

# Annual Report 2024

Sandringham Community Financial Services Limited

Community Bank Sandringham  
ABN 86 099 131 192



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# Chairman's report

For year ending 30 June 2024



With favourable net interest margins on our deposits, Sandringham Community Financial Services Limited (SCFSL) achieved another sound profit after tax of \$898,022. This follows the figure for last year of \$778,500.

SCFSL's balance sheet has been further strengthened with our total equity now standing at \$2,177,606.

Our business volumes continue to grow, and I will leave it to our Branch Manager, Matthew Gallop to report in more detail on our business activities.

SCFSL is well positioned to meet the challenging economic conditions and although we expect some slower growth in the future, we are comfortable with our budget forecasts for the year ahead. Our cost to income ratio is constantly reviewed to ensure we are operating as efficiently as possible.

## Dividend

A fully franked dividend of 8 cents has been paid for the year to 30 June 2024.

## Community contributions

Community contributions for the year were \$390,000 (2023 \$810,257). The contribution of \$390,000 also included grant distributions from the Community Enterprise Foundation on account of SCFSL.

Since commencing Community Bank Sandringham in 2002, we have now contributed more than \$3,500,000 to the community through our Donations, Sponsorships, Grants and Dividends.

We are constantly reviewing where we place our community funds to ensure that we are supporting programs that will benefit the health and wellbeing of the community as well as assisting local sporting and special interest groups in the Sandringham, Hampton, Black Rock, and Beaumaris areas.

Details of our community contributions are shown separately in the Report.

## Strategy

With our increased and ongoing support for the local communities in Hampton, Sandringham, Black Rock and Beaumaris we are confident that our efforts will see increased business volumes flow to our bank.

## Directors and Staff

We are fortunate that SCFSL has good quality Directors and staff. The Directors bring a good and varied mix of skills and make valuable contributions to the Board and the various committees. I am indebted to their ongoing contribution and support.

We continually review our Board with a view to ensuring that we have a good succession plan in place with the appropriate skills for the future.

Our staff provide professional and personalised service of the highest standard and it is pleasing to receive many compliments about their service and knowledge when taking to our customers and community groups.

## Shareholders

Thank you for your continued support both as shareholders and customers. Many of you have been with us since our Community Bank commenced in 2002 and we look forward to your continued support over the future years.

A handwritten signature in black ink, appearing to read 'Graham M Ludecke', written over a light blue background.

**Graham M Ludecke**  
Chair

# Manager's report

For year ending 30 June 2024



The Community Bank Sandringham has been trading for 21 years and continues to be a well-respected and important part of our community.

We now have total branch footings of

\$373 million consisting of \$84 million in lending and \$289 million in deposits.

We continue to see our customer numbers grow as other banks close further branches and we now have over 6,200 customers with 9,400 accounts. A truly amazing result considering we opened the branch with no clients 21 years ago.

We are particularly pleased to provide our community with a further \$390,000 in grants and sponsorships during the year bringing our total return to our community (including dividends) of just over \$3.5 million.

The vision of the original steering committee and the community was to ensure banking services remained in Sandringham with the icing on the cake to provide funds to benefit our community. Our community contributions to date would indicate that that has been a great success.

We are proud to be involved with some wonderful causes and a brief outline of a couple of those great partnerships are:

Team Sports 4 All who helps socio-economically disadvantaged kids participate in a sport of interest—kids from the most marginalised parts of our community. They connect them with a local team, pay the registration fees, introducing them to the team manager and coach, provide them with equipment and uniforms, and then provide ongoing support to ensure they keep playing. While providing some funds to directly cover costs for some budding sports people, we also provided funds for their major Fundraising event “Helping-Hands” to cover costs for the night and ensuring money raised can be utilised to assist more kids.

Nagle Pre-School with our support they run a fantastic program called “Walk and Visit Intergenerational Program” where the 4-year-olds visit Regis Aged Care on a monthly basis where they engage and tell stories etc with both parties really benefiting from the interaction.

Hampton Rovers Girls Development Program. Football clubs have seen a sharp rise in female involvement for many years now but often not necessarily having programs and plans particularly for women. We were pleased to provide funding that saw a separate committee set up. Strategic plan devised and put in place with appropriate footballs purchased, skills programs and training development particularly for females.

The model provides some really exciting opportunities for our community, and I would welcome the opportunity to talk to you, your family and friends to see how we may assist you which in turn will provide increased benefits to our community. We offer a highly competitive full range of banking, lending, digital services and insurance products to meet your requirements.

We have a very knowledgeable and professional team and pleasingly have not seen any changes throughout the year providing great stability and strong relationships with our customers. We are very lucky indeed to have Brooke, Julie, Anna, Erin, Oxana and Sahara and are all a great support for the board, the customers and particularly myself.

I would like to thank the Board of Directors for their continued strong support and commercial knowledge. Always a great sounding board and are instrumental in the both the success of the branch but also in the strong staff morale we enjoy.

I wish to acknowledge my appreciation of the support of Bendigo and Adelaide Bank Limited, and particularly our Regional Manager Kristy Marshall.

With the support of the shareholders, customers, staff, Directors and our community partners we have built a successful community enterprise that has provided some real benefits for our community in the past and importantly into the future.

A handwritten signature in black ink, appearing to read 'Matthew Gallop'. The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

**Matthew Gallop**  
Branch Manager

# Bendigo and Adelaide Bank report

For year ending 30 June 2024

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

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

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

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

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

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

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

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

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

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

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

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

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

**Justine Minne**  
**Bendigo and Adelaide Bank**



# Community impact

**\$3,500,000 invested in the community since opening,  
50+ groups supported in 2023-24**

Our community impact: Making good things happen in our Community

## Village Zero & Sandringham Secondary College

This year we worked with the students in Year 9 at Sandringham Secondary College to plant a pollinator corridor as part of their Djeembana program. Djeembana is a Boon Wurrung word meaning a “place to gather for special occasions”.

The students helped design the garden, all plants were sourced from Reserve Rd Community Nursery and we had the expertise of local ecologist Luis Mata to guide our efforts.

Now we watch it grow and monitor who moves in!



## Bayley House

Community Bank Sandringham have supported Bayley House with many community projects and we were thrilled to support and be on the official run path for Anthony's 100km run as part of their March Challenge. Bayley House raised over \$15,000 from the challenge that will go towards supporting Bayley House to continue to provide exceptional services that actively support people living with a disability to realise and reach their goals and dreams. Congratulations to Anthony and to all those that joined the Bayley House March Challenge!



