

# Annual Report 2024

Kwinana Community Financial  
Services Limited

Community Bank  
Kwinana

ABN 89 169 535 228

## Chairman's Report

For the year ended 30<sup>th</sup> June 2024

On behalf of the Board of Kwinana Community Financial Services Ltd, I am pleased to provide my Chairman's report for the Company's Annual Report for the 2023/2024 financial year. This Annual Report includes our Directors' report, our Manager's report, the Financial Report 2023/24, and the Auditor's reports.

On 20<sup>th</sup> June 2024 we celebrated nine years since our branch opened in 2015 and were able to reward our shareholders with a first dividend payment of 3% in January 2024, a much-awaited milestone.

Our AGM in November will be our tenth, as the first celebrated a beginning and one week of trading in the 2014-2015 financial year. We have plenty to celebrate, not only in business success but in bringing a viable service and employment generator to our community. Kwinana is growing rapidly. The population when we undertook our business plan in 2014 was 38,000 and is now projected to grow to 84,000 by 2046, we are well placed to service the city over that time and grow both our business book and profit.

Our financial report shows a profit for the year of \$ 96,638 compared to \$170,485 (2023) and puts us on a sound footing to commence supporting our community by providing more sponsorships. We continue to support sporting groups and community events including "Walk to Lift the Lid on Mental Health" and the Rotary Kwinana Community Fair.

In the previous year we introduced an online share registry platform. Although the new system streamlined our process it has taken time for the shareholders to recognise that communication coming from Registry Direct is in fact coming from our company. Several shareholders have not responded to request for bank details for their dividends and run the risk of their funds being returned to consolidated revenue

If you haven't updated your tax file number and bank account details please do so, if you need help just contact me.

Our success has also seen a movement in staff with Kelly Litton being promoted internally to Manager and Merit Moore Assistant Manager following the promotion within the bank of Ashley Blower to Regional Manager, congratulations to all. Kelly has continued driving the branch success and the business with assistance from Merit, Eva, Janessa, Cheyenne and Rebecca, a great team.

Your Board continue to meet monthly, reviewing its governance and finances, these meetings and responsibilities also provide an opportunity for personal learning and growth, an opportunity we would like to share with new Directors, please consider if you would like to join us and give me a call.

Your Board continues to be excited to be working with shareholders and staff and look forward to a strong future working in and with the Kwinana community.

Yours sincerely,



John Iriks Chairman

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Kwinana Community Financial Services Ltd  
C/- AFS & Associates Pty Ltd  
61 Bull Street Bendigo Victoria 3550  
Kwinana office Phone 0417904419,  
Email [secretary@kcfs.com.au](mailto:secretary@kcfs.com.au)

Franchisee of Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL 237879

# Managers' Report

For the year ending 30 June 2024

Firstly, I would like to introduce myself. My name is Kelly Litton, and I am the Community Bank Kwinana Branch Manager. I was officially appointed in the role January 2024.

I have over 16 years' experience within the finance industry and 13 of those years have been with Bendigo Bank, which has led me to my role with Community Bank Kwinana today.

I took over the role from Ashley Blower, who has now moved into a Regional Management role within Bendigo Bank. I would like to take the time to thank Ashley Blower for her contribution over the past 7 years and being instrumental in the growth of our Community Bank and wish her all the best for her future endeavours.

We have had some staff changes this financial year. Onboarding x3 new staff members, Janessa Mccann, Cheyenne Lloyd & Bec McDougall. I would like to take the opportunity to welcome them to the Kwinana Team. You will also remember our familiar faces Merit Moore who has been with us since we opened our doors in 2015 and Eva Scanlan since 2018.

I am pleased to announce Kwinana Community Financial Services Ltd (KCFSL) have had strong growth within all aspects of our business. Our net customer growth had an uplift of 14.27% from last year. Lending growth of \$2.2 million – which consisted of us being able to assist new homers obtain their dream homes and new to bank customers to refinance and switch to Australia's most trusted bank. Deposit growth of \$17 million. Finishing the year 248% of our target overall.

If you don't already bank with Community Bank Kwinana, I would like to extend an invitation to reach out and book an appointment with us to experience our excellent customer service and our point of difference.

And lastly, I would like to thank our shareholders, customers & staff. Without your trust in what we do each day we would not be able to continue to feed into the Kwinana communities' prosperity not off it.

Kelly Litton

Branch Manager

## **Community Bank Report 2024**

### **BEN Message**

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

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

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

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

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

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

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

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

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

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

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

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

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

**Justine Minne**  
**Head of Community Banking.**

Kwinana Community Financial Services Ltd

ABN 89 169 535 228

Financial Report - 30 June 2024

# Kwinana Community Financial Services Ltd

## Directors' report

30 June 2024

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

### Directors

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

Name: Johannes Maria Iriks  
Title: Non-executive director  
Experience and expertise: Director of KPC Accounting Pty Ltd to 19 July 2023 retired after 30 years in Public Accounting and Taxation. Fellow (Retired) Institute of Public Accountants, Managing Director KPC Investments Pty Ltd, Director of Kwinana Community Chest Pty Ltd, Director of Finance, Kwinana Golf Club Inc., Chairman St Vincent Parish Finance Committee, Past District Governor of Rotary International, Justice of the Peace.  
Special responsibilities: Chair of Corporate Governance Committee, Member of Marketing Committee.

