

Annual Report 2024

Knox Community Financial
Services Limited

Community Bank
Ferntree Gully
ABN 88 093 823 708

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Chair's report

For year ending 30 June 2024

It is with a great deal of pride I present my report for 2024. Ours is a mature business that is now two decades old. There have been many challenges over the years, we have tried to expand our business presence but have settled back into our original Ferntree Gully position.

We have had a successful year producing and after tax profit of \$623,000. This has enabled us to continue our main theme: community contributions.

We are a Community Bank and take our contribution to welfare groups, sporting clubs, charities, etc, as our most important activity. I am particularly proud of the contribution we made to the CFA unit in our regions. Each of them received \$20,000, no strings attached. This was an initiative of our Finance Director Etienne Clauw. The amount of goodwill this generated is incalculable. It was \$140,000 well spent. Our total community contributions was in excess of \$600,000.

We have declared a dividend of .18 cents. We have been conscious that 2024 had been a difficult year for many with cost of living issues, particularly those on fixed incomes. This brings total dividends to \$2.65, over \$2,000,000 returned to shareholders. Most who contributed share capital did so to ensure that Ferntree Gully continued to have a bank. Dividends have been an unexpected bonus.

I want to give a big thank you to our great staff, there is no point establishing contact within the community, be it sporting clubs, services clubs, charities, etc, if we lack a welcoming place of business. Our staff go that extra mile. They provide a personal touch and take a genuine interest in the local community.

I particularly want to thank the two Tinas, Tina Leslie our Senior Business Manager and Tina Doran our Branch Manager. Their work this year has been exemplary. I cannot pass without giving thanks to the amount of out of hours' time that Tina Doran puts in meeting with community groups. The growth in our loan book has much to do with her.

To my fellow directors, a big thank you from the community. Your investment in the organisation is a major reason for its success.

What do we see as the future of the bank? Firstly, and importantly to continue to serve the community. We have many older customers who will need help with their face to banking. We will always be there for them. We know that banking is changing and the way that banks serve their customers is changing. Others have closed many of their branches in the outer east. There are no remaining banks in Upper Ferntree Gully or Mountain Gate. This creates an opportunity for us to fill the gap.

We see another contribution we can make to our community. Our village is old and need significant refurbishment. We believe we have a role to play in this with the support of our shareholders. Updating the village will encourage new traders and improve what is offered. The village structure plan envisages significant housing growth. This will be in the form of a mix of commercial and residential buildings. As a first step the Community Bank has paid for a major lighting initiative within the shopping area. Thousands of solar lights brighten up the streets and encourage people to visit.

Finally, thank you for the honour of chairing our Community Bank.

Des Higginbotham

Des Higginbotham
Chair

Manager's report

For year ending 30 June 2024

As I wrap up another remarkable year at Community Bank Ferntree Gully, I'm excited to share the highlights from our 24th year of serving this incredible community. Even with the economic bumps along the way, like fluctuating interest rates, our team has shown unwavering resilience and stayed true to what matters most putting our community first.

We've hit an impressive milestone this year:

- Grew our total holdings by a solid \$6 million

These numbers are a clear reflection of the trust you, our customers, have in us. It's also a great indicator that we're firmly on the rise in the local banking scene.

We were also thrilled to welcome two new faces to our team this year: Rob and Bronwyn. Their energy and fresh ideas have already made a noticeable impact, enhancing how we serve you and our broader community.

Giving back is core to who we are. This year, we held two fantastic grant nights and continued our sponsorships with local clubs.

We know these organisations are the heartbeat of our community, and it's been a privilege to support them.

On top of that, staff, board members and I have been out and about at community events, reinforcing our relationships with the people and groups that make the local area so special.

In a fun and exciting twist, we've also added a new marketing tool to our kit—two Bendigo Bank-branded cars! You'll be seeing them around at local events, helping us stay connected and visible in the area we love.

Of course, none of this would have been possible without the incredible team I have the pleasure of working with. A massive thank you to Tarryn, Jin, Valerie, Lisa, Jules, Bronwyn, and Rob. Your dedication, passion, and hard work are the fuel that keeps us moving forward. I couldn't be prouder of what we've achieved together.

Looking ahead, we're sticking to our mission: delivering top-notch banking services while helping our community grow and thrive. We're always on the lookout for new ways to support local businesses, groups, and individuals, ensuring Community Bank Ferntree Gully stays at the heart of our community's success.

To our shareholders, customers, and community partners—thank you. Your continued support allows us to make a real difference here in Ferntree Gully and beyond. As we step into the next year, we're excited for what's to come and are ready to keep delivering value, both for you and for our community.



Tina Doran
Branch Manager

Finance report

For year ending 30 June 2024

I am pleased to report that Knox Community Financial Services Ltd achieved a solid result. Last year we reported the result was an outlier with this year seeing a reduction in the margin levels that drive our income. Last years result did allow us to make some significant one-off contributions to dividends, donations, and community grants.

The primary source of revenue for the company remains the margins and fees on footings. The footings history over the past 5 years is shown below

Year End	2019	2020	2021	2022	2023	2024
Footings (\$Mil)	305	307	318	324	316	322

The increase in footings from \$316 million to \$322 million is down to the effort led by our staff throughout the year. There have been considerable competitive forces to contend with so to achieve a \$6 million footings growth our staff must be acknowledged and congratulated.

The abovementioned reduction in margin rates however did offset the increase in footings with this year's total Revenue at \$2.84 million, down from \$3.04 million.

Operating Profit before Charitable donations and Sponsorships was \$1.443 million vs \$1.813 million last year.

Using last year's extraordinary result enabled a large increase in community contributions from \$188,000 last year to \$627,000 this year. The breakdown being: additional \$100,000 towards community grants, a one-off \$20,000 donation to each of the 7 Knox LGA - CFA brigades totalling \$140,000, plus we have placed \$200,000 into Bendigo Bank's Community Enterprise Fund (CEF) for future community grant distribution

The overall Nett Profit is \$623,878 down from last years \$1,209,971.

As a result, total equity position is up from 4.483 million to 4.904 million.

