Annual Report 2022

North Perth Community Financial Services Limited

Community Bank
North Perth

ABN 85 094 412 932

Community Bank · North Perth
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North Perth WA 6006
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Email: northperthmailbox@bendigoadelaide.com.au
Web: bendigobank.com.au/branch/wa/community-bank-north-perth/

Franchisee: North Perth Community Financial Services Limited
ABN: 85 094 412 932
431 Fitzgerald Street,
North Perth WA 6006
Phone: 9228 4011
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Level 2, 267 St Georges Terrace, Perth WA 6000
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Bendigo Bank

Community Bank Report 2022
BEN Message

July 2022

Community continues to be core to who we are at Bendigo and Adelaide Bank.

With your support, we are enabling community infrastructure to be built, strengthening the arts and culturally diverse communities, improving educational outcomes, and growing healthy places for Australians to live and work. On behalf of the Bank, thank you for continuing to play a vital role in supporting your community.

As we emerge from the pandemic and navigate a shifting economic landscape, the investments our Community Banks make in the future of the communities in which they operate has never been more important.

We are proud that more Australians are choosing to do their banking with Bendigo and Adelaide Bank – and importantly trust us with their financial needs. We are Australia's most trusted bank (Roy Morgan, May 2022), an outcome that you have all contributed to and should feel proud of.

Our purpose has never been more important; we remain committed to continuing to feed into the prosperity of our customers and communities, and not off them.

Your ongoing support as a shareholder is essential to the success of your local community. Together, we will continue to grow sustainably and make a positive impact for generations to come.

Warmest regards,

Justine Minne
Bendigo and Adelaide Bank

NORTH PERTH COMMUNITY FINANCIAL SERVICES LIMITED

ABN: 85 094 412 932

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

NORTH PERTH COMMUNITY FINANCIAL SERVICES LIMITED
ABN: 85 094 412 932

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2022

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Directors' Report

For the financial year ended 30 June 2022

Your Directors present their report, together with the financial statements of the Company for the financial year ended 30 June 2022.

The information on Directors who held office during or since the end of the year are:

Directors

The names of Directors in office at any time during or since the end of the year are:

Nicholas Catania

Position:	Chairperson
Occupation:	Business Consultant
Background Information:	Degree in Economics and Management. Former member of Parliament for a number of economic portfolios. Worked or lived in the North Perth area for more than 32 years. Former Mayor of the City of Vincent. Justice of the Peace and Former Chairman of Local Government Super Plan. Chairman of Hawksbridge Property.
Interest in shares and options:	1,500 shares

Ian Wesley Crawford

Position:	Non-Executive Director
Occupation:	Pharmacist
Background Information:	Pharmacist in North Perth for more than 35 years. Justice of the Peace.
Interest in shares and options:	5,000 shares

Sam Aldo De Vita

Position:	Non-Executive Director
Occupation:	Lawyer
Background Information:	Barrister and Solicitor of the Supreme Court of WA, High Court of Australia and Federal Court of Australia since 1993. He is a Director of De Vita Legal.
Interest in shares and options:	7,000 shares

James Peter De Leo

Position:	Non-Executive Director
Occupation:	Company Director
Background Information:	Degree in Management and Business and Degree in Politics Science. Holds a Masters of Strategic Affairs at the Australian National University Canberra. He is a Director of Pisconeri Fine Foods & Wines.
Interest in shares and options:	1,000 shares

James John Burns

Position:	Non-Executive Director
Occupation:	Real Estate Agent
Background Information:	Principal of J J Burns (Real Estate) in North Perth since 1974. Life member of Mt Lawley Society and founding member of the North Perth Society. Resident of the City of Vincent for over 35 years.
Interest in shares and options:	10,000 shares

Carlo Pennone

Position:	Non-Executive Director
Occupation:	Business Consultant and Volunteer
Background Information:	Consultant and volunteer who actively assists Italian pensioners with their associated pension paper work for both Italian and Australian entitled pensions. Recently became a Justice of the Peace.
Interest in shares and options:	2,700 shares

James Gillespie Elder

Position:	Non-Executive Director
Occupation:	Company Director
Background Information:	Self – employed small business consultants operating predominately in the construction sector.
Interest in shares and options:	2,000 shares

