

# Annual Report 2024

Huon Valley Financial Services Limited

Community Bank  
Huon Valley

ABN 34 101 469 854



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# Chairman's report

For year ending 30 June 2024

It is my honour and privilege to present my first Chairman's Report, having assumed the role on 1 January 2024 following the retirement of our long-standing Chairman, Michael Lynch.

Michael made a magnificent contribution to Huon Valley Financial Services Limited ("the Company") over thirteen years, including the last eight years as Chairman. His commitment to Community Banking could never be questioned and our Company and banking business went from strength to strength under his calm, effective, generous leadership and wisdom.

During the year, another of our long-term Directors, Brent Hardy, also retired after many years of voluntary service to the Company, including the last nine years as Treasurer. Our Company's Board meetings have not been the same without Brent's thoughtful insight and wit!

On behalf of the Board, I would like to sincerely thank Michael and Brent for their excellent contribution and service and wish them well in their future endeavours.

I would like to thank and acknowledge the outstanding commitment and contribution over the past year of our volunteer Directors. The role of Director is critical to our Company's existence and is not without significant corporate and fiduciary responsibilities. Thank you, David Walker (Company Secretary), Pam Lane (Deputy Chair), Marian Kemp (Treasurer), Ken Langston, Louella Jury and Gillian Ryan, for your wise counsel and engagement over the past year, it is much appreciated.

It has been a pleasure to continue working with our wonderful Community Liaison Officer, Samantha Paul, over the past year. Sam's professionalism and commitment to Community Banking is second to none, as has been her ability to engage with such a wide range of organisations and individuals from throughout the Valley. This engagement goes to another level completely when she pulls on the Piggy suit!!!

Community Banking has now been in the Huon Valley for more than 20 years and in that time over \$4.5 million has been returned to the community, through local organisations, service, sporting groups and individuals.

Whilst digital, on-line and mobile banking are obviously here to stay, we as a Board feel it is important that our Community Bank branches continue to provide the physical presence and face-to-face services that many of our customers prefer. Apart from a part-time "Big 4" branch in Huonville, our Community Bank branches in Geeveston, Dover, Huonville and Cygnet are the only full banking services south of Kingston.

As our business has continued to grow, so has the amount of our profits returned to the community each year. During the 2023-24 financial year alone, over \$650,000 was returned to the Huon Valley community. What other bank does this?

This magnitude of community investment would not be possible without our wonderful and committed employees, who all understand and embrace the important point of difference that Community Banking offers our customers. During the past year, two of our 'original' employees, Tony Coulson and Colleen Shield, who had been there from the very beginning of Community Banking in the Valley, decided to take a very well-earned retirement. Both held senior banking roles at the time of their retirement, with Tony being our Senior Manager and Colleen our Branch Manager, Huonville. It is not possible to measure the invaluable contribution, service and commitment to Community Banking that Tony and Colleen both have made over the past 20 plus years. We wish them both a well-deserved long and happy retirement.

## Chairman's report (continued)

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As mentioned in last year's Annual Report, the Board was most fortunate to recruit another Huon Valley local, Brady Jones, as our new Senior Manager. Brady joined us in mid-2023 with an extensive banking background and he has very quickly adapted to the role and Community Banking. I am extremely confident that Brady's experience, commitment and professionalism will continue to hold our Company and Community Banking presence in very good stead well into the future. We are in very good hands from a banking perspective.

Finally, to all our valued Community Bank customers and wonderful Company shareholders, thank you for your commitment to your Community Bank Huon Valley. Together with your ongoing custom and support we will continue to reinvest for the benefit of our wonderful Huon Valley communities.



**David Brereton**  
Chairman

# Managers' report

For year ending 30 June 2024

We have now completed our twenty-first full year of operation and we are extremely pleased to report that our Community Bank branches have continued to grow their business with total business as of 30 June 2024 now standing at \$548.441 million, with 8,416 customers. This represents growth of \$10.278 million (1.91%) and 814 new customers (10.71%) during the past twelve months.

Our deposits totaled \$254.141 million, our lending portfolio \$289.470 million and other business \$4.83 million.

These results only confirm the support of the community for 'their' Bank, which in turn enables Community Bank Huon Valley to return profits back into the community for the benefit of all.

The continued positive way our Community Bank branches have been accepted and supported by people from both within and outside our immediate area has been beyond our expectations. We are appreciative of the local support and are excited in being able to repay their faith, by continuing to offer our banking services and expertise to the community for many more years to come.

We understand the banking world is continuing to change at a rapid pace and our focus is to support our customers along the way. We know the world is becoming ever more reliant on technology, and we are focusing on making sure our customers feel safe, comfortable and confident to utilise this technology to make their lives and banking easier by giving them more choices in the way they bank. Being available with our good old-fashioned face to face customer service when our customers need us most is something we are extremely committed to, now and long into the future.

Community Bank Huon Valley continues to generate regular monthly profits which are being distributed back into the community in many shapes and forms and it is this distribution of profits back to the community that gives us a great deal of pride and satisfaction in the role that we play. Community contributions continue to grow with over \$4.5 million having now been returned to the local community by way of sponsorships, donations and grants.

The above results have not been achieved without a great deal of hard work, passion and dedication by a great team of staff and as such we would like to acknowledge and thank the following current staff for their efforts: Cate Swan, Michelle Doyle, Kelly Hankin, Narelle Gane, Claudia Pulko, Ellice Harvey, Sophie Brouwer, Shirley Kenna, Natalie Page, Steph Jolly, Jason Mitchell, Austin Heald, Leonie Heddle, Julie Reinmuth, Aaliyah Galvin-Clark, Trudi Petterd and Jayde Smith for their commitment and on-going support.