As the cash position of the company remains stable, your directors have recommended 18 cents per share dividend to be paid for the 2023/2024 financial year.

For the year ahead the budget planning figures from BEN show further easing of margin rates that will impact our revenue-based income. Our challenge is to focus of footings growth. We will continue to manage the business to ensure the balance is maintained between banking services, community contributions, and profitability.

I would like to thank our staff led by Tina Leslie, as Business Manager, Tina Doran, as Branch Manager and all staff for their continued efforts as we continue to consolidate and grow the business.

To all shareholders, please share the message about the benefits of community banking as we need to grow the banking footings to grow the community together.



Etienne Clauw
Director

Community investments

Community Investments 30 June 2024

Community groups and organisations we have been able to support.

Angliss Hospital Opp Shop	FTG Bowling Club	Peace & Loyalty Lodge
Basin Music Festival	FTG Footballers Cricket Club	RDA Knox
Boronia Bowls Club	FTG Tennis Club	Rotary Club Of Ferntree gully
Boronia Hawks Football Netball Club	Knox Historical Society	Rowville Cricket Club
Boronia Soccer Club	Knox Italian Community Club Rowville	Rowville Football Club
Community Support Knox Yarra Ranges and Surrounds Inc (Ben's Place)	Knoxfield Cricket & Sporting Club	Rowville Knights Community Football Club
Coonara Community House	Liberty Ave 3yo Kinder	Share Space
Feed one Feed all	Links at Waterford Residents Association	Socresby Football Club
Ferntree Gully News	Lions Club Of Rowville	Upper FTG Cricket Club
Foothills Community Care	Lysterfield Cricket Club	Upper FTG Football Netball Club
Forest Rd M&CHC Inc Playgroup	Lysterfield Junior Football Club	Wantirna Village
FTG all abilities cricket club	Mountain District Learning Centre	





Directors' report

For the financial year ended 30 June 2024

The Directors present their report, together with the financial statements, on Knox Community Financial Services Ltd for the financial year ended 30 June 2024.

Board of Directors

The following persons were Directors of Knox Community Financial Services Ltd during the whole of the financial year up to the date of this report, unless otherwise stated:

Etienne Clauw

Title: Finance
Qualifications: Bachelor of Engineering (Elec)
Experience & Expertise: Etienne is a Sales & Product Specialist within the Critical infrastructure automation and control industries.

Anthony Holland

Title: Community Engagement
Qualifications: Certificate IV in Property and current director of Officer Real Estate Pty Ltd
Experience & Expertise: Knox City Councillor for 8 years and Mayor 2015/2016

John Surridge

Title: Secretary
Qualifications: Diploma of Management, Diploma of Retail Management and Graduate Certificate in Management
Experience & Expertise: Banker with 10 years experience in general banking and 35 years in management.

Phillip Reibelt

Title: Human Resources
Qualifications:
Experience & Expertise: Phillip has worked in Workforce Management for several years.

Desmond Higginbotham

Title: Community Engagement
Qualifications: Bachelor of Commerce, Dip ED and Grad DIP Sec ST
Experience & Expertise:

Directors' report (continued)

Board of Directors (continued)

Karin Orpen

Title:	Community Engagement
Qualifications:	Diploma Financial Planning
Experience & Expertise:	Financial Services and Governance 18 years experience with a major bank and 7 years with an industry superannuation fund. Knox councillor for over 20 years and Mayor 1999/2000, 2002/2003 & 2012/2013.

Eve John

(Resigned 8 Novemeber 2023)

Title:	Chair/Marketing
Qualifications:	Bachelor of Adult Learning & Development, Diploma & Certificate in Training & Assessment and Business Development
Experience & Expertise:	Eve is a marketing strategist and copywriter for Australia's most successful and influential brands and products. Eve has a knowledge of buying behaviour and consumer psychology.

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

No Directors have material interests in contracts or proposed contracts with the Company.

Directors' Meetings

Attendances by each Director during the year were as follows:

Director	Board Meetings	
	A	B
Etienne Clauw	11	11
Anthony Holland	11	9
John Surridge	11	10
Phillip Reibelt	11	8
Desmond Higginbotham	11	11
Karin Orpen	11	10
Eve John (Resigned 8 Novemeber 2023)	4	4

A - The number of meetings eligible to attend.

B - The number of meetings attended.

Company Secretary

The following person held the position of Company Secretary at the end of the financial year.

John Surridge

Qualifications:	Diploma of Management, Diploma of Retail Management & Graduate Certificate in Management
Experience & Expertise:	John has been the company secretary of Knox Commnity Financial Services Ltd since 2016.

Directors' report (continued)

Principal Activities

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

There has been no significant changes in the nature of these activities during the year.

Operating Results

The profit of the Company for the financial year after provision for income tax was:

	30 June 2024 (\$)	30 June 2023 (\$)	Movement
Profit After Tax	623,878	1,209,971	-48%

Please note profit of the Company has decreased compare to prior year due to margin.

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.

Director's Interests

Director	Fully Paid Ordinary Shares		
	Balance at 1 July 2023	Changes During the Year	Balance at 30 June 2024
Etienne Clauw	-	-	-
Anthony Holland	500	-	500
John Surridge	500	-	500
Phillip Reibelt	-	-	-
Desmond Higginbotham	1,000	-	1,000
Karin Orpen	-	-	-
Eve John (Resigned 8 Novemeber 2023)	-	-	-

Dividends

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

	Cents per Share	Total Amount (\$)
Final fully franked dividend	14.50	\$113,209
Special fully franked dividend	11.00	\$85,883
Total Amount	25.50	199,091

Directors' report (continued)

Options

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

Significant Changes in the State of Affairs

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

Events Since the end of the Financial Year

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

Likely Developments

The Company will continue its policy of providing banking services to the community.

Environmental Regulations

The Company is not subject to any significant environmental regulation.

Indemnification & Insurance of Directors & Officers

The Company has indemnified all directors and the managers in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or managers 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. The Company has not provided any insurance for an auditor of the company or a related body corporate.

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*.

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 (RSD Audit) for audit and non-audit services provided during the year are set out in Note 28 to the accounts.