Edward Parra

Position:	Non-Executive Director
Occupation:	Lawyer
Background Information:	Edward Parra has obtained a Bachelor of Laws and Master of Business Administration (MBA). An experienced commercial lawyer who understands the business landscape and can provide strategic legal advice. Currently practising law with an established boutique law firm.
Interest in shares and options:	-

Company Secretary

Ian Wesley Crawford

Directors meetings attended

During the financial year, 10 meetings of directors (including committees of directors) were held. Attendances by each Director during the year were as follows:

Names of Directors	Directors' Meetings	
	Number eligible to attend	Number attended
Nicholas Catania	10	10
Ian Wesley Crawford	10	10
James John Burns	10	9
James Peter De Leo	10	9
Sam De Vita	10	10
Carlo Pennone	10	7
James Elder	10	8
Edward Parra	10	4

Principal Activities and Review of Operations

The principal activity and focus of the Company's operations during the year was the operation of one branch of Bendigo and Adelaide Bank Limited, pursuant to their franchise agreement.

Financial Results

The loss after income tax expense of the Company for the year ended 30 June 2022 was $163,069.
(2021: $76,189 Profit).

Dividends

The Company declared dividends of $75,300 during the year (2021: $50,200).

Significant Changes in the State of Affairs

Covid-19 Pandemic restrictions impacted certain periods of the financial year 2021-22. North Perth Community Financial Services Limited continued operations during the pandemic as an essential community service. The North Perth branch was forced to adapt to both state lockdowns during the financial year with minimal impact on day to day trade.

Likely Developments

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report, as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Significant Events after the Reporting Period

There were no events subsequent to the end of the financial year that would have a material effect on these financial statements.

Options

No options over issue shares or interests in the Company were granted to Directors or Executives during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnifying Officers or Auditor

Indemnities have been given, during and since the end of the financial year, for any persons who are or have been a Director or an officer, but not an auditor, of the Company. The insurance contract prohibits disclosure of any details of the cover.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or 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 any part of those proceedings.

Environmental Regulations

The Company's operations are not regulated by any significant environment regulation under a law of the Commonwealth, state or Territory.

Non-Audit Services

There were no non-audit services performed during the year by the auditors for the Company (or by another person or firm on the auditor's behalf).

Independence Declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 6 of the financial report.

This report is signed in accordance with a resolution of the Board of Directors.

DIRECTOR

PERTH
DATED THIS 26 DAY OF OCTOBER 2022.

Directors' Declaration

The Directors of the Company declare that:

1. the accompanying financial statements and notes are in accordance with the *Corporations Act 2001* and:

   a. comply with Accounting Standards; and

   b. give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Company;

2. the Chief Executive Officer and Chairman of Corporate Governance and Audit Committee have each declared that:

   a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
   b. the financial statements and notes for the financial year comply with the Accounting Standards; and
   c. the financial statements and notes for the financial year give a true and fair view; and

3. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

DIRECTOR

PERTH
DATED THIS 26 DAY OF OCTOBER 2022.

MACRI
PARTNERS
Chartered Accountants

PARTNERS
Anthony Macri CA FCPA
Domenic Macri CA CPA
Connie De Felice CA CPA

Auditor's Independence Declaration
Under Section 307C of the Corporations Act 2001

To the Directors of North Perth Community Financial Services Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of North Perth Community Financial Services Limited. As the lead audit partner for the audit of the financial report of North Perth Community Financial Services Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

MACRI PARTNERS
CHARTERED ACCOUNTANTS
SUITE 2, 137, BURSWOOD ROAD
BURSWOOD WA 6100

A MACRI
PARTNER

PERTH
DATED THIS 28th **DAY OF OCTOBER 2022**

Suite 2, 137 Burswood Rd, Burswood WA 6100 PO Box 398, Victoria Park WA 6979 P (08) 9470 4848 F (08) 9470 4849 E mail@macripartners.com.au W macripartners.com.au

MACRI PARTNERS

Chartered Accountants

PARTNERS
Anthony Macri CA FCPA
Domenic Macri CA CPA
Connie De Felice CA CPA

Independent Auditor's Report

To the Members of North Perth Community Financial Services Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of North Perth Community Financial Services Limited (the company), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of North Perth 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 2022 and of its performance for the year ended on that date; and

ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*;

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report section* of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 : *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

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

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or 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. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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.

