check has the ability to save customers or non-customers that choose to switch thousands of dollars.

Be sure to have any of your family & friends with any banking or financial requests reach out to allow the team to assist.

During the year Community Bank Swansea has proudly provided a space for local artists to display their talents to the public. To date we have been privileged to host the art of Rodger Bartlett, Jess Florence-Feather Dreaming & Doug Mackay.

Support us, to support you & our community.

Together we can make great things happen!



Kristen Darke
SENIOR BRANCH MANAGER

Bendigo Report

This past year has been particularly significant for Bendigo Bank and the Community Bank network. After five years apart, we had the opportunity to come together in person and connect in Bendigo at our National Conference in September.

It was lovely to see so many familiar faces and to meet many directors who haven't attended previously. We feel proud to support such an amazing network.

We are committed to our strategy and the qualities that make Bendigo Bank unique, by staying true to our connection with communities, our regional roots, and our position as Australia's most trusted bank.

As Bendigo Bank adapts to the evolving digital landscape and changing customer expectations, the Community Bank Network is organically evolving in response.

Over the past 12 months, we have seen Community Bank companies seek to enhance their presence within their communities more than ever.

This has been through expanding or consolidating branch sites, collaborating with local, state, and national governments to support community initiatives, or by prioritising social value alongside financial performance through Social Trader accreditation.

The anniversary of the Community Bank model, along with changing environmental factors, provides an opportunity to reset and establish a clear pathway towards the next 25 years.

Bendigo Bank's purpose, to feed into the prosperity of communities, and our willingness to ensure our purpose is relevant to the needs of communities in which we are present, is a key contributor to our commercial success.

When we utilise our combined strengths, exercise our imaginations and have the courage to commit to creating our own opportunities, we will be the partner of choice for customers and communities regardless of location or cause.

Community, regional presence, and trust are the distinctive attributes of Bendigo Bank that we have maintained and plan to uphold in the future.

While Bendigo Bank emphasises commercial success, our foundation remains in community values. Our aim is to generate mutual value by providing solutions to local challenges.

On behalf of Bendigo Bank, thank you for being a shareholder in your local Community Bank. Your contribution helps foster economic growth, creates employment opportunities, and provides essential financial services to the members of your community.

Your dedication and support is making a positive impact on your community.

Warmest regards,



Justine Minne
HEAD OF COMMUNITY BANKING

Director's Report

For the Year Ended 30 June 2024

The directors present their report on Freycinet Coast Financial Services Ltd for the financial year ended 30 June 2024.

Information on Directors

John Fletcher Qualifications Experience Interest in Shares	Chairperson and Treasurer Bachelor of Business (Accounting) Retired finance executive Nil
Richard Benwell Qualifications Experience Interest in Shares	Appointed 1 March 2023 Nil Retired company director Nil
Nick Green Qualifications Experience Interest in Shares	Appointed 1 March 2023 – Resigned 28 August 2023 Nil Retired banking executive Nil
Annette Hughes Qualifications Experience Interest in Shares Special Resp.	Bachelor of Arts (Hons), JD-Juris Doctor Commercial lawyer with extensive experience Nil Marketing Committee
Nick Johnston Qualifications Experience Interest in Shares	Commercial Part 3 Divers Certificate Tourism Operator Nil
Alison Wallace Qualifications Experience Interest in Shares Special Resp.	Nil Tourism and hospitality Nil Marketing Committee
Liz Swain AM Qualifications Experience Interest in Shares Special Resp.	FAICD, MBA, Diplomas in Metallurgy and Chemistry RIO Tinto Management and extensive diverse Board membership Nil Marketing Committee Chair

Meetings of Directors

During the financial year, 11 meetings of directors were held. Attendances by each director during the year were as follows:

	Number eligible to attend	Number attended	Leave of absence
John Fletcher	11	11	-
Richard Benwell	11	11	-
Nick Green	1	1	-
Annette Hughes	11	7	-
Nick Johnston	11	3	6
Alison Wallace	11	11	-
Liz Swain	11	10	-

Company Secretary

Georgie de Candia was appointed Company Secretary in April 2020.

