

Annual Report 2024

Logan Community Financial
Services Limited

Community Bank
Beenleigh, Browns Plains,
Helensvale and Springwood

ABN 88 101 148 430

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Chair and CEO's report

For year ending 30 June 2024



Jason Luckhardt



Kate Wakeling

Adapting to an ever-changing banking landscape is a challenge. Many factors are thrown at us on a daily basis, from digital development and cyber concerns to a social and economic environment that transforms constantly. It was only a couple of years ago we were at the bottom of the interest rate cycle and “surviving” thin margins. Through this lens, we believe that your company board and management has made strategic decisions that have positioned us well for the future.

The CEO appointment was largely hailed as a way forward in terms of community engagement, and in that regard, we have seen substantial uplift in terms of our community activity and overall strategic involvement across the region. Key to this approach was seeking new opportunities to grow and strengthen the business into the future. The potential acquisition of an additional business through a long-term collegiate relationship with the board and branch team at Broadwater Community Financial Services Ltd (BFS) was a cornerstone in this strategy. Negotiations continued and saw Logan Community Financial Services Ltd (LCB) acquire the business assets of Community Bank Helensvale.

Recognising that community boundaries are far more fluid than they have ever been and that the Northern Gold Coast, or South Logan as we like to call it, is very much a part of our regional operation. We have gained an amazing team to welcome to our family and have fortified our business operations for strategic growth into the future. We welcome Leanne Braund, a former director of the Broadwater (BFS) board to our board, and the branch team led by Peter Kai-Nelsen who will help continue the great local connections.

The acquisition saw our branch footprint grow to 5 locations, but again it must be emphasised that LCB is committed to delivering strategic operational plans when the board took the decision to move Loganholme's banking across the Springwood and Beenleigh branches and sell the freehold premises in Bryant's Road, reducing back to 4 branches. The results of this brought many benefits including a substantial capital return to the balance sheet, security for the existing staffing that had been quite stretched in the current workplace environment and further emphasis on our mobile distribution channels.

Branch customers were heavily consulted during this decision process and overwhelmingly it was a concern for long term staff that was their biggest concern, demonstrating that our customers very much share our values in terms of a sense of community.

Financially it was another strong year as a profit of \$686,505 was generated for the financial year. This result comes after LCB once again committed funds of \$263,157.89 to the Community Enterprise Foundation, and crystalized a number of high ticket costs relating branch refurbishments and the write off of assets following Loganholme's premises being disposed of (a detailed breakdown can be found in Notes 15 and 20 of the financial statements). This expenditure only serves to highlight our commitment and focus on our community and social enterprise responsibilities, whilst still delivering an outstanding return to our shareholders.

In the community we have so many great highlights. Our profile has been raised significantly and we are being invited to the table to discuss the needs of the community. We now have a strategic “Community Impact Framework” to reference when determining where we invest our profits. This framework sets out our community investment and impact priorities, along with our intended outcomes to guide our decisions, while still ensuring we remain nimble to always meeting our communities most pressing needs.

Chair and CEO's report (continued)

Our key pillars focus on Youth & Education, Community Safety & Resilience, Social Cohesion, Food Security, and the Environment.

In a push to give disengaged youth in the local area more opportunities to succeed, we embarked on a partnership with Youth Enterprise Trust (YET), a Queensland based charity with a vision to improve the lives of young people through the engagement with the environment, education, and entrepreneurship. As part of the new partnership, we purchased a Toyota Hilux for the charity to use on Woodstock, their working farm at Tamborine. The new vehicle will help with YET's "In-Tent for Change" Program, a resilience program designed to assist young people who require further intervention strategies to support positive educational and employment outcomes, such as completing a Certificate 2 in key areas such as hospitality, horticulture, and construction.

Our youth commitment continues via our long-term partnership with Logan Basketball. The Logan Thunder have become a part of our family, and we look forward to continuing this on-going relationship to ensure our youth can continue to play the game they love and be active in the sporting community. This led to us extending this relationship further in a partnership with Basketball Queensland.

We continue to support community groups across Logan & Northern Gold Coast with ongoing commitment to community events, festivals, and charity golf days. Supporting our Chambers of Commerce and Rotary clubs, that do so much within our communities.

With our Northern Gold Coast region expansion, we have grown support to a range of new partners. The Southport School (TSS) Foundation, Esuarve, an organisation committed to transforming the lives of vulnerable youth through innovative program approaches, and a raft of new sporting and educational relationships.

All of the important contributions we speak of lead back to our purpose. On an exciting note, at our AGM last year, we asked our shareholders to adopt a mission statement, that enabled us to apply for Social Enterprise Accreditation through Social Traders. This Mission Statement is: "Logan Community Financial Services Limited's mission is to be a substantial, sustainable community-built business that contributes to community prosperity." We have since successfully gained our Social Enterprise certification and are thrilled to now formally be acknowledged as a true social enterprise, contributing our profits back into our communities.

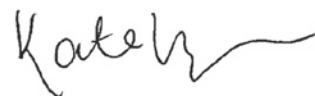
Our Directors and Staff are regularly seen out and about at community events representing Community Bank Logan & Helensvale.

The year saw the retirement of Maria Elita from the board due to personal reasons, affected several times by flooding throughout the year. We thank her for her time and know that she continues to be a fierce advocate for the business and its work across the region.

Thank you again to shareholders, and especially those that engage with us in the community and in business. The commitment shown by those involved underpins why we are part of the most trusted banking network in the country and enables us to keep putting back directly to the people that make us who we are. When you see our community banks contributing and forming part of local society know that you are part of something Bigger.



Jason Luckhardt
Chair



Kate Wakeling
Chief Executive Officer

Community Engagement 2024



Community Engagement 2024 (continued)



Directors' report

For the financial year ended 30 June 2024

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

Directors

The directors of the company who held office during the financial year and to the date of this report are:

Jason Paul Luckhardt

Non-executive director

Occupation: National Franchise Manager

Qualifications, experience and expertise: Licensed Real Estate Agent. Licensed Auctioneer. Diploma of Business (Marketing). Member REIQ. Member of Australian Institute of Company Directors. REIQ Commercial & Industrial Committee Board Member. Former member of Griffith University (Logan Campus). Development Advisory Board GAICD.

Special responsibilities: Board Chair, Member of Governance, Audit & Human Resources Committee, SEQ Representative National Community Bank Council

Interest in shares: 6,450 ordinary shares

Brett Blair Raguse

Non-executive director

Occupation: Company Director - Strategem Pty Ltd & MiCasa Realty Holdings Pty Ltd

Qualifications, experience and expertise: BA AdvocT (Hons); Cert IV Real Estate Practice; JP Qualified, Former Member of Parliament of Australia; Chair of Federal Parliamentary Standing Committee on Parliamentary Privilege and Members Interests; Former President of two Chambers of Commerce; Past President and Executive Member of multiple community organisations; Former State and Federal Government Ministerial Adviser; Business Adviser; Teacher; Lecturer.