Name: Wayne Milnes  
Title: Non-executive director  
Experience and expertise: Wayne worked for The National Australia Bank Ltd for over 30 years in metropolitan Perth and country Western Australia with over 15 years experience as a Relationship/Business Banking Manager. Wayne retired in 2020. He was educated at Medina Primary School and Kwinana Senior High School (now Gilmour College). Wayne holds a Diploma of Management from Deakin University and Certificate IV in Property Services Real Estate. He is a member of Rotary International since 2005 and was President of Rotary Club of Safety Bay Port Kennedy Rotary Club from 2006-2007, and Rockingham Rotary Club Inc. from 2008-2009. Wayne was a Rotary District 9465 Secretary from 2011-2013, Rotary District 9465 Assistant Governor Peel Region from 2013-2016 and District 9465 Governor from 2019-2020.  
Special responsibilities: Treasurer, Due Diligence Committee, Property Committee.

Name: Stephen Paul Williams  
Title: Non-executive director  
Experience and expertise: Stephen is Director SPW Business Pty Ltd, and Fellow of the Institute of Public Accountants. Born in the UK and migrating to Australia in June 1991, his working life in the UK was with Barclays Bank PLC for 17 years, before changing careers from banking to accounting. During the years with Barclays Bank PLC, Steve started at the bottom and was trained in all aspects of branch and business banking, culminating in the position of Principal of Corporate Securities at the Tottenham Court Road Barclays Business Centre in London. The Centre controlled three retail branches along Tottenham Court Road and handled the processing of lending, treasury deposits and all aspects of registering loan security. Prior to entering the accounting profession Steve volunteered as a director of the Rockingham Basketball Association to support his children and their friends in a sporting activity. Steve part owned and acted as financial manager of a child care centre after initially qualifying as an accountant, which was in part funded by the government, with all the compliance and audit requirements that such funding entails. His current work includes auditing and business advisory services, on a semi-retired basis.  
Special responsibilities: Company Secretary, Corporate and Governance Committee.

**Kwinana Community Financial Services Ltd**  
**Directors' report**  
**30 June 2024**

Name: Maxwell John Bird  
Title: Non-executive director  
Experience and expertise: Until his retirement Max was the General Manager of Rail Solutions Australia a successful family owned company offering support and advice to selected clients in the rail industry in Australia and South East Asia. Max has also worked with Calibre Rail, MVM Rail, Worley Parsons, Works Infrastructure, LB Consultants, John Holland and Westrail. Max has been a member of the Kwinana Rotary Club for over 20 years and served as Community Director, Treasurer and International Director, currently Project Manager for community projects within Timor-Leste. He served as Club President in 2015/2016. Max also received a Paul Harris Fellow award in 2014 from Rotary International for services to Timor-Leste community.  
Special responsibilities: Chair of Human Resources Committee.

Name: Leslie Harris Whiddett  
Title: Non-executive director  
Experience and expertise: Les has worked in the plumbing and gas industries for 40 years owning a contracting business as a working director. He was a member of the Wandi Progress Association for 25 years and has served on committees, worked as treasurer, President and currently Vice President. Les is also a member of the Handtool Preservation Society, where he is a committee member, Finewood Association, Marquetry and Wandi Wood turners club. Presently, Les is the Wandi Landcare Convener arranging tree planting and environmental days, Clean Up Australia and Neighbour Day.  
Special responsibilities: Vice Chairman, Chair of the Property Committee, Member of Human Resources Committee, Member of Corporate Governance.

Name: Christopher Michael Duke  
Title: Non-executive director  
Experience and expertise: Christopher holds a Bachelor of Policing, a Graduate Certificate in Commerce and a Masters of Politics and Policy. From 2020 to 2022, he served on the board of OVIS Community Services, the Mandurah and Peel Region's largest domestic violence not-for-profit and operator of two refuges serving the Western Australian community. Christopher has also been the Assistant Treasurer and Vice Chair of the Western Australian branch of the international Police Association. His public service commenced in 2009 as a firefighter with Fire and Rescue NSW and continues to his current employment as a detective with Western Australia Police. In addition to these roles, Christopher has worked in a number of small businesses and as a journalist for Fairfax Rural Press.  
Special responsibilities: Marketing Committee and social media responsibilities.