We were unfortunate to lose the services of:

Tamara Jones – Tamara was a great contributor to our Community Bank over her 10 years with the Geeveston and Dover branch teams and we are thankful for Tamara's commitment during this time and wish her all the best in the future and thank Tamara for her contribution.

Kerrie – Lyn O'Neill – Kerrie-Lyn made an enormous contribution to the Huon Valley whilst in various roles with our Community Bank and we thank her for this and the friendships she has formed along the way. Kerrie-Lyn had 12 years in various roles, including 2 years as the Branch Manager, Cygnet and we sincerely thank Kerrie-Lyn for her contribution.

As one door closes another door opens and we have been fortunate to gain the services of:

Phil Woolley – Phil has previously worked for Community Bank Huon Valley in several roles and recently enjoyed the role of Mobile Relationship Manager for Bendigo Bank Corporate team. Phil joins us as our newest Huonville Branch Manager. We are excited to have Phil back and part of our team and looking forward to seeing him and his team succeed into the future.

## Manager's report (continued)

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Brent Stanway – Brent, like Phil, has previously worked for Community Bank Huon Valley as the Branch Manager of Cygnet. Again, like Phil, Brent has recently enjoyed the role of Mobile Relationship Manager for Bendigo Bank Corporate team and now joins our Community Bank as our very own Mobile Relationship Manager. We are excited to see Brent continue to support the growth of our Home Lending business through supporting more locals on their home ownership journey.

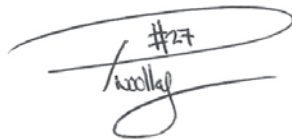
Thanks to the Board of Directors for their continued support and guidance over the past twelve months. They are a passionate group of people who give freely of their own time, doing a thankless job for the benefit of the community. It is always an enjoyable experience to work with you as we continue to grow and expand the business together.

To the Bendigo and Adelaide Bank 'Team', especially our Regional Manager, Martyn Neville, thank you for your continued support throughout the year, it truly is a pleasure to work with you. It is your contribution to the success of our Community Bank branches which ensures that the value of our partnership with Bendigo and Adelaide Bank is maximised.

Finally, we wish to thank all our customers and shareholders for their support, and we trust that our personal service and commitment to the community will ensure the continued future success of the Geeveston, Dover, Huonville and Cygnet Community Bank branches.



**Brady Jones**  
**Huon Valley**  
**Senior Branch Manager**



**Phil Woolley**  
**Huonville**  
**Branch Manager**



**Natalie Page**  
**Cygnet**  
**Acting Branch Manager**



**Sharee Burgess**  
**Geeveston & Dover**  
**Branch Manager**

# Directors' report

For the financial year ended 30 June 2024

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

## Directors

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

### David Allen Brereton

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Title:	Non-executive director
Experience and expertise:	Five years in the banking sector, followed by 34 years employed in various Australian Government agencies, including Department of Social Security/Centrelink, Australian Antarctic Division and Australian Bureau of Statistics. Retired from the public sector in 2012. From 2013 to 2021, was engaged as an International Consultant with the Food and Agriculture Organisation of the United Nations (FAO), working in the Asia-Pacific region. Involved in various Huon Valley community, school and sporting groups/clubs, including holding Executive positions.
Special responsibilities:	Chair (Appointed 1 January 2024)

### Pamela Maree Lane

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Title:	Non-executive director
Experience and expertise:	Pamela is small business owner. Over 30 years working in education as a teacher, Assistant Principal and Principal. Leader in both the NSW and Tasmanian education systems. Developed and implemented a number of significant educational programs both statewide and regionally. Member of the initial committee overseeing the development of the Huon Valley Trade Training Centre. Co-Leader of overseas trips to support education and health programs across S.E. Asia. Developed and implemented numerous health and wellbeing and employment training programs/initiatives for the Huon Valley community.
Special responsibilities:	Deputy Chair, Chair of Grants and Marketing Committee

### David Lindsay Walker

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Title:	Non-executive director
Experience and expertise:	Former executive director, chief financial officer and company secretary of a large public group of companies. Extensive experience in the management and oversight of all the financial aspects of a company's operations and strategy.
Special responsibilities:	Secretary



## Directors' report (continued)

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### Directors (continued)

#### Kenneth Norman Langston

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- Title: Non-executive director
- Experience and expertise: Banking, housing and employment services executive, retired. Bachelor of Arts (Justice Studies). Graduate Certificate of Social Science (Housing Management and Policy). Past director - Jobs Australia, Fourth Sector Enterprises.
- Special responsibilities: Member of Grants and Marketing Committee

#### Louella Maree Jury

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- Title: Non-executive director
- Experience and expertise: Managing Director of Homelands Property since 2008, holds a Graduate Diploma in Property. Studied a Bachelor of Education at UTAS. Louella is also a Conductor of LA Community Choir since 2009 and also has been a musical director at a youth program in Huon Valley for 10 years. Louella manages a short term accommodation business in Huon Valley.
- Special responsibilities: Member of Grants and Marketing Committee

#### Marian Carol Kemp

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- Title: Non-executive director
- Experience and expertise: Marian has over 30 years' experience in accounting and financial services. She was the Principal of her own business, an Accountancy firm, but presently is the Chief Finance Officer of Care Consultancy, a business management service provider for the Tasmanian care industry. She achieved a Bachelor of Commerce at UTAS and undertook further studies to become a CPA, CA, FIPA and DFP. She is involved in several local community groups including music and horse riding. Current director: Christian Homes Tasmania Pty Ltd.
- Special responsibilities: Treasurer

#### Gillian Geraldine May Ryan

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- Title: Non-executive director (appointed 10 January, resigned 5 June 2024)
- Experience and expertise: Gillian has a Bachelor of Education working in Tasmanian schools for over a decade. She also has a Graduate Certificate in Human Resources and Industrial Relations Management and worked in multiple organisations in Tasmania and interstate. She operated her own business in Tasmania for 14 years and volunteered with multiple community organisations, including Cygnet Community Children's Centre, Cygnet Primary School and the Cygnet Area Concert Band.