Special responsibilities: Deputy Chair, Member of Marketing & Community Projects Committee

Interest in shares: 13,300 ordinary shares

Robert Leslie Herriott

Non-executive director

Occupation: Retired

Qualifications, experience and expertise: Retired from 30+ years in the financial services & commercial banking sector. During the last 20 years involved in various management positions within Metway and Suncorp Commercial Banking including past Director of Suncorp Subsidiary "Medical Commercial Finance" MCF Rotarian for 15+ years Rotary of Logan, including 2 years as President also holding various other board positions including Treasurer, International Services and Vocational Services.

Special responsibilities: Chair Governance, Audit & Human Resources and Member of Marketing and Community Projects Committee

Interest in shares: 3,500 ordinary shares

Directors' report (continued)

Directors (continued)

Kathleen Robyn Wakeling

Executive director

Occupation: Chief Executive Officer (CEO)

Qualifications, experience and expertise: Kate has been in the Financial Services industry for over 30 years and holds a Diploma in Financial Planning from Deakin University. Member of Australian Institute of Company Directors (GAICD) and has completed the Company Director course. Member of Governance Institute of Australia (GIA) and completed Certificate in Governance Practice. Keen to encourage diversity in the workforce, Kate is also a member of Financial Executive Women (FEW) and Women on Boards (WoB).

Special responsibilities: Member of Governance, Audit & Human Resources Committees, Marketing & Community Projects Committee, Chair Strategic Overview Committee

Interest in shares: 2,250 ordinary shares

David William Ekert

Non-executive director

Occupation: Consultant

Qualifications, experience and expertise: David is an experienced and flexible Senior Executive Consultant and Teacher with many years' experience in general management, IT and business project management, financial management and accounting, strategic planning and business analysis. David is heavily involved in the Logan community. He was a member of the Rotary Club of Logan for 18 years, having served three terms as President and many other Club Board roles, as well as representing the Club in other community forums. He has been awarded Honorary Membership of the Club in recognition of his service. He has also served on the Management Committee of Canefields Clubhouse and Griffith University's Logan Campus Development Advisory Board. David currently serves as a Director of the national body managing the affairs of Probus Clubs across Australia and New Zealand. David holds a Bachelor's degree in accounting, an MBA specialising in Strategic Management and Marketing, and is a Certified Practising Accountant.

Special responsibilities: Treasurer, Member of Governance, Audit & Human Resources Committee & Strategic Planning Committee

Interest in shares: 3,950 ordinary shares

Lachlan Stewart

Non-executive director

Occupation: Teacher, Business Owner & Personal Trainer

Qualifications, experience and expertise: Lachlan holds a Bachelor of Secondary Education (Information Technology and Physical Education) and a Certificate III & IV Fitness.

Special responsibilities: Chair of Community Projects Committee

Interest in shares: 3,450 ordinary shares

Leanne Nicole Taylor

Non-executive director

Occupation: Registered Migration Agent/Para-Legal

Qualifications, experience and expertise: Locally since turning 16. 30 years' experience working within the legal industry in various roles from office junior, legal secretary and through to management level positions. More recently, studied to become a Registered Migration Agent (since 2003) working solely in migration law and most recently (since 2016) also assisting clients with their Total and Permanent Disablement claims after significant injury results in them being unable to work. Long-standing member of the Migration Institute of Australia and Migration Alliance. Active Board Member of the Beenleigh Yatala Chamber of Commerce.

Special responsibilities: Member of Governance, Audit and Human Resources Committee & Marketing & Community Projects Committee

Interest in shares: 3,700 ordinary shares

Directors' report (continued)

Directors (continued)

Leeanne Braund (appointed 2 April 2024)

Non-executive director

Occupation: Personal Assistant

Qualifications, experience and expertise: Personal Assistant at Gold Coast City Council, Practice Manager at Ramsay Health, Former Consultant to Queensland Health and former Mortgage Broker and the current Secretary of Discovery Park Tennis Club Inc. and Tennis Gold Coast Regional Assembly and Labrador Touch Association.

Special responsibilities: Member of Strategic Overview Committee and Member of Community Investment Committee

Interest in shares: Nil ordinary shares

Maria Elita (appointed 1 July 2023 - resigned 4 June 2024)

Non-executive director

Occupation: Self Employed

Qualifications, experience and expertise: Maria is co-founder of Frigg Café + Catering.

Special responsibilities: Member of Community Investment Committee

Interest in shares: Nil ordinary shares

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

No directors have material interest in contracts or proposed contracts with the company.

Company Secretary

The company secretary is Michelle Todd. Michelle was appointed to the position of secretary on 1 January 2023.

Qualifications, experience and expertise: Michelle has been the Executive Officer for LCFSL for over 16 years, during which she has assisted all previous Company Secretary's in this role, Michelle has a good understanding and importance of this position.

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 these activities during the financial year.

Review of operations

The company's operations has produced the following results:

	2024 \$	2023 \$	Up/Down	Movement \$	%
Revenue	5,565,201	4,971,715	Up	593,486	12%
Profit after income tax expense	686,505	909,851	Down	(223,346)	-25%
Total comprehensive income for the year attributable to the ordinary shareholders of the company	686,505	909,851	Down	(223,346)	-25%

	2024 \$	2023 \$
Profit (loss) after tax attributable to members reported for the 1st half year	315,069	561,282
Profit (loss) after tax attributable to members reported for the 2nd half year	371,436	348,569

Operations have continued to perform in line with expectations.

Directors' report (continued)

Operating and financial review

Overview of company

The company is a franchisee of Bendigo Bank providing financial products and services to individuals, businesses and organisations throughout the local area via the Community Bank branches at Helensvale, Browns Plains, Springwood and Beenleigh. While the branches offers the full suite of Bendigo & Adelaide Bank products and services, margin earnings from firstly loans and then deposits are the predominant contributor to company results.

The general nature of the business market for the company has improved in this financial year, due mainly to an increase in footings growth of \$153m. Revenue has moved in line with increased RBA cash rates during the prior years whilst the cash rate remains high, Bendigo communicated reductions to the funds transfer pricing of certain deposit products. Based on this reduction we expected to see a decrease in gross margin income this period. The company also purchased the Helensvale branch during December 2023 which has added to the revenue total for the second half of the financial year.