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

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

MACRI PARTNERS
CHARTERED ACCOUNTANTS
SUITE 2, 137, BURSWOOD ROAD
BURSWOOD WA 6100

A MACRI
PARTNER

PERTH
DATED THIS 28th DAY OF OCTOBER 2022

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2022

	Note	2022	2021
		$	$
Revenue	2	1,027,146	1,144,840
Expenses			
Employee Benefits Expense		(415,726)	(367,002)
Depreciation and Amortisation Expense	3	(50,401)	(82,280)
Finance Costs		(6,185)	(7,455)
Gain/(Loss) on Market Value of Shares		(198,968)	16,114
Other Expenses		(567,299)	(600,070)
Profit/ (Loss) Before Income Tax		(211,433)	104,147
Income Tax Expense	4	48,364	(27,958)
Profit/ (Loss) after Income Tax Expense		(163,069)	76,189
Total Other Comprehensive Income for the Year		-	-
Total Comprehensive Income/ (Loss) for the Year		(163,069)	76,189
Total Comprehensive Income/ (Loss) Attributable to Members of the Company		(163,069)	76,189
Earnings/ (Loss) per Share			
From Overall Operations			
Basic Earnings/(Loss) per Share (cents per share)		(32)	15
Diluted Earnings/(Loss) per Share (cents per share)		(32)	15

The accompanying notes form part of these financial statements.

Statement of Financial Position
As at 30 June 2022

	Note	2022	2021
		$	$
ASSETS			
Current Assets			
Cash and cash equivalents	7	357,539	429,001
Trade and other receivables	8	104,831	164,464
Current tax receivable	16	11,823	749
Other assets	9	10,018	1,878
Financial assets	13	1,971,814	2,162,333
Total Current Assets		2,456,025	2,758,425
Non-Current Assets			
Plant and equipment	10	38,792	48,406
Intangible assets	11	23,921	2,649
Right of use asset	12	115,339	149,941
Deferred tax assets	16	166,412	118,048
Total Non-Current Assets		344,464	319,044
TOTAL ASSETS		2,800,489	3,077,469
LIABILITIES			
Current Liabilities			
Trade and other payables	14	167,864	134,350
Employee related provisions	15	23,697	62,774
Lease liability	17	36,463	35,035
Total Current Liabilities		228,024	232,159
Non-Current Liability			
Employee related provisions	15	3,193	1,207
Lease liability	17	90,962	127,424
Total Non-Current Liabilities		94,155	128,631
TOTAL LIABILITIES		322,179	360,790
NET ASSETS		2,478,310	2,716,679
EQUITY			
Issued capital	18	179,019	179,019
Retained earnings		2,299,291	2,537,660
TOTAL EQUITY		2,478,310	2,716,679

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 30 June 2022

	Issued Ordinary Capital	Retained Earnings	Total
	$	$	$
Balance at 1 July 2020	179,019	2,511,671	2,690,690
Dividends paid or provided for	-	(50,200)	(50,200)
Profit/(Loss) attributable to the members of the company	-	76,189	76,189
Balance at 30 June 2021	179,019	2,537,660	2,716,679
Balance at 1 July 2021	179,019	2,537,660	2,716,679
Dividends paid or provided for	-	(75,300)	(75,300)
Profit/(Loss) attributable to the members of the company	-	(163,069)	(163,069)
Balance at 30 June 2022	179,019	2,299,291	2,478,310

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Receipts from customers		1,071,809	1,058,814
Payments to suppliers and employees		(1,093,647)	(1,017,610)
Income tax paid		(11,074)	(55,815)
Interest received		1,635	3,400
Dividends received		8,237	5,229
Managed funds distributions		101,616	104,030
GST paid		(22,888)	(42,359)
Finance Costs		(6,185)	(5,955)
Net cash provided by operating activities	19	49,503	49,733
Cash flows from investing activities			
Purchase of plant and equipment		-	(24,827)
Sale of plant and equipment		-	9,092
Purchase of intangible assets		(27,457)	-
Purchase of managed funds		-	(400,000)
Investment in term deposits		-	200,139
Purchase of shares		(17,060)	(49,157)
Sale of shares		9,663	112,791
Net cash used in investing activities		(34,854)	(151,962)
Cash flows from financing activities			
Lease payments		(35,034)	(31,287)
Dividends paid		(51,077)	(54,363)
Return of capital		-	(220)
Net cash used in financing activities		(86,111)	(85,869)
Net increase in cash held		(71,462)	(188,099)
Cash and cash equivalents at beginning of financial year		429,001	617,100
Cash and cash equivalents at end of financial year	7	357,539	429,001

The accompanying notes form part of these financial statements.

