

Annual Report 2024

Lockhart & District Financial
Services Limited

Community Bank
Lockhart & District

ABN 14 099 918 680



Contents

Chairman's report	2
Manager's report	3
Directors' report	4
Auditor's independence declaration	6
Financial statements	7
Notes to the financial statements	11
Directors' declaration	20
Independent audit report	21

Chairman's report

For year ending 30 June 2024

A year of stability & consolidation

This is my 4th Chairpersons report since stepping into the role in 2019 and as I reflect on our Community Bank's last 12 months, I feel that this is the first time that I can report on a reasonably regular year. In general terms, interest rates have remained stable, global pandemics have waned and local flooding & bushfires have been scarce. Regarding Lockhart and District Financial Services Limited Board of Directors, we have used the last 12 months to take stock and refocus on what is important to the longevity of Community Bank Lockhart & District. As a Board we have conducted a Business Planning Program where we were challenged as directors to look at our business and what were our strengths and weaknesses, threats & opportunities. I feel this was a great stepping stone for us and we have now started the process to create a strategic plan that will become a cornerstone for all current and future directors. I would like to thank Robyn Pearse for her volunteer work as a director, we thank you for your contribution. We will be looking to recruit several new directors in the coming months to keep with a regular 8 directors.

Community Bank Lockhart & District Staffing Update

We have had a management restructure since my last report. Tara Finnigan has stepped up to the Branch Manager's position and has seamlessly taken the role on with minimal disruption to our day-to-day operations, after David Wilkes moved on to a position in another Community Bank in May.

Tara has been working with Community Bank Lockhart & District since October 2023 and when the opportunity arose where we could promote Tara into the Branch Manager role, we had no hesitation in sounding her out. Since taking on the role, Tara has absorbed as much IP as possible in these early months. As a board we are wrapped in how Tara is performing and we look forward to her growing and developing as time goes on.

Nazeem Ali in his role as Business Development Manager continues to impress with his knowledge and drive for growth and new business. Naz also supports Tara and our branch staff through mentorship and experience.

Thanks to all our staff for your commitment to our Community Bank.

Dividend Payment

Our Board of Directors ratified that a 100% fully franked dividend will be paid to shareholders on Wednesday 6th November 2024.

This is a fantastic result and another reason that if you support your local Community Bank, it in turn can reward you for your support. If anyone would like to enquire on the opportunity to purchase more shares or knows of someone who may be interested in owning some shares in our Community Bank, please contact the branch team on (02) 6920 4244.

Community Grants Program

This past year we have given back over \$200,000 (including pledges) through Grants & Sponsorships to our local community. As a board we are so proud that the profits of Community Bank Lockhart & District return to our local community.

Community Bank Lockhart & District continue to work in partnership with our local organisations through our yearly sponsorship to sporting groups and public events as well as our Community Grants Program

In Closing

On Behalf of the shareholders, customers and staff of Community Bank Lockhart & District, thank you to my fellow Directors who volunteer their time.

Craig Fletcher – Rachel Westblade – Peter McDonnell – Ken Hogan – Jarrod Walker

Regards



Nick Mathews
Chairman of the Board
Lockhart and District Financial Services Limited

Manager's report

For year ending 30 June 2024

It is with much pleasure that I present my first Manager's report for Community Bank Lockhart & District for year ending 30 June 2024.

Our business levels remained stable year on year with a closing figure of \$135 million in banking business as of 30 June 2024. It is pleasing to see these wonderful growth results after another tough year with increasing interest rates.

Our branch focus for the year ahead will be to maintain our growth trajectory and align with Bendigo Bank's greater vision of being Australia's bank of choice.

Behind these results are a great team of dedicated staff; Alison Parker, Chloe Khune, Carlie Pearse & Veronica Lloyd and our casual staff members; Julie McRae and Carol Smith. I wish to thank them all for their professionalism and commitment to the provision of excellent customer service and community engagement.

In May 2024 we farewelled David Wilkes from the branch as he moves into an exciting new role with Bendigo Bank. We thank Dave for the contribution he made to our branch during his 3.5 years with us and wish him well in the future.

I would like to thank our local volunteer Board of Directors, Regional Manager; Tim Butt and Business Development Manager: Nazeem Ali for their support, guidance and leadership through the year.

Most importantly I would like to thank our loyal customers. Your ongoing banking support is invaluable in helping our branch to continue to grow, enabling our Community Bank to continue to inject funds back into local projects and initiatives and helping create a vibrant & thriving local Lockhart community.



Tara Finnigan
Branch Manager

Directors' report

The Directors present their report together with the accounts of Lockhart & District Financial Services Limited for the year ended 30 June 2024.