Name: David Redpath  
Title: Non-executive director (appointed 29 January 2024)  
Experience and expertise: Business Manager - Australian Gout Solicitor  
MBA UNSW MACC Curtin  
Rugby WA Board Member President (Western Force)  
President Gilmore College Alumni Associate  
Chair Gilmore College Board  
Special responsibilities: Chair Human Resource Committee & Member of Governance Committee

# Kwinana Community Financial Services Ltd

## Directors' report

30 June 2024

Name: Sarah Rachel Mahony  
Title: Non-executive director (Resigned 16 November 2023)  
Experience and expertise: Sarah has been a qualified Licensed Settlement Agent (Conveyancer) since 2002 and works full time at Safety Bay Settlements in Rockingham, WA. She established the business Go Kiosk Warnbro in 2009 at Warnbro Train Station and it continues to operate today. This business proved to be a very successful concept so she established a second store, Go Kiosk Kwinana in 2014 at the Kwinana Train Station and Go Kiosk Aubin Grove in 2017. Sarah established a Wendy's ice cream franchise business at Kwinana Marketplace in 2013 and owned and operated Mobile Coffee Van. She has extensive experience in the retail and hospitality industry by Managing and Supervising Restaurants and Hotels both in Australia and overseas. Sarah is also a Director of Lifesaving & Patrol Captain at Coogee Beach Surf Life Saving Club, a Councillor on the Board for the Australian Institute of Conveyancers WA Division (AICWA), Chair of the CPC Governing Committee (Certified Practising Conveyancer), Member of the AICWA Charity Committee and Board Member at Emmanuel Catholic College in Success.  
Special responsibilities: Marketing Committee.

### Company secretary

The company secretary is Stephen Williams. Stephen was appointed to the position of secretary on 22 May 2014.

### Principal activity

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

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

### Review of operations

The profit for the company after providing for income tax amounted to \$96,638 (30 June 2023: \$170,485).

Operations have continued to perform in line with expectations.

### Dividends

During the financial year, the following dividends were declared.

	<b>2024</b>
	<b>\$</b>
Unfranked dividend of 3 cents per share (2023: nil)	<u><u>34,800</u></u>

### Significant changes in the state of affairs

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

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

### Matters subsequent to the end of the financial year

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

### Likely developments and expected results of operations

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

### Environmental regulation

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



**Kwinana Community Financial Services Ltd**  
**Directors' report**  
**30 June 2024**

**Meetings of directors**

The number of directors meetings attended by each of the directors of the company during the financial year were:

	Board	
	Eligible	Attended
Johannes Maria Iriks	12	11
Wayne Milnes	12	11
Stephen Paul Williams	12	10
Maxwell John Bird	12	9
Sarah Rachel Mahony	4	-
Leslie Harris Whiddett	12	12
Christopher Michael Duke	12	4
David Redpath	4	2

**Directors' benefits**

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 25 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

**Directors' interests**

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Johannes Maria Iriks	100,001	-	100,001
Wayne Milnes	15,001	-	15,001
Stephen Paul Williams	6,101	-	6,101
Maxwell John Bird	20,001	-	20,001
Sarah Rachel Mahony	13,001	-	13,001
Leslie Harris Whiddett	10,001	-	10,001
Christopher Michael Duke	2,250	-	2,550
David Redpath	-	-	-

**Shares under option**

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

**Shares issued on the exercise of options**

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

**Indemnity and insurance of directors and officers**

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

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

**Proceedings on behalf of the company**

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

**Kwinana Community Financial Services Ltd**  
**Directors' report**  
**30 June 2024**

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

**Indemnity and insurance of auditor**

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

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

**Non-audit services**

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

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


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

**Auditor's independence declaration**

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

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

On behalf of the directors



Johannes Maria Iriks  
Chair

21 September 2024



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

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

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

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

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart', is positioned above the printed name.

**Andrew Frewin Stewart**  
61 Bull Street, Bendigo, Vic, 3550  
Dated: 21 September 2024

A handwritten signature in black ink, appearing to read 'Lachlan Tatt', is positioned above the printed name.

**Lachlan Tatt**  
**Lead Auditor**

**Kwinana Community Financial Services Ltd**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2024**

	<b>Note</b>	<b>2024</b>	<b>2023</b>
		<b>\$</b>	<b>\$</b>
Revenue from contracts with customers	7	736,651	735,994
Other revenue	8	-	15,972
<b>Total revenue</b>		<u>736,651</u>	<u>751,966</u>
Employee benefits expense	9	(424,952)	(348,907)
Advertising and marketing costs		(4,302)	(5,621)
Occupancy and associated costs		(21,529)	(23,496)
System costs		(25,678)	(25,125)
Depreciation and amortisation expense	9	(44,497)	(44,684)
Finance costs		(5,691)	(14,099)
General administration expenses		(75,761)	(58,635)
<b>Total expenses before community contributions and income tax expense</b>		<u>(602,410)</u>	<u>(520,567)</u>
<b>Profit before community contributions and income tax expense</b>		134,241	231,399
Charitable donations and sponsorships expense		(7,463)	(4,085)
<b>Profit before income tax expense</b>		126,778	227,314
Income tax expense	10	(30,140)	(56,829)
<b>Profit after income tax expense for the year</b>		96,638	170,485
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<u>96,638</u>	<u>170,485</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	28	8.33	14.70
Diluted earnings per share	28	8.33	14.70