Note 1: Statement of Significant Accounting Policies

This financial report covers North Perth Community Financial Services Limited, as an individual entity. North Perth Community Financial Services Limited is a public company, incorporated and domiciled in Australia.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied, unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historic costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Income Tax

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

Deferred income tax expenses reflects movements in deferred tax assets and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

(a) Income tax (continued)

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

When temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining the recoverable amounts.

The cost of fixed assets constructed within the entity includes the costs of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including capitalised leased assets, is depreciated over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation (continued)

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	15.35% - 20%
Motor Vehicles	15.35%
Leasehold improvements	20%

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period.

An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Leases

At inception of a contract, the entity assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the entity where the entity is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the entity uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the entity anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(d) Financial Instruments (continued)

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the entity commits itself to either the purchase or sale of the asset (i.e., trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and Subsequent Measurement

Financial liabilities

Financial instruments are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and/or loss if the financial liability is:

- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

(d) Financial Instruments (continued)

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:
- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:
- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:
- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The entity initially designates a financial instrument as measured at fair value through profit or loss if:
- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; and
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Entity's accounting policy.

(d) Financial Instruments (continued)

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities
A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets
A financial asset is derecognised when the holder's contractual rights 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.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and

  the Entity no longer controls the asset

Impairment

The entity recognises a loss allowance for expected credit losses on:
- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g., amounts due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:
- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

(d) Financial Instruments (continued)

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Entity uses the following approaches to impairment, as applicable under AASB 9 : *Financial Instruments* :

- the general approach
- the simplified approach

General approach

Under the general approach, at each reporting period, the Entity assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the Entity measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- there is no significant increase in credit risk since initial recognition, the Entity measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of AASB 15 : *Revenue from Contracts with Customers* and which do not contain a significant financing component; and
- lease receivables.

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

Recognition of expected credit losses in financial statements

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

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g., loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(e) Impairment of Assets

At each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment test is performed annually for goodwill and intangible assets with indefinite lives.

(f) Intangibles

Franchise Fee

The franchise fee paid by the company pursuant to a Franchise Agreement with Bendigo and Adelaide Bank Limited is being amortised over five (5) years period of the agreement, being the period of expected economic benefits of the franchise fee.

(g) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

The Company contributes to a defined contribution plan. Contributions to employee superannuation funds are charged against income as incurred.

(h) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short- term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

(j) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(k) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowings costs are recognised in income in the period in which they are incurred.

(l) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

All dividends received shall be recognised as revenue when the right to receive the dividend has been established.

Revenue recognition relating to provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the service performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST receivable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(n) Comparative Figures

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

When the Company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(o) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

(i) Impairment

The company assesses impairment at the end of each reporting period by evaluation conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

No impairment has been recognised in respect of intangibles for the year ended 30 June 2022. Should the projected turnover figures be materially outside of budgeted figures incorporated in value-in-use calculations, an impairment loss would be recognised up to the maximum carrying value of intangibles as at 30 June 2022 amounting to $23,921.

	2022 $	2021 $
Note 2: Revenue and Other Income		
Operating Activities		
- Franchise margin income	1,002,841	925,359
Non-Operating Activities		
- Interest received	1,635	3,400
- Dividend received	8,237	5,229
- Managed fund distributions	13,381	123,702
- Profit/(Loss) on sale of shares	1,052	48,842
- Other revenue	-	38,308
	24,305	219,481
Total Revenue	1,027,146	1,144,840

Note 3: Profit before Income Tax

Expenses

	2022 $	2021 $
Depreciation	44,216	68,064
Amortisation	6,185	14,216
Gain/(Loss) on market value of shares & managed funds	198,968	(16,114)
Other operating expenses	989,207	974,527
	1,238,576	1,040,693
Remuneration of auditor		
- auditing or reviewing the financial report	11,500	11,500
	11,500	11,500

Note 4: Income Tax Expense

(a) The components of tax expense comprise:

	2022 $	2021 $
- Current tax	-	18,048
- Deferred tax (benefit)/ expense	(48,364)	9,910
	(48,364)	27,958