DIRECTORS

The names of directors who held office during or since the end of the year are:

Nicholas Mathews

Kenneth Hogan

Craig Fletcher

Peter McDonnell

Roderick McMicking
(Resigned 29 November 2023)

Robyn Pearse
(resigned 30 June 2024)

Rachel Westblade

Jared Walker
(appointed 16 August 2023)

All directors have been in office the full year unless stated above.

DIRECTORS' MEETINGS

The number of Directors meetings and number of meetings attended by each of the Directors of the company during the financial year are:

Director	Number Attended	Number eligible to attend	Director	Number Attended	Number eligible to attend
Mr K Hogan	10	10	Mr Jared Walker	7	10
Mr R McMicking	4	4	Mr N Mathews	9	10
Mr C Fletcher	9	10	Mr P McDonnell	6	10
Mrs R Westblade	8	10	Mrs R Pearse	6	10

PRINCIPLE ACTIVITIES

The principle activities of the company during the course of the financial period were in providing community banking services under management rights to operate a franchised branch of Bendigo Bank Limited.

RESULT

The net profit of the company for the financial year after provision for income tax was \$83,759 (2023 \$261,044).

SHORT AND LONG TERM OBJECTIVES

Our short term objective is to continue to offer community banking services to the Lockhart and district community. Our long term objective is to achieve increased returns for shareholders and further support the community through various sponsorship arrangements.

KEY PERFORMANCE INDICATORS

Key performance indicators used by the company to monitor performance include:

- Monthly financial accounts, budgets and forecasts
- Monthly revenue analysis
- Monthly reports from Bendigo Bank Ltd

MATTERS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

There are no matters or circumstances that have arisen since the end of the reporting period that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

DIRECTORS INTERESTS AND BENEFITS

Since the end of the previous financial year no Director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors shown in the accounts) because of a contract made by the company with the Director or with a firm of which the director is a member, or with a company in which the Director has a substantial interest.

AUDITOR'S INDEPENDENCE DECLARATION

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

Dated at Wagga Wagga this 25th day of September 2024

Signed in accordance with a resolution of the directors:



Director

Auditor's independence declaration



■ PARTNERS:

P.J. King CA
A.P. Powell CA
D.R. Uden CA
R.K. Nicoll CA
M.A. Smith CA
D.T. Rosetta CA

AUDITORS INDEPENDENCE DECLARATION

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

- (a) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (b) No contraventions of any applicable code of professional conduct in relation to the audit.

—
John L Bush & Campbell
Chartered Accountants

David Rosetta
Partner

Wagga Wagga
25 September 2024

WAGGA WAGGA
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Standards Legislation

Financial statements

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
Revenues from ordinary activities	2	1,069,193	1,090,884
Employee expenses		(674,174)	(377,048)
Administration expenses		(182,786)	(199,009)
Depreciation and amortisation		(30,897)	(31,758)
Sponsorship expense		(69,657)	(135,010)
Net Profit from ordinary activities before income tax expense		<u>111,679</u>	<u>348,059</u>
Income tax expense relating to ordinary activities	3	(27,920)	(87,015)
Net profit from ordinary activities after related income tax expense		<u>83,759</u>	<u>261,044</u>
Total change in equity other than those resulting from transactions with owners as owners		<u>83,759</u>	<u>261,044</u>
Earnings per share	22	15.23 cents	47.46 cents

The Statement of Comprehensive Income is to be read in conjunction with the notes to and forming part of the accounts.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	2024 \$	2023 \$
CURRENT ASSETS			
Cash	5	890,256	928,909
Receivables	6	84,850	98,008
Other Financial Assets	7	8,873	3,783
TOTAL CURRENT ASSETS		<u>983,979</u>	<u>1,030,700</u>
NON-CURRENT ASSETS			
Other Financial Assets	7	44,770	58,201
Tax Assets	8	5,647	3,266
Property, plant & equipment	9	131,883	147,354
TOTAL NON-CURRENT ASSETS		<u>182,300</u>	<u>208,821</u>
TOTAL ASSETS		<u>1,166,279</u>	<u>1,239,521</u>
CURRENT LIABILITIES			
Borrowings	10	18,750	16,031
Payables	11	58,727	65,523
Provisions	12	19,834	14,955
Tax Liabilities	13	4,620	86,717
TOTAL CURRENT LIABILITIES		<u>101,931</u>	<u>183,226</u>
NON CURRENT LIABILITIES			
Borrowings	10	29,548	44,322
Provisions	12	17,418	23,349
TOTAL NON CURRENT LIABILITIES		<u>46,966</u>	<u>67,671</u>
TOTAL LIABILITIES		<u>148,897</u>	<u>250,897</u>
NET ASSETS		<u>1,017,382</u>	<u>988,624</u>
EQUITY			
Contributed Equity	14	550,009	550,009
Retained Profits	15	467,373	438,615
TOTAL EQUITY		<u>1,017,382</u>	<u>988,624</u>