## Community impact (continued)

### Team Sports 4 All

Team Sports 4 All assists families who are experiencing financial and/or social hardship and as a result are unable to afford to have their children involved in community team sport. After meeting the family TS4A arranges the registration into the chosen sport and pays for the fees and uniform costs but more importantly gives ongoing support via our volunteers to encourage long term participation in sport.

In Bayside they currently assist children aged 5-18yrs and see first hand how community connection via team sport can improve young people and their families lives. The sports that the kids are playing include Football, Basketball, Scouts, Karate, Parkour, Jiu Jitsu, Netball, Dance, Soccer, Gymnastics and Taekwondo

Many were funded from a Community partnership with Community Bank Sandringham this year!



TEAMSPTS4ALL



### Part of the Team

#### Supporting Girls at Hampton Rovers

Our community partnership has created Hampton Rovers Junior Community Bank Sandringham Girls Football Development Program – yes it's a long name but it is going to do great things over the 3 years of the commitment we have created together.

- An aim to double participation of girls to over 200 and a focus on them benefiting with greater sporting skills, teamwork, and confidence over the three-year period.
- Families and communities benefiting from the development of strong, confident young women.
- Strong pathways available for young girls to then play Senior Women's football with the Hampton Rovers Seniors team.

It is already showing its success with a recent Come & Try day registering new team members for 2024! With Taylor Swift blaring from the speakers, girls were able to come and try the enriching and welcoming environment to sample the passion, learn the benefits of teamwork, interact with respect, and above all, have fun.

When you bank with us, our Bayside Community benefits.







### Part of the Team

#### Pitching Success for Beaumaris cricket kids

We were thrilled to receive this fantastic image of one of two new Flicx pitches purchased with our recent funding round. In a 2 year plan with Beaumaris Cricket Club they purchased 2 of this fantastic pitches that can be rolled out for games & training. We can't wait to see them in use when the new season starts!

*"We are so grateful for Community Bank Sandringham, for supporting us to purchase to Flicx pitches that can be used to grow junior boys and girls Cricket at Beaumaris. With the limited number of grounds available these pitches provide increased training opportunities and twin games happening on one large oval to create a carnival festival to enhance the experience for girls boys and families alike."*

Andrew Batty – Junior President



### Proud Community Partner

#### Sandringham Lions Club



We have worked together with Sandringham Lions Club over many years and many worthy community projects.

Matthew Gallop visited Souper Bistro - Kosher Cafe/Restaurant Melbourne to accept a certificate of appreciation from CEO and Founder of Souper Sarah Bendetsky for a recent grant that allowed them to purchase packing bags to support their hunger program that feeds 137 families each fortnight. Sandringham Lions Club (Lee Murray pictured) applied for the grant and thanked Matthew and his team for supporting one of our key focus's food insecurities in our community. We were thrilled to have the opportunity to see how the Souper Bistro helps support families in need.



# Directors' report

For the financial year ended 30 June 2024

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

## Board of Directors

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

### Graham Manson Ludecke OAM

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Title:	Chair, Member Audit and Risk Committee, Member of Remuneration and Nomination Committee
Qualifications:	SF Fin MAICD
Experience & Expertise:	Retired Banker. Held senior banking positions with the National Australia Bank including international postings in Europe and the USA. Currently, President, Black Rock Sports Auxiliary Inc. Life Governor, Sandringham Hospital 1981. Past Directorships include Bentleigh Bayside Community Health/Connect Health.CRAA, Data Advantage Ltd, Southern Family Life, NGV Foundation, Sandringham Hospital, Australian Banking Industry Ombudsman Ltd. Past member of Alfred Health, Community Advisory Committee and Southern Health, Community Advisory Committee.

### Michael John Davies

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Title:	Deputy Chair, Chair Audit and Risk Committee
Qualifications:	FAIM, AMAMI
Experience & Expertise:	Formerly Group President and Director of ITW Australia, Asia Pacific and subsidiary companies. Director of Victoria Carpet Company Pty Ltd, Quest Pty Ltd, HGS Pty Ltd and Sutton Tools Pty Ltd.

### Glen Hay Kruger

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\* resigned from the Board November 2023

Title:	Director, Member of Marketing and Community Engagement Committee
Qualifications:	MBA
Experience & Expertise:	20 years experience at senior management level in the not-for-profit area, currently Executive Director of Aries Technology Australia Pty Ltd.

### Amanda May Smyth

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Title:	Director, Member of Marketing and Community Engagement Committee
Qualifications:	B.Com Economics
Experience & Expertise:	15 years experience both in Australia (David Jones, Big W) and the UK (Austin Reed, Cath Kidston) in Retail Buying. Strong community focus through primary school Parents Associations and Kindergarten Committees.

## Directors' report (continued)

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### Board of Directors (continued)

#### Caitlin Elizabeth Eves

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Title: Director, Chair Marketing and Community Engagement Committee

Qualifications: B.Com (Management & Marketing)

Experience & Expertise: Over 15 years experience in Marketing, communications and strategy in global and multinational companies as well as direct consulting for small to medium businesses in financial and other sectors. Also currently Director of Strategy and customer service at FM Group Pty Ltd.

#### Ian Richard Siebert

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Title: Director, Chair Remuneration and Nomination Committee

Qualifications: B Ec, Dip Tert ed, MBA

Experience & Expertise: 10 years experience as a manager and 30 years as a management consultant and Higher Education Leader, Facilitator and Coach.

#### Hilda Lourdes

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Title: Director, Treasurer, Member of Audit and Risk Committee

Qualifications: CPA (Certified Public Accountant), MBA and degree in Finance

Experience & Expertise: 20 years experience with Accounting, Compliance, Risk and business management.