Note 4: Income Tax Expense (cont'd)

		2022 $	2021 $
(b)	The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
	Prima facie tax payable on profit from ordinary activities before income tax at 25.0% (2021: 26.0%)	(52,858)	27,078
	Add:		
	Franking credit	876	992
	Foreign credit	-	134
	Tax effect of:		
	- non-deductible expenses	71,310	39,485
	Less:		
	Tax effect of:		
	- Other allowable items	(33,175)	(45,311)
	- Franking credit	-	(3,815)
	- Tax loss	13,847	-
	- Foreign credit	-	(514)
	- Deferred tax asset	(48,364)	9,910
	Income tax attributable to the company	(48,364)	27,958

Note 5: Dividends

	2022	2021
Fully franked ordinary dividend paid on 23 June 2022 of 15 cents per share (2021: 10 cents per share)	75,300	50,200
Balance of franking account at year-end	1,331,815	1,342,336

Note 6: Interests of Key Management Personnel (KMP)

a. Name and positions

Name	*Position*
Nicholas Catania	Chairman
Ian Wesley Crawford	Company Secretary
James John Burns	Non-Executive Director
James Peter De Leo	Non-Executive Director
Sam De Vita	Non-Executive Director
Carlo Pennone	Non-Executive Director
James Elder	Non-Executive Director
Edward Parra	Non-Executive Director

b. Remuneration of Key Management Positions

Directors of the Company received a total of $55,000 as remuneration for services as Directors.

c. Shareholdings

Number of ordinary shares in North Perth Community Financial Services Limited held by key management personnel of the company during the financial year is as follows:

	Ordinary Shares			
Directors	*Beginning balances*	*Purchase*	*Other changes*	*Ending Balances*
Nicholas Catania	1,500	-	-	1,500
Ian Wesley Crawford	5,000	-	-	5,000
James John Burns	10,000	-	-	10,000
James Peter De Leo	1,000	-	-	1,000
Sam Aldo De Vita	7,000	-	-	7,000
Carlo Pennone	2,700	-	-	2,700
James Elder	2,000	-	-	2,000
Edward Parra	-	-	-	-
	36,700	-	-	36,700

Option Holdings

No options over ordinary shares in the company are held by any Director of the company or other key management personnel, including their personally related parties.

	2022 $	2021 $
Note 7: Cash and Cash Equivalents		
Cash at Bank	357,539	129,001
Short-term bank deposits	-	300,000
	,357,539	429,001

Note 8: Trade and Other Receivables

	2022 $	2021 $
CURRENT		
Trade debtors	104,831	76,229
Accrued Income	-	88,235
	104,831	164,464

a. Provision for Impairment of Receivables

Current trade and term receivables are non-interest bearing loans and generally on 30-day terms. Non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is objective evidence that individual trade or term receivable is impaired. These amounts have been included in the other expenses item.

There is no provision for impairment of receivables.

Note 9: Other Assets

	2022 $	2021 $
CURRENT		
Prepayments	10,018	1,878

Note 10: Plant and Equipment

	2022 $	2021 $
Plant and equipment – at cost	444,653	444,653
Less accumulated depreciation	(443,356)	(442,492)
	1,297	2,161
Motor vehicle – at cost	57,005	57,005
Less accumulated depreciation	(19,510)	(10,760)
	37,495	46,245
Total Property, Plant and Equipment	38,792	48,406

Note 10: Plant and Equipment (continued)

a. Movements in Carrying Amounts

Movements in the carrying amounts for property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment $	Motor Vehicle $	Total $
Balance at 1 July 2020	24,710	45,235	69,945
Additions	2,100	22,727	24,827
Disposals	-	(12,903)	(12,903)
Depreciation Expense	(24,649)	(8,814)	(33,463)
Carrying amount at 30 June 2021	2,161	46,245	48,406
Depreciation Expense	(864)	(8,750)	(9,614)
Carrying amount at 30 June 2022	1,297	37,495	38,792

	2022 $	2021 $
Note 11: Intangible Assets		
NON-CURRENT		
Franchise fees – at cost	152,387	124,931
Less: accumulated amortisation	(128,466)	(122,282)
Net carrying value	23,921	2,649
Note 12: Right of use Assets		
NON-CURRENT		
Right of use asset – at cost	219,144	219,144
Less: accumulated depreciation	(103,805)	(69,203)
	115,339	149,941
Note 13: Financial Assets		
CURRENT		
Financial Assets – Fair Value through profit or loss		
-Units in managed funds	1,760,794	1,927,096
-Shares in listed corporations	211,020	235,237
	1,971,814	2,162,333