Director's Report continued

For the Year Ended 30 June 2022

Principal activities

The principal activity of Freycinet Coast Financial Services Ltd during the financial year was providing Community Bank branch services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

No significant changes in the nature of the Company's activity occurred during the financial year.

Operating results

The profit of the Company after providing for income tax amounted to \$ 91,666 (2023: \$ (350,984)).

Dividends paid or recommended

Dividends paid or declared during or since the end of the financial year are as follows:

- No dividend has been declared in respect of the financial year 30 June 2024 at the date of this report.
- A final dividend of 8 cents per share unfranked was paid in September 2023 in respect of the year ended 30 June 2023.

Review of operations

A review of the operations of the Company during the financial year and the results of those operations is contained within the accompanying chair's and manager's reports.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the 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 Company, the results of those operations or the state of affairs of the Company in future financial years.

Future developments and results

The company intends to continue providing banking services to the community.

Environmental issues

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

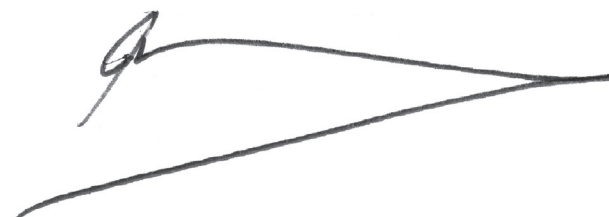
Indemnification and insurance of officers and auditors

The Company has agreed to indemnify each Officer (Director, Secretary or employee) out of assets of the Company to the relevant extent against 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 occurred 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. Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The Company has not provided any insurance for an Auditor of the Company.

Auditor's independence declaration

The lead 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 financial report.

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



Director:
John Fletcher
09 August 2024

Auditor's Independence Declaration



Auditor's Independence Declaration

To the Directors of Freycinet Coast Financial Services Ltd

I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001*; and
- (b) no contraventions of any applicable code of professional conduct

in relation to our audit for the year ended 30 June 2024.

A stylized, handwritten signature of Benjamin Coull in black ink.

Synectic Audit & Assurance Pty Ltd

A handwritten signature of Benjamin Coull in black ink.

Benjamin Coull
Director

Date: 09/08/2024

**Think
outside
the
numbers**

Synectic Audit & Assurance Pty Ltd

Authorised Audit Company 385720
ABN 30 146 220 215

Liability limited by a scheme approved under
Professional Standards Legislation

Devonport · Launceston · Hobart

Phone 03 6424 1451
Email info@synecticgroup.com.au
Postal P.O. Box 6003, Devonport TAS 7310
synecticgroup.com.au

Financial Statements

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

		2024	2023
Revenue	Note	\$	\$
Commissions		856,134	946,049
Fees		60,511	122,277
Interest		26,004	12,202
Gain on disposal of asset		5,174	-
		947,823	1,080,528
Expenses			
Employee benefits		434,567	411,643
Information technology and communications		33,874	33,745
ATM and other branch operating expenses		33,394	31,475
Occupancy costs		32,967	44,833
Administrative expenses		60,640	57,821
Depreciation and amortisation		77,903	83,747
Finance costs		8,887	4,949
Operating profit		268,591	412,315
Community Enterprise Foundation contribution	3	125,000	-
Other donations and sponsorship		19,600	44,838
Profit before income tax		123,991	367,477
Income tax expense	4	(32,325)	(16,493)
Profit for the year		91,666	350,984
Other comprehensive income			
Other comprehensive income, net of tax		-	-
Total comprehensive income for the year		91,666	350,984
Earnings per share			
Basic earnings per share (cents)		7.80	29.95

The accompanying notes form part of these financial statements.