#### Marlene Snow

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Title: Director, Company Secretary, Member of Marketing and Community Engagement Committee, Member of Remuneration and Nomination Committee

Qualifications: Graduate of the Australian Institute of Company Directors Course (AICD), MBA and Bachelor of Business

Experience & Expertise: 14 years within Banking, Superannuation and Financial Services

#### Leigh Petschel

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\* appointed to the Board January 2024

Title: Director, Chair of Audit & Risk Committee

Qualifications: Bachelor of Commerce (University of Melbourne), Chartered Accountant (CAANZ), Graduate of the Australian Institute of Company Directors Course (AICD)

Experience & Expertise: Experienced executive has worked in Australia, the United Kingdom, the United States and Canada. Currently the Chief Financial Officer of the Port of Melbourne (since November 2023). Previously the Chief Financial Officer of Monash University and held General Manager and Vice President roles with Transurban in Australia and North America. Currently a Director and honorary Treasurer of the Climate Council Australia

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

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

## Directors' report (continued)

### Directors' Meetings

Attendances by each Director during the year were as follows:

Director	Board Meetings		Audit and Risk Committee		Community and Marketing Committee		Remuneration and Nomination Committee	
	A	B	A	B	A	B	A	B
Graham Manson Ludecke OAM	9	9	3	3	-	-	2	2
Michael John Davies	9	8	3	3	2	2	-	-
Glen Hay Kruger	4	3	-	-	4	4	-	-
Amanda May Smyth	9	8	-	-	7	7	-	-
Caitlin Elizabeth Eves	9	8	-	-	7	7	-	-
Ian Richard Siebert	9	8	-	-	-	-	2	2
Hilda Lourdes	9	6	3	3	-	-	-	-
Marlene Snow	9	9	-	-	7	6	2	2
Leigh Petschel	5	5	3	3	-	-	-	-

A - The number of meetings eligible to attend.

B - The number of meetings attended.

-- Not a member of that committee.

### Company Secretary

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

#### Marlene Snow

Qualifications: Graduate of the Australian Institute of Company Directors Course (AICD), MBA and Bachelor of Business

Experience & Expertise: 14 years within Banking, Superannuation and Financial Services

### Principal Activities

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

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

### Operating Results

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

	30 June 2024 (\$)	30 June 2023 (\$)	Movement
Profit After Tax	898,022	778,500	15%

### 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.



## Directors' report (continued)

### Director's Interests

Director	Fully Paid Ordinary Shares		
	Balance at 1 July 2023	Changes During the Year	Balance at 30 June 2024
Graham Manson Ludecke OAM	9,500	-	9,500
Michael John Davies	1,000	-	1,000
Glen Hay Kruger	-	-	-
Amanda May Smyth	-	500	500
Caitlin Elizabeth Eves	5,000	-	5,000
Ian Richard Siebert	1,000	-	1,000
Hilda Lourdes	3,000	-	3,000
Marlene Snow	-	-	-
Leigh Petschel	-	-	-

### Dividends

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

	Cents per Share	Total Amount (\$)
Final fully franked dividend	8.00	\$48,800

### Options

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

### Significant Changes in the State of Affairs

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

### Events Since the end of the Financial Year

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

### Likely Developments

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

### Environmental Regulations

The company is not subject to any significant environmental regulation.

## Directors' report (continued)

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### Indemnification & Insurance of Directors & Officers

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

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The company has not provided any insurance for an auditor of the company or a related body corporate.

### Proceedings on Behalf of the Company

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

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

### Non-audit Services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (RSD Audit) for audit and non-audit services provided during the year are set out in Note 29 to the accounts.

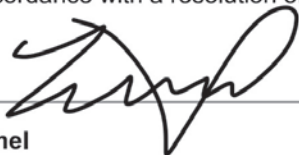
The Board of Directors has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of the non-audit services is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

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

### Auditor's Independence Declaration

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

Signed in accordance with a resolution of the Board of Directors at Sandringham, Victoria.



**Leigh Petschel**  
Director

Dated this 26th day of September, 2024

# Auditor's independence declaration



41A Breen Street  
Bendigo, Victoria  
PO Box 448, Bendigo, VIC, 3552

Ph: (03) 4435 3550  
admin@rsdaudit.com.au  
www.rsdaudit.com.au

## **Auditors Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors of Sandringham 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 Sandringham Community Financial Limited. As the lead audit partner for the audit of the financial report for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

**RSD Audit**

A handwritten signature in black ink, appearing to read 'Mahesh Silva', is written over a horizontal line.

**Mahesh Silva**  
**Principal**  
41A Breen Street  
Bendigo VIC 3550

**Dated:** 30 September 2024

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



# Financial statements

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

	Note	2024 \$	2023 \$
<b>Revenue</b>			
Revenue from contracts with customers	7	2,543,822	2,819,505
Other revenue	8	536	480
Finance income	9	6,593	347
		<b>2,550,951</b>	<b>2,820,332</b>
<b>Expenses</b>			
Employee benefits expense	10	(652,963)	(543,941)
Depreciation and amortisation	10	(188,940)	(142,174)
Finance costs	10	(24,186)	(36,380)
Administration and general costs		(515)	(1,616)
Occupancy expenses		(50,988)	(56,767)
IT expenses		(36,304)	(44,839)
ATM expenses		(6,432)	(7,717)
Other expenses		(67,997)	(77,525)
Rates		(2,947)	(56,877)
Insurance expense		(12,679)	(21,531)
Directors fees		(30,676)	(26,375)
		<b>(1,074,627)</b>	<b>(1,015,742)</b>
<b>Operating profit before charitable donations and sponsorship</b>		<b>1,476,324</b>	<b>1,804,590</b>
Charitable donations and sponsorship	10	(222,493)	(810,257)
<b>Profit before income tax</b>		<b>1,253,831</b>	<b>994,333</b>
Income tax expense	11	(355,809)	(215,833)
<b>Profit for the year after income tax</b>		<b>898,022</b>	<b>778,500</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>898,022</b>	<b>778,500</b>
Profit attributable to the ordinary shareholders of the company		898,022	778,500
<b>Total comprehensive income attributable to ordinary shareholders of the company</b>		<b>898,022</b>	<b>778,500</b>
<b>Earnings per share</b>			
- basic and diluted earnings per share	31	147.21	127.62