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

**Kwinana Community Financial Services Ltd**  
**Statement of financial position**  
**As at 30 June 2024**

	Note	2024 \$	2023 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	11	64,013	1,492
Trade and other receivables	12	58,794	70,132
Total current assets		<u>122,807</u>	<u>71,624</u>
<b>Non-current assets</b>			
Property, plant and equipment	13	42,582	55,429
Right-of-use assets	14	106,887	120,345
Intangible assets	15	13,102	26,202
Deferred tax assets	10	246,657	276,797
Total non-current assets		<u>409,228</u>	<u>478,773</u>
<b>Total assets</b>		<u>532,035</u>	<u>550,397</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	16	44,793	38,013
Borrowings	17	-	48,752
Lease liabilities	18	22,315	17,471
Employee benefits	19	25,261	25,939
Total current liabilities		<u>92,369</u>	<u>130,175</u>
<b>Non-current liabilities</b>			
Trade and other payables	16	-	14,985
Lease liabilities	18	100,635	118,851
Employee benefits	19	1,064	10,257
Total non-current liabilities		<u>101,699</u>	<u>144,093</u>
<b>Total liabilities</b>		<u>194,068</u>	<u>274,268</u>
<b>Net assets</b>		<u>337,967</u>	<u>276,129</u>
<b>Equity</b>			
Issued capital	20	1,120,118	1,120,118
Accumulated losses		<u>(782,151)</u>	<u>(843,989)</u>
<b>Total equity</b>		<u>337,967</u>	<u>276,129</u>

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

**Kwinana Community Financial Services Ltd**  
**Statement of changes in equity**  
**For the year ended 30 June 2024**

	Note	Issued capital \$	Accumulated losses \$	Total equity \$
<b>Balance at 1 July 2022</b>		1,120,118	(1,014,474)	105,644
Profit after income tax expense		-	170,485	170,485
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	170,485	170,485
<b>Balance at 30 June 2023</b>		<u>1,120,118</u>	<u>(843,989)</u>	<u>276,129</u>
<b>Balance at 1 July 2023</b>		1,120,118	(843,989)	276,129
Profit after income tax expense		-	96,638	96,638
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	96,638	96,638
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	22	-	(34,800)	(34,800)
<b>Balance at 30 June 2024</b>		<u>1,120,118</u>	<u>(782,151)</u>	<u>337,967</u>

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

**Kwinana Community Financial Services Ltd**  
**Statement of cash flows**  
**For the year ended 30 June 2024**

	<b>Note</b>	<b>2024</b>	<b>2023</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		824,989	808,123
Payments to suppliers and employees (inclusive of GST)		(640,862)	(543,724)
Interest and other finance costs paid		(1,163)	(8,904)
		<u>          </u>	<u>          </u>
Net cash provided by operating activities	27	<u>182,964</u>	<u>255,495</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(895)	(519)
Payments for intangible assets		(13,541)	(13,541)
		<u>          </u>	<u>          </u>
Net cash used in investing activities		<u>(14,436)</u>	<u>(14,060)</u>
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities		(17,927)	(16,822)
Interest and other finance costs paid		(4,528)	(5,195)
Dividends paid	22	(34,800)	-
Repayment of borrowings		-	(92,559)
		<u>          </u>	<u>          </u>
Net cash used in financing activities		<u>(57,255)</u>	<u>(114,576)</u>
Net increase in cash and cash equivalents		111,273	126,859
Cash and cash equivalents at the beginning of the financial year		<u>(47,260)</u>	<u>(174,119)</u>
		<u>          </u>	<u>          </u>
Cash and cash equivalents at the end of the financial year	11	<u><u>64,013</u></u>	<u><u>(47,260)</u></u>

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

**Kwinana Community Financial Services Ltd**  
**Notes to the financial statements**  
**30 June 2024**

**Note 1. Reporting entity**

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

**Registered office**

Suite 1, 4 Challenger Avenue  
Kwinana Town Centre WA 6167

**Principal place of business**

Suite 4, 4 Challenger Avenue  
Kwinana Town Centre WA 6167

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

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 21 September 2024. The directors have the power to amend and reissue the financial statements.

*Going concern*

The financial statements for the financial year end 30 June 2024 have been prepared on the basis that the company is a going concern and it would continue its operations for a foreseeable future.

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report. As disclosed in the financial statements, the company's financial position is as follows:

	2024 \$	2023 \$	Change \$	Change %
Current assets	122,807	71,624	51,183	71%
Current liabilities	(92,369)	(130,175)	37,806	(29%)
Working capital (deficiency)	<u>30,438</u>	<u>(58,551)</u>	<u>88,989</u>	(152%)
	2024 \$	2023 \$	Change \$	Change %
Total assets	532,035	550,397	(18,362)	(3%)
Total liabilities	(194,068)	(274,268)	80,200	(29%)
Net assets/(liabilities)	<u>337,967</u>	<u>276,129</u>	<u>61,838</u>	22%
Accumulated losses	(782,151)	(843,989)	61,838	(7%)
Profit/(loss) before tax	126,778	227,314	(100,536)	(44%)
Profit/(loss) after tax	96,638	170,485	(73,847)	(43%)
Total comprehensive income	96,638	170,485	(73,847)	(43%)
Operating cash inflows (outflows)	182,964	255,495	(72,531)	(28%)
Cash and cash equivalents	<u>64,013</u>	<u>1,492</u>	<u>62,521</u>	4190%

The company meets its day to day working capital requirement through operating cash flows. It also has an overdraft facility approved to a limit of \$50,000 which was undrawn as at 30 June 2024.



