

# Annual Report 2024

South East Districts Financial  
Services Limited

Community Bank  
Sorell & District

ABN 50 147 950 178



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# Bendigo Bank – Community Bank Report 2023-24

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# Community Bank National Council Report 2023-24

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## Community Bank network: celebrating 26 years of empowering communities



This year our Community Bank network celebrated 26 years of providing grassroots support to metro, regional, rural and remote communities across Australia. It's a milestone that has been widely applauded by our customers and partners who recognise the significant role we play in the lives of everyday Australians. We're there when it matters – whether that be as second responders in times of natural disaster, crisis and need; or as community builders, providing resources and support; help and hope.

In the 2022-23 financial year, our Community Bank network gave back more than \$32 million in grants, sponsorships and donations to local community projects and initiatives. Over 26 years, we have returned more than \$324 million to local communities for emergency services; facilities and infrastructure; sport and recreation; education and research; health and wellbeing; art, culture and heritage as well as environment and animal welfare.

As a shareholder in your local Community Bank, you are part of this incredible social enterprise network that is playing an ever-important role in the Australian economy. With close working relationships with local, state and federal government, peak governing bodies, clubs and community organisations, we are integrally connected and in tune with the needs of everyday Australians.

Our Community Bank network is a first mover in Australia with our unique social enterprise model. The first Community Bank opened its doors in 1998, and since then, the network has grown to 305 Community Bank branches. Today we represent a diverse cross-section of Australia with more than 215 community enterprises, 70,000+ shareholders, 1500+ volunteer directors, 1700 staff and 950,000 customers.

Our Community Bank National Council (CBNC) plays a pivotal role in these relationships. The CBNC consists of both elected and appointed members from every state and territory. The role of council is to represent the network with its partners and to engage in strategic planning that delivers positive outcomes for our business and our communities.

The *2024 - 2026 Community Bank National Council Strategic Plan* has four key focus areas:

- Impact – a planned, deliberate approach with investments that enhance community prosperity.
- Leadership and advocacy – to ensure the long-term sustainability of our enterprises.
- Network alignment – enabling us to develop and nurture partnerships that align with our defined areas of social impact.
- Commercial prosperity – supporting the commercial success of our enterprises.

It is through this strategic plan, which has a foundation built on connection and collaboration, that we will deliver a strong, and secure future for our directors, shareholders, staff and the communities we serve.

Warm regards

Lauren Bean  
General Manager  
**Community Bank National Council**

# Chair Report 2023-24

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The times are changing, which is nothing new in life.

This year's report is a little bit different, as I reflect on recent changes.

In May I had the absolute honour of being elected to the seat of Prosser in the Legislative Council – taking the next step in representing the people of the South East.

Due to my new position, it was necessary to step down as chair of South East Districts Financial Services Limited. Michael Gordon has taken on this role, and I will still be active on the Board for the immediate future.

Bendigo Bank's Community Bank model is the most amazing system for keeping wealth within our community, something no other financial institutional or organisation goes even close to matching.

I will always look very fondly on the time spent establishing, developing and creating this financial legacy that will continue to serve our community and the region.

Since the day in 2009 when I rang Tracy Wilson at Bendigo Bank to talk about establishing a Community Bank in Sorell, I have had the passion to utilise our own wealth within the community.

The experience has been very satisfying and rewarding. I have met amazing people, many of whom have become lifetime friends – not once have I ever doubted or regretted the time and effort put into this community venture.

My partners right through this journey have been Janice McConnon, Anthony Davis and Rick Birch. Regardless of what family and work commitments they have had, they never wavered in their support for me or the community focussed principles we started with and have safeguarded to this very day.

I am proud of the funding we have invested in the community – the many worthy organisations we have assisted and the regular returns provided to shareholders – and I have never lost touch with the needs and passion for being there for the greater community.

Every day our customers help change and save lives, simply by banking with us. The more shareholders and local people understand and support our Community Bank, the more funds we can invest into our community.

Since opening on 10 November 2011, Community Bank Sorell & District has built a solid foundation and we're confident we will continue to play a key role in the future of the South East.

This past year, our consistent focus and strong financial performance have again enabled ongoing returns to shareholders through annual dividends. After strong profit results in 2023-24 our Board has approved a 2024 dividend of 5 cents in the dollar, fully franked. It's another milestone for the company – now in sustained profit and paying tax, our shareholders benefit from franking credits and dividends as well as supporting social outcomes through our program of local community investments.

Thank you to Branch Manager, Sharon Cozens, and team for your commitment to our customers and community partners. They have continued sharing duties between Sorell and Nubeena, developing new community relationships across the district, and maintaining the friendly and courteous approach our customers appreciate.

In 2024 we welcomed Pam Giffard and Ryan Jones to the Board, and we farewelled Jo Palmer after six years of service. Thank you to all our volunteer Directors, who bring together wide-ranging business and community expertise for the benefit of Community Bank Sorell & District staff, shareholders, customers and community.

Thank you for your support and encouragement, and I look forward to working with and supporting Michael during his time in the chair.



**Kerry Vincent**

Board Chair (resigned 26/6/2024)

South East Districts Financial Services Limited



**Michael Gordon**

Board Chair (elected 26/6/2024)

South East Districts Financial Services Limited

# Branch Manager Report 2023-24

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Signs have been popping up everywhere shouting loud and proud about how we support groups, teams and associations with donations and sponsorship, and I smile every time I drive past one!