Note 14: Trade and Other Payables

	2022 $	2021 $
CURRENT		
Unsecured liabilities:		
Trade creditors and accruals	45,340	54,471
GST Payable	30,470	12,048
Return of capital payable	15,850	15,850
Dividend payable	76,204	51,981
	167,864	134,350

Note 15: Provisions

CURRENT		
Employee benefits:		
Provision for annual leave	23,697	38,127
Provision for long service leave	-	24,647
	23,697	62,774
NON-CURRENT		
Employee benefits:		
Provision for long service leave	3,193	1,207
Number of employees at year-end	4	6

Note 16: Tax

CURRENT		
Current tax receivable	11,823	749
NON CURRENT		
Deferred tax assets	166,412	118,048

Note 16: Tax (continued)

The movement in deferred tax asset for each temporary difference during the year as follows:

	2022 $	2021 $
Provisions		
Opening balance	16,635	15,486
Credit/(Charge) to income	(9,913)	1,149
Closing balance	6,722	16,635
Others		
Opening balance	101,413	112,471
Credit/(Charge) to income	58,277	(11,058)
Closing balance	159,690	101,413

Gross Movements:

The overall movement in the deferred tax asset account is as follows:

Opening balance	118,048	127,957
Credit/(Charge) to income	48,364	(9,909)
Closing balance	166,412	118,048

Note 17: Lease Liability

CURRENT		
Lease liability	36,463	35,035
NON CURRENT		
Lease liability	90,962	127,424

Note 18: Issued Capital

502,000 (2021: 502,000) fully paid ordinary shares	502,000	502,000
10 (2021: 10) fully paid subscriber shares	10	10
Cost of raising equity	(21,791)	(21,791)
Return of capital	(301,200)	(301,200)
	179,019	179,019

Note 19: Cash Flow Information

	2022 $	2021 $
Profit after Income Tax		
Profit after income tax	(163,069)	76,189
Add: Non-cash flows in profit:		
Depreciation/amortisation	50,401	82,280
(Gain)/Loss on disposal of fixed assets	-	3,812
Fair value (gain)/loss	198,968	(16,114)
Profit on sale of shares	(1,052)	(48,842)
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	59,633	(16,544)
(Increase)/decrease in prepayments	(8,140)	5,892
(Increase)/decrease in deferred tax assets	(48,364)	9,909
Increase/(decrease) in trade payables and accruals	9,291	(19,789)
Increase/(decrease) in provisions for employee entitlements	(37,091)	10,706
Increase/(decrease) in current tax payable	-	(37,017)
(Increase)/decrease in current tax receivable	(11,074)	(749)
	49,503	49,733

Note 20: Events after the Reporting Period

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company except for the information disclosed in the Directors' report.

Note 21: Segment Reporting

The company operates in the financial services sector as a branch of Bendigo Bank Limited in Western Australia.

Note 22: Related Party Transactions

Sam Aldo De Vita is a partner of Devita Legal of which the firm is a panel of solicitors for Bendigo Bank.

Devita Legal receives instructions from various Community Bank branches of Bendigo Bank, including but not limited to the North Perth Community Bank Branch.

Nicholas Catania is a director of Deltalane Corporate Pty Ltd which is a private business consultancy firm providing consultancy to various companies including, but not limited to North Perth Community Financial Services Ltd.

Key Management Personnel (KMP) Compensation Disclosure

	2022 $	2021 $
The total renumeration paid to KMP of the bank during the year are as follows:		
Short-term employee benefits	-	-
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
	-	-

Short-term employee benefits

These amounts include all salary, fringe benefits and cash bonuses awarded to KMP.

Post-employment benefits

These amounts are the current-year's estimated cost of providing for the bank's superannuation contributions made during the year.

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP.