**Kwinana Community Financial Services Ltd**  
**Notes to the financial statements**  
**30 June 2024**

**Note 2. Basis of preparation and statement of compliance (continued)**

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its existing cash resources.

The company's financial performance has improved throughout the last two years. As at 30 June 2024 current assets exceeded current liabilities by \$30,438, with accumulated losses reducing to \$782,151. The company is no longer reliant on the overdraft facility with sufficient cash now generated through operations.

In addition, as described in note 5, the company is economically dependent on its franchise agreement with Bendigo Bank, which expires in June 2025. The directors have applied significant judgement, concluding that they have no reason to believe a new franchise agreement under mutually acceptable terms will not be forthcoming following expiry of the current agreement in June 2025.

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

**Note 3. Material accounting policy information**

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

**Adoption of new and revised accounting standards**

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

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

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

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

**Accounting standards issued but not yet effective**

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

**Current and non-current classification**

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

**Impairment of non-financial assets**

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

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

**Kwinana Community Financial Services Ltd**  
**Notes to the financial statements**  
**30 June 2024**

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

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

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

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

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

**Judgements**

*Timing of revenue recognition associated with trail commission*

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

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

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

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

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

*Impairment of non-financial assets*

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

*Going concern*

At each reporting date management must assess the company's ability to continue as a going concern are appropriate. Management's decision will be underpinned by assumptions and judgements about future events.

*Recovery of deferred tax assets*

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

**Kwinana Community Financial Services Ltd**  
**Notes to the financial statements**  
**30 June 2024**

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

*Lease term*

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

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

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

**Estimates and assumptions**

*Estimation of useful lives of assets*

The company assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined as the higher of its fair value less costs of disposal or value-in-use, each of which incorporate a number of key estimates and assumptions.

*Incremental borrowing rate*

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

*Employee benefits provision*

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

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

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

**Note 5. Economic dependency**

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

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.

**Kwinana Community Financial Services Ltd**  
**Notes to the financial statements**  
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**Note 5. Economic dependency (continued)**

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

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

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

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

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

**Note 6. Change to comparative figures**

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

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

During the financial year the company recorded a change in accounting policy, whereby it elected to recognise the right-of-use asset net of accumulated depreciation on initial adoption of AASB 16. The change in accounting policy had no impact on the company's net profit or net asset position, however it did reduce the company's right-of-use asset cost and accumulated depreciation at 30 June 2023 by \$5,972.

**Note 7. Revenue from contracts with customers**

	<b>2024</b>	<b>2023</b>
	\$	\$
Margin income	656,324	655,760
Fee income	36,303	32,332
Commission income	44,024	47,902
	<u>736,651</u>	<u>735,994</u>

*Accounting policy for revenue from contracts with customers*

The company has entered into a franchise agreement with Bendigo Bank. The company delivers banking and financial services of Bendigo Bank to its community. The franchise agreement provides for a share of interest, fee, and commission revenue earned by the company. Interest margin share is based on a funds transfer pricing methodology which recognises that 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.

**Kwinana Community Financial Services Ltd**  
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**Note 7. Revenue from contracts with customers (continued)**

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

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

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

*Revenue calculation*

The franchise agreement provides that three forms of revenue may be earned by the company which are 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, interest rates and funds transfer pricing and other factors, such as economic and local conditions.

*Margin income*

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

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

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

*Commission income*

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

*Fee income*

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

*Core banking products*

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

*Ability to change financial return*

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

The change may be to the method of calculation of margin, the amount of margin, commission and fee 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.

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

**Kwinana Community Financial Services Ltd**  
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**Note 8. Other revenue**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Market development fund	-	12,500
Other income	-	3,472
	<u>-</u>	<u>15,972</u>

*Accounting policy for market development fund*

In previous years Bendigo Bank made market development fund (MDF) payments to the company, which has been based on the volume of business attributed to a branch. The purpose of the discretionary payments is to assist with local market development activities, including community sponsorships and grants. The payments from Bendigo Bank are discretionary and may change the amount or stop making them at any time. Bendigo Bank ceased the MDF during the previous year and therefore the company did not receive any contributions during the current financial year.

**Note 9. Expenses**

**Employee benefits expense**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Wages and salaries	373,398	292,449
Superannuation contributions	39,161	31,303
Expenses related to long service leave	(6,013)	5,964
Other expenses	18,406	19,191
	<u>424,952</u>	<u>348,907</u>

**Depreciation and amortisation expense**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Depreciation of non-current assets</i>		
Leasehold improvements	12,867	12,868
Plant and equipment	875	1,351
	<u>13,742</u>	<u>14,219</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	17,655	17,365
<i>Amortisation of intangible assets</i>		
Franchise fee	2,183	2,183
Franchise renewal fee	10,917	10,917
	<u>13,100</u>	<u>13,100</u>
	<u>44,497</u>	<u>44,684</u>

**Leases recognition exemption**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Expenses relating to low-value leases	<u>8,857</u>	<u>9,682</u>