The accompanying notes form part of these financial statements

## Financial statements (continued)

### Statement of Financial Position As at 30 June 2024

	Note	2024 \$	2023 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	12	1,023,089	497,933
Trade and other receivables	13	230,995	274,248
Financial assets	14	651,783	45,963
Other assets	15	11,908	1,306
<b>Total current assets</b>		<b>1,917,775</b>	<b>819,450</b>
<b>Non-current assets</b>			
Property, plant and equipment	16	197,985	4,528
Right-of-use assets	17	482,446	361,835
Intangible assets	18	842,036	920,618
Deferred tax assets	19	32,962	48,608
<b>Total non-current assets</b>		<b>1,555,429</b>	<b>1,335,589</b>
<b>Total assets</b>		<b>3,473,204</b>	<b>2,155,039</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	20	84,780	29,034
Current tax liability	19	556,114	215,951
Borrowings	21	(427)	22,790
Lease liabilities	22	53,448	58,426
Employee benefits	23	122,075	121,534
<b>Total current liabilities</b>		<b>815,990</b>	<b>447,735</b>
<b>Non-current liabilities</b>			
Trade and other payables	20	28,928	43,392
Lease liabilities	22	449,640	335,321
Employee benefits	23	1,040	207
<b>Total non-current liabilities</b>		<b>479,608</b>	<b>378,920</b>
<b>Total liabilities</b>		<b>1,295,598</b>	<b>826,655</b>
<b>Net assets</b>		<b>2,177,606</b>	<b>1,328,384</b>
<b>Equity</b>			
Issued capital	24	518,507	518,507
Retained earnings	25	1,659,099	809,877
<b>Total equity</b>		<b>2,177,606</b>	<b>1,328,384</b>

The accompanying notes form part of these financial statements

## Financial statements (continued)

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

	Note	Issued capital \$	Retained earnings \$	Reserves \$	Total equity \$
<b>Balance at 1 July 2022</b>		<b>518,507</b>	<b>67,977</b>	-	<b>586,484</b>
<i>Comprehensive income for the year</i>					
Profit for the year		-	778,500	-	778,500
<i>Transactions with owners in their capacity as owners</i>					
Dividends paid or provided	30	-	(36,600)	-	(36,600)
<b>Balance at 30 June 2023</b>		<b>518,507</b>	<b>809,877</b>	-	<b>1,328,384</b>
<b>Balance at 1 July 2023</b>		<b>518,507</b>	<b>809,877</b>	-	<b>1,328,384</b>
<i>Comprehensive income for the year</i>					
Profit for the year		-	898,022	-	898,022
<i>Transactions with owners in their capacity as owners</i>					
Dividends paid or provided	30	-	(48,800)	-	(48,800)
<b>Balance at 30 June 2024</b>		<b>518,507</b>	<b>1,659,099</b>	-	<b>2,177,606</b>

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 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		2,587,075	2,708,697
Payments to suppliers and employees		(1,037,476)	(1,694,507)
Dividends received		536	480
Interest paid		(24,186)	(36,380)
Interest received		6,593	341
<b>Net cash flows provided by operating activities</b>	<b>26b</b>	<b>1,532,542</b>	<b>978,631</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(243,344)	-
Purchase of investments		(605,820)	143,184
Purchase of intangible assets		(14,464)	(28,928)
<b>Net cash flows from/(used in) investing activities</b>		<b>(863,628)</b>	<b>114,256</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		(23,217)	-
Repayment of borrowings		-	(574,882)
Repayment of lease liabilities		(71,741)	(58,671)
Dividends paid		(48,800)	(36,600)
<b>Net cash flows used in financing activities</b>		<b>(143,758)</b>	<b>(670,153)</b>
<b>Net increase in cash held</b>		<b>525,156</b>	<b>422,734</b>
Cash and cash equivalents at beginning of financial year		497,933	75,199
<b>Cash and cash equivalents at end of financial year</b>	<b>26a</b>	<b>1,023,089</b>	<b>497,933</b>

The accompanying notes form part of these financial statements

# Notes to the financial statements

For the year ended 30 June 2024

## Note 1. Corporate Information

These financial statements and notes represent those of Sandringham Community Financial Services Ltd (the Company) as an individual entity. Sandringham Community Financial Services Ltd is a company limited by shares, incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on 25th September 2024.

Further information on the nature of the operations and principal activity of the company is provided in the directors' report. Information on the company's related party relationships is provided in Note 22.

## Note 2. Basis of Preparation

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

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

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

## Note 3. Summary of Significant Accounting Policies

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

### (a) Economic Dependency

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

Sandringham Community Bank

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

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

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

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

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

## Notes to the financial statements (continued)

### Note 3. Summary of Significant Accounting Policies (continued)

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

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

#### (b) Revenue From Contracts With Customers

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

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

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

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

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

#### Revenue Calculation

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

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

#### Margin

Margin is arrived at through the following calculation:

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

*plus*

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

*minus*

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

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

#### Commission

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

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

## Notes to the financial statements (continued)

### Note 3. Summary of Significant Accounting Policies (continued)

#### (b) Revenue From Contracts With Customers (continued)

##### *Fee Income*

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

##### *Core Banking Products*

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

##### *Ability to Change Financial Return*

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

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

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

#### (c) Other Revenue

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

Revenue	Revenue Recognition Policy
Discretionary financial contributions (also "Market Development Fund" or "MDF" income)	MDF income is recognised when the right to receive the payment is established. MDF income is discretionary and provided and receivable at month-end and paid within 14 days after month-end.
Other income	All other revenues that did not contain contracts with customers are recognised as goods and services are provided.

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

##### *Discretionary Financial Contributions*

In addition to margin, commission and fee income, and separate from the franchise agreement, Bendigo Bank has also made MDF payments to the company.

The amount has been based on the volume of business attributed to a branch. The purpose of the discretionary payments is to assist with local market development activities, including community sponsorships and grants. It is for the board to decide how to use the MDF.

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

#### (d) Employee Benefits

##### *Short-term Employee Benefits*

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

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

## Notes to the financial statements (continued)

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### Note 3. Summary of Significant Accounting Policies (continued)

#### (d) Employee Benefits (continued)

##### *Other Long-term Employee Benefits*

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

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

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

#### (e) Tax

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

##### *Current Income Tax*

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

##### *Deferred Tax*

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

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

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

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

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

##### *Goods & Services Tax*

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

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

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

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

#### (f) Cash & Cash Equivalents

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



## Notes to the financial statements (continued)

### Note 3. Summary of Significant Accounting Policies (continued)

#### (g) Property, Plant & Equipment

##### *Recognition & Measurement*

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

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

##### *Subsequent Expenditure*

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

##### *Depreciation*

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

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

Asset Class	Method	Useful Life
Leasehold improvements	Diminishing value	5 years
Furniture & Fittings	Diminishing value	3 - 20 years
Motor vehicles	Diminishing value	5 years

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

#### (h) Intangible Assets

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

##### *Recognition & Measurement*

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

##### *Subsequent Expenditure*

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

##### *Amortisation*

Intangible assets are amortised over their useful life and assessed for impairment whenever impairment indicators are present.