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the accounts.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

	Issued Capital	Retained Earnings	Total
	\$	\$	\$
Balance as at 1 July 2022	550,009	205,071	755,080
Profit for period	-	261,044	261,044
Dividend paid	-	(27,500)	(27,500)
Balance as at June 30 2023	<u>550,009</u>	<u>438,615</u>	<u>988,624</u>
Profit for period	-	83,759	83,759
Dividend paid	-	(55,001)	(55,001)
Balance as at June 30 2024	<u>550,009</u>	<u>467,373</u>	<u>1,017,382</u>

The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the accounts.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		1,054,725	1,047,762
Cash payments in the course of operations		(1,051,952)	(701,755)
Cash receipts from interest and dividends		27,626	5,478
Net cash used by operating activities	16(ii)	30,399	351,485
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangibles		-	(67,155)
Purchase of plant and equipment		(1,995)	(6,612)
Net cash used in investing activities		(1,995)	(73,767)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts/(repayment) from borrowings		(12,056)	60,239
Payment of dividends		(55,001)	(27,500)
Net cash used in financing activities		(67,057)	32,739
Net increase / (decrease) in cash held		(38,653)	310,458
Cash at the beginning of the financial year		928,909	618,450
Cash at the end of the financial year	16(i)	890,256	928,909

The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the accounts.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies that have been adopted in the presentation of these financial statements are:

(a) Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with the Accounting Standards, other pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial report has been prepared on the basis of historical costs and does not take into account changing money values nor current valuations of the non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

(b) Income Tax

The Company adopts the liability method of tax effect accounting whereby the income tax expense is based on profit from ordinary activities adjusted for any permanent differences.

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income are brought to account as either a provision for deferred income tax or as a deferred tax asset.

Deferred tax assets are not brought to account unless it is probable that the benefit will be realised.

(c) Property, Plant and Equipment

Freehold land and buildings are brought to account on the cost basis.

Plant and equipment are measured on the cost basis.

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight line basis over their useful lives to the economic entity.

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

<i>Class of fixed asset</i>	<i>Depreciation rate</i>
Buildings	2.5%
Plant and equipment	20-40%

(d) Intangibles

Franchise Fees

The Company has entered into a five year franchise agreement with Bendigo Bank for an initial 5 year term.

(e) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Contributions are made by the Company entity to employee superannuation funds and are charged as expenses when incurred.

(f) Comparative Figures

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

(g) Revenue

Revenue from contracts with customers

The Company recognises revenue as the amount of the transaction price that is allocated to the performance obligation, excluding any amounts of variable consideration, when the performance obligation has been satisfied. All revenue is stated net of the amount of goods and services tax (GST).

Revenue calculation

The Company provides banking services under a franchise agreement. Bendigo and Adelaide Bank Limited decides the form of revenue the company earns on different types of products and services. The franchise agreement provides that three forms of revenue may be earned by the company – margin, commission and fee income. The revenue earned by the company is dependent on the business that it generates. It may also be affected by other factors, such as economic and local conditions, for example, interest rates.

Margin

Margin is arrived through the following calculation:

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

For those products and services on which margin is paid, the company is entitled to a share of the margin earned by Bendigo and Adelaide Bank Limited (i.e. income adjusted for Bendigo and Adelaide Bank Limited's interest expense and interest income return). However, if this reflects a loss, the company incurs a share of that loss. Products and services on which margin is paid include variable rate deposits and variable rate home loans.

(g) Revenue (Continued)

Commission

Commission is a fee paid for products and services sold. It may be paid on the initial sale or on an ongoing basis. Commission is payable on the sale of an insurance product such as home and contents. Examples of products and services on which ongoing commissions are paid include leasing and other products.

The Company has considered the treatment of trail commissions in accordance with AASB 15. It was concluded that there is no way to determine, with high probability, the present value of on-going commissions. For these reasons on-going trail commission is recognised when calculated and remitted to the Company.

Fee income

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

(h) New Accounting standards adopted during the year

There were no new accounting standards adopted during the year that had a material impact on the financial statements of the company.