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

**Kwinana Community Financial Services Ltd**  
**Notes to the financial statements**  
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**Note 10. Income tax**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Income tax expense</i>		
Movement in deferred tax	(765)	(3,774)
Under/over adjustment	(1,729)	-
Recoupment of prior year tax losses	32,634	60,603
	<u>30,140</u>	<u>56,829</u>
<i>Aggregate income tax expense</i>		
	<u>30,140</u>	<u>56,829</u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	126,778	227,314
Tax at the statutory tax rate of 25%	31,695	56,829
Tax effect of:		
Non-deductible expenses	174	-
	<u>31,869</u>	<u>56,829</u>
Under/over adjustment	(1,729)	-
Income tax expense	<u>30,140</u>	<u>56,829</u>
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Deferred tax assets/(liabilities)</i>		
Tax losses	246,706	277,610
Property, plant and equipment	(10,645)	(13,857)
Employee benefits	6,581	9,049
Lease liabilities	30,737	34,081
Right-of-use assets	(26,722)	(30,086)
Deferred tax asset	<u>246,657</u>	<u>276,797</u>

*Accounting policy for income tax*

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

*Accounting policy for deferred tax*

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

**Kwinana Community Financial Services Ltd**  
**Notes to the financial statements**  
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**Note 11. Cash and cash equivalents**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	<u>64,013</u>	<u>1,492</u>

*Reconciliation to cash and cash equivalents at the end of the financial year*

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	64,013	1,492
Bank overdraft (note 17)	<u>-</u>	<u>(48,752)</u>
Balance as per statement of cash flows	<u>64,013</u>	<u>(47,260)</u>

**Note 12. Trade and other receivables**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Trade receivables	49,840	64,513
Prepayments	<u>8,954</u>	<u>5,619</u>
	<u>58,794</u>	<u>70,132</u>

*Accounting policy for trade and other receivables*

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

**Note 13. Property, plant and equipment**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Leasehold improvements - at cost	85,364	85,364
Less: Accumulated depreciation	<u>(50,862)</u>	<u>(37,995)</u>
	<u>34,502</u>	<u>47,369</u>
Plant and equipment - at cost	36,155	35,260
Less: Accumulated depreciation	<u>(28,075)</u>	<u>(27,200)</u>
	<u>8,080</u>	<u>8,060</u>
	<u>42,582</u>	<u>55,429</u>



**Kwinana Community Financial Services Ltd**  
**Notes to the financial statements**  
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**Note 13. Property, plant and equipment (continued)**

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

	Leasehold improvements \$	Plant and equipment \$	Total \$
Balance at 1 July 2022	60,237	8,892	69,129
Additions	-	519	519
Depreciation	(12,868)	(1,351)	(14,219)
Balance at 30 June 2023	47,369	8,060	55,429
Additions	-	895	895
Depreciation	(12,867)	(875)	(13,742)
Balance at 30 June 2024	<u>34,502</u>	<u>8,080</u>	<u>42,582</u>

*Accounting policy for property, plant and equipment*

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

Leasehold improvements	1.5 to 10 years
Plant and equipment	5 to 40 years

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

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

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

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

	2024 \$	2023 \$
Land and buildings - right-of-use	177,165	172,968
Less: Accumulated depreciation	(70,278)	(52,623)
	<u>106,887</u>	<u>120,345</u>

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

	Land and buildings \$
Balance at 1 July 2022	138,621
Remeasurement adjustments	(911)
Depreciation expense	(17,365)
Balance at 30 June 2023	120,345
Remeasurement adjustments	4,197
Depreciation expense	(17,655)
Balance at 30 June 2024	<u>106,887</u>

**Kwinana Community Financial Services Ltd**  
**Notes to the financial statements**  
**30 June 2024**

**Note 14. Right-of-use assets (continued)**

*Accounting policy for right-of-use assets*

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

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

Refer to note 18 for more information on lease arrangements.

**Note 15. Intangible assets**

	2024 \$	2023 \$
Franchise fee	120,918	120,918
Less: Accumulated amortisation	<u>(118,734)</u>	<u>(116,551)</u>
	<u>2,184</u>	<u>4,367</u>
Franchise renewal fee	54,588	54,588
Less: Accumulated amortisation	<u>(43,670)</u>	<u>(32,753)</u>
	<u>10,918</u>	<u>21,835</u>
	<u><u>13,102</u></u>	<u><u>26,202</u></u>

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

	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2022	6,550	32,752	39,302
Amortisation expense	<u>(2,183)</u>	<u>(10,917)</u>	<u>(13,100)</u>
Balance at 30 June 2023	4,367	21,835	26,202
Amortisation expense	<u>(2,183)</u>	<u>(10,917)</u>	<u>(13,100)</u>
Balance at 30 June 2024	<u><u>2,184</u></u>	<u><u>10,918</u></u>	<u><u>13,102</u></u>

*Accounting policy for intangible assets*

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

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

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

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

<u>Asset class</u>	<u>Method</u>	<u>Useful life</u>	<u>Expiry/renewal date</u>
Franchise establishment fee	Straight-line	Over the franchise term (5 years)	June 2025
Franchise fee	Straight-line	Over the franchise term (5 years)	June 2025