Key Metrics

Five year summary of performance	Unit	2024	2023	2022	2021	2020
Operating revenue	\$	5,565,201	4,971,715	3,379,180	3,775,746	3,779,172
Earnings before interest, tax, depreciation, and amortisation	\$	1,351,079	1,553,198	752,465	830,087	792,292
Earnings before interest and tax	\$	995,436	1,233,226	413,667	502,095	473,735
Net profit after tax	\$	686,505	909,851	278,214	344,354	306,206
Total assets	\$	5,810,173	4,329,243	3,589,245	3,867,248	3,744,414
Total liabilities	\$	2,016,286	902,910	913,288	1,310,030	1,349,748
Total equity	\$	3,793,887	3,426,333	2,675,957	2,557,218	2,394,666
Net cash flow from operating activities	\$	1,001,878	1,363,959	471,402	684,505	708,450
Business footings ¹	\$m	659	506	516	496	476

¹ This is a non-IFRS measure of the business domiciled to the company from the franchisor. The footings is the underlying business which generates revenue under the Franchise Agreement. Business footings include loans, deposits, wealth products, and other business.

Shareholder returns

	Unit	2024	2023	2022	2021	2020
Profit attributable to owners of the company	\$	686,505	909,851	278,214	344,354	306,206
Basic earnings per share	¢	21.45	28.43	7.93	10.76	9.57
Dividends paid	\$	318,951	159,475	159,475	181,802	191,370
Dividends per share	¢	10.00	5.00	5.00	5.70	6.00
Profit before tax per \$1 of revenue	¢	0.17	0.24	0.11	0.12	0.11
Profit after tax per \$1 of equity	¢	0.18	0.27	0.10	0.13	0.13
Net tangible assets per share	¢	0.89	1.07	0.82	0.76	0.70
Price earnings ratio	\$	33.00	49.88	15.86	18.55	19.14
Share price	\$	0.65	0.57	0.50	0.58	0.50

Returns to shareholders increased through both dividends and capital growth. Dividends for 2024 were fully franked and it is expected that dividends in the future years will continue to be fully franked.

Directors' report (continued)

Operating and financial review (continued)

Financial Position

The company continued to improve profitability in this financial year, mainly due to an increase of 11.5% in total revenue compared to the previous year. This increase is attributable to the increases in business footings by \$153m. This movement in revenue, combined with close management of expenses has enabled the company to continue to report a strong net profit result.

The cash and cash equivalents position of the company has improved for the reporting year by \$423,380 for a year-end balance of \$2,470,020.

The company continues to build a resilient balance sheet, ending June 2024 with net assets of \$3,793,887 and Working Capital of \$1,989,158.

Drivers of business performance

The results for the 2023/24 financial year have been driven mainly by a rapid growth in mortgage lending and deposits, resulting in an increase in revenue of 11.5%.

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.

Business strategies

To address the current stage of development of the business and in recognition of the current financial circumstances, both in the economy and the observed impact upon the Bendigo profit share model, the Board has determined to continue the focus upon five broad directions:

1. Strengthening our connection and level of engagement between important stakeholders and partners.
2. Strengthening our Directors role in our business structure and key customer and community segments.
3. Defining our future board skill and diversity mix and a structure that will deliver our Strategic Plan.
4. Focussing our business on the most profitable growth opportunities using our own local marketing plans.
5. Planning to achieve our future business performance expectations.

Future outlook

The company believes there are opportunities to develop additional revenue through:

1. Acquiring additional customers through greater community based events and a focus on local businesses.
2. Improving the range and number of products and services, such as insurance, for each customer.

The company anticipates that current market conditions will remain challenging during the forthcoming financial year. In this environment the company will focus upon increasing the number of customers and the uptake of products and services, thereby further improving revenue flow and profitability.

Remuneration report

Key management personal remuneration policy

Total compensation for all non-executive directors, last voted upon by shareholders at the 2023 AGM, is not to exceed \$60,000 per annum. The base fee for the chairperson is \$9,000 per annum. Other directors received a payment of \$2,750 per annum based on attendance of 11 board meetings @\$250 per meeting.

Non-executive director members are also remunerated for their role as Treasurer (\$5,000 per annum), Company Secretary (\$4,500 per annum) and Committee Chair (\$3,000 per annum.)

Non-executive director members who sit on more than one committee received an additional payment of \$75 per Committee/Meeting attended.

Directors' report (continued)

Remuneration report (continued)

Non-executive directors do not receive performance-related compensation and are not provided with retirement benefits apart from statutory superannuation.

Key management performance based remuneration

	2024 \$	2023 \$
<i>Key management personnel</i>		
Jason Paul Luckhardt	12,983	12,449
Brett Blair Raguse	2,958	6,191
Robert Leslie Herriott	5,563	8,100
Kathleen Robyn Wakeling	189,645	114,874
David William Ekert	9,737	9,648
Lachlan Stewart	6,987	6,472
Leanne Nicole Taylor	5,536	4,628
Leeanne Braund	928	-
Maria Elita	1,544	-
	235,881	162,362

Kathleen Robyn Wakeling is an executive director who commenced as CEO on 1 November 2022. As such her salary and superannuation for the role have been disclosed with the director fees.

Key management personnel compensation

Key management personnel compensation comprised the following.

	2024 \$	2023 \$
Short-term employee benefits	212,505	146,272
Post-employment benefits	23,376	16,090
	235,881	162,362

Compensation of the company's key management personnel includes salaries and contributions to a post-employment superannuation fund.

Directors' interests

	Fully paid ordinary shares		
	Balance at start of the year	Changes during the year	Balance at end of the year
Jason Paul Luckhardt	6,450	-	6,450
Brett Blair Raguse	13,300	-	13,300
Robert Leslie Herriott	3,500	-	3,500
Kathleen Robyn Wakeling	2,250	-	2,250
David William Ekert	3,950	-	3,950
Lachlan Stewart	3,450	-	3,450
Leanne Nicole Taylor	3,700	-	3,700
Leeanne Braund	-	-	-
Maria Elita	-	-	-

Directors' report (continued)

Dividends

	Year ended 30 June 2024	
	Cents	\$
Fully franked dividends provided for a paid in the year	10	318,951

Significant changes in the state of affairs

During the financial year Logan Community Financial Services Limited (LCFSL) made an offer, in the form of a Purchase Agreement, to Broadwater Financial Services Limited (BFSL) to acquire BFSL's rights in relation to the revenue from its loans, deposits and other revenue generating business, currently derived from the franchise agreement between BFSL and Bendigo and Adelaide Bank Limited. As part of the agreement, LCFSL has agreed to continue to operate the Helensvale Branch. The Agreement was settled in November 2023.

The company also decided to close its Loganholme branch on 29 February 2024, with customer accounts and the related income transferred to other branches. This closure is expected to result in cost savings, with negligible negative impact on income. The company has also decided to divest the property that accommodates the Loganholme branch and the company's administration centre.

There were no other significant changes in the state of affairs of the company that occurred 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

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.

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 29 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.

Shares under option

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

Shares issued on the exercise of options

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

Directors' report (continued)

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.