Statement of Financial Position

As At 30 June 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	763,308	829,826
Trade and other receivables		108,800	105,676
TOTAL CURRENT ASSETS		872,108	935,502
NON-CURRENT ASSETS			
Property, plant and equipment	7	175,892	183,499
Deferred tax assets	5	4,998	10,076
Intangible assets	8	48,777	62,277
TOTAL NON-CURRENT ASSETS		229,667	255,852
TOTAL ASSETS		1,101,775	1,191,354
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	35,120	62,968
Current tax liabilities	5	25,920	26,569
Employee benefits	11	17,384	12,346
Financial liabilities	10	75,349	72,467
TOTAL CURRENT LIABILITIES		153,773	174,350
NON-CURRENT LIABILITIES			
Employee benefits	11	15,075	12,671
Financial liabilities	10	62,916	132,259
TOTAL NON-CURRENT LIABILITIES		77,991	144,930
TOTAL LIABILITIES		231,764	319,280
NET ASSETS		870,011	872,074
EQUITY			
Issued capital	12	1,153,788	1,153,788
Retained earnings		(283,777)	(281,714)
TOTAL EQUITY		870,011	872,074

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2024

	Note	Issued Capital \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2023		1,153,788	(281,714)	872,074
Net profit for the year		-	91,666	91,666
Balance at 30 June 2024		1,153,788	(283,778)	870,010
<hr/>				
Balance at 1 July 2022		1,153,788	(632,698)	521,090
Net profit/(loss) for the year		-	350,984	350,984
Balance at 30 June 2023		1,153,788	(281,714)	872,074

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2024

	Note	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		993,806	1,153,053
Payments to suppliers		(209,019)	(216,269)
Interest received		26,004	12,202
Payments to employees		(432,321)	(406,729)
Finance costs		(8,887)	(4,949)
Income taxes paid		(27,896)	-
GST recovered/(paid)		(66,639)	(68,572)
Net cash provided by/(used in) operating activities	15	275,048	468,736
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(51,622)	(6,225)
Net cash provided by/(used in) investing activities		(51,622)	(6,225)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of lease liability		(51,613)	(54,884)
Community donations and sponsorship		(144,600)	(44,838)
Dividends paid		(93,730)	-
Net cash provided by/(used in) financing activities		(289,943)	(99,722)
Net increase/(decrease) in cash and cash equivalents held		(66,517)	362,789
Cash and cash equivalents at beginning of year		829,825	467,036
Cash and cash equivalents at end of financial year	6	763,308	829,825

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2024

The financial report covers Freycinet Coast Financial Services Ltd as an individual entity. Freycinet Coast Financial Services Ltd is a for-profit Company limited by shares, incorporated and domiciled in Australia.

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.

The financial statements 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.

Material accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Economic dependence

The Company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the Community Bank branches at Bicheno and Swansea.

The branches operate 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 Company manages the Community Bank branches on behalf of Bendigo and Adelaide Bank Limited, however all transactions with customers conducted through the Community Bank branches are effectively conducted between the customers and Bendigo and Adelaide Bank Limited.

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

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

- Advice and assistance in relation to the design, layout and fit out of the Community Bank branches;
- 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
- Sale techniques and proper customer relations.

(b) 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 sales taxes, rebates, and trade discounts.

The entity applies the revenue recognition criteria set out below to each separately identifiable sales transaction in order to reflect the substance of the transaction. All revenue is stated net of the amount of goods and services tax (GST).

Notes to the Financial Statements continued

For the Year Ended 30 June 2024

Interest

Interest income is recognised on an accrual basis using the effective interest rate method.

Rendering of services

As detailed in the franchise agreement, companies earn three types of revenue - margin, commission and fee income. Bendigo and Adelaide Bank Limited decide the method of calculation of revenue the Company earns on different types of products and services and this is dependent on the type of business the Company generates also taking into account other factors including economic conditions, including interest rates.

Core Banking Products

Bendigo and Adelaide Bank Limited identify specific products and services as 'core banking products', however it also reserves the right to change the products and services identified as 'core banking products', providing 30 days notice is given.