The Board of Directors 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 are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the company or jointly sharing risks and rewards.

Directors' report (continued)

Auditor's Independence Declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 13 of this financial report.

Signed in accordance with a resolution of the Board of Directors at Melbourne, VIC.



Etienne Clauw
Chair/Director

Dated this 25th day of September, 2024

Auditor's independence declaration



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Auditors Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors of Knox Community Financial Services Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Knox Community Financial Services Limited. As the lead audit partner for the audit of the financial report for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.

RSD Audit

A handwritten signature in black ink, appearing to be 'JP', written over a light grey rectangular background.

Josh Porker
Principal

41A Breen Street
Bendigo VIC 3550

Dated: 30 September 2024

RSD Audit Pty Ltd
ABN 85 619 186 908
Liability limited by a scheme approved under Professional Standards Legislation

Financial statements

Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue			
Revenue from contracts with customers	7	2,698,193	2,933,760
Other revenue	8	84,910	96,288
Finance income	9	57,594	10,578
		2,840,697	3,040,626
Expenses			
Employee benefits expense	10	(931,268)	(811,939)
Depreciation and amortisation	10	(95,471)	(119,324)
Finance costs	10	(1,517)	(4,543)
Bad and doubtful debts expenses		(155)	(298)
Occupancy expenses		(128,603)	(96,225)
IT expenses		(27,540)	(22,005)
ATM expenses		(21,356)	(18,137)
Advertising and marketing expenses		(63,654)	(50,267)
Professional fees		(28,174)	(25,814)
Other expenses		(99,754)	(78,729)
		(1,397,492)	(1,227,281)
Operating profit before charitable donations and sponsorship		1,443,205	1,813,345
Charitable donations and sponsorship	10	(627,821)	(188,670)
Profit before income tax		815,384	1,624,675
Income tax expense	11	(191,506)	(414,704)
Profit for the year after income tax		623,878	1,209,971
Other comprehensive income		-	15,714
Total comprehensive income for the year		623,878	1,225,685
Profit attributable to the ordinary shareholders of the company		623,878	1,225,685
Total comprehensive income attributable to ordinary shareholders of the company		623,878	1,225,685
Earnings per share			
		¢	¢
- basic and diluted earnings per share	30	79.91	156.99

The accompanying notes form part of these financial statements

Financial statements (continued)

Statement of Financial Position As at 30 June 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	12	1,653,688	1,800,700
Trade and other receivables	13	241,057	278,320
Financial assets	14	2,008,472	1,925,817
Current tax asset	18	95,916	-
Total current assets		3,999,133	4,004,837
Non-current assets			
Property, plant and equipment	15	1,249,387	1,231,310
Right-of-use assets	16	-	116,494
Intangible assets	17	13,587	22,852
Total non-current assets		1,262,974	1,370,656
Total assets		5,262,107	5,375,493
Liabilities			
Current liabilities			
Trade and other payables	19	101,461	145,499
Current tax liability	18	-	356,674
Lease liabilities	20	-	79,402
Employee benefits	21	82,623	71,352
Total current liabilities		184,084	652,927
Non-current liabilities			
Trade and other payables	19	-	7,140
Lease liabilities	20	-	48,614
Employee benefits	21	22,589	5,666
Deferred tax liability	18	150,719	177,295
Total non-current liabilities		173,308	238,715
Total liabilities		357,392	891,642
Net assets		4,904,715	4,483,851
Equity			
Issued capital	22	780,750	780,750
Retained earnings	23	3,554,511	3,129,724
Reserves	24	569,454	573,377
Total equity		4,904,715	4,483,851

The accompanying notes form part of these financial statements

Financial statements (continued)

Statement of Changes in Equity For the year ended 30 June 2024

	Note	Issued capital \$	Retained earnings \$	Reserves \$	Total equity \$
Balance at 1 July 2022		780,750	2,017,347	557,663	3,355,760
<i>Comprehensive income for the year</i>					
Profit for the year		-	1,209,971	-	1,209,971
Other comprehensive income for the year		-	-	15,714	15,714
<i>Transactions with owners in their capacity as owners</i>					
Dividends paid or provided	29	-	(97,594)	-	(97,594)
Balance at 30 June 2023		780,750	3,129,724	573,377	4,483,851
Balance at 1 July 2023		780,750	3,129,724	573,377	4,483,851
<i>Comprehensive income for the year</i>					
Profit for the year		-	623,878	-	623,878
Other comprehensive income for the year		-	-	(3,923)	(3,923)
<i>Transactions with owners in their capacity as owners</i>					
Dividends paid or provided	29	-	(199,091)	-	(199,091)
Balance at 30 June 2024		780,750	3,554,511	569,454	4,904,715

The accompanying notes form part of these financial statements

Financial statements (continued)

Statement of Cash Flows For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers		2,752,463	3,286,199
Payments to suppliers and employees		(1,932,645)	(1,736,883)
Dividends received		67,903	71,416
Interest paid		(1,518)	10,577
Interest received		57,594	(4,543)
Income tax paid		(669,366)	1,439
Net cash flows provided by operating activities	25b	274,431	1,628,205
Cash flows from investing activities			
Proceeds from sale of investments		24,510	-
Purchase of property, plant and equipment		(119,047)	(49,714)
Purchase of investments		(62,395)	(998,166)
Purchase of intangible assets		(18,662)	(11,899)
Net cash flows used in investing activities		(175,594)	(1,059,779)
Cash flows from financing activities			
Repayment of lease liabilities		(46,758)	(66,080)
Dividends paid		(199,091)	(97,594)
Net cash flows used in financing activities		(245,849)	(163,674)
Net increase/(decrease) in cash held		(147,012)	404,752
Cash and cash equivalents at beginning of financial year		1,800,700	1,395,948
Cash and cash equivalents at end of financial year	25a	1,653,688	1,800,700

The accompanying notes form part of these financial statements

Notes to the financial statements

For the year ended 30 June 2024

Note 1. Corporate Information

These financial statements and notes represent those of Knox Community Financial Services Ltd (the Company) as an individual entity. Knox Community Financial Services Ltd is a company limited by shares, incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on 26th September 2024.