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.

Meetings of directors

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

	Board Meetings Attended		Committee Meetings Attended			
			Marketing & Community Projects		Governance, Audit & Human Resources	
	E	A	E	A	E	A
Jason Paul Luckhardt	11	11	-	-	9	9
Brett Blair Raguse	11	6	11	1	-	-
Robert Leslie Herriott	11	9	11	7	9	9
Kathleen Robyn Wakeling	11	11	11	11	9	9
David William Ekert	11	11	-	-	9	9
Lachlan Stewart	11	9	11	10	-	-
Leanne Nicole Taylor	11	9	5	5	9	8
Leeanne Braund	3	2	4	4	-	-
Maria Elita	5	5	-	-	-	-

E - eligible to attend

A - number attended

Proceedings on behalf of the company

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

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

Directors' report (continued)

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 28 to the accounts.

The board of directors has considered the non-audit services provided during the year by the auditor and are 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:

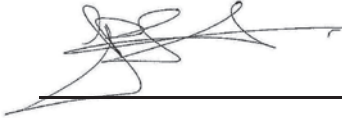
- all non-audit services have been reviewed by the board of directors to ensure they do not impact on the impartiality, integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 Code 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



Jason Paul Luckhardt, Chair

13 September 2024

Auditor's independence declaration



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

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

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 13 September 2024

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

Joshua Griffin
Lead Auditor

Financial statements

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

	Note	2024 \$	2023 \$
Revenue from contracts with customers	7	5,472,462	4,908,024
Other revenue	8	21,352	39,723
Finance revenue	9	71,387	23,968
Total revenue		5,565,201	4,971,715
Employee benefit expenses	10	(2,950,014)	(2,431,435)
Advertising and marketing costs		(42,230)	(62,051)
Occupancy and associated costs		(215,773)	(145,859)
Systems costs		(139,798)	(111,824)
Depreciation and amortisation expense	10	(355,643)	(319,972)
Finance costs	10	(57,295)	(30,221)
General administration expenses		(431,391)	(252,655)
Total expenses before community contributions and income tax		(4,192,144)	(3,354,017)
Profit before community contributions and income tax expense		1,373,057	1,617,698
Charitable donations and sponsorships expense	10	(434,916)	(414,693)
Profit before income tax expense		938,141	1,203,005
Income tax expense	11	(251,636)	(293,154)
Profit after income tax expense		686,505	909,851
Total comprehensive income for the year attributable to the ordinary shareholders of the company:		686,505	909,851
Earnings per share		¢	¢
- Basic and diluted earnings per share:	30	21.45	28.43

The accompanying notes form part of these financial statements

Financial statements (continued)

Statement of Financial Position as at 30 June 2024

	Note	2024 \$	2023 \$
ASSETS			
Current assets			
Cash and cash equivalents	12	2,470,020	2,046,640
Trade and other receivables	13	326,900	261,528
Financial assets	14	7,000	7,000
Total current assets		2,803,920	2,315,168
Non-current assets			
Property, plant and equipment	15	712,974	1,565,047
Right-of-use assets	16	1,332,452	444,222
Intangible assets	17	939,824	-
Deferred tax asset	11	21,003	4,806
Total non-current assets		3,006,253	2,014,075
Total assets		5,810,173	4,329,243
LIABILITIES			
Current liabilities			
Trade and other payables	18	247,706	39,371
Current tax liabilities	11	23,063	239,318
Loans and borrowings	19	-	2,066
Lease liabilities	20	295,938	114,539
Employee benefits	21	73,447	37,564
Total current liabilities		640,154	432,858
Non-current liabilities			
Trade and other payables	18	174,608	-
Lease liabilities	20	1,114,166	392,271
Employee benefits	21	8,712	-
Provisions	22	78,646	77,781
Total non-current liabilities		1,376,132	470,052
Total liabilities		2,016,286	902,910
Net assets		3,793,887	3,426,333
EQUITY			
Issued capital	23	3,042,211	3,042,211
Retained earnings		751,676	384,122
Total equity		3,793,887	3,426,333

The accompanying notes form part of these financial statements

Financial statements (continued)

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

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2022		3,042,211	(366,254)	2,675,957
Total comprehensive income for the year		-	909,851	909,851
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	25	-	(159,475)	(159,475)
Balance at 30 June 2023		3,042,211	384,122	3,426,333
Balance at 1 July 2023		3,042,211	384,122	3,426,333
Total comprehensive income for the year		-	686,505	686,505
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	25	-	(318,951)	(318,951)
Balance at 30 June 2024		3,042,211	751,676	3,793,887

The accompanying notes form part of these financial statements

Financial statements (continued)

Statement of Cash Flows for the year ended 30 June 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers		5,994,192	5,322,274
Payments to suppliers and employees		(4,578,969)	(3,867,405)
Interest received		71,387	23,968
Interest paid		(644)	(358)
Income taxes paid		(484,088)	(114,520)
Net cash provided by operating activities	27	1,001,878	1,363,959
Cash flows from investing activities			
Payments for property, plant and equipment		(400,916)	(28,173)
Proceeds from sale of property, plant and equipment		1,144,155	-
Payments for intangible assets		(66,851)	(53,765)
Purchase of rights to revenue stream		(724,144)	-
Net cash used in investing activities		(47,756)	(81,938)
Cash flows from financing activities			
Repayment of loans and borrowings		(2,066)	-
Repayment of lease liabilities		(209,725)	(215,527)
Dividends paid	25	(318,951)	(159,475)
Net cash used in financing activities		(530,742)	(375,002)
Net cash increase in cash held		423,380	907,019
Cash and cash equivalents at the beginning of the financial year		2,046,640	1,139,621
Cash and cash equivalents at the end of the financial year	12	2,470,020	2,046,640

The accompanying notes form part of these financial statements

Notes to the financial statements

For the year ended 30 June 2024

Note 1. Reporting entity

This is the financial report for Logan Community Financial Services Limited (the company). The company is a for profit entity limited by shares, and incorporated and domiciled in Australia. The registered office and principal place of business is:

Registered Office

First Floor, 13 Vanessa Boulevard
Springwood QLD 4127

Principal Place of Business

First Floor, 13 Vanessa Boulevard
Springwood QLD 4127

Further information on the nature of the operations and principal activity of the company is provided in the directors' report.

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, except for certain properties, financial instruments, and equity financial assets that are measured at revalued amounts or fair values at the end of each reporting period. The financial report is presented in Australian dollars and all values are rounded to the nearest dollar, unless otherwise stated.

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.

These financial statements for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the directors.

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.

Notes to the financial statements (continued)

Note 3. Material accounting policy information (continued)

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 asset 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 the impairment loss (if any).

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

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

Note 4. Significant 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

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

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.