Notes to the financial statements (continued)

	2024	2023
	\$	\$
NOTE 2 - REVENUE		
Operating activities		
Fees	40,823	35,859
Gross margin	805,383	850,023
Commissions	173,949	179,881
Market development	-	10,000
	<u>1,020,155</u>	<u>1,075,763</u>
Non-operating activities		
Interest	27,626	5,478
Other Income	21,412	9,643
	<u>1,069,193</u>	<u>1,090,884</u>
NOTE 3 - INCOME TAX EXPENSE		
The prima facie tax on profit ordinary activities before income tax is reconciled as follows:		
Tax expense at 25% (2023 - 25%)	27,920	87,015
Add/(less) tax effect of:		
- Restatement of deferred tax asset due to change in tax rate	-	-
- Permanent Difference	-	-
	<u>27,920</u>	<u>87,015</u>
NOTE 4 - PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities before income tax has been determined after:		
(a) Expenses		
Amortisation of intangibles	13,431	13,362
Auditors remuneration - auditing & reviewing financial statements	13,200	13,200
Auditors remuneration - other services	8,460	8,460
Depreciation of non-current assets	17,466	18,396
NOTE 5 - CASH ASSETS		
Cash at bank	890,256	928,909
	<u>890,256</u>	<u>928,909</u>

Notes to the financial statements (continued)

	2024	2023
	\$	\$
NOTE 6 - RECEIVABLES		
Trade debtors (Bendigo Receivable)	84,850	93,473
Other receivables	-	4,535
	<u>84,850</u>	<u>98,008</u>
NOTE 7 - OTHER FINANCIAL ASSETS		
Current		
Prepayments	8,873	3,783
	<u>8,873</u>	<u>3,783</u>
Non-current		
Current franchise fee	67,155	67,155
Less: accumulated amortisation	(22,385)	(8,954)
	<u>44,770</u>	<u>58,201</u>
NOTE 8 - DEFERRED TAX ASSETS & LIABILITIES		
Deferred Tax Assets/(Liability)	5,647	3,266
	<u>5,647</u>	<u>3,266</u>
NOTE 9 - PROPERTY, PLANT AND EQUIPMENT		
Land - at cost	27,258	27,258
Buildings - at cost	164,125	164,125
Less: accumulated depreciation	(89,853)	(84,143)
	<u>74,272</u>	<u>79,982</u>
Plant and equipment - at cost	210,638	208,643
Less: accumulated depreciation	(180,285)	(168,529)
	<u>30,353</u>	<u>40,114</u>
Total	<u>131,883</u>	<u>147,354</u>

(b) Movement in Carrying Amounts

	Freehold Land	Buildings	Plant & Equipment	Total
Balance at the beginning of year	27,258	79,982	40,114	147,354
Additions	-	-	1,995	1,995
Disposal	-	-	-	-
Depreciation	-	(5,710)	(11,756)	(17,466)
Balance at the end of year	<u>27,258</u>	<u>74,272</u>	<u>30,353</u>	<u>131,883</u>

Notes to the financial statements (continued)

	2024	2023
	\$	\$
NOTE 10 - BORROWINGS		
Current		
Bendigo Bank - Credit Card	3,976	1,257
Bendigo Bank - Franchise Fee Loan	14,774	14,774
	<u>18,750</u>	<u>16,031</u>
Non-Current		
Bendigo Bank - Franchise Fee Loan	29,548	44,322
	<u>29,548</u>	<u>44,322</u>
NOTE 11 – PAYABLES		
Trade Creditors	29,742	35,899
ATO Payable	28,985	29,624
	<u>58,727</u>	<u>65,523</u>
NOTE 12- PROVISIONS		
Current		
Employee Entitlements	19,834	14,955
Non-Current		
Employee Entitlements	17,418	23,349
NOTE 13 - TAX LIABILITIES		
Provisions for Income Tax Payable/(Receivable)	4,620	86,717
	<u>4,620</u>	<u>86,717</u>
NOTE 14 - CONTRIBUTED EQUITY		
550,009 fully paid ordinary shares	550,009	550,009
NOTE 15 - RETAINED PROFITS		
Retained profits at the beginning of the financial year	438,615	205,071
Net profit / (loss) from ordinary activities	83,759	261,044
Dividend paid	(55,001)	(27,500)
Retained profits at the end of the financial year	<u>467,373</u>	<u>438,615</u>

Notes to the financial statements (continued)