I smile more when we catch up with these groups and share the Community Bank story. This story is so very powerful. It's simple but brings activities and events to life which, more importantly, brings the community together.

This is the magic in what we do, magic that comes in all shapes and sizes.

We've maintained our major sponsorships with South East Netball Association (SENA), Carlton Beach Surf Lifesaving Club and the ever-popular Bream Creek Show.

And over the past year you would have seen our staff and directors:

- Cooking training barbeques for the South East Giants Juniors Football Club
- Selling fairy floss at Dodges Ferry Primary School Fair
- Selling meat raffle tickets with Campania Football Club
- Selling chocolates for Sorell Girl Guides
- Arranging five-year signage agreements with:
  - Campania Wallabies Football Club
  - Dodges Ferry Sea Rescue
  - Dodges Ferry Sharks Football Club
  - Nugent Community & Sports Association
  - Orielton Hall Association
  - Richmond Cambridge Cricket Club
  - Richmond Football Club
  - Runnymede Cricket Club
  - Sorell Bowls & Community Club
  - Sorell Suns Womens Football Club
  - Tea Tree Community Association
- Providing card payment terminals for Dunalley Primary School, South East Giants Juniors Football Club and Sorell Pickleball
- Providing gift card donations and awards for our local schools at Dodges Ferry, Dunalley, Richmond and Sorell as well as South East United Soccer Club

I think you would agree, we have been busy, and we are always happy for you to keep us extra busy in the branch with your banking so we can do more.

So, if you hear of anyone needing help with their home loan, would like a comparison quote on your insurance or to watch your money grow in interest bearing accounts, share our story and help more people in our community choose us as their bank.

With thanks,



**Sharon Cozens**

Branch Manager

Community Bank Sorell & District

# Community Investments 2011-2024

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We are proud to have grown our contributions to shareholders and local organisations since 2011, supporting community strengthening and wellbeing through dividends to local shareholders as well as donations, sponsorships and in-kind support for local organisations.

In June 2023 we reached a significant Community Bank milestone, making our company's first contribution to the Community Enterprise Foundation™ towards funding and managing a future community grants program specific to our district.

## Dividend payment history

Financial Year	Per Share	Date Paid	Total paid
2016/2017	\$0.043	November 2017	\$37,892
2017/2018	\$0.043	November 2018	\$37,892
2018/2019	\$0.050	November 2019	\$44,061
2019/2020	\$0.025	November 2020	\$22,030
2020/2021	\$0.035	November 2021	\$30,842
2021/2022	\$0.040	December 2022	\$35,248
2022/2023	\$0.070	December 2023	\$61,685
<b>TOTAL to June 2024</b>			<b>\$269,650</b>

## Donations, sponsorship, advertising & promotion

Financial Year	Community investments & advertising/promotion
2011/2012	\$3788
2012/2013	\$6093
2013/2014	\$12,367
2014/2015	\$21,199
2015/2016	\$14,105
2016/2017	\$14,987
2017/2018	\$30,456
2018/2019	\$17,858
2019/2020	\$16,622
2020/2021	\$38,537
2021/2022	\$21,071
2022/2023	\$178,575*
2023/2024	\$37,686**
<b>TOTAL to June 2024</b>	<b>\$410,193</b>

\*includes \$175,424 in sponsorships and charitable donations, of which \$150,000 was a contribution to the Community Enterprise Foundation™ for future grants

\*\*includes \$25,916 in sponsorships and charitable donations





**Better banking. Big impact.**

Community Bank  
Sorell & District

**B Bendigo Bank**



# South East Districts Financial Services Limited

ABN 50 147 950 178

Financial Report - 30 June 2024

## South East Districts Financial Services Limited

### Directors' report

30 June 2024

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

#### Directors

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

Name: Michael Kenneth Gordon  
Title: Non-executive director  
Experience and expertise: 20+ years as director and principal of a management consulting business with a focus on governance and organisational development. Chief Executive Officer of a community sector peak body. Owner and operator of small businesses including primary production, transport, travel and retail. Director of state-owned company including chairperson of the Human Resources and Remuneration Committee and member of Policy & Rules Committee. Active in several community organisations including office bearer roles. Bachelor of Business (Human Resource Development); Graduate Diploma-Honours (Antarctic and Southern Ocean Studies); Graduate Diploma (Institute of Company Directors).  
Special responsibilities: Marketing & Sponsorship Committee, Chairman

Name: Kerry John Vincent  
Title: Non-executive director  
Experience and expertise: In May 2024 Kerry was elected to the Legislative Council seat of Prosser. Kerry was Mayor of Sorell for 12 years with related roles as chair of South East Regional Development Association, board member of BEST employment and business hub, deputy chair of Copping Waste Authority, chief owner representative Southern Tasmanian Regional Waste Authority and on the TasWater board selection committee. Kerry is a long serving Rotarian, owner of Rural Solutions Tas, vice chair of District Nurses and past president of South East Community Care, board chair of Swansea Bark Mill Tavern, founding member of the Sorell Business Association and former member of Sorell School Association.  
Special responsibilities: HR Committee, Marketing and Sponsorship Committee and Board Recruitment.