Margin

Margin is earned on all core banking products. A Funds Transfer Pricing (FTP) model is used for the method of calculation of the cost of funds, deposit return and margin. Margin is determined by taking the interest paid by customers on loans less interest paid to customers on deposits, plus any deposit returns, i.e. interest return applied by Bendigo and Adelaide Bank Limited for a deposit, minus any costs of funds i.e. interest applied by Bendigo and Adelaide Bank Limited to fund a loan.

Commission

Commission is a fee earned on products and services sold. Depending on the product or services, it may be paid on the initial sale or on an ongoing basis.

Fee Income

Fee income is a share of 'bank fees and charges' charged to customers by Bendigo and Adelaide Bank Limited, including fees for loan applications and account transactions.

Discretionary Financial Contributions

Bendigo and Adelaide Bank Limited has made discretionary financial payments to the Company, outside of the franchise agreement and in addition to margin, commission and fee income. This income received by the Company is classified as "Market Development Fund" (MDF) income. The purpose of these payments is to assist the Company with local market development activities, however, it is for the board to decide how to use the MDF. Due to their discretionary nature, Bendigo and Adelaide Bank Limited may change or stop these payments at any time.

Form and Amount of Financial Return

The franchise agreement stipulates that Bendigo and Adelaide Bank Limited may change the form, method of calculation or amount of financial return the Company receives. The reasons behind making a change may include, but not limited to, changes in Bendigo and Adelaide Bank Limited's revenue streams/processes; economic factors or industry changes. Bendigo and Adelaide Bank Limited may make any of the following changes to form, method of calculation or amount of financial returns:

- a change to the products and services identified as 'core banking products and services'
- a change as to whether it pays the Company margin, commission or fee income on any product or service.
- a change to the method of calculation of costs of funds, deposit return and margin and a change to the amount of any margin, commission and fee income.

These abovementioned changes, may impact the revenue received by the Company on a particular product or service, or a range of products and services.

However, if Bendigo and Adelaide Bank Limited make any of the above changes, per the franchise agreement, it must comply with the following constraints in doing so.

- a) If margin or commission is paid on a core banking product or service, Bendigo and Adelaide Bank Limited cannot change it to fee income;

Notes to the Financial Statements continued

For the Year Ended 30 June 2024

- b) In changing a margin to a commission or a commission to a margin on a core banking product or service, OR changing the method of calculation of a cost of funds, deposit return or margin or amount of margin or commission on a core product or service, Bendigo and Adelaide Bank Limited must not reduce the Company's share of Bendigo and Adelaide Bank Limited's margin on core banking product and services when aggregated to less than 50% of Bendigo and Adelaide Bank Limited's margin on core banking products attributed to the Company's retail branch operation; and
- c) Bendigo and Adelaide Bank Limited must publish the change at least 30 days before making the change.

(c) Income Tax

The tax expense recognised in the 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 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.

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.

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.

(d) Property, plant and equipment

Property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Depreciation

Property, plant and equipment is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

(e) Financial instruments

Financial instruments are recognised initially on the date that the Company 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).

Financial assets

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 Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - FVOCI

Notes to the Financial Statements continued

For the Year Ended 30 June 2024

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

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis. Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

(f) Intangible Assets

Franchise fees have been initially recorded at cost and amortised on a straight line basis at a rate of 20% per annum.

(g) Leases

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(h) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements.

(i) Adoption of new and revised accounting standards

The Company 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 Company.

3 Community Enterprise Foundation

	2024 \$	2023 \$
Community Enterprise Foundation contribution	125,000	-

The overarching philosophy of the Community Bank model is to support the local community in which the company operates. This is achieved by circulating the flow of financial capital into the local economy through community contributions (such as donations, sponsorships and grants). The funds contributed to and held by the Community Enterprise Foundation (CEF) are available for distribution as grants to eligible applicants for a specific purpose in consultation with directors. When the company pays a contribution in to the CEF, the company loses control over the funds at that point. While the directors are involved in the payment of grants, the funds are not refundable to the company.