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

**Kwinana Community Financial Services Ltd**  
**Notes to the financial statements**  
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**Note 16. Trade and other payables**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Trade payables	2,005	15,465
Other payables and accruals	42,788	22,548
	<u>44,793</u>	<u>38,013</u>
<i>Non-current liabilities</i>		
Other payables and accruals	-	14,985
	<u>-</u>	<u>14,985</u>
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	44,793	52,998
Less: other payables and accruals (net GST payable to the ATO)	(14,075)	(16,600)
	<u>30,718</u>	<u>36,398</u>

**Note 17. Borrowings**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Bank overdraft	-	48,752
	<u>-</u>	<u>48,752</u>
<i>Financing arrangements</i>		
Unrestricted access was available at the reporting date to the following lines of credit:		
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Total facilities		
Bank overdraft	50,000	200,000
	<u>50,000</u>	<u>200,000</u>
Used at the reporting date		
Bank overdraft	-	48,752
	<u>-</u>	<u>48,752</u>
Unused at the reporting date		
Bank overdraft	50,000	151,248
	<u>50,000</u>	<u>151,248</u>

**Bank overdraft**

The bank overdraft is repayable on demand and used for cash management purposes. The bank overdraft has a rolling renewal date and is reviewed annually by the lender, Bendigo Bank. It is secured by a floating charge over the company's assets.

**Accounting policy for borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

**Kwinana Community Financial Services Ltd**  
**Notes to the financial statements**  
**30 June 2024**

**Note 18. Lease liabilities**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Land and buildings lease liabilities	<u>22,315</u>	<u>17,471</u>
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	<u>100,635</u>	<u>118,851</u>
<i>Reconciliation of lease liabilities</i>		
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Opening balance	136,322	154,055
Remeasurement adjustments	4,555	(911)
Lease interest expense	4,528	5,195
Lease payments - total cash outflow	<u>(22,455)</u>	<u>(22,017)</u>
	<u>122,950</u>	<u>136,322</u>

*Accounting policy for lease liabilities*

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

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

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

The company's lease portfolio includes:

<b>Lease</b>	<b>Discount rate</b>	<b>Non-cancellable term</b>	<b>Renewal options available</b>	<b>Reasonably certain to exercise options</b>	<b>Lease term end date used in calculations</b>
Kwinana Branch	3.54%	5 years	1 x 5 years	Yes	July 2030

**Note 19. Employee benefits**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Annual leave	11,336	15,194
Long service leave	<u>13,925</u>	<u>10,745</u>
	<u>25,261</u>	<u>25,939</u>
<i>Non-current liabilities</i>		
Long service leave	<u>1,064</u>	<u>10,257</u>

**Kwinana Community Financial Services Ltd**  
**Notes to the financial statements**  
**30 June 2024**

**Note 19. Employee benefits (continued)**

*Accounting policy for short-term employee benefits*

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

*Accounting policy for other long-term employee benefits*

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

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

**Note 20. Issued capital**

	2024 Shares	2023 Shares	2024 \$	2023 \$
Ordinary shares - fully paid	1,160,008	1,160,008	1,160,008	1,160,008
Less: Equity raising costs	-	-	(39,890)	(39,890)
	<u>1,160,008</u>	<u>1,160,008</u>	<u>1,120,118</u>	<u>1,120,118</u>

*Accounting policy for issued capital*

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

***Rights attached to issued capital***

*Ordinary shares*

Voting rights

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

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

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

Dividends

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

Transfer

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

**Kwinana Community Financial Services Ltd**  
**Notes to the financial statements**  
**30 June 2024**

**Note 20. Issued capital (continued)**

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

*Prohibited shareholding interest*

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 326. As at the date of this report, the company had 359 shareholders (2023: 360 shareholders).

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

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

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

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

**Note 21. Capital management**

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

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

The distribution limit is the greater of:

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

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

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

**Kwinana Community Financial Services Ltd**  
**Notes to the financial statements**  
**30 June 2024**

**Note 22. Dividends**

During the financial year, the following dividends were declared.

	<b>2024</b>
	<b>\$</b>
Unfranked dividend of 3 cents per share (2023: nil)	<u>34,800</u>

*Accounting policy for dividends*

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

**Note 23. Financial risk management**

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

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

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

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

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

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>		
Trade and other receivables (note 12)	49,840	64,513
Cash and cash equivalents (note 11)	64,013	1,492
	<u>113,853</u>	<u>66,005</u>
<b>Financial liabilities</b>		
Trade and other payables (note 16)	30,718	36,398
Lease liabilities (note 18)	122,950	136,322
Bank overdrafts (note 17)	-	48,752
	<u>153,668</u>	<u>221,472</u>

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

*Accounting policy for financial instruments*

**Financial assets**

*Classification*

The company classifies its financial assets at amortised cost.

**Kwinana Community Financial Services Ltd**  
**Notes to the financial statements**  
**30 June 2024**

**Note 23. Financial risk management (continued)**

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

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

*Derecognition*

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

*Impairment of trade and other receivables*

Impairment of trade receivables is determined using the simplified approach which uses an estimation of lifetime expected credit losses. The company has not recognised an allowance for expected credit losses in relation to trade and other receivables. Refer to note 12 for further information.