Name: Scott Alexander Gatehouse  
Title: Non-executive director  
Experience and expertise: Currently employed in operations management, experienced in numerous industry roles in Tasmania and the UK and has a Diploma of Business studies at the University of Lincoln. Scott is the leading Fire Fighter at Wattle Hill Fire Brigade, committee member of the South East Netball Association and past member of Sorell School Association. Past member of the Community Bank State Marketing Committee for Tasmania and past member of Agfest organising committee and agriculture show committees.  
Special responsibilities: Deputy Chair, Marketing & Sponsorship Committee

Name: Anthony David Davis  
Title: Non-executive director  
Experience and expertise: Anthony operated in private practice as an accountant in Sorell for some 23 years and built a significant local client base until retiring in 2022 when he sold his practise to Bentleys Sorell. Served on the Board of South East Community Care Inc for 18 years until 2021, including as president. A founding member of the Business Council of Sorell, Anthony is a long-standing member and past president of the Sorell Lions Club and a member of Lodge Pembroke in Sorell. He was also on the Board of the Regional Community Learning and Development Centre – Levendale as their treasurer.  
Special responsibilities: Treasurer

**South East Districts Financial Services Limited**  
**Directors' report**  
**30 June 2024**

Name: Joanne Palmer  
Title: Non-executive director (resigned 30/6/2024)  
Experience and expertise: Jo and her family are involved with two local businesses, who employ young people, giving them opportunities to further their education and training. Jo is a hairdresser owning her own salon from 1992 to 2021. International Hairstylists Society, as Tasmanian Director to National President. National Hairdressing Federation as Tasmanian representative, working on National Hairdressing Training Package. Sorell School, with the School Association and various committees. Nugent Hall and Sports Association as secretary. Look Good Feel Better at the Royal Hobart Hospital for women with cancer, to assist with hair and wigs. Hair Aid Australia Ambassador, travels to Manila, Cambodia and Indonesia, teaching hairdressing skills to the homeless and to assist women to get out of the sex trade. National Australian Scooter Association as secretary. Looking forward to watching Sorell grow & thrive with being involved with local Sorell businesses.

Special responsibilities: Nil

Name: Melinda Jane Reed  
Title: Non-executive director  
Experience and expertise: Melinda is a Sorell Councillor, first elected in 2018, and vice president of the Local Government Women's Association for Tasmania. A community advocate, writer and editor, and member of the Governance Institute of Australia, Melinda holds a Business Degree and a Graduate Diploma in Public Relations and enjoyed a long career with the Australian Taxation Office at state and national levels including Senior Communication Adviser 1996-2010. A director of CPS Credit Union 1998-2000, Melinda was elected to the Community Bank National Council 2019-2022 and was a member of the national and state marketing committees. Past president of Okines Community House 2015-2022, Melinda was a board member of Neighbourhood Houses Tasmania 2018-2023, serves on the national peak ANHCA and is a long-standing volunteer with Dodges Ferry Primary School Association and Sorell Historical Society.

Special responsibilities: Company Secretary; Marketing & Sponsorship Committee; Board Recruitment

Name: Michael Evan Larkins  
Title: Non-executive director  
Experience and expertise: Michael started his own technology business in 2014 and has grown it from a small operation to now covering the southern Tasmanian region. Michael is chair of the Sorell Business Association and a committee member of the South East Basketball Association. He involves himself and his company in the community through sponsorship and hosting charity events to raise funds. He is also a member of Lodge Pembroke in Sorell.

Special responsibilities: Nil

Name: Janice Maree McConnon  
Title: Non-executive director  
Experience and expertise: Janice is a farmer with extensive involvement in her local community. Past board member of South East Community Care, deputy chair of Levendale Hall Committee. Fundraises for local sporting clubs and has organised farmers forums and community participation as past chair, secretary and public officer for Levendale Primary School 1993-2014, past board member of Edmund Rice Camp Tasmania. Founding member of Levendale Woodsdale History Room, set up to record oral, written and visual history of the area for future generations, and for learning opportunities for students. Holds a diploma of Rural Business Management and completed the Australian Institute of Company Directors – Community Bank Director Development.

Special responsibilities: Minute secretary

## South East Districts Financial Services Limited

### Directors' report

30 June 2024

Name: Darryn John Charles Scott  
Title: Non-executive director  
Experience and expertise: Darryn is Managing Director of S Commercial Project Consulting Pty Ltd, a building and development consulting firm. Managing Director of S Property Developments, a property development company. Member of the Master Builders Association of Tasmania (former chair of the Commercial Sector). Darryn holds a Diploma in Management and is currently specialising in property development feasibility, project management, construction management and design management.  
Special responsibilities: Nil

Name: Pam Giffard  
Title: Non-executive director (appointed 07 March 2024)  
Experience and expertise: Pam enjoyed a long career in nursing and management in the private health sector. Pam and family are long term Kellevie, Dunalley and Sorell community members across 43 years. A hands-on person, Pam is always active in the community and a volunteer with many organisations, bringing extensive professional and community experience to the company.  
Special responsibilities: Marketing & Sponsorship Committee

Name: Ryan Jones  
Title: Non-executive director (appointed 26 June 2024)  
Experience and expertise: Ryan and his young family have lived in Sorell for the past seven years. As well as being family-oriented, Ryan owns and operates a landscaping business employing five people that services the southern parts of Tasmania. Ryan has a Diploma in Horticulture and a Diploma in Project Management. He is a member and past president of the Rotary Club of Sorell. Ryan has decreased the average age of the Board significantly, bringing fresh energy and enthusiasm to our efforts.  
Special responsibilities: Nil

#### Company secretary

The company secretary is Melinda Jane Reed. Melinda was appointed to the position of company secretary on 1 October 2020.