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

Note 2. Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

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

Note 3. Summary of Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

(a) Economic Dependency

The Company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the following Community Banks branch:

Ferntree Gully Community Bank

The Company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry.

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

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

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

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

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

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

- the design, layout and fit out of the Community Bank premises
- training for the branch manager and other employees in banking, management systems and interface protocol
- methods and procedures for the sale of products and provision of services
- 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.

(b) Revenue From Contracts With Customers

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

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

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

Revenue	Includes	Performance Obligation	Timing of Recognition
Franchise agreement profit share	Margin, commission and fee income	When the Company satisfies its obligation to arrange the services to be provided to the customer by the supplier (Bendigo & Adelaide Bank)	On completion of the provision of the relevant service. Revenue is accrued monthly and paid within 10 business days of month end

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

Revenue Calculation

The franchise agreement provides that three forms of revenue may be earned by the Company – margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services.

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

Margin

Margin is arrived at through the following calculation:

Interest paid by customers on loans, less interest paid to customers on deposits

plus

Deposit returns (i.e. interest return applied by BABL on deposits)

minus

Any costs of funds (i.e. interest applied by BABL to fund a loan)

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

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

Commission

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

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

Fee Income

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

Core Banking Products

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

Ability to Change Financial Return

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

The change may be to the method of calculation of margin, the amount of margin, commission and fee income or a change of a margin to a commission or vice versa. This may affect the amount of revenue the Company receives on a particular product or service. The effect of the change on the revenue earned by the company is entirely dependent on the change.

Bendigo and Adelaide 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 and Adelaide Bank's margin at that time. For other products and services, there is no restriction on the change Bendigo and Adelaide Bank may make.

(c) Other Revenue

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

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

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

Discretionary Financial Contributions

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

(d) Employee Benefits

Short-term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for salary and wages (including non-monetary benefits), annual leave, and sick leave which are expected to be wholly settled within 12 months of the reporting date. They are measured at amounts expected to be paid when the liabilities are settled, plus related on-costs. Expenses for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

An annual leave liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated.

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

Other Long-term Employee Benefits

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

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

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

(e) Tax

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

Current Income Tax

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

Deferred Tax

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

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

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

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

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

Goods & Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except:

- when the amount of GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue or expense item
- when receivables and payables are stated with the amount of GST included.

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

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

(f) Cash & Cash Equivalents

For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise: cash on hand, deposits held with banks, and short-term, highly liquid investments (mainly money market funds) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

(g) Property, Plant & Equipment

Recognition & Measurement

Items of property, plant and equipment are measured at cost or fair value as applicable, which includes capitalised borrowings costs, less accumulated depreciation and any accumulated impairment losses.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent Expenditure

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

Depreciation

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

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

Asset Class	Method	Useful Life
Buildings	Straight line	40 years
Leasehold improvements	Diminishing value	40 years
Plant & equipment	Diminishing value	2 - 5 years
Motor vehicles	Diminishing value	8 years

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

(h) Intangible Assets

Intangible assets of the Company include the franchise fees paid to Bendigo Bank conveying the right to operate the Community Bank franchise.

Recognition & Measurement

Intangible assets acquired separately are measured on initial recognition at cost.

Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognised in profit or loss as incurred.

Amortisation

Intangible assets 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
Establishment fee	Straight line	Franchise term (5 years)
Franchise fee	Straight line	Franchise term (5 years)

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

(i) Financial Instruments

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

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

Sub-note (i) and (j) refer to the following acronyms:

Acronym	Meaning
FVTPL	Fair value through profit or loss
FVTOCI	Fair value through other comprehensive income
SPPI	Solely payments of principal and interest
ECL	Expected credit loss
CGU	Cash-generating unit

Recognition & Initial Measurement

Trade receivables are initially recognised when they originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to the acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification & Subsequent Measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVTOCI - debt investment; FVTOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVTOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial Assets - Business Model Assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed.

Financial Assets - Subsequent Measurement, Gains & Losses

For financial assets at amortised cost, these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial Liabilities - Classification, Subsequent Measurement, Gains & Losses

Borrowings and other financial liabilities (including trade payables) are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognised in profit or loss.

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

Derecognition

Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Where the Company enters into transactions where it transfers assets recognised in the statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred asset, the transferred assets are not derecognised.

Financial Liabilities

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

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

(j) Impairment

Non-derivative Financial Instruments

The Company recognises a loss allowance for estimated credit losses (ECL)'s on its trade receivables.

ECL's are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received.

In measuring the ECL, a provision matrix for trade receivables is used, taking into consideration various data to get to an ECL, (i.e. diversity of its customer base, appropriate groupings of its historical loss experience etc.).

Recognition of ECL in Financial Statements

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The Company's trade receivables are limited to the monthly profit share distribution from Bendigo and Adelaide Bank, which is received 14 days post month end. Due to the reliance on Bendigo and Adelaide Bank the company has reviewed credit ratings provided by Standard & Poors, Moody's and Fitch ratings to determine the level of credit exposure to the company. The company also performed a historical assessment of receivables from Bendigo and Adelaide Bank and found no instances of default. As a result no impairment loss allowance has been made in relation to trade receivables as at 30 June 2024.

Non-financial Assets

At each reporting date, the Company reviews the carrying amount of its non-financial assets (other than investment property, contracts assets, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The Company has assessed for impairment indicators and noted no material impacts on the carrying amount of non-financial assets.

(k) Issued Capital

Ordinary Shares

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

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

(l) Leases

As Lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for leases of property the company has elected not to separate lease and non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the costs of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

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

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual guarantee; and
- the exercise price under a purchase option the Company is reasonable certain to exercise, lease payments in an option renewal period if the company is reasonably certain to exercise that option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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

Short-term Leases & Leases of Low-value Assets

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

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

As Lessor

The Company has not been a party in an arrangement where it is a lessor.

(m) Standards Issued But Not Yet Effective

There are no new standards effective for annual reporting periods beginning after 1 July 2023 that are expected to have a significant impact on the Company's financial statements.