#### Michael Anthony Lynch

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- Title: Non-executive director (resigned 31 December 2023)
- Experience and expertise: Michael is currently a small business owner. Retired Naval Officer, previously General Manager of an electronics manufacturing plant and General Manager of Tasmanian University Research Company, Head of Office: Tasmanian Greens, Director: Tasmanian Conservation Trust, Chairperson: Tasmanian Heritage Council, President: Tasmanian Conservation Trust.
- Special responsibilities: Chair, Governance



# Directors' report (continued)

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## Directors (continued)

### Brent Andrew Hardy

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Title:	Non-executive director (resigned 4 September 2023)
Experience and expertise:	Brent has been the Divisional Manager and is presently the General Manager of Duggans Pty Ltd. Previously Aust/Asian Logistics Manager for Erico Pty Ltd and director of the National Precast Association of Australia.
Special responsibilities:	Treasurer

## Company secretary

The company secretary is David Walker. David was appointed to the position of company secretary on 1 January 2017.

## Principal activity

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

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

## Review of operations

The profit for the company after providing for income tax amounted to \$271,496 (30 June 2023: \$944,081).

Operations have continued to perform in line with expectations.

## Dividends

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

	2024 \$
<b>Fully franked dividend of 18.5 cents per share (2023: 8 cents)</b>	<b>354,090</b>

## Significant changes in the state of affairs

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

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

## Matters subsequent to the end of the financial year

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

## Likely developments and expected results of operations

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

## Environmental regulation

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

## Directors' report (continued)

### Meetings of directors

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

	Board		Grants & Marketing Committee	
	Eligible	Attended	Eligible	Attended
David Allen Brereton	12	8	-	-
Pamela Maree Lane	12	9	12	10
David Lindsay Walker	12	11	-	-
Kenneth Norman Langston	12	5	12	5
Louella Maree Jury	12	9	12	6
Marian Carol Kemp	12	8	-	-
Gillian Geraldine May Ryan	4	3	-	-
Michael Anthony Lynch	6	6	-	-
Brent Andrew Hardy	3	3	-	-

### Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

### Directors' interests

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
David Allen Brereton	20,000	-	20,000
Pamela Maree Lane	-	-	-
David Lindsay Walker	-	-	-
Kenneth Norman Langston	-	-	-
Louella Maree Jury	-	-	-
Marian Carol Kemp	-	-	-
Gillian Geraldine May Ryan	-	-	-
Michael Anthony Lynch	-	-	-
Brent Andrew Hardy	-	-	-

### Shares under option

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

### Shares issued on the exercise of options

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

# Directors' report (continued)

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## Indemnity and insurance of directors and officers

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

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

## Proceedings on behalf of the company

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

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

## Indemnity and insurance of auditor

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

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

## Non-audit services

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

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

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

## Auditor's independence declaration

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

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

On behalf of the directors



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David Allen Brereton  
Chair

26 September 2024

# Auditor's independence declaration



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

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

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

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

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

**Andrew Frewin Stewart**  
61 Bull Street, Bendigo, Vic, 3550  
Dated: 26 September 2024

A handwritten signature in black ink, appearing to read 'Adrian Downing'.

**Adrian Downing**  
Lead Auditor

# Financial statements

## Statement of profit or loss and other comprehensive income For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue from contracts with customers	7	3,983,970	4,382,063
Other revenue		13,662	30,854
Finance revenue		39,689	15,520
<b>Total revenue</b>		<b>4,037,321</b>	<b>4,428,437</b>
Employee benefits expense	8	(2,195,424)	(1,864,558)
Advertising and marketing costs		(30,031)	(39,961)
Occupancy and associated costs		(112,229)	(109,894)
System costs		(94,605)	(94,348)
Depreciation and amortisation expense	8	(239,381)	(214,374)
Finance costs		(59,327)	(73,873)
General administration expenses		(257,076)	(249,518)
<b>Total expenses before community contributions and income tax expense</b>		<b>(2,988,073)</b>	<b>(2,646,526)</b>
<b>Profit before community contributions and income tax expense</b>		<b>1,049,248</b>	<b>1,781,911</b>
Charitable donations, sponsorships and grants expense	8	(691,188)	(521,305)
<b>Profit before income tax expense</b>		<b>358,060</b>	<b>1,260,606</b>
Income tax expense	9	(86,564)	(316,525)
<b>Profit after income tax expense for the year</b>		<b>271,496</b>	<b>944,081</b>
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<b>271,496</b>	<b>944,081</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	27	14.18	49.33
Diluted earnings per share	27	14.18	49.33