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

Asset Class	Method	Useful Life
Goodwill	Straight line	15 years
Franchise fee	Straight line	Franchise term (5 years)

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

#### (i) Financial Instruments

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

## Notes to the financial statements (continued)

### Note 3. Summary of Significant Accounting Policies (continued)

#### (i) Financial Instruments (continued)

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

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

#### *Recognition & Initial Measurement*

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

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

#### *Classification & Subsequent Measurement*

##### Financial Assets

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

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

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

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

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

##### Financial Assets - Business Model Assessment

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

##### Financial Assets - Subsequent Measurement, Gains & Losses

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

##### Financial Liabilities - Classification, Subsequent Measurement, Gains & Losses

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

## Notes to the financial statements (continued)

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### Note 3. Summary of Significant Accounting Policies (continued)

#### (i) Financial Instruments (continued)

##### *Derecognition*

##### Financial Assets

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

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

##### Financial Liabilities

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

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

##### *Offsetting*

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

#### (j) Impairment

##### *Non-derivative Financial Instruments*

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

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

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

##### *Recognition of ECL in Financial Statements*

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

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

##### *Non-financial Assets*

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

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

#### (k) Issued Capital

##### *Ordinary Shares*

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

## Notes to the financial statements (continued)

### Note 3. Summary of Significant Accounting Policies (continued)

#### (l) Leases

##### *As Lessee*

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

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

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

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

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

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

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

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

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

##### *Short-term Leases & Leases of Low-value Assets*

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

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

##### *As Lessor*

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

#### (m) Standards Issued But Not Yet Effective

There are no new standards effective for annual reporting periods beginning after 1 January 2024 that are expected to have a significant impact on the company's financial statements.

## Notes to the financial statements (continued)

### Note 4. Significant Accounting Judgements, Estimates & Assumptions

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

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

#### (a) Judgements

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

Note	Judgement
Note 7 - Revenue	Whether revenue is recognised over time or at a point in time
Note 22 - Leases:	
(a) Control	Whether a contract is or contains a lease at inception by assessing whether the company has the right to direct the use of the identified asset and obtain substantially all the economic benefits from the use of that asset
(b) Lease term	Whether the company is reasonably certain to exercise extension options, termination periods, and purchase options
(c) Discount rates	Judgement is required to determine the discount rate, where the discount rate is the company's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. The incremental borrowing rate is determined with reference to factors specific to the company and underlying asset including: <ul style="list-style-type: none"><li>· the amount</li><li>· the lease term</li><li>· economic environment</li><li>· any other relevant factors</li></ul>

#### (b) Assumptions & Estimation Uncertainty

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

Note	Assumption
Note 19 - Recognition of deferred tax assets	Availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilised
Note 16 - Estimation of asset useful lives	Key assumptions on historical experience and the condition of the asset
Note 23 - Long service leave provision	Key assumptions on attrition rate of staff and expected pay increases through promotion and inflation

### Note 5. Financial Risk Management

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

- credit risk
- liquidity risk
- market risk

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

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



## Notes to the financial statements (continued)

### Note 5. Financial Risk Management (continued)

#### (a) Credit Risk

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

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

#### (b) Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

30 June 2024	Contractual Cash Flows			
Non-derivative Financial Liability	Carrying Amount	< 12 Months	1 - 5 Years	> 5 Years
Lease liabilities	503,088	75,000	300,000	225,000

#### (c) Market Risk

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

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

##### Price Risk

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

##### Cash Flow & Fair Values Interest Rate Risk

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

The company held cash and cash equivalents of \$1,023,089 at 30 June 2024 (2023: \$497,933). The cash and cash equivalents are held with Bendigo & Adelaide Bank, which are rated BBB on Standard & Poor's credit ratings.

### Note 6. Capital Management

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

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

The distribution limit is the greater of:

- 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.

## Notes to the financial statements (continued)

### Note 7. Revenue From Contracts With Customers

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

	2024 \$	2023 \$
<b>Revenue</b>		
- Revenue from contracts with customers	2,543,822	2,819,505
	<b>2,543,822</b>	<b>2,819,505</b>
<i>Disaggregation of Revenue From Contracts With Customers</i>		
- Margin income	2,334,803	2,624,646
- Fee income	86,836	80,668
- Commission income	122,183	114,191
	<b>2,543,822</b>	<b>2,819,505</b>

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

### Note 8. Other Revenue

The company generates other sources of revenue as outlined below.

	2024 \$	2023 \$
<b>Other Revenue</b>		
- Dividends	536	480
	<b>536</b>	<b>480</b>

### Note 9. Finance Income

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

Term deposits which can be readily converted to a known amount of cash and subject to an insignificant risk of change may qualify as a cash equivalent.

	2024 \$	2023 \$
<b>Finance Income</b>		
<i>At amortised cost:</i>		
- Interest from term deposits	6,593	347
	<b>6,593</b>	<b>347</b>

## Notes to the financial statements (continued)

### Note 10. Expenses

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

#### (a) Employee Benefits Expense

	2024 \$	2023 \$
<i>Employee Benefits Expense</i>		
- Wages & salaries	532,915	435,280
- Superannuation costs	66,285	55,782
- Other expenses related to employees	53,763	52,879
	<b>652,963</b>	<b>543,941</b>

#### (b) Depreciation & Amortisation Expense

	2024 \$	2023 \$
<i>Depreciation of Non-current Assets</i>		
- leasehold improvements	37,905	-
- furniture and fittings	1,218	3,600
- motor vehicles	10,764	-
	<b>49,887</b>	<b>3,600</b>
<i>Depreciation of Right-of-use Assets</i>		
- leased buildings	60,471	60,306
	<b>60,471</b>	<b>60,306</b>
<i>Amortisation of Intangible Assets</i>		
- franchise fees	14,464	14,150
- goodwill	64,118	64,118
	<b>78,582</b>	<b>78,268</b>
<b>Total depreciation &amp; amortisation expense</b>	<b>188,940</b>	<b>142,174</b>

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

#### (c) Finance Costs

	2024 \$	2023 \$
<i>Finance Costs</i>		
- Interest paid	24,186	36,380
	<b>24,186</b>	<b>36,380</b>

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

## Notes to the financial statements (continued)

### Note 10. Expenses (continued)

#### (d) Community Investments & Sponsorship

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

	2024 \$	2023 \$
<i>Community Investments &amp; Sponsorship</i>		
- Direct sponsorship and grant payments	220,871	178,678
- Contribution to the Community Enterprise Foundation™	1,622	631,579
	<b>222,493</b>	<b>810,257</b>

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.