Note 23: Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, investments in term deposits, listed equity instruments, managed funds, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 9 : *Financial Instruments* as detailed in the accounting policies, are as follows:

Note 23: Financial Risk Management (continued)

	2022 $	2021 $
Financial assets		
Financial assets at amortised cost:		
Cash & cash equivalents	357,539	429,001
Trade & other receivables	104,831	164,464
Financial assets at fair value through profit or loss:		
Financial Assets	1,971,814	2,162,333
Total financial assets	**2,434,184**	**2,755,798**
Financial liabilities		
Financial liabilities at amortised cost:		
Trade & other payables	167,864	134,350
Lease liabilities	127,425	162,459
Total financial liabilities	**295,289**	**296,809**

Financial Risk Management Policies

The Board's overall risk management strategy seeks to assist the Company in meeting its financial targets, while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board on a regular basis. These include the credit risk policies and future cash flow requirements.

Senior executives meet on a regular basis to analyse financial risk exposure in the context of the most recent economic conditions and forecasts.

The Company does not have any derivative instruments at 30 June 2022.

Specific Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk, and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks the Company is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company. The Company's objective in managing credit risk is to minimise the credit losses incurred, mainly on trade and other receivables and loans. There is no significant credit risk exposure on available-for-sale financial assets and held-to-maturity investments.

Note 23: Financial Risk Management (continued)

Credit risk is managed through maintaining procedures that ensure, to the extent possible, that clients and counterparties to transactions are of sound credit worthiness and their financial stability is monitored and assessed on a regular basis. Such monitoring is used in assessing receivables for impairment. Credit terms of loans advanced are generally specific to each loan.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets as presented in the statement of financial position.

The Company has no significant concentrations of credit risk with any single counterparty or group of counterparties under financial instruments entered into by the Company. There are no material amounts of collateral held as security as at 30 June 2022.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 8 .

All cash and cash equivalents are held with large reputable financial institutions within Australia and therefore credit risk is considered minimal.

	2022	**2021**
	$	**$**
Cash and cash equivalents:		
BBB+ rated	357,539	429,001

b) Liquidity Risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company is not currently exposed to any significant liquidity risk on the basis that the realisable value of financial assets is significantly greater than the financial liabilities due for settlement. The Company manages its liquidity risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

Notes to the Financial Statements continued

For the Year Ended 30 June 2022

Note 23: Financial Risk Management (continued)

Financial liability and financial asset maturity analysis

	Note	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
		2022	2021	2022	2021	2022	2021	2022	2021
Financial liabilities due									
Trade and other payables	14	167,864	134,350	-	-	-	-	167,864	134,350
Lease liabilities		40,896	40,896	95,424	136,320	-	-	136,320	177,216
Total expected outflows		**208,760**	**175,246**	**95,424**	**136,320**	-	-	**304,184**	**311,566**
Financial assets realisable									
Cash and cash equivalents	7	357,539	429,001	-	-	-	-	357,539	429,001
Trade and other receivables	8	104,831	164,464	-	-	-	-	104,831	164,464
Investments in equity instruments designated as at fair value through profit or loss	13	1,971,814	2,162,333	-	-	-	-	1,971,814	2,162,333
Total anticipated inflows		**2,434,184**	**2,755,798**	-	-	-	-	**2,434,184**	**2,755,798**
Net inflow/(outflow)		**2,225,424**	**2,580,552**	**(95,424)**	**(136,320)**	-	-	**2,130,000**	**2,444,232**

c) Market Risk

(i) Interest rate risk

Exposure to interest rate risk arises on interest-bearing financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect either the future cash flows (in the case of variable interest instruments) or the fair value financial instruments (in the case of fixed rate instruments).

Interest rate risk is managed using a mix of fixed and floating rate instruments.

The Company also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

The weighted average interest rates of the Company's interest-bearing financial assets are as follows:

	2022	2021
Financial assets		
Cash and cash equivalents	0.02%	0.02%

(ii) Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors (other than those arising from interest rate risk) for securities. The Company's exposure to other price risk arises mainly from financial assets at fair value through profit or loss. Such risk is managed through diversification of investments across industries and geographical locations.

Sensitivity analysis

The following table illustrates sensitivities to the Company's exposures to changes in interest rates and equity prices. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit $	Equity $
Year ended 30 June 2022		
+/–2% in interest rates (interest income)	7,151	7,151
+/–10% in financial assets at fair value through Profit or loss	197,181	197,181
Year ended 30 June 2021		
+/–2% in interest rates (interest income)	8,580	8,580
+/–10% in financial assets at fair value through Profit or loss	216,233	216,233

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

Note 23: Financial Risk Management (continued)

Fair Values
Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Refer to Note 26 for detailed disclosures regarding the fair value measurement of the Company's financial assets and financial liabilities.