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

## Financial statements (continued)

### Statement of financial position As at 30 June 2024

	Note	2024 \$	2023 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	293,992	879,601
Trade and other receivables	11	361,718	385,064
Investments	12	796,200	525,280
Current tax assets	9	57,575	-
<b>Total current assets</b>		<b>1,509,485</b>	<b>1,789,945</b>
<b>Non-current assets</b>			
Trade and other receivables	11	6,920	-
Financial assets		2,000	2,000
Property, plant and equipment	13	1,129,372	1,188,385
Right-of-use assets	14	1,342,651	893,872
Intangible assets	15	48,942	100,044
Deferred tax assets	9	156,166	176,305
<b>Total non-current assets</b>		<b>2,686,051</b>	<b>2,360,606</b>
<b>Total assets</b>		<b>4,195,536</b>	<b>4,150,551</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	16	291,604	234,494
Lease liabilities	17	167,424	111,157
Current tax liabilities	9	-	244,421
Employee benefits	18	230,326	320,886
<b>Total current liabilities</b>		<b>689,354</b>	<b>910,958</b>
<b>Non-current liabilities</b>			
Trade and other payables	16	-	40,378
Lease liabilities	17	1,453,599	1,042,798
Employee benefits	18	25,825	36,971
Provisions		67,488	77,582
<b>Total non-current liabilities</b>		<b>1,546,912</b>	<b>1,197,729</b>
<b>Total liabilities</b>		<b>2,236,266</b>	<b>2,108,687</b>
<b>Net assets</b>		<b>1,959,270</b>	<b>2,041,864</b>
<b>Equity</b>			
Issued capital	19	1,166,334	1,166,334
Retained earnings		792,936	875,530
<b>Total equity</b>		<b>1,959,270</b>	<b>2,041,864</b>

The above statement of financial position should be read in conjunction with the accompanying notes

## Financial statements (continued)

### Statement of changes in equity For the year ended 30 June 2024

	Note	Issued capital \$	Retained earnings \$	Total equity \$
<b>Balance at 1 July 2022</b>		<b>1,166,334</b>	<b>84,569</b>	<b>1,250,903</b>
Profit after income tax expense		-	944,081	944,081
Other comprehensive income, net of tax		-	-	-
<b>Total comprehensive income</b>		<b>-</b>	<b>944,081</b>	<b>944,081</b>
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	21	-	(153,120)	(153,120)
<b>Balance at 30 June 2023</b>		<b>1,166,334</b>	<b>875,530</b>	<b>2,041,864</b>
<b>Balance at 1 July 2023</b>		<b>1,166,334</b>	<b>875,530</b>	<b>2,041,864</b>
Profit after income tax expense		-	271,496	271,496
Other comprehensive income, net of tax		-	-	-
<b>Total comprehensive income</b>		<b>-</b>	<b>271,496</b>	<b>271,496</b>
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	21	-	(354,090)	(354,090)
<b>Balance at 30 June 2024</b>		<b>1,166,334</b>	<b>792,936</b>	<b>1,959,270</b>

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



## Financial statements (continued)

### Statement of cash flows For the year ended 30 June 2024

	Note	2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		4,418,504	4,785,482
Payments to suppliers and employees (inclusive of GST)		(3,817,937)	(3,145,808)
Dividends received		70	-
Interest received		29,154	7,269
Interest and other finance costs paid		(102)	(9,904)
Income taxes paid		(368,421)	(164,517)
<b>Net cash provided by operating activities</b>	<b>26</b>	<b>261,268</b>	<b>1,472,522</b>
<b>Cash flows from investing activities</b>			
Redemption of/(investment in) term deposits		(270,920)	(18,446)
Payments for property, plant and equipment	13	(33,258)	(65,566)
Payments for intangible assets		(36,707)	(36,707)
Proceeds from disposal of property, plant and equipment		16,095	-
<b>Net cash used in investing activities</b>		<b>(324,790)</b>	<b>(120,719)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		-	(319,666)
Interest and other finance costs paid		(55,348)	(60,246)
Dividends paid	21	(354,090)	(153,120)
Repayment of lease liabilities		(112,649)	(100,931)
<b>Net cash used in financing activities</b>		<b>(522,087)</b>	<b>(633,963)</b>
Net increase/(decrease) in cash and cash equivalents		(585,609)	717,840
Cash and cash equivalents at the beginning of the financial year		879,601	161,761
<b>Cash and cash equivalents at the end of the financial year</b>	<b>10</b>	<b>293,992</b>	<b>879,601</b>

The above statement of cash flows should be read in conjunction with the accompanying notes

# Notes to the financial statements

For the year ended 30 June 2024

## Note 1. Reporting entity

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 2/11 Main Street, Huonville TAS 7109

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

## Note 2. Basis of preparation and statement of compliance

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 September 2024. The directors have the power to amend and reissue the financial statements.

## Note 3. Material accounting policy information

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

### Adoption of new and revised accounting standards

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

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

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

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

### Accounting standards issued but not yet effective

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

# Notes to the financial statements (continued)

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## Note 3. Material accounting policy information (continued)

### **Current and non-current classification**

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

### **Investments**

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

### **Impairment of non-financial assets**

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

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

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

## Note 4. Critical accounting judgements, estimates and assumptions

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

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

### **Judgements**

#### *Timing of revenue recognition associated with trail commission*

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

#### *Allowance for expected credit losses on trade and other receivables*

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

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

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

## Notes to the financial statements (continued)

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

#### *Impairment of non-financial assets*

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

#### *Recovery of deferred tax assets*

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

#### *Lease term*

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

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

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

### **Estimates and assumptions**

#### *Estimation of useful lives of assets*

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

#### *Incremental borrowing rate*

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

#### *Employee benefits provision*

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

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

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

## Notes to the financial statements (continued)

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

#### *Lease make good provision*

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

### Note 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in November 2025.

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

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

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

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

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

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

### Note 6. Change to comparative figures

#### *Classification of term deposits*

During the year the directors reviewed the requirements of AASB 107 Statement of Cash Flows and noted term deposits normally qualify as a cash and cash equivalent only when they have initial investment periods of three months or less. In previous financial years the company classified all term deposits as cash and cash equivalents in the preparation of the financial statements even if they had initial investment periods greater than three months.