#### (e) Community Enterprise Foundation™ Contributions

During the financial year the company contributed funds to the CEF, the philanthropic arm of the Bendigo Bank. These contributions paid in form part of community investments and sponsorship expenditure included in profit or loss.

	2024 \$	2023 \$
<i>Disaggregation of CEF Funds</i>		
Opening balance	685,864	94,182
Contributions paid	-	694,737
Grants paid out	(145,780)	(12,100)
Interest received	30,959	2,680
GST	13,253	(62,058)
Management fees incurred	(4)	(31,577)
<b>Balance available for distribution</b>	<b>584,292</b>	<b>685,864</b>

### Note 11. Income Tax Expense

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

#### (a) The Components of Tax Expense

	2024 \$	2023 \$
Current tax expense	340,163	246,623
Deferred tax expense	15,646	18,506
Recoupment of prior year tax losses	-	(27,889)
Under / (over) provision of prior years	-	(21,407)
	<b>355,809</b>	<b>215,833</b>

## Notes to the financial statements (continued)

### Note 11. Income Tax Expense (continued)

#### (b) Prima Facie Tax Payable

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

	2024 \$	2023 \$
Prima facie tax on profit before income tax at 25% (2023: 25%)	313,458	248,584
<i>Add Tax Effect Of:</i>		
- Under/over provision in respect to prior year	-	(21,407)
- Movement in deferred tax	15,646	18,506
- Temporary differences	10,675	(1,959)
- Adjustment to account for tax losses	-	(27,889)
- Non-deductible expenses	16,030	-
<b>Income tax attributable to the entity</b>	<b>355,809</b>	<b>215,835</b>
 The applicable weighted average effective tax rate is:	 28.38%	 21.71%

### Note 12. Cash & Cash Equivalents

	2024 \$	2023 \$
Cash at bank and on hand	1,023,089	497,933
	<b>1,023,089</b>	<b>497,933</b>

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

### Note 13. Trade & Other Receivables

	2024 \$	2023 \$
<b>Current</b>		
Trade receivables	230,995	274,248
	<b>230,995</b>	<b>274,248</b>

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

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



## Notes to the financial statements (continued)

### Note 14. Financial Assets

	2024 \$	2023 \$
<i>At Amortised Cost</i>		
Term deposits	643,937	38,117
<i>At FVTPL</i>		
Listed investments	7,846	7,846
	<b>651,783</b>	<b>45,963</b>

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

### Note 15. Other Assets

	2024 \$	2023 \$
Prepayments	11,908	1,306
	<b>11,908</b>	<b>1,306</b>

Other assets represent items that will provide the entity with future economic benefits controlled by the entity as a result of past transactions or other past events.

### Note 16. Property, Plant & Equipment

#### (a) Carrying Amounts

	2024 \$			2023 \$		
	At Cost	Accumulated Depreciation	Written Down Value	At Cost	Accumulated Depreciation	Written Down Value
Leasehold improvements	189,526	(37,905)	151,621	-	-	-
Furniture & fittings	215,121	(211,811)	3,310	215,121	(210,593)	4,528
Motor vehicles	53,818	(10,764)	43,054	-	-	-
	<b>458,465</b>	<b>(260,480)</b>	<b>197,985</b>	<b>215,121</b>	<b>(210,593)</b>	<b>4,528</b>

#### (b) Movements in Carrying Amounts

	Leasehold Imp. \$	Furniture & Fittings \$	Motor Vehicles \$	Total
2024				
Opening carrying value	-	4,528	-	4,528
Additions	189,526	-	53,818	243,344
Disposals	-	-	-	-
Depreciation expense	(37,905)	(1,218)	(10,764)	(49,887)
<b>Closing carrying value</b>	<b>151,621</b>	<b>3,310</b>	<b>43,054</b>	<b>197,985</b>

## Notes to the financial statements (continued)

### Note 16. Property, Plant & Equipment (continued)

2023	Leasehold Imp. \$	Furniture & Fittings \$	Motor Vehicles \$	Total
Opening carrying value	-	8,128	-	8,128
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation expense	-	(3,600)	-	(3,600)
<b>Closing carrying value</b>	<b>-</b>	<b>4,528</b>	<b>-</b>	<b>4,528</b>

#### (c) Capital Expenditure Commitments

The entity does not have any capital expenditure commitments as at 30 June 2024 (2023: None).

#### (d) Changes in Estimates

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

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

### Note 17. Right-of-use Assets

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

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

The company's lease portfolio includes buildings.

#### Options to Extend or Terminate

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

#### AASB 16 Amounts Recognised in the Statement of Financial Position

	2024		2023	
	Leased Buildings \$	Total ROU Asset \$	Leased Buildings \$	Total ROU Asset \$
Leased asset	603,058	603,058	603,058	603,058
Depreciation	(120,612)	(120,612)	(241,223)	(241,223)
	<b>482,446</b>	<b>482,446</b>	<b>361,835</b>	<b>361,835</b>

Movements in carrying amounts:

	Leased Buildings \$	Total ROU Asset \$
Opening carrying value	361,835	361,835
- Previously classified as operating leases	-	-
- Transferred from property, plant & equipment	-	-
Revaluation	181,082	181,082
Depreciation expense	(60,471)	(60,471)
<b>Net carrying amount</b>	<b>482,446</b>	<b>482,446</b>

## Notes to the financial statements (continued)

### Note 17. Right-of-use Assets (continued)

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

	2024 \$	2023 \$
Depreciation expense related to right-of-use assets	60,471	60,306

### Note 18. Intangible Assets

#### (a) Carrying Amounts

	2024			2023		
	At Cost / Valuation	Accumulated Amortisation	Written Down Value	At Cost / Valuation	Accumulated Amortisation	Written Down Value
Franchise fee	72,320	(26,413)	45,907	72,320	(11,949)	60,371
Goodwill	961,767	(165,638)	796,129	961,767	(101,520)	860,247
	<b>1,034,087</b>	<b>(192,051)</b>	<b>842,036</b>	<b>1,034,087</b>	<b>(113,469)</b>	<b>920,618</b>