Notes to the financial statements (continued)

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

Judgements (continued)

- The company has not experienced any instances of default in relation to receivables owed to the company from Bendigo Bank.

Fair value measurement hierarchy

The company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: inputs are based on the quoted market price at the close of business at the end of the reporting period
- Level 2: inputs are based on a valuation performed by a third party qualified valuer using quoted prices for similar assets in an active market
- Level 3: unobservable inputs for the asset or liability.

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 consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. The directors did not identify any impairment indications during the financial year.

Recovery of deferred tax assets

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

Lease term

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

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

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

Estimates and assumptions

Estimation of useful lives of assets

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

Incremental borrowing rate

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

Notes to the financial statements (continued)

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

Estimates and assumptions (continued)

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.

Lease make good provision

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

Note 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in June 2028.

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

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

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

The credit risk (i.e. the risk that a customer will not make repayments) is for 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.

Notes to the financial statements (continued)

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 \$212,309.

Note 7. Revenue from contracts with customers

	2024 \$	2023 \$
Revenue:		
- Revenue from contracts with customers	5,472,462	4,908,024
	5,472,462	4,908,024
<i>Disaggregation of revenue from contracts with customers</i>		
At a point in time:		
Margin income	4,910,741	4,408,060
Fee income	276,615	266,496
Commission income	285,106	233,468
	5,472,462	4,908,024

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.

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

Revenue stream	Includes	Performance obligation	Timing of recognition
Franchise agreement profit share	Margin, commission, and fee 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 Goods and Services Tax (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 – 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.

Notes to the financial statements (continued)

Note 7. Revenue from contracts with customers (continued)

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
- plus any deposit returns i.e. interest return applied by Bendigo Bank for a deposit,
- minus any costs of funds i.e. interest applied by Bendigo Bank to fund a loan.

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

Commission 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.

Note 8. Other revenue

	2024 \$	2023 \$
Market development fund income	-	40,000
Sale of property, plant and equipment	21,352	(277)
	21,352	39,723

Note 9. Finance revenue

	2024 \$	2023 \$
Term deposits	71,387	23,968

Notes to the financial statements (continued)

Note 10. Expenses

Employee benefit expenses

	2024 \$	2023 \$
Wages and salaries	2,442,858	1,926,169
Non-cash benefits	8,016	4,663
Contributions to defined contribution plans	270,533	212,555
Expenses related to long service leave	(4,785)	19,276
Other expenses	233,392	268,772
	2,950,014	2,431,435

Accounting policy for employee benefits

The company seconded employees from Bendigo and Adelaide Bank Limited. The total cost of these employees, including an allowance for accrued annual and long service leave, is charged to the company by Bendigo and Adelaide Bank Limited by offsetting against the monthly profit share arrangement. The company recognises these costs as an expense on a monthly basis.

Depreciation and amortisation expense

	2024 \$	2023 \$
<i>Depreciation of non-current assets:</i>		
Buildings	5,875	6,840
Leasehold improvements	50,348	57,154
Plant and equipment	48,393	21,159
Motor vehicles	4,221	-
	108,837	85,153
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	197,928	185,534
	197,928	185,534
<i>Amortisation of intangible assets:</i>		
Franchise fee	8,147	8,214
Franchise renewal process fee	40,731	41,071
	48,878	49,285
Total depreciation and amortisation expense	355,643	319,972

Finance costs

Bank loan interest paid or accrued	644	357
Lease interest expense	52,754	26,625
Unwinding of make-good provision	3,897	3,239
	57,295	30,221

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

Charitable donations, sponsorship, advertising and promotion

The overarching philosophy of the Community Bank model, is to support the local community in which the company operates. This is achieved by circulating the flow of financial capital into the local economy through community contributions (such as sponsorships, grants and donations).

Notes to the financial statements (continued)

Note 10. Expenses (continued)

	2024 \$	2023 \$
Direct sponsorships, grants and donations	172,258	98,904
Contribution to the Community Enterprise Foundation™	262,658	315,789
	434,916	414,693

The funds contributed are held by the Community Enterprise Foundation (CEF) and are available for distribution as grants to eligible applicants for a specific purpose in consultation with the directors.

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

Community Enterprise Foundation™ contributions

During the financial year the company contributed funds to the Community Enterprise Foundation™ (CEF), the philanthropic arm of the Bendigo Bank. These contributions paid in form part of charitable donations and sponsorship expenditure included in profit or loss.

	2024 \$	2023 \$
<i>Disaggregation of CEF funds</i>		
Opening balance	502,759	201,435
Contributions paid in	262,658	315,789
Grants paid out	(80,791)	(5,000)
Interest received	22,060	6,323
Management fees incurred	(15,044)	(15,788)
Balance available for distribution	691,642	502,759

Lease recognition exemption

	2024 \$	2023 \$
Expenses relating to low-value leases	53,512	39,315

Note 11. Income tax expense

Amounts recognised in profit or loss

	2024 \$	2023 \$
<i>Current tax expense/(credit)</i>		
Current tax	267,832	307,889
Movement in deferred tax	(16,196)	(14,819)
Changes in estimates related to prior years	-	84
	251,636	293,154

Notes to the financial statements (continued)

Note 11. Income tax expense (continued)

Prima facie income tax reconciliation

	2024 \$	2023 \$
Operating profit before taxation	938,141	1,203,005
Prima facie tax on profit/(loss) from ordinary activities at 25% (2023: 25%)	234,535	300,751
Tax effect of:		
Non-deductible expenses	2,654	1,637
Other deductible expenses	-	(6,607)
Temporary differences	30,643	12,192
Movement in deferred tax	(16,196)	(14,819)
	251,636	293,154

Deferred tax

	2024 \$	2023 \$
<i>Deferred tax assets</i>		
expense accruals	1,600	-
employee provisions	20,616	9,391
make-good provision	19,662	19,446
lease liability	352,526	126,702
Total deferred tax assets	394,404	155,539
<i>Deferred tax liabilities</i>		
deductible prepayments	758	-
property, plant and equipment	39,530	39,677
right-of-use assets	333,113	111,056
Total deferred tax liabilities	373,401	150,733
Net deferred tax assets (liabilities)	21,003	4,806

Current tax

	2024 \$	2023 \$
Income tax payable/(refundable)	23,063	239,318

Accounting policy for income tax

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

Accounting policy for current tax

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

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.