In the preparation of the financial statements for the current financial year, the directors updated its accounting policy to align to the requirements of AASB 107, restating comparative figures to reclassify term deposits with initial investment periods greater than three months as current investments instead of cash and cash equivalents in the Statement of financial position.

## Notes to the financial statements (continued)

### Note 6. Change to comparative figures (continued)

The change in classification had the following impacts on comparative figures:

- Cash and cash equivalents decreased and investments increased by \$525,280 at 30 June 2023 as reported in the Statement of financial position.
- Opening and closing cash balances were reduced to exclude term deposits with initial investment periods greater than three months as reported in the Statement of cash flows.
- Investments in and redemptions of term deposits with initial investment periods greater than three months are now classified within investment activities as reported in the Statement of cash flows.

The change in classification had no impact on the company's net profit or net asset position.

#### *Calculation of right-of-use asset cost and accumulated depreciation*

On adoption of AASB 16 Leases on 1 July 2019, the company previously recognised the right-of-use asset cost and accumulated depreciation on a gross basis from the commencement of the lease as if AASB 16 had always been applied by the company.

During the financial year the company recorded a change in accounting policy, whereby it elected to recognise the right-of-use asset net of accumulated depreciation on initial adoption of AASB 16. The change in accounting policy had no impact on the company's net profit or net asset position, however it did reduce the company's right-of-use asset cost by \$541,970 and accumulated depreciation by \$541,970 at 30 June 2023.

### Note 7. Revenue from contracts with customers

	2024 \$	2023 \$
<i>Revenue from contracts with customers</i>		
Margin revenue	3,545,731	3,978,642
Fee revenue	258,420	248,770
Commission revenue	168,343	154,651
	<b>3,972,494</b>	<b>4,382,063</b>
<i>Other revenue</i>		
Other revenue	11,476	-
	<b>3,983,970</b>	<b>4,382,063</b>

#### *Accounting policy for revenue from contracts with customers*

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

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

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

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

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

## Notes to the financial statements (continued)

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### Note 7. Revenue from contracts with customers (continued)

#### *Revenue calculation*

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

#### *Margin revenue*

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

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

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

#### *Commission revenue*

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

#### *Fee revenue*

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

#### *Core banking products*

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

#### *Ability to change financial return*

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

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

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



## Notes to the financial statements (continued)

### Note 8. Expenses

#### Employee benefits expense

	2024 \$	2023 \$
Wages and salaries	1,871,478	1,597,620
Non-cash benefits	18,179	7,440
Superannuation contributions	197,334	164,963
Expenses related to long service leave	5,733	30,754
Other expenses	102,700	63,781
	<b>2,195,424</b>	<b>1,864,558</b>

#### Depreciation and amortisation expense

	2024 \$	2023 \$
<i>Depreciation of non-current assets</i>		
Buildings	6,673	6,672
Leasehold improvements	40,485	40,990
Plant and equipment	13,123	10,270
Furniture and fittings	3,571	3,570
Motor vehicles	13,865	9,775
	<b>77,717</b>	<b>71,277</b>
<i>Depreciation of right-of-use assets</i>		
<b>Leased land and buildings</b>	<b>110,562</b>	<b>106,388</b>
<i>Amortisation of intangible assets</i>		
Franchise fee	6,478	6,478
Franchise renewal fee	44,624	30,231
	<b>51,102</b>	<b>36,709</b>
	<b>239,381</b>	<b>214,374</b>

#### Charitable donations, sponsorships and grants

	2024 \$	2023 \$
Direct donation, sponsorship and grant payments	291,188	258,147
Contribution to the Community Enterprise Foundation™	400,000	263,158
	<b>691,188</b>	<b>521,305</b>

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 the directors.

When the company pays a contribution in to the CEF, the company loses control over the funds at that point. While the directors are involved in the payment of grants, the funds are not refundable to the company.

## Notes to the financial statements (continued)

### Note 9. Income tax

	2024 \$	2023 \$
<i>Income tax expense</i>		
Current tax	71,424	337,472
Movement in deferred tax	20,140	(20,947)
Under/over adjustment	(5,000)	-
<b>Aggregate income tax expense</b>	<b>86,564</b>	<b>316,525</b>
<i>Prima facie income tax reconciliation</i>		
<b>Profit before income tax expense</b>	<b>358,060</b>	<b>1,260,606</b>
Tax at the statutory tax rate of 25%	89,515	315,152
Tax effect of:		
Non-deductible expenses	2,049	1,373
	<b>91,564</b>	<b>316,525</b>
Under/over adjustment	(5,000)	-
<b>Income tax expense</b>	<b>86,564</b>	<b>316,525</b>

	2024 \$	2023 \$
<i>Deferred tax assets/(liabilities)</i>		
Property, plant and equipment	(14,482)	(22,502)
Employee benefits	89,087	116,661
Lease liabilities	405,256	288,489
Provision for lease make good	16,872	19,396
Income accruals	(4,904)	(2,271)
Right-of-use assets	(335,663)	(223,468)
<b>Deferred tax asset</b>	<b>156,166</b>	<b>176,305</b>