#### (b) Movements in Carrying Amounts

2024	Franchise Fee \$	Goodwill \$
Opening carrying value	60,371	860,247
Amortisation expense	(14,464)	(64,118)
<b>Closing carrying value</b>	<b>45,907</b>	<b>796,129</b>

2023	Franchise Fee \$	Goodwill \$
Opening carrying value	2,201	924,365
Additions	72,320	-
Disposals	-	-
Amortisation expense	(14,150)	(64,118)
<b>Closing carrying value</b>	<b>60,371</b>	<b>860,247</b>

### Note 19. Tax Assets & Liabilities

#### (a) Current Tax

	2024 \$	2023 \$
Income tax payable	556,114	215,951

## Notes to the financial statements (continued)

### Note 19. Tax Assets & Liabilities (continued)

#### (b) Deferred Tax

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

	30 June 2023 \$	Recognised in P & L \$	Recognised in Equity \$	30 June 2024 \$
<i>Deferred Tax Assets</i>				
- Expense accruals	-	-	-	-
- Undeducted donations	10,573	(10,573)	-	-
- Right of use assets	7,978	(2,817)	-	5,161
- Employee provisions	30,384	394	-	30,778
<b>Total deferred tax assets</b>	<b>48,935</b>	<b>(12,996)</b>	<b>-</b>	<b>35,939</b>
<i>Deferred Tax Liabilities</i>				
- Prepayment	(327)	(2,650)	-	(2,977)
<b>Total deferred tax liabilities</b>	<b>(327)</b>	<b>(2,650)</b>	<b>-</b>	<b>(2,977)</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>48,608</b>	<b>(15,646)</b>	<b>-</b>	<b>32,962</b>

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

	30 June 2022 \$	Recognised in P & L \$	Recognised in Equity \$	30 June 2023 \$
<i>Deferred Tax Assets</i>				
- Expense accruals	990	(990)	-	-
- Undeducted donations	22,607	(12,034)	-	10,573
- Right of use assets	7,569	409	-	7,978
- Employee provisions	26,541	3,843	-	30,384
<b>Total deferred tax assets</b>	<b>57,707</b>	<b>(8,772)</b>	<b>-</b>	<b>48,935</b>
<i>Deferred Tax Liabilities</i>				
- Prepayment	(6,434)	6,107	-	(327)
<b>Total deferred tax liabilities</b>	<b>(6,434)</b>	<b>6,107</b>	<b>-</b>	<b>(327)</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>51,273</b>	<b>(2,665)</b>	<b>-</b>	<b>48,608</b>

### Note 20. Trade & Other Payables

	2024 \$	2023 \$
<b>Current</b>		
Trade creditors	54,802	41,239
Franchise fees payable	14,464	14,464
GST payable/(receivable)	15,514	(26,669)
	<b>84,780</b>	<b>29,034</b>
<b>Non-Current</b>		
Franchise fees payable	28,928	43,392
	<b>28,928</b>	<b>43,392</b>

## Notes to the financial statements (continued)

### Note 20. Trade & Other Payables (continued)

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

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

### Note 21. Borrowings

	2024 \$	2023 \$
<b>Current</b>		
<i>Secured Liabilities</i>		
Bank loan	(427)	22,790
<b>Total borrowings</b>	<b>(427)</b>	<b>22,790</b>

#### Loans

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

The company has a mortgage loan which is subject to normal terms and conditions. The current interest rate is 3.585%. This loan has been created to fund the purchase of the Beaumaris CFSL books and is secured by Sandringham CFSL's property.

### Note 22. Lease Liabilities

Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate on the adoption date. The discount rate used on recognition was 4.5%.

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

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

#### (a) Lease Portfolio

The company's lease portfolio includes:

Lease	Details
Sandringham Branch	The lease agreement is a non-cancellable lease with an initial term of 13 years which commenced in July 2019. There has been a variation to the lease from 1 July 2022 which has a term of 5 years and one further 5 years extension available.

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



## Notes to the financial statements (continued)

### Note 22. Lease Liabilities (continued)

#### (b) Lease Liabilities

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

	2024 \$	2023 \$
Current	53,448	58,426
Non-current	449,640	335,321

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

	Minimum lease payments due				Total
	< 1 Year	1 - 2 Years	3 - 5 Years	> 5 years	
<b>30 June 2024</b>					
Lease payments	75,000	75,000	225,000	225,000	600,000
Finance charges	(21,442)	(19,097)	(41,443)	(14,930)	(96,912)
<b>Net present values</b>	<b>53,558</b>	<b>55,903</b>	<b>183,557</b>	<b>210,070</b>	<b>503,088</b>
<b>30 June 2023</b>					
Lease payments	75,000	75,000	225,000	75,000	450,000
Finance charges	(16,574)	(13,845)	(24,169)	(1,809)	(56,397)
<b>Net present values</b>	<b>58,426</b>	<b>61,155</b>	<b>200,831</b>	<b>73,191</b>	<b>393,603</b>

Total cash outflows for leases for the year ended 30 June 2024 was \$75,000 (2023: \$75,000).

### Note 23. Employee Benefits

	2024 \$	2023 \$
<b>Current</b>		
Provision for annual leave	33,894	41,067
Provision for long service leave	88,181	80,467
	<b>122,075</b>	<b>121,534</b>
<b>Non-Current</b>		
Provision for long service leave	1,040	207
	<b>1,040</b>	<b>207</b>

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

#### Employee Attrition Rates

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

## Notes to the financial statements (continued)

### Note 24. Issued Capital

#### (a) Issued Capital

	2024		2023	
	Number	\$	Number	\$
Ordinary shares - fully paid	610,008	518,507	610,008	518,507
Less: equity raising costs	-	-	-	-
	<b>610,008</b>	<b>518,507</b>	<b>610,008</b>	<b>518,507</b>

Ordinary shares are classified as equity.