(n) Comparative Figures

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

Notes to the financial statements (continued)

Note 4. Significant Accounting Judgements, Estimates & Assumptions

During preparation of the financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual outcomes and balances may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to these estimates are recognised prospectively.

(a) Judgements

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

Note	Judgement
Note 7 - Revenue	Whether revenue is recognised over time or at a point in time
Note 20 - Leases:	
(a) Control	Whether a contract is or contains a lease at inception by assessing whether the Company has the right to direct the use of the identified asset and obtain substantially all the economic benefits from the use of that asset
(b) Lease term	Whether the Company is reasonably certain to exercise extension options, termination periods, and purchase options
(c) Discount rates	Judgement is required to determine the discount rate, where the discount rate is the Company's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. The incremental borrowing rate is determined with reference to factors specific to the Company and underlying asset including: <ul style="list-style-type: none">· the amount· the lease term· economic environment· any other relevant factors.

(b) Assumptions & Estimation Uncertainty

Information about assumptions and estimation uncertainties at 30 June 2024 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note	Assumption
Note 18 - Recognition of deferred tax assets	Availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilised
Note 15 - Estimation of asset useful lives	Key assumptions on historical experience and the condition of the asset
Note 21 - Long service leave provision	Key assumptions on attrition rate of staff and expected pay increases through promotion and inflation

Note 5. Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company does not utilise any derivative instruments.

Risk management is carried out directly by the Board of Directors.

Notes to the financial statements (continued)

Note 5. Financial Risk Management (continued)

(a) Credit Risk

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

The Company has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo and Adelaide Bank.

(b) 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.

(c) Market Risk

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

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

Price Risk

The Company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. There is no exposure to the company in regard to commodity price risk.

Cash Flow & Fair Values Interest Rate Risk

Interest-bearing assets are held with Bendigo and Adelaide Bank and subject to movements in market interest. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest-rate risk.

The Company held cash and cash equivalents of \$1,653,668 at 30 June 2024 (2023: \$1,800,700). The cash and cash equivalents are held with Bendigo & Adelaide Bank, which are rated BBB on Standard & Poor's credit ratings.

Note 6. Capital Management

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

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

The distribution limit is the greater of:

- (a) 20% of the profit or funds of the Company otherwise available for distribution to shareholders in that 12 month period; and
- (b) 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 and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2024 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.

Notes to the financial statements (continued)

Note 7. Revenue From Contracts With Customers

Revenue arises from the rendering of services through its franchise agreement with the Bendigo and Adelaide Bank Limited. The revenue recognised is measured by reference to the fair value of consideration received or receivable, excluding sales taxes, rebates, and trade discounts.

	2024 \$	2023 \$
Revenue		
- Revenue from contracts with customers	2,698,193	2,933,760
<i>Disaggregation of Revenue From Contracts With Customers</i>		
- Margin income	2,407,850	2,650,172
- Fee income	155,485	152,483
- Commission income	134,858	131,105
	2,698,193	2,933,760

All revenue from contracts customers shown above was recognised at a point in time. There was no revenue from contracts with customers recognised over time during the financial year.

Note 8. Other Revenue

The Company generates other sources of revenue as outlined below.

	2024 \$	2023 \$
Other Revenue		
- Dividend Received	67,903	71,416
- Other Revenue	17,007	24,872
	84,910	96,288

Note 9. Finance Income

The Company holds financial instruments measured at amortised cost. Interest income is recognised at the effective interest rate.

	2024 \$	2023 \$
Finance Income		
<i>At amortised cost:</i>		
- Interest from term deposits	57,594	10,578
	57,594	10,578

Notes to the financial statements (continued)

Note 10. Expenses

Profit before income tax from continuing operations includes the following specific expenses:

(a) Employee Benefits Expense

	2024 \$	2023 \$
Employee Benefits Expense		
- Wages & salaries	800,156	699,908
- Superannuation costs	80,238	72,503
- Other expenses related to employees	50,874	39,528
	931,268	811,939

(b) Depreciation & Amortisation Expense

	2024 \$	2023 \$
<i>Depreciation of Non-current Assets</i>		
- buildings	34,616	35,866
- leasehold improvements	2,281	1,793
- plant and equipment	1,717	2,213
- motor vehicles	12,356	290
	50,970	40,162
<i>Depreciation of Right-of-use Assets</i>		
- leased buildings	35,236	69,898
	35,236	69,898
<i>Amortisation of Intangible Assets</i>		
- franchise fees	9,265	9,264
	9,265	9,264
Total depreciation & amortisation expense	95,471	119,324

The non-current tangible and intangible assets listed above are depreciated and amortised in accordance with the Company's accounting policy (see Note 3(g) and 3(h) for details).

(c) Finance Costs

	2024 \$	2023 \$
<i>Finance Costs</i>		
- Interest paid	1,517	4,543
	1,517	4,543

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

Notes to the financial statements (continued)

Note 10. Expenses (continued)

(d) Community Investments & Sponsorship

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 and grants).

	2024 \$	2023 \$
<i>Community Investments & Sponsorship</i>		
- Direct sponsorship and grant payments	627,821	188,670
	627,821	188,670

The funds contributed are held by the Community Enterprise Foundation (CEF) and 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.

Note 11. Income Tax Expense

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

(a) The Components of Tax Expense

	2024 \$	2023 \$
Current tax expense	216,776	388,954
Deferred tax expense	(25,270)	16,858
Under provision of prior years	-	8,892
	191,506	414,704

(b) Prima Facie Tax Payable

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

	2024 \$	2023 \$
Prima facie tax on profit before income tax at 25% (2023: 25%)	203,846	406,169
<i>Add Tax Effect Of:</i>		
- Under provision of prior years	-	8,892
- Temporary Difference	11,356	(16,963)
- Net Movement in Deferred Taxes	(23,696)	16,606
Income tax attributable to the entity	191,506	414,704
The applicable weighted average effective tax rate is:	23.49%	25.53%

Notes to the financial statements (continued)

Note 12. Cash & Cash Equivalents

	2024 \$	2023 \$
Cash at bank and on hand	1,653,688	1,800,700
	1,653,688	1,800,700

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

Note 13. Trade & Other Receivables

	2024 \$	2023 \$
Current		
Trade receivables	240,557	277,820
Other receivables	500	500
	241,057	278,320

Trade and other receivables are initially measured at the transaction price. Trade and other receivables are due for settlement usually no more than 30 days from the date of recognition.