	2024 \$	2023 \$
<b>Income tax refund due</b>	<b>57,575</b>	<b>-</b>

	2024 \$	2023 \$
<b>Provision for income tax</b>	<b>-</b>	<b>244,421</b>

#### *Accounting policy for income tax*

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

#### *Accounting policy for current tax*

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

## Notes to the financial statements (continued)

### Note 9. Income tax (continued)

#### *Accounting policy for deferred tax*

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

### Note 10. Cash and cash equivalents

	2024 \$	2023 \$
<b>Cash at bank and on hand</b>	<b>293,992</b>	<b>879,601</b>

### Note 11. Trade and other receivables

	2024 \$	2023 \$
<b>Trade receivables</b>	<b>319,964</b>	<b>343,588</b>
Other receivables and accruals	-	11,000
Accrued income	19,617	9,082
Prepayments	22,137	21,394
	<b>41,754</b>	<b>41,476</b>
	<b>361,718</b>	<b>385,064</b>
<i>Non-current assets</i>		
<b>Loan receivables</b>	<b>6,920</b>	-

#### *Loan receivable*

The company and the borrower agreed to loan of up to \$140,000, to be advanced to the borrower as and when needed to fund the sub-division of land. The loan is repayable by 13 June 2026 or on sale of the property, whichever occurs first. The loan is interest free up to and including 13 June 2026 but any principal outstanding after 13 June 2026 shall bear interest at a rate of 5.5% per annum.

#### *Accounting policy for trade and other receivables*

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

### Note 12. Investments

	2024 \$	2023 \$
<i>Current assets</i>		
<b>Term deposits</b>	<b>796,200</b>	<b>525,280</b>

## Notes to the financial statements (continued)

### Note 13. Property, plant and equipment

	2024 \$	2023 \$
Land - at cost	497,720	497,720
Buildings - at cost	211,834	210,731
Less: Accumulated depreciation	(16,489)	(8,713)
	<b>195,345</b>	<b>202,018</b>
Leasehold improvements - at cost	670,763	665,123
Less: Accumulated depreciation	(356,590)	(316,104)
	<b>314,173</b>	<b>349,019</b>
Plant and equipment - at cost	296,124	268,506
Less: Accumulated depreciation	(235,074)	(221,952)
	<b>61,050</b>	<b>46,554</b>
Fixtures and fittings - at cost	28,640	27,461
Less: Accumulated depreciation	(9,536)	(4,786)
	<b>19,104</b>	<b>22,675</b>
Motor vehicles - at cost	53,389	98,609
Less: Accumulated depreciation	(11,409)	(28,210)
	<b>41,980</b>	<b>70,399</b>
	<b>1,129,372</b>	<b>1,188,385</b>

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

	Land \$	Buildings \$	Leasehold improvements \$	Plant and equipment \$	Fixtures and fittings \$	Motor vehicles \$	Total \$
Balance at 1 July 2022	497,720	208,690	390,009	45,657	26,245	26,786	1,195,107
Additions	-	-	-	12,177	-	53,388	65,565
Disposals	-	-	-	(1,010)	-	-	(1,010)
Depreciation	-	(6,672)	(40,990)	(10,270)	(3,570)	(9,775)	(71,277)
<b>Balance at 30 June 2023</b>	<b>497,720</b>	<b>202,018</b>	<b>349,019</b>	<b>46,554</b>	<b>22,675</b>	<b>70,399</b>	<b>1,188,385</b>
Additions	-	-	5,639	27,619	-	-	33,258
Disposals	-	-	-	-	-	(14,554)	(14,554)
Depreciation	-	(6,673)	(40,485)	(13,123)	(3,571)	(13,865)	(77,717)
<b>Balance at 30 June 2024</b>	<b>497,720</b>	<b>195,345</b>	<b>314,173</b>	<b>61,050</b>	<b>19,104</b>	<b>41,980</b>	<b>1,129,372</b>

#### Accounting policy for property, plant and equipment

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

## Notes to the financial statements (continued)

### Note 13. Property, plant and equipment (continued)

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

Buildings	32 years
Leasehold Improvements	2.5 to 40 years
Plant and equipment	1 to 40 years
Fixtures and fittings	1 to 15 years
Motor Vehicles	5 years

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

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

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

### Note 14. Right-of-use assets

	2024 \$	2023 \$
Land and buildings - right-of-use	1,818,916	1,240,770
Less: Accumulated depreciation	(476,265)	(346,898)
	<b>1,342,651</b>	<b>893,872</b>

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

	Land and buildings \$
Balance at 1 July 2022	953,813
Remeasurement adjustments	46,447
Depreciation expense	(106,388)
<b>Balance at 30 June 2023</b>	<b>893,872</b>
Remeasurement adjustments	559,341
Depreciation expense	(110,562)
<b>Balance at 30 June 2024</b>	<b>1,342,651</b>

#### Accounting policy for right-of-use assets

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

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

Refer to note 17 for more information on lease arrangements.