Notes to the Financial Statements continued

For the Year Ended 30 June 2024

4 Income Tax Expense

(a) The major components of tax expense (income) comprise:

	2024 \$	2023 \$
Current tax expense	25,920	94,491
Origination and reversal of temporary differences	5,078	(2,622)
Previously unrecognised temporary differences	-	(7,454)
Recoupment prior year tax losses	-	(67,922)
Under/(over) provision in respect of prior years	1,327	-
	32,325	16,493
(b) Reconciliation of income tax to accounting profit: Prima facie tax payable on profit from ordinary activities before income tax at 25% (2023:25%)	30,998	91,869
- under provision for income tax in prior year	1,327	-
- previously unrecognised temporary differences	-	7,454
Recoupment of prior year tax losses not previously brought to account	-	(67,922)
Income tax expense	32,325	16,493

5 Tax assets and liabilities

Current Tax Liability

Income tax payable	25,920	26,569
Deferred tax asset		
Employee provisions	8,115	6,254
Accrued expenses	2,413	3,750
Lease liability/RoU asset	509	71
Accrued income	6,038	-
Total	17,075	10,075

Notes to the Financial Statements continued

For the Year Ended 30 June 2024

6 Cash and Cash Equivalents		
	2024 \$	2023 \$
Cash at bank and in hand	94,441	171,685
Short-term deposits	668,867	658,141
	763,308	829,826

7 Property, plant and equipment		
Buildings		
Right of use leased assets	91,684	145,047
PLANT AND EQUIPMENT		
Plant and equipment At cost	250,354	225,666
Accumulated depreciation	(205,608)	(202,830)
Total plant and equipment	44,746	22,836
Motor vehicles At cost	46,426	35,743
Accumulated depreciation	(6,964)	(20,127)
Total motor vehicles	39,462	15,616
Total plant and equipment	84,208	38,452
	175,892	183,499

Movements in carrying amounts of property, plant and equipment

	Buildings \$	Plant and Equipment \$	Motor Vehicles \$	Total \$
Year ended 30 June 2024				
Balance at the beginning of year	145,047	22,836	15,616	183,499
Additions	-	24,699	46,426	71,125
Disposals	-	-	(14,329)	(14,329)
Depreciation expense	(53,362)	(2,778)	(8,263)	(64,403)
Balance at the end of the year	91,685	44,757	39,450	175,892
Year ended 30 June 2023				
Balance at the beginning of year	34,849	19,424	19,691	73,964
Remeasurement of lease liability	163,560	-	-	163,560
Additions	-	6,385	-	6,385
Depreciation expense	(53,362)	(2,973)	(4,075)	(60,410)
Balance at the end of the year	145,047	22,836	15,616	183,499

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

	2024 \$	2023 \$
8 Intangible Assets		
Licenses and franchises		
Cost	201,641	201,641
Accumulated amortisation and impairment	(152,864)	(139,364)
	48,777	62,277
9 Trade and Other Payables		
CURRENT		
Trade payables	6,674	9,659
GST payable	11,466	25,783
Employee benefits	5,434	10,630
Sundry payables and accrued expenses	9,650	15,000
Dividends payable	1,896	1,896
	35,120	62,968
10 Financial Liabilities		
CURRENT		
Franchise fee payable	14,849	14,849
Lease liabilities	60,500	57,618
	75,349	72,467
NON-CURRENT		
Franchise fee payable	29,697	44,545
Lease liabilities	33,219	87,714
	62,916	132,259
11 Employee Benefits		
CURRENT LIABILITIES		
Annual leave	17,384	12,346
NON-CURRENT LIABILITIES		
Long service leave	15,075	12,671

Notes to the Financial Statements continued

For the Year Ended 30 June 2024

	2024 \$	2023 \$
12 Issued Capital		
1,171,615 (2023: 1,171,615) Ordinary shares	1,153,788	1,153,788

Ordinary shares

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

Capital Management

The key objectives of the Company when managing capital is to safeguard its ability to continue as a going concern and maintain optimal benefits to stakeholders. The Company defines capital as its equity and net debt.

There has been no change to capital risk management policies during the year.