#### Principal activity

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

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

#### Review of operations

The profit for the company after providing for income tax amounted to \$213,025 (30 June 2023: \$228,589).

Operations have continued to perform in line with expectations.

#### Dividends

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

	2024	2023
	\$	\$
Unfranked dividend of 7 cents per share (2023: 4 cents)	<u>61,685</u>	<u>35,248</u>

#### Significant changes in the state of affairs

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

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

**South East Districts Financial Services Limited**  
**Directors' report**  
**30 June 2024**

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

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

**Likely developments**

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

**Environmental regulation**

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

**Meetings of directors**

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

	Board	
	Eligible	Attended
Michael Kenneth Gordon	11	10
Kerry John Vincent	11	8
Scott Alexander Gatehouse	11	10
Anthony David Davis	11	10
Joanne Palmer	11	8
Melinda Jane Reed	11	11
Michael Evan Larkins	11	11
Janice Maree McConnon	11	10
Darryn John Charles Scott	11	10
Pam Giffard	4	3
Ryan Jones	1	1

**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' interests**

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Michael Kenneth Gordon	21,500	-	21,500
Kerry John Vincent	30,502	-	30,502
Scott Alexander Gatehouse	1,000	-	1,000
Anthony David Davis	9,001	-	9,001
Joanne Palmer	-	-	-
Melinda Jane Reed	-	-	-
Michael Evan Larkins	-	-	-
Janice Maree McConnon	4,001	-	4,001
Darryn John Charles Scott	-	-	-

**Shares under option**

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

**Shares issued on the exercise of options**

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

**South East Districts Financial Services Limited**  
**Directors' report**  
**30 June 2024**

**Indemnity and insurance of directors and officers**

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

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

**Proceedings on behalf of the company**

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

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

**Indemnity and insurance of auditor**

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

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

**Non-audit services**

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 24 to the accounts.

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

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

**Auditor's independence declaration**

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

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

On behalf of the directors

  
Michael Kenneth Gordon  
Chair

25 September 2024



Andrew Frewin Stewart  
61 Bull Street Bendigo VIC 3550  
ABN 65 694 804 390  
afs@afsbendigo.com.au  
03 5443 0344

## Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of South East Districts Financial Services Limited

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

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

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

**Andrew Frewin Stewart**  
61 Bull Street, Bendigo, Vic, 3550  
Dated: 25 September 2024

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

**Adrian Downing**  
**Lead Auditor**



**South East Districts Financial Services Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2024**

	<b>Note</b>	<b>2024</b> \$	<b>2023</b> \$
Revenue from contracts with customers	7	979,862	1,104,702
Other revenue		577	9,953
Finance revenue		28,971	10,751
<b>Total revenue</b>		<u>1,009,410</u>	<u>1,125,406</u>
Employee benefits expense	8	(483,530)	(450,765)
Advertising and marketing costs		(11,770)	(3,151)
Occupancy and associated costs		(39,170)	(25,085)
System costs		(27,356)	(27,201)
Depreciation and amortisation expense	8	(67,181)	(66,241)
Finance costs	8	(10,568)	(13,213)
General administration expenses		(61,891)	(59,541)
<b>Total expenses before community contributions and income tax expense</b>		<u>(701,466)</u>	<u>(645,197)</u>
<b>Profit before community contributions and income tax expense</b>		307,944	480,209
Charitable donations, sponsorships and grants expense	8	(25,916)	(175,424)
<b>Profit before income tax expense</b>		282,028	304,785
Income tax expense	9	(69,003)	(76,196)
<b>Profit after income tax expense for the year</b>		213,025	228,589
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<u>213,025</u>	<u>228,589</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	26	24.17	25.94
Diluted earnings per share	26	24.17	25.94

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

**South East Districts Financial Services Limited**  
**Statement of financial position**  
**As at 30 June 2024**

	Note	2024 \$	2023 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	194,923	261,160
Trade and other receivables	11	40,697	67,230
Investments	12	660,540	632,388
Total current assets		<u>896,160</u>	<u>960,778</u>
<b>Non-current assets</b>			
Property, plant and equipment	13	43,877	53,215
Right-of-use assets	14	139,547	179,421
Intangible assets	15	36,926	49,213
Deferred tax assets	9	23,144	24,966
Total non-current assets		<u>243,494</u>	<u>306,815</u>
<b>Total assets</b>		<u>1,139,654</u>	<u>1,267,593</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	16	31,252	190,170
Lease liabilities	17	66,992	56,185
Current tax liabilities	9	20,183	70,352
Total current liabilities		<u>118,427</u>	<u>316,707</u>
<b>Non-current liabilities</b>			
Trade and other payables	16	15,431	30,862
Lease liabilities	17	149,630	215,585
Provisions		8,693	8,306
Total non-current liabilities		<u>173,754</u>	<u>254,753</u>
<b>Total liabilities</b>		<u>292,181</u>	<u>571,460</u>
<b>Net assets</b>		<u>847,473</u>	<u>696,133</u>
<b>Equity</b>			
Issued capital	18	847,158	847,158
Retained earnings/(accumulated losses)		<u>315</u>	<u>(151,025)</u>
<b>Total equity</b>		<u>847,473</u>	<u>696,133</u>