## Notes to the financial statements (continued)

### Note 15. Intangible assets

	2024 \$	2023 \$
Franchise fee	145,161	145,161
Less: Accumulated amortisation	(136,525)	(130,047)
	<b>8,636</b>	<b>15,114</b>
Franchise renewal fee	482,955	482,954
Less: Accumulated amortisation	(442,649)	(398,024)
	<b>40,306</b>	<b>84,930</b>
	<b>48,942</b>	<b>100,044</b>

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

	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2022	21,592	115,161	136,753
Amortisation expense	(6,478)	(30,231)	(36,709)
<b>Balance at 30 June 2023</b>	<b>15,114</b>	<b>84,930</b>	<b>100,044</b>
Amortisation expense	(6,478)	(44,624)	(51,102)
<b>Balance at 30 June 2024</b>	<b>8,636</b>	<b>40,306</b>	<b>48,942</b>

#### Accounting policy for intangible assets

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

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

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

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

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	November 2025
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	November 2025

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

### Note 16. Trade and other payables

	2024 \$	2023 \$
<i>Current liabilities</i>		
Trade payables	20,245	327
Other payables and accruals	271,359	234,167
	<b>291,604</b>	<b>234,494</b>
<i>Non-current liabilities</i>		
<b>Other payables and accruals</b>	<b>-</b>	<b>40,378</b>

## Notes to the financial statements (continued)

### Note 16. Trade and other payables (continued)

	2024 \$	2023 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	291,604	274,872
less other payables and accruals (net GST payable to the ATO)	(33,510)	(56,493)
	<b>258,094</b>	<b>218,379</b>

### Note 17. Lease liabilities

	2024 \$	2023 \$
<i>Current liabilities</i>		
<b>Land and buildings lease liabilities</b>	<b>167,424</b>	<b>111,157</b>
<i>Non-current liabilities</i>		
<b>Land and buildings lease liabilities</b>	<b>1,453,599</b>	<b>1,042,798</b>

#### Reconciliation of lease liabilities

	2024 \$	2023 \$
Opening balance	1,153,955	1,208,439
Remeasurement adjustments	579,864	46,447
Lease interest expense	55,201	60,246
Lease payments - total cash outflow	(167,997)	(161,177)
	<b>1,621,023</b>	<b>1,153,955</b>

#### Accounting policy for lease liabilities

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

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

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

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Huonville Branch	7.50%	10 years	2 x 5 years	Yes	July 2040
Dover Branch	5.39%	5 years	N/A	N/A	May 2028
Geeveston Branch	5.39%	5 years	1 x 5 years	Yes	May 2033
Cygnets Branch	5.39%	5 years	1 x 5 years	Yes	July 2033
Huonville Shop 2	7.50%	9 years	2 x 5 years	Yes	July 2040



## Notes to the financial statements (continued)

### Note 17. Lease liabilities (continued)

#### *Remeasurement adjustments*

The company has determined it is now reasonably certain to exercise the two available five year extension options available for the Huonville Branch and Huonville Shop 2 lease. As such a remeasurement of the right-of-use asset, lease liability and make-good provision occurred using the revised lease term end date of July 2040.

### Note 18. Employee benefits

	2024 \$	2023 \$
<i>Current liabilities</i>		
Annual leave	87,105	96,519
Long service leave	94,141	175,124
Personal leave	49,080	49,243
	<b>230,326</b>	<b>320,886</b>
<i>Non-current liabilities</i>		
<b>Long service leave</b>	<b>25,825</b>	<b>36,971</b>

#### *Accounting policy for short-term employee benefits*

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

#### *Accounting policy for other long-term employee benefits*

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

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

### Note 19. Issued capital

	2024 Shares	2023 Shares	2024 \$	2023 \$
Ordinary shares - fully paid	1,282,000	1,282,000	1,282,000	1,282,000
Bonus shares - fully paid	632,000	632,000	-	-
Less: Equity raising costs	-	-	(115,666)	(115,666)
	<b>1,914,000</b>	<b>1,914,000</b>	<b>1,166,334</b>	<b>1,166,334</b>

#### *Accounting policy for issued capital*

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

# Notes to the financial statements (continued)

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## Note 19. Issued capital (continued)

### ***Rights attached to issued capital***

#### *Ordinary shares*

##### Voting rights

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

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

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

##### Dividends

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

##### Transfer

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

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

##### *Prohibited shareholding interest*

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

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

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

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

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

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

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

## Notes to the financial statements (continued)

### Note 20. Capital management

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

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

The distribution limit is the greater of:

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

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

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

### Note 21. Dividends

*Dividends provided for and paid during the period*

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

	2024 \$	2023 \$
<b>Fully franked dividend of 18.5 cents per share (2023: 8 cents)</b>	<b>354,090</b>	<b>153,120</b>

	2024 \$	2023 \$
Franking account balance at the beginning of the financial year	300,654	187,177
Franking credits arising from income taxes paid	268,421	164,517
Franking debits from the payment of franked distributions	(118,030)	(51,040)
Franking credits from franked distributions received	23	-
	<b>451,068</b>	<b>300,654</b>

*Franking transactions that will arise subsequent to the financial year end:*

Balance at the end of the financial year	451,068	300,654
Franking credits that will arise from payment of income tax	(57,575)	244,421
<b>Franking credits available for future reporting periods</b>	<b>393,493</b>	<b>545,075</b>

The ability to utilise franking credits is dependent upon the company's ability to declare dividends. The tax rate at which future dividends will be franked is 25%.

*Accounting policy for dividends*

Dividends are recognised when declared during the financial year.

## Notes to the financial statements (continued)

### Note 22. Financial risk management

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

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

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

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

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

	2024 \$	2023 \$
<b>Financial assets at amortised cost</b>		
Trade and other receivables (note 11)	339,581	363,670
Cash and cash equivalents (note 10)	293,992	879,601
Financial assets	2,000	2,000
Investments (note 12)	796,200	525,280
	<b>1,431,773</b>	<b>1,770,551</b>
<b>Financial liabilities at amortised cost</b>		
Trade and other payables (note 16)	258,094	218,379
Lease liabilities (note 17)	1,621,023	1,153,955
	<b>1,879,117</b>	<b>1,372,334</b>

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

#### *Accounting policy for financial instruments*

#### **Financial assets**

##### *Classification*

The company classifies its financial assets at amortised cost.