Notes to the financial statements (continued)

Note 12. Cash and cash equivalents

	2024 \$	2023 \$
Cash at bank and on hand	2,398,965	1,520,973
Term deposits	71,055	525,667
	2,470,020	2,046,640

Note 13. Trade and other receivables

	2024 \$	2023 \$
<i>Current assets</i>		
Trade receivables	315,432	261,528
Prepayments	4,593	-
Other receivables and accruals	6,875	-
	326,900	261,528

Note 14. Financial assets

Current assets

	2024 \$	2023 \$
Equity securities - at FVTPL	7,000	7,000
	7,000	7,000

Note 15. Property, plant and equipment

	2024 \$	2023 \$
<i>Land</i>		
At cost	-	724,942
	-	724,942
<i>Buildings</i>		
At cost	-	262,454
Less: accumulated depreciation	-	(99,487)
	-	162,967
<i>Leasehold improvements</i>		
At cost	705,387	970,602
Less: accumulated depreciation	(208,109)	(384,289)
	497,278	586,313
<i>Plant and equipment</i>		
At cost	363,547	381,997
Less: accumulated depreciation	(172,506)	(291,172)
	191,041	90,825

Notes to the financial statements (continued)

Note 15. Property, plant and equipment (continued)

	2024 \$	2023 \$
<i>Motor vehicles</i>		
At cost	63,030	34,154
Less: accumulated depreciation	(38,375)	(34,154)
	24,655 -	-
Total written down amount	712,974	1,565,047

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

	2024 \$	2023 \$
<i>Land</i>		
Carrying amount at beginning	724,942	724,942
Disposals	(724,942)	-
	-	724,942
<i>Buildings</i>		
Carrying amount at beginning	162,967	169,807
Disposals	(157,092)	-
Depreciation	(5,875)	(6,840)
	-	162,967
<i>Leasehold improvements</i>		
Carrying amount at beginning	586,313	643,467
Additions	233,256	-
Disposals	(271,943)	-
Depreciation	(50,348)	(57,154)
	497,278	586,313
<i>Plant and equipment</i>		
Carrying amount at beginning	90,825	84,087
Additions	163,783	28,173
Disposals	(15,174)	(276)
Depreciation	(48,393)	(21,159)
	191,041	90,825
<i>Motor vehicles</i>		
Additions	28,876	-
Depreciation	(4,221)	-
	24,655	-
Total written down amount	712,974	1,565,047

Accounting policy for property, plant and equipment

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

Notes to the financial statements (continued)

Note 15. Property, plant and equipment (continued)

Accounting policy for property, plant and equipment (continued)

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

Asset class	Method	Useful life
Building	Straight-line	40 years
Leasehold improvements	Straight-line	over the lease term
Plant and equipment	Straight-line and diminishing value	5 to 15 years
Motor vehicles	Diminishing value	3 to 8 years

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

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.

Additions and disposals

During the financial year the board made the decision to sell its land and buildings at 54 Bryants Road, Loganholme, as well as to relocate its Springwood branch to new premises, which has been leased by the company. This resulted in the disposal of the previous locations' leasehold improvements and some plant and equipment. In addition to this, the new premises underwent a full re-fit prior to opening. The write-off of leasehold improvements, building works and other plant and equipment resulted in a charge against profits of \$262,117.

Note 16. Right-of-use assets

	2024 \$	2023 \$
<i>Leased land and buildings</i>		
At cost	1,937,125	1,261,878
Less: accumulated depreciation	(604,673)	(817,656)
Total written down amount	1,332,452	444,222

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

	2024 \$	2023 \$
<i>Leased land and buildings</i>		
Carrying amount at beginning	444,222	629,756
Additional right-of-use assets recognised	751,322	-
Remeasurement adjustments	334,836	-
Depreciation	(197,928)	(185,534)
Total written down amount	1,332,452	444,222

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 20 for more information on lease arrangements.

Notes to the financial statements (continued)

Note 17. Intangible assets

	2024 \$	2023 \$
<i>Franchise fee</i>		
At cost	44,098	411,600
Less: accumulated amortisation	(8,147)	(411,600)
	35,951	-
<i>Franchise renewal process fee</i>		
At cost	220,459	758,013
Less: accumulated amortisation	(40,731)	(758,013)
	179,728	-
<i>Rights to revenue - Broadwater FSL</i>		
At cost	724,145	-
Less: accumulated amortisation	-	-
	724,145	-
Total written down amount	939,824	-

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

	2024 \$	2023 \$
<i>Franchise fee</i>		
Carrying amount at beginning	-	8,214
Additions	44,098	-
Amortisation	(8,147)	(8,214)
	35,951	-
<i>Franchise renewal process fee</i>		
Carrying amount at beginning	-	41,071
Additions	220,459	-
Amortisation	(40,731)	(41,071)
	179,728	-
<i>Rights to revenue - Broadwater FSL</i>		
Additions	724,145	-
	724,145	-
Total written down amount	939,824	-

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.

Notes to the financial statements (continued)

Note 17. Intangible assets (continued)

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

Asset class	Method	Useful life
Franchise fee	Straight-line	Over the franchise term (5 years)
Franchise renewal process fee	Straight-line	Over the franchise term (5 years)
Rights to revenue	Assessed for impairment	Indefinite
Motor vehicles	Diminishing value	3 to 8 years

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

Additions

In November 2023 the company made a strategic acquisition by purchasing the revenue rights associated with Broadwater Financial Services Limited. The purchase price of these revenue rights was \$724,145.

The directors have determined the rights to the revenue stream is to be treated as an asset acquisition under AASB 3. The board has assessed the useful life to be indefinite. An annual assessment will be completed to review for impairment of the right to the revenue stream. The indefinite useful life will also be reassessed annually.

During the period the company has also renewed the Franchise Agreements for all four branches for an additional five years.

Note 18. Trade and other payables

	2024 \$	2023 \$
<i>Current liabilities</i>		
Trade creditors	10,205	6,896
Other payables and accruals	237,501	32,475
	247,706	39,371
<i>Non-current liabilities</i>		
Other payables and accruals	174,608	-
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	422,314	39,371
less other payables and accruals (net GST payable to the ATO)	(147,242)	(11,615)
	275,072	27,756

Included in trade and other payables at the end of the financial year is the sundry creditor for the franchise fees renewed during the period.

Note 19. Loans and borrowings

	2024 \$	2023 \$
<i>Current liabilities</i>		
Current portion of secured bank loans	-	2,066

Notes to the financial statements (continued)

Note 20. Lease liabilities

	2024 \$	2023 \$
<i>Current liabilities</i>		
Property lease liabilities	295,938	114,539
<i>Non-current liabilities</i>		
Property lease liabilities	1,114,166	392,271
<i>Reconciliation of lease liabilities</i>		
Balance at the beginning	506,810	695,712
Additional lease liabilities recognised	713,810	-
Remeasurement adjustments	346,455	-
Lease interest expense	52,754	26,625
Lease payments - total cash outflow	(209,725)	(215,527)
	1,410,104	506,810

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.