The Company manages its capital structure and makes funding decisions based on the prevailing economic environment and has a number of tools available to manage capital risk. These include maintaining a diversified debt portfolio, the ability to adjust the size and timing of dividends paid to shareholders and the issue of new shares.

13 Dividends

The following dividends were declared and paid:

Ordinary dividend of 8.0 (2023: nil) cents per share to be paid in September 2023	93,730	-
Proposed dividends		
Proposed final 2023 unfranked ordinary dividend of 8 (2022: nil) cents per share to be paid in September 2023	-	93,729

No dividend has been proposed for 2024.

Franking account

The franking credits available for subsequent financial years at a tax rate of 25%	53,816	26,569
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The above balance is based on the dividend franking account at year-end adjusted for:

- Franking credits that will arise from the payment of the current tax liabilities;
- Franking debits that will arise from the payment of dividends recognised as a liability at the year end;
- Franking credits that will arise from the receipt of dividends recognised as receivables at the end of the year.

The ability to use the franking credits is dependent upon the Company's future ability to declare dividends.

14 Financial Risk Management

Objectives, policies and processes

The Board of Directors have overall responsibility for the establishment of Freycinet Coast Financial Services Ltd's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, liquidity risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Freycinet Coast Financial Services Ltd's activities.

Liquidity risk

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

The Company 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 continued

For the Year Ended 30 June 2024

14 Financial Risk Management continued

Credit risk

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

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

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 company has negligible exposure to market risk.

15 Cash Flow Information

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

	2024 \$	2023 \$
Profit for the year	91,666	350,984
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
Depreciation	64,403	60,250
Amortisation	13,500	23,497
Gain on disposal of asset	(5,174)	-
Community donations and sponsorship	144,600	44,838
Changes in assets and liabilities:		
Trade and other receivables	(3,124)	(16,777)
Trade and other payables	(27,846)	(2,960)
Employee entitlements	7,442	511
Franchise fee payable	(14,848)	(8,100)
Tax assets and liabilities	4,429	16,493
Cashflows from operations	275,048	468,736

16 Key Management Personnel Remuneration

The directors of Freycinet Coast Financial Services Ltd act in a wholly voluntary capacity and receive no remuneration.

17 Auditors' Remuneration

	2024 \$	2023 \$
Remuneration of the auditor for: – auditing or reviewing the financial statements	6,107	6,660

18 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2024 (30 June 2023: None).

19 Events Occurring After the Reporting Date

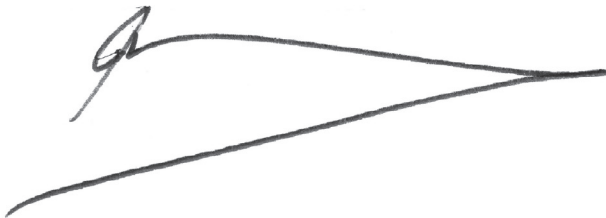
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Director's Declaration

The directors of the Company declare that:

1. the financial statements and notes for the year ended 30 June 2024 are in accordance with the Corporations Act 2001 and:
 - a. comply with Australian Accounting Standards; and
 - b. give a true and fair view of the financial position and performance of the Company;
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.

A handwritten signature in black ink, appearing to be 'John Fletcher', written over a horizontal line.

Director:

John Fletcher

09 August 2024

Independent Auditor's Report



Report on the Audit of the Financial Report

We have audited the financial report of Freycinet Coast Financial Services Ltd (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies, and the directors' declaration.

Opinion

In our opinion the accompanying financial report of Freycinet Coast Financial Services Ltd is in accordance with the *Corporations Act 2001*, including:

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

Basis for Opinion

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

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

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

Responsibilities of the 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

**Think
outside
the
numbers**

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. 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 this financial report.

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

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

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



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

A stylized, handwritten signature of Benjamin Coull in black ink, positioned above the company name.

Synectic Audit & Assurance Pty Ltd

A handwritten signature of Benjamin Coull in black ink, positioned above his name.

Benjamin Coull
Director

Date: 09/08/2024

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