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

**South East Districts Financial Services Limited**  
**Statement of changes in equity**  
**For the year ended 30 June 2024**

	Note	Issued capital \$	Retained earnings \$	Total equity \$
<b>Balance at 1 July 2022</b>		847,158	(344,366)	502,792
Profit after income tax expense		-	228,589	228,589
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	228,589	228,589
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(35,248)	(35,248)
<b>Balance at 30 June 2023</b>		<u>847,158</u>	<u>(151,025)</u>	<u>696,133</u>
<b>Balance at 1 July 2023</b>		847,158	(151,025)	696,133
Profit after income tax expense		-	213,025	213,025
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	213,025	213,025
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(61,685)	(61,685)
<b>Balance at 30 June 2024</b>		<u>847,158</u>	<u>315</u>	<u>847,473</u>

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

**South East Districts Financial Services Limited**  
**Statement of cash flows**  
**For the year ended 30 June 2024**

	<b>Note</b>	<b>2024</b>	<b>2023</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		1,107,245	1,199,612
Payments to suppliers and employees (inclusive of GST)		(910,866)	(685,642)
Interest received		28,971	10,751
Income taxes paid		(117,350)	-
Net cash provided by operating activities	25	<u>108,000</u>	<u>524,721</u>
<b>Cash flows from investing activities</b>			
Redemption of/(investment in) term deposits		(28,152)	(235,124)
Payments for property, plant and equipment		(3,624)	-
Payments for intangible assets		(14,028)	(14,208)
Net cash used in investing activities		<u>(45,804)</u>	<u>(249,332)</u>
<b>Cash flows from financing activities</b>			
Interest and other finance costs paid		(10,210)	(12,865)
Dividends paid	20	(61,685)	(35,248)
Repayment of lease liabilities		(56,538)	(52,984)
Net cash used in financing activities		<u>(128,433)</u>	<u>(101,097)</u>
Net increase/(decrease) in cash and cash equivalents		(66,237)	174,292
Cash and cash equivalents at the beginning of the financial year		<u>261,160</u>	<u>86,868</u>
Cash and cash equivalents at the end of the financial year	10	<u><u>194,923</u></u>	<u><u>261,160</u></u>

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

# South East Districts Financial Services Limited

## Notes to the financial statements

### 30 June 2024

#### Note 1. Reporting entity

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 4 Ollie Drive, Sorell, TAS 7172.

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

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

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 September 2024. The directors have the power to amend and reissue the financial statements.

#### Note 3. Material accounting policy information

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

##### Adoption of new and revised accounting standards

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

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

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

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

##### Accounting standards issued but not yet effective

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

##### Current and non-current classification

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

**South East Districts Financial Services Limited**  
**Notes to the financial statements**  
**30 June 2024**

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

*Investments*

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the company has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

*Impairment of financial assets*

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

**Impairment of non-financial assets**

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

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

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

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

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

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

**South East Districts Financial Services Limited**  
**Notes to the financial statements**  
**30 June 2024**

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

**Judgements**

*Timing of revenue recognition associated with trail commission*

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

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

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

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

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

*Impairment of non-financial assets*

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

*Lease term*

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

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

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

**Estimates and assumptions**

*Estimation of useful lives of assets*

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

# South East Districts Financial Services Limited

## Notes to the financial statements

### 30 June 2024

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

##### *Incremental borrowing rate*

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

#### Note 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in November 2026.

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 Bendigo Bank to bear as long as the company has complied with the appropriate procedures and relevant obligations and has not exercised a discretion in granting or extending credit.

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

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

#### Note 6. Change to comparative figures

##### *Classification of term deposits*

During the year the directors reviewed the requirements of AASB 107 Statement of Cash Flows and noted term deposits normally qualify as a cash and cash equivalent only when they have initial investment periods of three months or less. In previous financial years the company classified all term deposits as cash and cash equivalents in the preparation of the financial statements even if they had initial investment periods greater than three months.

In the preparation of the financial statements for the current financial year, the directors updated its accounting policy to align to the requirements of AASB 107, restating comparative figures to reclassify term deposits with initial investment periods greater than three months as current investments instead of cash and cash equivalents in the Statement of financial position.

The change in classification had the following impacts on comparative figures:



**South East Districts Financial Services Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 6. Change to comparative figures (continued)**

- Cash and cash equivalents decreased and investments increased by \$632,388 at 30 June 2023 as reported in the Statement of financial position.
- Opening and closing cash balances were reduced to exclude term deposits with initial investment periods greater than three months as reported in the Statement of cash flows.
- Investments in and redemptions of term deposits with initial investment periods greater than three months are now classified within investment activities as reported in the Statement of cash flows.

The change in classification had no impact on the company's net profit or net asset position.