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

#### (b) Movements in share capital

	2024	2023
	\$	\$
Fully paid ordinary shares:		
At the beginning of the reporting period	518,507	518,507
<b>At the end of the reporting period</b>	<b>518,507</b>	<b>518,507</b>

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

### Note 25. Retained Earnings

	Note	2024	2023
		\$	\$
Balance at the beginning of the reporting period		809,877	67,977
Profit for the year after income tax		898,022	778,500
Dividends paid	30	(48,800)	(36,600)
<b>Balance at the end of the reporting period</b>		<b>1,659,099</b>	<b>809,877</b>

### Note 26. Cash Flow Information

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

	Note	2024	2023
		\$	\$
Cash and cash equivalents	12	1,023,089	497,933
<b>As per the Statement of Cash Flows</b>		<b>1,023,089</b>	<b>497,933</b>

## Notes to the financial statements (continued)

### Note 26. Cash Flow Information (continued)

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

	2024 \$	2023 \$
Profit for the year after income tax	898,022	778,500
<i>Non-cash flows in profit</i>		
- Depreciation	110,358	63,906
- Amortisation	78,582	78,268
<i>Changes in assets and liabilities</i>		
- (Increase) / decrease in trade and other receivables	43,253	(110,808)
- (Increase) / decrease in prepayments and other assets	(10,602)	24,430
- (Increase) / decrease in deferred tax asset	15,646	2,665
- Increase / (decrease) in trade and other payables	55,746	(87,075)
- Increase / (decrease) in current tax liability	340,163	213,168
- Increase / (decrease) in provisions	1,374	15,577
<b>Net cash flows from operating activities</b>	<b>1,532,542</b>	<b>978,631</b>

### Note 27. Financial Instruments

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

	Note	2024 \$	2023 \$
<b>Financial Assets</b>			
Trade and other receivables	13	230,995	274,248
Cash and cash equivalents	12	1,023,089	497,933
Term deposits	14	643,937	38,117
		<b>1,898,021</b>	<b>810,298</b>
<b>Financial Liabilities</b>			
Trade and other payables	20	113,708	72,426
Borrowings	21	(427)	22,790
Lease liabilities	22	503,088	393,747
		<b>616,369</b>	<b>488,963</b>

### Note 28. Related Parties

#### (a) Key Management Personnel

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

#### (b) Key Management Personnel Compensation

No Director of the company receives remuneration for services as a company director or committee member. These positions are held on a voluntary basis.

## Notes to the financial statements (continued)

### Note 28. Related Parties (continued)

#### (c) Other Related Parties

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

#### (d) Transactions With Key Management Personnel & Related Parties

During the year, the company purchased goods and services under normal terms and conditions, from related parties as follows:

Name of Related Party	Description of Goods or Services Provided	Value \$
Gallop Services	Cleaning services	7,800
Alalo Pty Ltd	Accounting services	10,033

#### (e) Key Management Personnel Shareholdings

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

#### (f) Other Key Management Transactions

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

### Note 29. Auditor's Remuneration

The appointed auditor of Sandringham Community Financial Services Ltd for the year ended 30 June 2023 is RSD Audit. Amounts paid or due and payable to the auditor are outlined below.

	2024 \$	2023 \$
<i>Audit &amp; Review Services</i>		
Audit and review of financial statements (RSD Audit)	6,200	5,750
	<b>6,200</b>	<b>5,750</b>
<i>Non-Audit Services</i>		
Preparation of the financial statements	2,500	1,800
Other non-audit services	1,800	2,240
	<b>4,300</b>	<b>4,040</b>
<b>Total auditor's remuneration</b>	<b>10,500</b>	<b>9,790</b>

### Note 30. Dividends

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

	2024		2023	
	Number	\$	Number	\$
Fully franked dividend	610,008	48,800	610,008	36,600
<b>Dividends provided for and paid during the year</b>	<b>610,008</b>	<b>48,800</b>	<b>610,008</b>	<b>36,600</b>

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

## Notes to the financial statements (continued)

### Note 31. Earnings Per Share

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

	2024 \$	2023 \$
Profit attributable to ordinary shareholders	898,022	778,500

	Number	Number
Weighted average number of ordinary shares	610,008	610,008

	¢	¢
Basic and diluted earnings per share	147.21	127.62

### Note 32. Events After the Reporting Period

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

### Note 33. Commitments & Contingencies

Any commitments for future expenditure associated with leases are recorded in Note 22. Details about any capital commitments are detailed in Note 16(c).

The company has no other commitments requiring disclosure.

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

### Note 34. Company Details

The registered office of the company is:

Sandringham Community Financial Services Ltd                      76 Station Street, Sandringham Vic 3191

The principal place of business is:

Sandringham Community Financial Services Ltd                      76 Station Street, Sandringham Vic 3191

### Note 35. Fair Value Measurements

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

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

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

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

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

## Notes to the financial statements (continued)

### Note 35. Fair Value Measurements (continued)

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

- freehold land and buildings
- listed investments

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

#### (a) Fair Value Hierarchy

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

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

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

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

	30 June 2024			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Recurring Fair Value Measurements</b>				
<i>Financial Assets</i>				
Listed investments	7,846	-	-	7,846
	<b>7,846</b>	-	-	<b>7,846</b>

	30 June 2023			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Recurring Fair Value Measurements</b>				
<i>Financial Assets</i>				
Listed investments	7,846	-	-	7,846
	<b>7,846</b>	-	-	<b>7,846</b>

There were no transfers between levels for assets measured at fair value on a recurring basis during the reporting period (2022: no transfers).

## Notes to the financial statements (continued)

### Note 35. Fair Value Measurements (continued)

#### (b) Valuation Techniques

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

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

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



# Consolidated Entity Disclosure Statement

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

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

# Directors' declaration

For the financial year ended 30 June 2024

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

In the opinion of the directors:

- (a) The financial statements and notes of the company are in accordance with the *Corporations Act 2001*, including:
- (i) giving a true and fair view of the company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
  - (ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable
- (c) The information disclosed in the attached consolidated entity disclosure statement, on page 42 is true and correct.

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



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**Leigh Petschel**  
Director

Dated this 26th day of September, 2024

# Independent audit report



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

### REPORT ON THE AUDIT OF THE FINANCIAL REPORT

#### Opinion

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

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

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

#### Basis for Opinion

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

We 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.

#### Director's Responsibility for the Financial Report

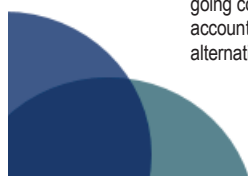
The directors of the Company are responsible for the preparation of:

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

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

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

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



RSD Audit Pty Ltd  
ABN 85 619 186 908

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### Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

We identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



### Independence

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

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

### RSD Audit

A handwritten signature in black ink, appearing to read 'Mahesh Silva'.

**Mahesh Silva**  
*Partner*

41A Breen Street  
Bendigo VIC 3550

Dated: 30 September 2024

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