The Company's main debtor relates to the Bendigo & Adelaide Bank monthly profit share distribution, which is deposited within a reasonable timeframe each month. There are no items that require the application of the lifetime expected credit loss model.

Note 14. Financial Assets

	2024 \$	2023 \$
<i>At Amortised Cost</i>		
Term deposits	1,060,402	1,022,517
<i>At FVTOCI</i>		
Listed investments	948,070	903,300
	2,008,472	1,925,817

Term deposits classified as financial assets include only those with a maturity period greater than three months. Where maturity periods are less than three months, these investments are recorded as cash and cash equivalents.

Note 15. Property, Plant & Equipment

(a) Carrying Amounts

	2024 \$			2023 \$		
	At Cost / Valuation	Accumulated Depreciation	Written Down Value	At Cost / Valuation	Accumulated Depreciation	Written Down Value
Land & Buildings	1,200,000	(163,313)	1,036,687	1,250,000	(128,697)	1,121,303
Building improvements	190,756	(27,358)	163,398	71,709	(25,077)	46,632
Plant & equipment	96,360	(84,126)	12,234	96,360	(82,409)	13,951
Motor vehicles	49,714	(12,646)	37,068	49,714	(290)	49,424
Total	1,536,830	(287,443)	1,249,387	1,467,783	(236,473)	1,231,310

Notes to the financial statements (continued)

Note 15. Property, Plant & Equipment (continued)

(b) Movements in Carrying Amounts

2024	Buildings \$	Building Imp. \$	Plant & Equipment \$	Motor Vehicles \$	Total
Opening carrying value	1,121,303	46,632	13,951	49,424	1,231,310
Additions/Revaluation	(50,000)	119,047	-	-	69,047
Disposals	-	-	-	-	-
Depreciation expense	(34,616)	(2,281)	(1,717)	(12,356)	(50,970)
Closing carrying value	1,036,687	163,398	12,234	37,068	1,249,387

2023	Buildings \$	Building Imp. \$	Plant & Equipment \$	Motor Vehicles \$	Total
Opening carrying value	1,157,169	48,425	16,164	-	1,221,758
Additions	-	-	-	49,714	49,714
Disposals	-	-	-	-	-
Depreciation expense	(35,866)	(1,793)	(2,213)	(290)	(40,162)
Closing carrying value	1,121,303	46,632	13,951	49,424	1,231,310

(c) Capital Expenditure Commitments

The entity has capital expenditure commitments as at 30 of June 2024 \$119,047 (2023: None).

(d) Changes in Estimates

During the financial year, the Company assessed estimates used for property, plant and equipment including useful lives, residual values, and depreciation methods.

There were no changes in estimates for the current reporting period.

Note 16. Right-of-use Assets

Right-of-use assets are measured at amounts equal to the present value of enforceable future payments on the adoption date, adjusted for lease incentives, make-good provisions, and initial direct costs.

The Company derecognises right-of-use assets at the termination of the lease period or when no future economic benefits are expected to be derived from the use of the underlying asset.

The Company's lease portfolio includes buildings, plant and equipment.

Options to Extend or Terminate

The option to extend or terminate is contained in the property lease of the Company. All extension or termination options are only exercisable by the Company. The extension options or termination options which were probable to be exercised have been included in the calculation of the right-of-use asset.

AASB 16 Amounts Recognised in the Statement of Financial Position

2024	Leased Buildings \$	Total ROU Asset \$
Leased asset	-	-
Accumulated Depreciation	-	-
	-	-

Notes to the financial statements (continued)

Note 16. Right-of-use Assets (continued)

2023	Leased Buildings \$	Total ROU Asset \$
Leased asset	396,081	396,081
Accumulated Depreciation	(279,587)	(279,587)
	116,494	116,494

Movements in carrying amounts:

	Leased Buildings \$	Total ROU Asset \$
Opening balance	116,494	116,494
Disposals	(81,258)	(81,258)
Depreciation expense	(35,236)	(35,236)
Net carrying amount	-	-

AASB 16 Amounts Recognised in the Statement of Profit or Loss and Other Comprehensive Income

	2024 \$	2023 \$
Depreciation expense related to right-of-use assets	35,236	69,897
Interest expense on lease liabilities	1,517	4,543

Note 17. Intangible Assets

(a) Carrying Amounts

	2024			2023		
	At Cost / Valuation	Accumulated Amortisation	Written Down Value	At Cost / Valuation	Accumulated Amortisation	Written Down Value
Franchise fees	22,852	(9,265)	13,587	32,116	(9,264)	22,852
	22,852	(9,265)	13,587	32,116	(9,264)	22,852

(b) Movements in Carrying Amounts

2024	Franchise Fees \$
Opening carrying value	22,852
Amortisation expense	(9,265)
Closing carrying value	13,587

2023	Franchise Fees \$
Opening carrying value	32,116
Amortisation expense	(9,264)
Closing carrying value	22,852

Notes to the financial statements (continued)

Note 18. Tax Assets & Liabilities

(a) Current Tax

	2024 \$	2023 \$
Income tax payable/(refundable)	(95,916)	356,674

(b) Deferred Tax

Movement in the Company's deferred tax balances for the year ended 30 June 2024:

	30 June 2023 \$	Recognised in P & L \$	30 June 2024 \$
<i>Deferred Tax Assets</i>			
- Assets and Lease Liabilities from AASB 16	2,880	(2,880)	-
- Employee provisions	19,255	7,265	26,520
Total deferred tax assets	22,135	4,385	26,520
<i>Deferred Tax Liabilities</i>			
- Property, plant & equipment	(199,430)	22,191	(177,239)
Total deferred tax liabilities	(199,430)	22,191	(177,239)
Net deferred tax liabilities	(177,295)	26,576	(150,719)

Movement in the Company's deferred tax balances for the year ended 30 June 2023:

	30 June 2022 \$	Recognised in P & L \$	30 June 2023 \$
<i>Deferred Tax Assets</i>			
- Assets and Lease Liabilities from AASB 16	1,926	956	2,880
- Employee provisions	27,559	(8,304)	19,255
Total deferred tax assets	29,485	(7,348)	22,135
<i>Deferred Tax Liabilities</i>			
- Property, plant & equipment	(191,759)	(7,671)	(199,430)
Total deferred tax liabilities	(191,759)	(7,671)	(199,430)
Net deferred tax liabilities	(162,274)	(15,019)	(177,295)

Note 19. Trade & Other Payables

	2024 \$	2023 \$
Current		
Trade creditors	10,392	11,076
Other creditors and accruals	78,792	110,624
Franchise fee payable	12,277	23,799
	101,461	145,499
Non-Current		
Other creditors and accruals	-	7,140
	-	7,140

Notes to the financial statements (continued)

Note 19. Trade & Other Payables (continued)

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

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Note 20. Lease Liabilities

Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate on the adoption date. The discount rate used on recognition was 2.69%.

The discount rate used in calculating the present value of enforceable future payments takes into account the particular circumstances applicable to the underlying leased assets (including the amount, lease term, economic environment, and other relevant factors).

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

(a) Lease Portfolio

The Company's lease portfolio includes:

Lease	Details
Rowville	The lease agreement is a non-cancellable lease with an initial term of five years which commenced in 1st March 2020. Please also note on 31 December 2023 the lease on Rowville came to an end and all dues were paid, with the building being vacated and returned.

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

(b) Lease Liabilities

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2024 \$	2023 \$
Current	-	79,402
Non-current	-	48,614

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2024 were as follows:

	Minimum lease payments due				Total
	<1 Year	1 - 2 Years	3 - 5 Years	> 5 years	
30 June 2024					
Lease payments	-	-	-	-	-
Finance charges	-	-	-	-	-
Net present values	-	-	-	-	-
30 June 2023					
Lease payments	81,892	49,055	-	-	130,947
Finance charges	(2,490)	(441)	-	-	(2,931)
Net present values	79,402	48,614	-	-	128,016

Notes to the financial statements (continued)

Note 20. Lease Liabilities (continued)

(c) Lease Payments Not Recognised as a Liability

The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

Note 21. Employee Benefits

	2024 \$	2023 \$
Current		
Provision for annual leave	47,290	27,943
Provision for long service leave	35,333	43,409
	82,623	71,352
Non-Current		
Provision for long service leave	22,589	5,666
	22,589	5,666

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

Employee Attrition Rates

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

Note 22. Issued Capital

(a) Issued Capital

	2024		2023	
	Number	\$	Number	\$
Ordinary shares - fully paid	780,750	780,750	780,750	780,750
	780,750	780,750	780,750	780,750

Ordinary shares are classified as equity.

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

(b) Movements in share capital

	2024 \$	2023 \$
<i>Fully paid ordinary shares:</i>		
At the beginning of the reporting period	780,750	780,750
At the end of the reporting period	780,750	780,750

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

Notes to the financial statements (continued)

Note 23. Retained Earnings

	Note	2024 \$	2023 \$
Balance at the beginning of the reporting period		3,129,724	2,017,347
Profit for the year after income tax		623,878	1,209,971
Dividends paid	29	(199,091)	(97,594)
Balance at the end of the reporting period		3,554,511	3,129,724

Note 24. Reserves

	2024 \$	2023 \$
<i>Asset Revaluation Reserve</i>		
Balance at the beginning of the reporting period	401,821	401,821
Fair value movements during the period	(37,500)	-
Balance at the end of the reporting period	364,321	401,821
<i>Net Unrealised Profit / (Loss) on Shares</i>		
Balance at the beginning of the reporting period	171,556	155,843
Fair value movements during the period	33,577	15,713
Balance at the end of the reporting period	205,133	171,556
Reserve at the end of the reporting period	569,454	573,377

The reserves represent undistributable gains recognised on the revaluation of non-current assets which includes land & building and shares on hand held during the financial year.

Note 25. Cash Flow Information

(a) Cash and cash equivalents balances as shown in the Statement of Financial Position can be reconciled to the Statement of Cash Flows as follows:

	Note	2024 \$	2023 \$
Cash and cash equivalents	12	1,653,688	1,800,700
As per the Statement of Cash Flows		1,653,688	1,800,700

Notes to the financial statements (continued)

Note 25. Cash Flow Information (continued)

(b) Reconciliation of cash flow from operations with profit after income tax

	2024 \$	2023 \$
Profit for the year after income tax	623,878	1,209,971
Non-cash flows in profit		
- Depreciation	86,206	110,060
- Amortisation	9,265	9,264
- Fair Value Decreases	1,307	-
Changes in assets and liabilities		
- (Increase) / decrease in trade and other receivables	37,263	(84,290)
- (Increase) / decrease in deferred tax asset	(26,576)	15,021
- (Increase) / decrease in current tax assets	-	44,447
- Increase / (decrease) in trade and other payables	(32,514)	274
- Increase / (decrease) in current tax liability	(452,591)	356,674
- Increase / (decrease) in provisions	28,193	(33,216)
Net cash flows from operating activities	274,431	1,628,205

Note 26. Financial Instruments

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

	Note	2024 \$	2023 \$
Financial Assets			
Trade and other receivables	13	241,057	278,320
Cash and cash equivalents	12	1,653,688	1,800,700
Term deposits	14	1,060,402	1,022,517
		2,955,147	3,101,537
Financial Liabilities			
Trade and other payables	19	101,461	152,639
Lease liabilities	20	-	128,016
		101,461	280,655

Note 27. Related Parties

(a) Key Management Personnel

Key management personnel includes any person having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any Director (whether executive or otherwise) of that Company. The only key management personnel identified for the Company are the Board of Directors, the members of which are listed in the Directors' report.