	Note	Carrying Value 2022 $	Carrying Value 2021 $	Fair Value 2022 $	Fair Value 2021 $
Financial assets					
Financial assets at amortised cost:					
Cash and cash equivalents	7	357,539	429,001	357,539	429,001
Trade and other receivables	8	104,831	164,464	104,831	164,464
Financial assets at fair value through profit or loss:					
Financial assets	13	1,971,814	2,162,333	1,971,814	2,162,333
Total financial assets		**2,434,184**	**2,755,798**	**2,434,184**	**2,755,798**
Financial liabilities					
Financial liabilities at amortised cost:					
Trade and other payables	14	167,864	134,350	167,864	134,350
Lease liabilities	17	127,425	162,459	127,425	162,459
Total financial liabilities		**295,289**	**296,809**	**295,289**	**296,809**

Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments whose carrying amounts approximate their fair values. Trade and other payables exclude amounts relating to the provision of annual leave and contract liabilities, which are outside the scope of AASB 139 .

Note 24: Fair Value Measurements

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

- Financial assets at fair value through profit or loss;

The company does not measure any other assets and liabilities at fair value on a non-recurring basis.

(a) Fair Value Hierarchy

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

Level 1 - Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach - Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach - Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach - Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Note 24: Fair Value Measurements (Cont'd)

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

The following table provides the fair values of the company's assets measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

Recurring Fair Value Measurements

		30 June 2022			
	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
		$	$	$	$
Financial Assets					
Financial assets at fair value through profit or loss:					
- shares in listed corporations	13	1,760,794	-	-	1,760,794
- units in managed funds	13	211,020	-	-	211,020
Total financial assets recognised at fair value		1,971,814	-	-	1,971,814

Note 24: Fair Value Measurements (Cont'd)

Recurring Fair Value Measurements

		30 June 2021			
	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
		$	$	$	$
Financial Assets					
Financial assets at fair value through profit or loss:					
- shares in listed corporations	13	235,237	-	-	235,237
- units in managed funds	13	1,927,096	-	-	1,927,096
Total financial assets recognised at fair value		2,162,333	-	-	2,162,333

(b) Transfers Policy

The policy of the company is to recognise transfers into and transfers out of the fair value hierarchy levels as at the end of the reporting period. There were no transfers between level 1 and level 2 for assets measured at fair value on a recurring basis during the reporting period (2021: no transfers).

(c) Disclosed Fair Value Measurements

The following assets and liabilities are not measured at fair value in the statement of financial position, but their fair values are discloses in the notes:
- Accounts receivable and other debtors;
- Accounts payable and other liabilities;

Note 24: Fair Value Measurements (Cont'd)

The following table provides the level of fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation technique(s) and inputs used:

Description	Note	Fair Value Hierarchy Level	Valuation Technique(s)	Inputs Used
Assets				
Trade receivable and other assets	8, 9	2	Income approach using discounted cash flow methodology	Market interest rates for similar assets

Liabilities				
Trade and other payables	14	2	Income approach using discounted cash flow methodology	Market interest rates for similar liabilities

There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the notes to the financial statements.

Note 25: Economic dependency – Bendigo and Adelaide Bank Limited

The company has entered into franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the Community Bank branches at North Perth, Western Australia.

The branch operates as a franchise of Bendigo Bank, using the name "Bendigo North Perth Community Bank Branch" and system of operations of Bendigo Bank. The company operates the Community Bank branch on behalf of the shareholders of North Perth Community Financial Service Ltd, however all transactions with customers conducted through the Community Bank branch are effectively conducted between the customers and the Community Bank to Bendigo.

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 the Community Bank to the Bendigo Bank, and all credit products are products of Bendigo Bank.

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

- Advice and assistance in relation to the design, layout and fit out of the Community Bank branches;
- 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;
- The formulation of promotional programs; and
- Sales techniques.

Note 26: Company Details

The registered office of the company is:
Suite 3, 138 Main Street
Osborne Park WA 6017

The principal places of business of the Company are:
Suite 3, 138 Main Street
Osborne Park WA 6017

431 Fitzgerald Street
North Perth WA 6006

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