Additions and remeasurement adjustments

During the year the company relocated its Springwood branch to new premises and entered into a 5 year lease agreement. The new agreement includes one further 5 year extension option which is reasonably certain to be exercised. In addition to this the company acquired the Helensvale branch through the purchase of the revenue rights of Broadwater Financial Services Limited. The Helensvale lease is due to expire in September 2025. Further, the company entered into a three year lease for an administration office space.

Accounting policy for lease liabilities

Lease	Discount rate	Non-cancellable term	Renewal options	Reasonably certain to exercise options	Lease term end date used in calculations
Beenleigh Branch	7.50%	5 years	1 x 5 years	Yes	August 2034
Browns Plains Branch	4.39%	5 years	N/A	N/A	June 2029
Springwood Branch	7.50%	5 years	1 x 5 years	Yes	October 2033
Helensvale Branch	7.50%	N/A	N/A	N/A	August 2025
Administration Office	7.50%	3 years	N/A	N/A	April 2027

Notes to the financial statements (continued)

Note 21. Employee benefits

	2024 \$	2023 \$
<i>Current liabilities</i>		
Provision for annual leave	53,025	14,336
Provision for long service leave	20,422	23,228
	73,447	37,564
<i>Non-current liabilities</i>		
Provision for long service leave	8,712	-
	8,712	-

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 expected 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 22. Provisions

	2024 \$	2023 \$
<i>Non-current liabilities</i>		
Make-good on leased premises	78,646	77,781

In accordance with the branch lease agreements, the company must restore the leased premises to their original condition before the expiry of the lease term. The company has estimated the provision to be \$116,696 based on experience and consideration of the expected future costs to remove all fittings and the ATM as well as the cost to remedy any damages caused during the removal process. Lease expiry dates are per note 20, at which time it is expected the face-value costs to restore the premises will fall due.

Note 23. Issued capital

	2024		2023	
	Number	\$	Number	\$
Ordinary shares - fully paid	3,200,010	3,092,000	3,200,010	3,092,000
Less: equity raising costs	-	(49,789)	-	(49,789)
	3,200,010	3,042,211	3,200,010	3,042,211

Accounting policy for issued capital

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

Notes to the financial statements (continued)

Note 23. Issued capital (continued)

Rights attached to issued capital

Ordinary shares

Voting rights

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

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

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

Dividends

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

Transfer

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

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

Prohibited shareholding interest

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

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

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

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

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

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

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

Notes to the financial statements (continued)

Note 24. Capital management

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

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

The distribution limit is the greater of:

- 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 year ended 30 June 2024 can be seen in the statement of profit or loss and other comprehensive Income.

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

Note 25. Dividends provided for or paid

Dividends provided for and paid during the period

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

	30 June 2024		30 June 2023	
	Cents	\$	Cents	\$
Fully franked dividend	10.00	318,951	5.00	159,475
Total dividends provided for and paid during the financial year	10.00	318,951	5.00	159,475

The tax rate at which dividends have been franked is 25%.

Franking account balance

	2024 \$	2023 \$
Franking credits available for subsequent reporting periods		
Franking account balance at the beginning of the financial year	264,626	203,264
Franking transactions during the financial year:		
- Franking credits (debits) arising from income taxes paid (refunded)	183,231	32,582
- Franking credits from income tax instalments paid	300,856	81,938
- Franking debits from the payment of franked distributions	(106,317)	(53,158)
Franking account balance at the end of the financial year	642,396	264,626
Franking transactions that will arise subsequent to the financial year end:		
- Franking credits (debits) that will arise from payment (refund) of income tax	26,063	239,317
Franking credits available for future reporting periods	668,459	503,943

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

Accounting policy for dividends

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

Notes to the financial statements (continued)

Note 26. 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 entity 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 A- on Standard & Poor's credit ratings.
- The company has no direct exposure to movements in commodity prices.
- The company's interest-bearing instruments are held at amortised cost which have fair values that approximate their carrying value since all cash and payables have maturity dates within 12 months.
- The company has no borrowings.

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

	Note	2024 \$	2023 \$
Financial assets			
Trade and other receivables	13	322,307	261,528
Cash and cash equivalents	12	2,470,020	2,046,640
Financial assets	14	7,000	7,000
		2,799,327	2,315,168
Financial liabilities			
Trade and other payables	18	275,072	27,756
Secured bank loans	19	-	2,066
Lease liabilities	20	1,410,104	506,810
		1,685,176	536,632

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 into the following categories:

- Amortised cost

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

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

The company's financial assets measured at FVTPL comprise investments in listed entities over which the company does not have significant influence nor control.

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.

Notes to the financial statements (continued)

Note 26. Financial risk management (continued)

Financial assets (continued)

Impairment of trade and other receivables

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

Financial liabilities

Classification

The company classifies its financial liabilities at amortised cost.

Derecognition

A financial liability is derecognised then 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.

The company held cash and cash equivalents of \$2,470,020 at 30 June 2024 (2023: \$2,046,640).

Equity Price risk

All of the company's listed equity investments are listed on the National Stock Exchange (NSX). Changes in equity securities value is recognise through profit or loss or other comprehensive income.

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.

30 June 2024

Financial liability	Contractual cash flows			
	Carrying amount	Not later than 12 months	Between 12 months and five years	Greater than five years
Lease liabilities	1,410,104	295,938	915,741	592,119
Trade payables	275,072	100,464	174,608	-
	1,685,176	396,402	1,090,349	592,119

30 June 2023

Financial liability	Contractual cash flows			
	Carrying amount	Not later than 12 months	Between 12 months and five years	Greater than five years
Bank loans	2,066	2,066	-	-
Lease liabilities	506,810	134,502	351,301	86,330
Trade payables	27,756	27,756	-	-
	536,632	164,324	351,301	86,330

Notes to the financial statements (continued)

Note 27. Reconciliation of cash flows from operating activities

	2024 \$	2023 \$
Net profit after tax from ordinary activities	686,505	909,851
Adjustments for:		
- Depreciation	306,765	270,687
- Amortisation	48,878	49,285
- Lease liabilities interest	52,754	26,625
- (Profit)/loss on disposal of non-current assets	(21,352)	276
Changes in assets and liabilities:		
- (Increase)/decrease in trade and other receivables	(65,372)	(120,248)
- (Increase)/decrease in other assets	(16,197)	-
- Increase/(decrease) in trade and other payables	177,660	33,056
- Increase/(decrease) in employee benefits	44,595	12,555
- Increase/(decrease) in provisions	3,897	3,238
- Increase/(decrease) in tax liabilities	(216,255)	178,634
Net cash flows provided by operating activities	1,001,878	1,363,959

Note 28. Auditor's remuneration

Amount received or due and receivable by the auditor of the company for the financial year.

	2024 \$	2023 \$
<i>Audit and review services</i>		
- Audit and review of financial statements	13,280	8,000
<i>Non audit services</i>		
- General advisory services	3,280	4,150
- Share registry services	15,622	10,865
Total auditor's remuneration	32,182	23,015

Note 29. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in the remuneration report which is included in the Director's Report.