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

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

During the financial year the company recorded a change in accounting policy, whereby it elected to recognise the right-of-use asset net of accumulated depreciation on initial adoption of AASB 16. The change in accounting policy had no impact on the company's net profit or net asset position, however it did reduce the company's right-of-use asset cost and accumulated depreciation at 30 June 2023 by \$250,668.

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

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Margin income	835,035	924,227
Fee income	53,821	51,279
Commission income	91,006	129,196
	<u>979,862</u>	<u>1,104,702</u>

*Accounting policy for revenue from contracts with customers*

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

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

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

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

**South East Districts Financial Services Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 7. Revenue from contracts with customers (continued)**

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

*Revenue calculation*

The franchise agreement provides that three forms of revenue may be earned by the company which are margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services. The revenue earned by the company is dependent on the business that it generates, interest rates and funds transfer pricing and other factors, such as economic and local conditions.

*Margin income*

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

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

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

*Commission income*

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

*Fee income*

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

*Core banking products*

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

*Ability to change financial return*

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

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

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

**Note 8. Expenses**

**Employee benefits expense**

	<b>2024</b>	<b>2023</b>
	\$	\$
Wages and salaries	374,751	352,427
Superannuation contributions	45,460	38,670
Expenses related to long service leave	4,887	3,420
Other expenses	58,432	56,248
	<u>483,530</u>	<u>450,765</u>

**South East Districts Financial Services Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 8. Expenses (continued)**

*Accounting policy for employee benefits*

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

**Depreciation and amortisation expense**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Depreciation of non-current assets</i>		
Leasehold improvements	11,420	11,420
Plant and equipment	1,542	1,474
	<u>12,962</u>	<u>12,894</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	<u>41,932</u>	<u>41,186</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	1,095	1,094
Franchise renewal process fee	11,192	11,067
	<u>12,287</u>	<u>12,161</u>
	<u><u>67,181</u></u>	<u><u>66,241</u></u>

**Charitable donations, sponsorships and grants expense**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Direct donation, sponsorship and grant payments	25,916	10,424
Contribution to the Community Enterprise Foundation™	-	165,000
	<u>25,916</u>	<u>175,424</u>

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, sponsorships and grants).

The funds contributed to and held by the Community Enterprise Foundation™ (CEF) 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.

**South East Districts Financial Services Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 9. Income tax**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Income tax expense</i>		
Current tax	68,933	70,352
Movement in deferred tax	1,822	104
Under/over adjustment	(1,752)	-
Recoupment of prior year tax losses	-	5,740
	<u>69,003</u>	<u>76,196</u>
<i>Aggregate income tax expense</i>		
	<u>69,003</u>	<u>76,196</u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	282,028	304,785
Tax at the statutory tax rate of 25%	70,507	76,196
Tax effect of:		
Non-deductible expenses	248	-
	<u>70,755</u>	<u>76,196</u>
Under/over adjustment	(1,752)	-
Income tax expense	<u>69,003</u>	<u>76,196</u>
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Deferred tax assets/(liabilities)</i>		
Property, plant and equipment	932	(968)
Provision for lease make good	2,173	2,077
Accrued expenses	771	769
Lease liabilities	54,155	67,943
Right-of-use assets	(34,887)	(44,855)
	<u>23,144</u>	<u>24,966</u>
Deferred tax asset	<u>23,144</u>	<u>24,966</u>
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Provision for income tax	<u>20,183</u>	<u>70,352</u>

*Accounting policy for income tax*

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

*Accounting policy for current tax*

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

*Accounting policy for deferred tax*

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.

**South East Districts Financial Services Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 10. Cash and cash equivalents**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	194,923	261,160

**Note 11. Trade and other receivables**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Trade receivables	37,086	63,389
Prepayments	3,611	3,841
	<u>40,697</u>	<u>67,230</u>

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Financial liabilities at amortised cost classified as trade and other receivables</i>		
Total trade and other receivables	40,697	67,230
less other receivables and accruals (net GST receivable from the ATO)	-	(1,935)
	<u>40,697</u>	<u>65,295</u>

*Accounting policy for trade and other receivables*

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

**Note 12. Investments**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Term deposits	660,540	632,388

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

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Leasehold improvements - at cost	164,334	164,334
Less: Accumulated depreciation	(131,966)	(120,546)
	<u>32,368</u>	<u>43,788</u>
Plant and equipment - at cost	55,341	51,717
Less: Accumulated depreciation	(43,832)	(42,290)
	<u>11,509</u>	<u>9,427</u>
	<u>43,877</u>	<u>53,215</u>

**South East Districts Financial Services Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 13. Property, plant and equipment (continued)**

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

	Leasehold improvements \$	Plant and equipment \$	Total \$
Balance at 1 July 2022	55,208	10,901	66,109
Depreciation	<u>(11,420)</u>	<u>(1,474)</u>	<u>(12,894)</u>
Balance at 30 June 2023	43,788	9,427	53,215
Additions	-	3,624	3,624
Depreciation	<u>(11,420)</u>	<u>(1,542)</u>	<u>(12,962)</u>
Balance at 30 June 2024	<u><u>32,368</u></u>	<u><u>11,509</u></u>	<u><u>43,877</u></u>