**Financial liabilities**

*Classification*

The company classifies its financial liabilities at amortised cost.

*Derecognition*

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

**Market risk**

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

Interest-bearing assets and liabilities are held with Bendigo Bank and subject to movements in market interest rates. 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 \$64,013 at 30 June 2024 (2023: \$1,492).

An analysis by remaining contractual maturities is shown in 'liquidity risk' below.

**Price risk**

The company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. The company is not exposed to commodity price risk.

**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.

*Financing arrangements*

Unused borrowing facilities at the reporting date:

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Bank overdraft	50,000	151,248



**Kwinana Community Financial Services Ltd**  
**Notes to the financial statements**  
**30 June 2024**

**Note 23. Financial risk management (continued)**

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

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>2024</b>				
Trade and other payables	30,718	-	-	30,718
Lease liabilities	22,674	90,696	22,674	136,044
Total non-derivatives	<u>53,392</u>	<u>90,696</u>	<u>22,674</u>	<u>166,762</u>
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>2023</b>				
Bank overdraft	48,752	-	-	48,752
Trade and other payables	21,413	14,985	-	36,398
Lease liabilities	22,016	88,062	44,031	154,109
Total non-derivatives	<u>92,181</u>	<u>103,047</u>	<u>44,031</u>	<u>239,259</u>

**Note 24. Key management personnel disclosures**

The following persons were directors of Kwinana Community Financial Services Ltd during the financial year and/or up to the date of signing of these Financial Statements.

Johannes Maria Iriks	Sarah Rachel Mahony
Wayne Milnes	Leslie Harris Whiddett
Stephen Paul Williams	Christopher Michael Duke
Maxwell John Bird	David Redpath

No director of the company receives remuneration for services as a company director or committee member.

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

**Note 25. Related party transactions**

*Key management personnel*

Disclosures relating to key management personnel are set out in note 24.

*Receivable from and payable to related parties*

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

*Terms and conditions of transactions with related parties*

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

*Transactions with related parties*

The following transactions occurred with related parties:

	2024 \$	2023 \$
Johannes Iriks is a Director and shareholder of KPC Investments Pty Ltd who is the owner of Kwinana Professional Centre, Suite 4 which is the building leased by the company.	30,699	29,966

**Kwinana Community Financial Services Ltd**  
**Notes to the financial statements**  
**30 June 2024**

**Note 26. Remuneration of auditors**

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

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Audit services</i>		
Audit or review of the financial statements	6,650	5,400
<i>Other services</i>		
Taxation advice and tax compliance services	700	660
General advisory services	3,070	3,230
Share registry services	7,228	2,100
	<u>10,998</u>	<u>5,990</u>
	<u><u>17,648</u></u>	<u><u>11,390</u></u>

**Note 27. Reconciliation of profit after income tax to net cash provided by operating activities**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Profit after income tax expense for the year	96,638	170,485
Adjustments for:		
Depreciation and amortisation	44,497	44,684
Lease liabilities interest	4,528	5,195
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	11,338	(17,686)
Decrease in deferred tax assets	30,140	56,829
Increase/(decrease) in trade and other payables	5,694	(8,443)
Increase/(decrease) in employee benefits	(9,871)	4,431
Net cash provided by operating activities	<u><u>182,964</u></u>	<u><u>255,495</u></u>

**Note 28. Earnings per share**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Profit after income tax	<u><u>96,638</u></u>	<u><u>170,485</u></u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u><u>1,160,008</u></u>	<u><u>1,160,008</u></u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u><u>1,160,008</u></u>	<u><u>1,160,008</u></u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	8.33	14.70
Diluted earnings per share	8.33	14.70

**Kwinana Community Financial Services Ltd**  
**Notes to the financial statements**  
**30 June 2024**

**Note 28. Earnings per share (continued)**

*Accounting policy for earnings per share*

Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Kwinana Community Financial Services Ltd, by the weighted average number of ordinary shares outstanding during the financial year.

**Note 29. Commitments**

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

**Note 30. Contingencies**

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

**Note 31. Events after the reporting period**

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


**Kwinana Community Financial Services Ltd**  
**Directors' declaration**  
**30 June 2024**

In the directors' opinion:

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

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

On behalf of the directors



Johannes Maria Iriks  
Chair

21 September 2024



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

# Independent auditor's report to the Directors of Kwinana Community Financial Services Ltd

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of Kwinana Community Financial Services Ltd (the company), which comprises:

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

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

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

### Basis for Opinion

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

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

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



Andrew Frewin Stewart  
61 Bull Street Bendigo VIC 3550  
ABN: 65 684 604 390  
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03 5443 0344

## Other Information

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

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

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

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

## Responsibilities of the Directors for the Financial Report

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

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

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

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



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

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

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

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

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart', is positioned above the printed name.

**Andrew Frewin Stewart**  
61 Bull Street, Bendigo, Vic, 3550  
Dated: 21 September 2024

A handwritten signature in black ink, appearing to read 'Lachlan Tatt', is positioned above the printed name.

**Lachlan Tatt**  
Lead Auditor

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 **Bendigo Bank**