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.

Notes to the financial statements (continued)

Note 29. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	2024 \$	2023 \$
- The company provided a sponsorship to Discovery Tennis Club Inc, of which a director is associated with. The total benefit received was:	600	-
- The company provided a sponsorship to Labrador Touch Association, of which a director is associated with. The total benefit received was:	1,000	-
- The company provided a donation to Probus Club of Cronula Inc, of which a director is associated with. The total benefit received was:	500	-
Total transactions with related parties	2,100	-

Note 30. Earnings per share

	2024 \$	2023 \$
Profit attributable to ordinary shareholders	686,505	909,851

	Number	Number
Weighted-average number of ordinary shares	3,200,010	3,200,010
Basic and diluted earnings per share	21.45	28.43

Accounting policy for earnings per share

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

Note 31. Commitments

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

Note 32. Contingencies

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

Note 33. 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.

NSX report

Logan Community Financial Services Limited is a public company incorporated in Australia and listed on the National Stock Exchange of Australia (NSX).

Shareholding

The following table shows the number of shareholders, segregated into various categories based on the total number of shares held.

Number of shares held	Number of shareholders	Number of shares held
1 to 1,000	701	474,494
1,001 to 5,000	266	734,141
5,001 to 10,000	51	441,900
10,001 to 100,000	29	839,752
100,001 and over	4	699,215
Total shareholders	1,051	3,189,502

Equity securities

Each of the above shareholders are entitled to 1 vote, irrespective of the number of shares held.

There are no substantial shareholders (holding more than 5% of voting rights) as each shareholder is entitled to 1 vote. Normally holding more than 5% of total issued shares would create a substantial shareholder, but this is not applicable due to the voting restrictions for the company.

There are 21 shareholders holding less than a marketable parcel of shares (\$500 in value).

There are no restricted securities on issue.

All shares on issue are ordinary shares fully paid to \$1 per share. There are no unquoted equity securities.

Ten largest shareholders

The following table shows the 10 largest shareholders including equal holdings.

Shareholder	Number of fully paid shares held	Percentage of issued capital
BENDIGO & ADELAIDE BANK LIMITED	247,500	7.76%
Mr WARREN ANDREW DICKER	228,275	7.16%
EZY INVESTMENTS PTY LTD <EZY HOMES SUPER FUND A/C>	120,940	3.79%
CENTRAL PLUMBING SUPPLIES PTY LTD	102,500	3.21%
WESTFERRY OPERATIONS PTY LTD <THE WESTFERRY FUND A/C>	83,100	2.61%
THE WARING FAMILY SUPERANNUATION FUND	66,000	2.07%
CARLTON SUPER FUND ACCOUNT	60,000	1.88%
WINPAR HOLDINGS LIMITED	56,900	1.78%
Ms LEONIE MCCABE <LEONIE MCCABE SUPER FUND A/C>	50,000	1.57%
THE MILES SUPERANNUATION FUND	50,000	1.57%
	1,065,215	

NSX report (continued)

Registered office and principal administrative office

The registered office of the company is located at:

Unit 1, 54 Bryants Road
Shailer Park QLD 4128
Phone: 0406 699 273

The principal administrative office of the company is located at:

Unit 1, 54 Bryants Road
Shailer Park QLD 4128
Phone: 0406 699 273

Security register

The security register (share register) is kept at:

AFS & Associates
61 Bull Street,
Bendigo VIC 3550
Phone: (03) 5443 0344

Corporate governance

The company has implemented various corporate governance practices, which include:

- (a) The establishment of an Audit and Governance Committee. Members of the Audit and Governance Committee are Jason Luckhardt, Brett Raguse, Robert Herriott, Kate Wakeling, David Ekert and Leanne Taylor;
- (b) Director approval of operating budgets and monitoring of progress against these budgets;
- (c) Ongoing Director training; and
- (d) Monthly Director meetings to discuss performance and strategic plans.

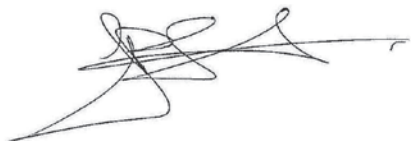
Directors' declaration

For the financial year ended 30 June 2024

In the directors' opinion:

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

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



Jason Paul Luckhardt, Chair

13 September 2024

Independent audit report



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

Independent auditor's report to the Directors of Logan Community Financial Services Limited

Report on the Audit of the Financial Report

Opinion

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

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

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

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

Basis for Opinion

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

We are independent of the 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.



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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our key audit procedures addressed this
<p>Revenue Share Model The company is a franchise of Bendigo Bank. 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.</p> <p>The company receives the Revenue Share from Bendigo Bank via a monthly profit share statement.</p> <p>Our key audit matter was focused on the following areas of risk:</p> <ul style="list-style-type: none"> ▪ Revenue is recognised appropriately and in line with AASB 15 Revenue from Contracts with Customers ▪ Reliance on third party auditor EY to review the revenue share model. 	<ul style="list-style-type: none"> ▪ Review monthly profit share statements for the entire year and analytically assess the existence, accuracy and completeness of revenue. ▪ EY complete a Community Bank Revenue Share Arrangements report on factual findings biannually, which we plan to review and determine that the scope and testing procedures were sufficient to enable reliance on the monthly profit share reports specifically relating to revenue.



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Key Audit Matter	How our key audit procedures addressed this
<p>Acquisition of Broadwater The company acquired the 'right to revenue share' of the Helensvale branch from Broadwater FSL during the financial year. Accounting for such acquisitions is complex and management are required to apply significant judgement to conclude if the entity has acquired 'business' or and 'asset' under AASB 3.</p> <p>Management assesses the acquisition as being a customer list as opposed to a business. This conclusion was reached by applying the concentration test under AASB 3 as the gross assets acquired is concentrated in a single identifiable asset. Therefore, the set of activities and assets were not considered a business acquisition but rather an intangible asset.</p> <p>Our key audit matter was focused on the following areas of risk:</p> <ul style="list-style-type: none"> ▪ Application of AASB 3 asset concentration test ▪ Judgements applied in supporting business versus asset conclusion ▪ Financial statement disclosures. 	<ul style="list-style-type: none"> ▪ Review managements application of AASB 3 asset concentration test. ▪ Review judgements applied in supporting business versus asset conclusion. ▪ Review accuracy and completeness of financial statement disclosures.

There are no other key audit matters to disclose for the 30 June 2024 audit.



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Other Information

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

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

In connection with our audit of the financial report, our responsibility is to read the other information identified above when it becomes available 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.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Logan Community Financial Services Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

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: 13 September 2024

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

Joshua Griffin
Lead Auditor

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 **Bendigo Bank**