*Accounting policy for property, plant and equipment*

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

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

Leasehold improvements	6 to 20 years
Plant and equipment	1 to 40 years

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

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

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

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

	2024 \$	2023 \$
Land and buildings - right-of-use	323,610	321,551
Less: Accumulated depreciation	<u>(184,063)</u>	<u>(142,130)</u>
	<u><u>139,547</u></u>	<u><u>179,421</u></u>

**South East Districts Financial Services Limited**  
**Notes to the financial statements**  
**30 June 2024**

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

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

	Land and buildings \$
Balance at 1 July 2022	218,486
Remeasurement adjustments	2,121
Depreciation expense	<u>(41,186)</u>
Balance at 30 June 2023	179,421
Remeasurement adjustments	2,058
Depreciation expense	<u>(41,932)</u>
Balance at 30 June 2024	<u><u>139,547</u></u>

*Accounting policy for right-of-use assets*

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

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

Refer to note 17 for more information on lease arrangements.

**Note 15. Intangible assets**

	2024 \$	2023 \$
Franchise fee	32,134	32,134
Less: Accumulated amortisation	<u>(24,093)</u>	<u>(22,998)</u>
	8,041	9,136
Franchise renewal fee	110,669	110,669
Less: Accumulated amortisation	<u>(81,784)</u>	<u>(70,592)</u>
	28,885	40,077
	<u><u>36,926</u></u>	<u><u>49,213</u></u>

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

	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2022	10,230	51,144	61,374
Amortisation expense	<u>(1,094)</u>	<u>(11,067)</u>	<u>(12,161)</u>
Balance at 30 June 2023	9,136	40,077	49,213
Amortisation expense	<u>(1,095)</u>	<u>(11,192)</u>	<u>(12,287)</u>
Balance at 30 June 2024	<u><u>8,041</u></u>	<u><u>28,885</u></u>	<u><u>36,926</u></u>

**South East Districts Financial Services Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 15. Intangible assets (continued)**

*Accounting policy for intangible assets*

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

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

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

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

<u>Asset class</u>	<u>Method</u>	<u>Useful life</u>	<u>Expiry/renewal date</u>
Franchise fee	Straight-line	Over the franchise term (5 years)	November 2026
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	November 2026

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

**Note 16. Trade and other payables**

	<b>2024</b>	<b>2023</b>
	\$	\$
<i>Current liabilities</i>		
Trade payables	1,243	170,435
Other payables and accruals	30,009	19,735
	<u>31,252</u>	<u>190,170</u>
<i>Non-current liabilities</i>		
Other payables and accruals	15,431	30,862
	<u>15,431</u>	<u>30,862</u>
	<b>2024</b>	<b>2023</b>
	\$	\$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	46,683	221,032
less other payables and accruals (net GST payable to the ATO)	(8,095)	-
	<u>38,588</u>	<u>221,032</u>

**Note 17. Lease liabilities**

	<b>2024</b>	<b>2023</b>
	\$	\$
<i>Current liabilities</i>		
Land and buildings lease liabilities	66,992	56,185
	<u>66,992</u>	<u>56,185</u>
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	149,630	215,585
	<u>149,630</u>	<u>215,585</u>



**South East Districts Financial Services Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 17. Lease liabilities (continued)**

*Reconciliation of lease liabilities*

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Opening balance	271,770	322,633
Remeasurement adjustments	1,390	2,121
Lease interest expense	10,210	12,865
Lease payments - total cash outflow	<u>(66,748)</u>	<u>(65,849)</u>
	<u><u>216,622</u></u>	<u><u>271,770</u></u>

*Accounting policy for lease liabilities*

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

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

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

The company's lease portfolio includes:

<b>Lease</b>	<b>Discount rate</b>	<b>Non-cancellable term</b>	<b>Renewal options available</b>	<b>Reasonably certain to exercise options</b>	<b>Lease term end date used in calculations</b>
Sorell Branch	4.29%	2 years	1 x 2 years	Yes	October 2027

**Note 18. Issued capital**

	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	881,212	881,212	881,212	881,212
Less: Equity raising costs	<u>-</u>	<u>-</u>	<u>(34,054)</u>	<u>(34,054)</u>
	<u><u>881,212</u></u>	<u><u>881,212</u></u>	<u><u>847,158</u></u>	<u><u>847,158</u></u>

*Accounting policy for issued capital*

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

***Rights attached to issued capital***

*Ordinary shares*

Voting rights

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

## South East Districts Financial Services Limited

### Notes to the financial statements

#### 30 June 2024

#### Note 18. Issued capital (continued)

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

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

#### Dividends

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

#### Transfer

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

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

#### *Prohibited shareholding interest*

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 299. As at the date of this report, the company had 328 shareholders (2023: 328 shareholders).

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

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

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

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

**South East Districts Financial Services Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 19. Capital management**

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

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

The distribution limit is the greater of:

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

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

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

**Note 20. Dividends**

The following dividends were provided for and paid to shareholders during the financial year as presented in the Statement of changes in equity and Statement of cash flows.