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

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

##### *Derecognition*

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

##### *Impairment of trade and other receivables*

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

## Notes to the financial statements (continued)

### Note 22. Financial risk management (continued)

#### Financial liabilities

##### Classification

The company classifies its financial liabilities at amortised cost.

##### Derecognition

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

#### Market risk

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of \$293,992 and term deposits of \$796,200 at 30 June 2024 (2023: \$879,601 and \$525,280).

#### Price risk

The company is not exposed to any significant commodity price risk.

#### Liquidity risk

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

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

2024	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Trade and other payables	258,094	-	-	258,094
Lease liabilities	172,342	709,330	1,720,288	2,601,960
<b>Total non-derivatives</b>	<b>430,436</b>	<b>709,330</b>	<b>1,720,288</b>	<b>2,860,054</b>

2023	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Trade and other payables	178,001	40,378	-	218,379
Lease liabilities	167,800	703,809	554,355	1,425,964
<b>Total non-derivatives</b>	<b>345,801</b>	<b>744,187</b>	<b>554,355</b>	<b>1,644,343</b>

### Note 23. Key management personnel disclosures

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

David Allen Brereton	Pamela Maree Lane
David Lindsay Walker	Kenneth Norman Langston
Louella Maree Jury	Marian Carol Kemp
Gillian Geraldine May Ryan	Michael Anthony Lynch
Brent Andrew Hardy	

## Notes to the financial statements (continued)

### Note 23. Key management personnel disclosures (continued)

#### Compensation

Key management personnel compensation comprised the following.

	2024 \$	2023 \$
Short-term employee benefits	11,882	11,305
Post-employment benefits	1,307	1,326
	<b>13,189</b>	<b>12,631</b>

### Note 24. Related party transactions

#### Key management personnel

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

#### Receivable from and payable to related parties

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

#### Terms and conditions of transactions with related parties

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

#### Transactions with related parties

The following transactions occurred with related parties:

	2024 \$	2023 \$
The company transacted with St James Catholic College which a related party of a board member. Total benefit received	200	-
The company provided sponsorship to Houn Agricultural Society which is a related party of a board member. Total benefit recieved was:	8,750	-

### Note 25. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Andrew Frewin Stewart, the auditor of the company:

	2024 \$	2023 \$
<i>Audit services</i>		
<b>Audit or review of the financial statements</b>	<b>9,650</b>	<b>6,800</b>
<i>Other services</i>		
Taxation advice and tax compliance services	1,989	1,433
General advisory services	4,750	4,260
Share registry services	6,965	6,410
	<b>13,704</b>	<b>12,103</b>
	<b>23,354</b>	<b>18,903</b>

## Notes to the financial statements (continued)

### Note 26. Reconciliation of profit after income tax to net cash provided by operating activities

	2024 \$	2023 \$
Profit after income tax expense for the year	271,496	944,081
Adjustments for:		
Depreciation and amortisation	239,381	214,374
Net loss/(gain) on disposal of non-current assets	(1,541)	1,010
Lease liabilities interest	55,348	60,246
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	23,346	(26,384)
Increase in income tax refund due	(57,575)	-
Decrease/(increase) in deferred tax assets	20,139	(20,947)
Increase in trade and other payables	52,924	78,328
Increase/(decrease) in provision for income tax	(244,421)	172,955
Increase/(decrease) in employee benefits	(101,706)	45,136
Increase in other provisions	3,877	3,723
<b>Net cash provided by operating activities</b>	<b>261,268</b>	<b>1,472,522</b>

### Note 27. Earnings per share

	2024 \$	2023 \$
<b>Profit after income tax</b>	<b>271,496</b>	<b>944,081</b>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	1,914,000	1,914,000
<b>Weighted average number of ordinary shares used in calculating diluted earnings per share</b>	<b>1,914,000</b>	<b>1,914,000</b>
	Cents	Cents
Basic earnings per share	14.18	49.33
Diluted earnings per share	14.18	49.33

### Note 28. Commitments

The company has entered into a contract with Cygnet Bowls Club and committed to provide a \$140,000 loan for the sub-division of their property. The loan currently has \$133,080 to draw upon if needed. For more information please see note 11.

### Note 29. Contingencies

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

### Note 30. Events after the reporting period

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

# Directors' declaration

For the financial year ended 30 June 2024

In the directors' opinion:

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

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

On behalf of the directors



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David Allen Brereton  
Chair

26 September 2024



# Independent audit report



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

## Independent auditor's report to the Directors of Huon Valley Financial Services Limited

### Report on the Audit of the Financial Report

#### Opinion

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

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

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

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

#### Basis for Opinion

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

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

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



Andrew Frewin Stewart  
61 Bull Street Bendigo VIC 3550  
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## Other Information

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

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

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

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

## Responsibilities of the Directors for the Financial Report

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

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

## Auditor's responsibilities for the Audit of the Financial Report

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



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

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

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

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.

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

**Andrew Frewin Stewart**  
61 Bull Street, Bendigo, Vic, 3550  
Dated: 26 September 2024

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

**Adrian Downing**  
Lead Auditor

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Email: huonvillemailbox@bendigoadelaide.com.au  
Web: bendigobank.com.au/huonville

Community Bank · Cygnet & District  
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Email: cygnetmailbox@bendigoadelaide.com.au  
Web: bendigobank.com.au/cygnet

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 /communitybankhuonvalley

 **Bendigo Bank**