Notes to the financial statements (continued)

Note 27. Related Parties (continued)

(b) Key Management Personnel Compensation

	2024 \$	2023 \$
Etienne Clauw	4,513	4,762
Anthony Holland	3,570	3,006
John Surridge	4,513	4,762
Phillip Reibelt	4,513	4,762
Desmond Higginbotham	6,764	3,810
Eve John	3,771	9,523
Hurtle Lupton	-	667
Karin Orpen	4,136	1,810
Total key management personnel compensation	31,780	33,102

Short-term Employee Benefits

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

There are no executives whose remuneration is required to be disclosed.

(c) Other Related Parties

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

(d) Transactions With Key Management Personnel & Related Parties

No key management personnel or related party has entered into any contracts with the company.

(e) Key Management Personnel Shareholdings

The number of ordinary shares in the Company held by each key management personnel during the financial year has been disclosed in the Director's Report.

(f) Other Key Management Transactions

There has been no other transactions key management or related parties other than those described above.

Note 28. Auditor's Remuneration

The appointed auditor of Knox Community Financial Services Ltd for the year ended 30 June 2024 is RSD Audit. Amounts paid or due and payable to the auditor are outlined below.

	2024 \$	2023 \$
<i>Audit & Review Services</i>		
Audit and review of financial statements (RSD Audit)	6,660	6,610
Total auditor's remuneration	6,660	6,610

Notes to the financial statements (continued)

Note 29. Dividends

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

	2024		2023	
	Number	\$	Number	\$
Fully franked dividend	780,750	199,091	780,750	97,594
Dividends provided for and paid during the year	780,750	199,091	780,750	97,594

The tax rate at which dividends have been franked is 25% (2023: 25%).

Note 30. Earnings Per Share

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

	2024	2023
	\$	\$
Profit attributable to ordinary shareholders	623,878	1,225,685

	Number	Number
Weighted average number of ordinary shares	780,750	780,750

	¢	¢
Basic and diluted earnings per share	79.91	156.99

Note 31. Events After the Reporting Period

There have been no significant events after the end of the financial year that would have a material impact on the financial statements or the Company's state of affairs.

Note 32. Commitments & Contingencies

Any commitments for future expenditure associated with leases are recorded in Note 20. Details about any capital commitments are detailed in Note 16(c).

The Company has no other commitments requiring disclosure.

There were no contingent liabilities or assets at the date of this report that would have an impact on the financial statements.

Note 33. Company Details

The registered office of the Company is:

Knox Community Financial Services Ltd 67 Station Street, Ferntree Gully

The principal place of business are:

Ferntree Gully 67 Station Street, Ferntree Gully

Notes to the financial statements (continued)

Note 34. Fair Value Measurements

The Company may measure some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

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

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

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

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

The Company measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- freehold land and buildings
- listed investments.

The Company does not subsequently measure any liabilities at fair value on a non-recurring basis.

(a) Fair Value Hierarchy

AASB 13: Fair value measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level	Measurement Details
Level 1	Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Measurements based on unobservable inputs for the asset or liability.

Fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The following tables provide the fair values of the Company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

	30 June 2024			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring Fair Value Measurements				
<i>Non-financial Assets</i>				
Land & Buildings	-	1,036,687	-	1,036,687
	-	1,036,687	-	1,036,687
<i>Financial Assets</i>				
Listed investments	948,070	-	-	948,070
	948,070	-	-	948,070

Notes to the financial statements (continued)

Note 34. Fair Value Measurements (continued)

	30 June 2023			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring Fair Value Measurements				
<i>Non-financial Assets</i>				
Land & Buildings	-	1,121,303	-	1,121,303
	-	1,121,303	-	1,121,303
<i>Financial Assets</i>				
Listed investments	903,300	-	-	903,300
	903,300	-	-	903,300

Transfers between levels of the hierarchy

There were no transfers between levels for assets measured at fair value on a recurring basis during the reporting period (2023: no transfers).

Highest and best use

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

(b) Valuation Techniques

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

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

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

Valuation Techniques & Inputs - Level 2 Fair Values

Asset	Fair Value at 30 June 2024 \$	Valuation Techniques	Inputs Used
Land & Buildings	1,036,687	Income approach	Inputs as per valuation report i.e. value per sqm, annual rental income etc

The fair value of freehold land and buildings is determined at least every three years based on valuations by an independent valuer. At the end of each intervening period, the Directors review the independent valuation and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data and discounted cash flow methodologies.

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

Notes to the financial statements (continued)

Note 34. Fair Value Measurements (continued)

(c) Reconciliation of Recurring Level 2 Fair Value Measurements

Level 2	Land & Building \$
Balance at the beginning of the year	1,121,303
Gains/(losses) recognised in profit or loss during the year	(84,616)
Balance at the end of the year	1,036,687

Consolidated Entity Disclosure Statement

For the financial year ended 30 June 2024

The Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001*.

Knox Community Financial Services Ltd has no controlled entities and, therefore, is not required by Australian Accounting Standards to prepare consolidated financial statements. As a result, section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

Directors' declaration

For the financial year ended 30 June 2024

In accordance with a resolution of the directors of Knox Community Financial Services Ltd, we state that:

In the opinion of the directors:

- (a) The financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) The information disclosed in the attached consolidated entity disclosure statement, on page 44 is true and correct.

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



Etienne Clauw

Chair/Director

Dated this 25th day of September, 2024

Independent audit report



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KNOX COMMUNITY FINANCIAL SERVICES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Knox Community Financial Services Limited (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, the consolidated entity disclosure statement and other explanatory information, and the directors' declaration.

In our opinion the accompanying financial report of Knox Community 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 and its cash flows for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's *APES 110 Code of Ethics* for Professional Accountants (including Independence Standards) 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 opinion.

Director's Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- (b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- (i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

RSD Audit Pty Ltd
ABN 85 619 186 908

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Other Information

Those charged with governance 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 do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Auditor's Responsibility for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control.

We 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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We 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.

We 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 obtain sufficient appropriate audit evidence regarding the financial information of the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Independence

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

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

RSD Audit

A handwritten signature in black ink, appearing to be 'JP', written over a light grey circular background.

Josh Porker
Principal

41A Breen Street
Bendigo VIC 3550

Dated: 30 September 2024

Community Bank · Ferntree Gully
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