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Unfranked dividend of 7 cents per share (2023: 4 cents)	61,685	35,248
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Franking account balance at the beginning of the financial year	-	-
Franking credits (debits) arising from income taxes paid (refunded)	117,350	-
	117,350	-
<i>Franking transactions that will arise subsequent to the financial year end:</i>		
Balance at the end of the financial year	117,350	-
Franking credits (debits) that will arise from payment (refund) of income tax	20,183	-
Franking credits available for future reporting periods	137,533	-

*Accounting policy for dividends*

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

**Note 21. Financial risk management**

***Financial risk management objectives***

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

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

**South East Districts Financial Services Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 21. Financial risk management (continued)**

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

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

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

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Financial assets at amortised cost</b>		
Trade and other receivables (note 11)	40,697	65,295
Cash and cash equivalents (note 10)	194,923	261,160
Investments (note 12)	660,540	632,388
	<u>896,160</u>	<u>958,843</u>
<b>Financial liabilities at amortised cost</b>		
Trade and other payables (note 16)	38,588	221,032
Lease liabilities (note 17)	216,622	271,770
	<u>255,210</u>	<u>492,802</u>

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

*Accounting policy for financial instruments*

**Financial assets**

*Classification*

The company classifies its financial assets at amortised cost.

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

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

*Derecognition*

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

*Impairment of trade and other receivables*

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

**Financial liabilities**

*Classification*

The company classifies its financial liabilities at amortised cost.

**South East Districts Financial Services Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 21. Financial risk management (continued)**

*Derecognition*

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

**Market risk**

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of \$194,923 and term deposits of \$660,540 at 30 June 2024 (2023: \$261,160 and \$632,388).

**Price risk**

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

**Liquidity risk**

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

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

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>2024</b>				
Trade and other payables	31,252	15,431	-	46,683
Lease liabilities	68,306	163,615	-	231,921
Total non-derivatives	<u>99,558</u>	<u>179,046</u>	<u>-</u>	<u>278,604</u>
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>2023</b>				
Trade and other payables	190,170	30,862	-	221,032
Lease liabilities	66,748	231,921	-	298,669
Total non-derivatives	<u>256,918</u>	<u>262,783</u>	<u>-</u>	<u>519,701</u>

**Note 22. Key management personnel disclosures**

The following persons were directors of South East Districts Financial Services Limited during the financial year and/or up to the date of signing of these Financial Statements.

Kerry John Vincent  
Anthony David Davis  
Melinda Jane Reed  
Janice Maree McConnon  
Michael Kenneth Gordon  
Ryan Jones

Scott Alexander Gatehouse  
Joanne Palmer  
Michael Evan Larkins  
Darryn John Charles Scott  
Pam Giffard

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

**South East Districts Financial Services Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 23. Related party transactions**

*Key management personnel*

Disclosures relating to key management personnel are set out in note 22.

*Receivable from and payable to related parties*

There were no transactions with related parties during the current and previous financial year.

*Terms and conditions of transactions with related parties*

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

*Transactions with related parties*

The following transactions occurred with related parties:

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
During the period, the company made a donation to the Memory Walk for Joy foundation, which a director was partly responsible for. The total benefit received was:	500	-
During the period, the company made a sponsored the South East Suns Netball Association. The total benefit received was:	20,000	-

**Note 24. Remuneration of auditors**

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

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Audit services</i>		
Audit or review of the financial statements	6,650	5,400
<i>Other services</i>		
Taxation advice and tax compliance services	250	660
General advisory services	3,060	2,600
Share registry services	5,818	4,662
	<u>9,128</u>	<u>7,922</u>
	<u><u>15,778</u></u>	<u><u>13,322</u></u>

**South East Districts Financial Services Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 25. Reconciliation of profit after income tax to net cash provided by operating activities**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Profit after income tax expense for the year	213,025	228,589
Adjustments for:		
Depreciation and amortisation	67,181	66,241
Lease liabilities interest	10,210	12,865
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	26,533	(26,125)
Decrease in deferred tax assets	1,822	5,844
Increase/(decrease) in trade and other payables	(160,961)	166,607
Increase/(decrease) in provision for income tax	(50,169)	70,352
Increase in other provisions	359	348
Net cash provided by operating activities	<u>108,000</u>	<u>524,721</u>

**Note 26. Earnings per share**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Profit after income tax	<u>213,025</u>	<u>228,589</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>881,212</u>	<u>881,212</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>881,212</u>	<u>881,212</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	24.17	25.94
Diluted earnings per share	24.17	25.94

**Note 27. Commitments**

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

**Note 28. Contingencies**

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

**Note 29. Events after the reporting period**

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

**South East Districts Financial Services Limited**  
**Directors' declaration**  
**30 June 2024**

In the directors' opinion:

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

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

On behalf of the directors



Michael Kenneth Gordon  
Chair

25 September 2024





Andrew Frewin Stewart  
61 Bull Street Bendigo VIC 3550  
ABN 65 634 804 390  
afs@afsbendigo.com.au  
03 5443 0344

# Independent auditor's report to the Directors of South East Districts Financial Services Limited

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of South East Districts Financial Services Limited (the company), which comprises:

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

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

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

### Basis for Opinion

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

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

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



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## Other Information

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

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

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

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

## Responsibilities of the Directors for the Financial Report

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

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

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

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



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

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

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

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

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

**Andrew Frewin Stewart**  
61 Bull Street, Bendigo, Vic, 3550  
Dated: 25 September 2024

A handwritten signature in black ink, appearing to read 'Adrian Downing'.

**Adrian Downing**  
Lead Auditor

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 /communitybanksorelldistrict

 **Bendigo Bank**