	2024 \$	2023 \$
NOTE 16 - CASH FLOW INFORMATION		
(i). Reconciliation of Cash		
For the purpose of the statement of Cash Flows, cash includes cash on hand and at bank. Cash at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the statement of financial position as follows:		
Cash at bank	<u>890,256</u>	<u>928,909</u>
(ii). Reconciliation of Operating Profit to Net Cash Used in Operating Activities:		
Profit / (loss) for Year:	83,759	261,044
Non cash flows recored in ordinary activities		
Amortisation	13,431	13,362
Depreciation	17,466	18,396
Net cash provided / (used) in operating activities before changes in assets and liabilities during the year		
(Increase) / decrease in other assets	(5,090)	3,639
(Increase) / decrease in receivables	13,158	(37,644)
(Increase) / decrease in tax assets	(2,381)	(4,354)
Increase / (decrease) in payables	(6,796)	21,784
Increase / (decrease) in tax liabilities	(82,097)	63,247
Increase / (decrease) in provisions	(1,052)	12,011
Net Cash Used in Operating Activities	<u>30,399</u>	<u>351,485</u>

NOTE 17 – SEGMENT REPORTING

The economic entity operates predominately in one business and geographical segment being the provision of finance services.

NOTE 18– RELATED PARTY TRANSACTIONS

There were no related party transactions between the company and directors during the year.

The names of the Directors who have held office during the financial year are:

Roderick Neil Fergusson McMicking	Nicholas William Mathews
Craig Anthony Fletcher	Peter Andrew McDonnell
Rachel Jacinta Westblade	Robyn Maree Pearse
Jared Walker	Kenneth John Hogan

NOTE 19 – COMPANY DETAILS

The registered office of the company is:
Lockhart & District Financial Services Limited
98 Green Street
LOCKHART NSW 2656

NOTE 20 – FINANCIAL INSTRUMENTS

Financial Risk Management

The Company's activities expose it to a variety of financial risks including credit, interest rate and liquidity risks. The Company does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risks. Further, due to the nature of the Company's investments and other financial instruments it is not exposed to significant price risks.

Fair Values

The carrying amounts and estimated fair values of financial assets and financial liabilities held at balance date are the same.

Market Risk – Sensitivity Analysis

The Company's financial assets which are subject to interest rate risk comprise cash on hand, at bank and on call, and term deposits which are generally short term and are held to maturity. Therefore the Company does not consider that a change in risk variable (interest) would have a significant effect on profit or equity.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provision for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The Company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the entity.

Notes to the financial statements (continued)

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash or credit facilities to meet the operating requirements of the Company. This is managed through committed undrawn facilities and prudent cash flow management.

The exposure to interest rate risk, which is the risk that financial instruments will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of consolidated financial assets and financial liabilities, is as follows:

	Weighted Av Interest rate		Floating Interest rate		Non-interest bearing		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets								
Cash at bank	2.89	2.14	890,256	928,909			890,256	928,909
Receivable Assets					84,850	98,008	84,850	98,008
Total Financial Assets			890,256	928,909	84,850	98,008	975,106	1,026,917
Financial Liabilities								
Borrowings & Payables	-	-	-	-	148,897	124,621	148,897	124,621
Total Financial Liabilities			-	-	148,897	124,621	148,897	124,621

NOTE 21 – DIVIDENDS

Dividends paid for the year were at 10c per share
(2023 5c per share)

NOTE 22 – EARNINGS PER SHARE

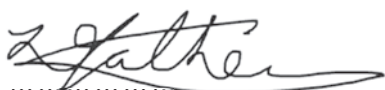
	2024	2023
	\$	\$
Net Profit used in calculation of EPS	83,759	261,044
Number of ordinary shares used in calculation of EPS	550,009	550,009

Directors' declaration

The directors of the company declare that:

1. The financial statements and notes, are in accordance with the Corporations Act 2001:
 - a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - b) give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the company and economic entity;
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Director

Dated this 25th day of September 2024

Independent audit report



■ PARTNERS:
P.J. King CA
A.P. Powell CA
D.R. Uden CA
R.K. Nicoll CA
M.A. Smith CA
D.T. Rosetta CA

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

LOCKHART AND DISTRICT FINANCIAL SERVICES LIMITED

Opinion

We have audited the accompanying financial report of Lockhart and District Financial Services Limited, which comprises the statement of financial position as at 30 June 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration.

In our opinion, the financial report of Lockhart and District Financial Services Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2024 and of their 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* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other responsibilities in accordance with the Code.

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

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

Information Other than the Financial Report and Auditor's Report Thereon

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 do not express any form of assurance conclusion thereon.

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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.

Directors' Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls 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 to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

JOHN L BUSH & CAMPBELL
Chartered Accountants

David Rosetta
Partner

Wagga Wagga
25 September 2024

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 **Bendigo Bank**