

Annual Report 2024

Trafalgar & District Financial
Services Limited

Community Bank · Trafalgar & District
ABN 86 102 573 222

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Chairman's report

For year ending 30 June 2024



I am pleased to present the Trafalgar and District Financial Services Limited (TDFS) Annual Report for the year ended 30 June 2024. This marks my first report as Chairperson, following the departure of former Board Chairperson Christine Holland in late 2023.

Christine's leadership has been invaluable. Her tireless efforts in appointing dedicated Directors and her unwavering commitment to community service were instrumental in our achievements. Under her guidance, Community Bank Trafalgar & District celebrated its 20th anniversary in November. Over these two decades, we have returned over \$1.8 million to Trafalgar and the surrounding district. This success is a testament to the continued investment of our shareholders and the strong support from our customer base.

This year, we have proudly returned over \$66,000 to the community through sponsorships, donations and grants to sports clubs, charities, and local organisations. These contributions are vital to the community, and we are honoured to support their development. Additionally, we have awarded four tertiary scholarships, valued at \$20,000, to assist students in their studies over the next three years.

I am also delighted to announce that, due to our positive financial performance, shareholders will receive a fully franked dividend of \$0.13 per share for the 2024 financial year, payable on 29 November 2024.

In line with our strategic plan, we have made significant strides in our second year. Our efforts to enhance community visibility and shareholder engagement have been successful. We achieved this through community information nights, presentations at local groups, an increased social media presence, and the introduction of a newsletter to keep shareholders informed. We are on track to fulfill our mission of operating a successful Community Bank that offers customer-focused, local banking services while contributing to the prosperity of our community. To support this mission, the Board is working towards a branch environment that is both functional for our staff and welcoming for the community.

Under the leadership of Branch Manager Torina Johnston, our staff have consistently delivered excellent customer service and supported numerous community events. I appreciate their dedication and commend Torina for her exceptional leadership. Further details on our achievements can be found in the Branch Manager's report.

I also extend my gratitude to my fellow Directors for their professional expertise and commitment to TDFS's values and objectives. I would like to make special mention of Tony Staley, who retired from the Board earlier this year. Tony's role as Treasurer was crucial, and his oversight of our finances alongside our bookkeeper and accountant was greatly valued.

As we look to the future, we remain committed to contributing to the growth of a prosperous community, with Community Bank Trafalgar & District as the bank of choice for our community.

Thank you for your continued support.

Debbie Di Sisto
Board Chairperson

Manager's report

For year ending 30 June 2024



It is with great delight that I present my annual financial report as the Branch Manager of Community Bank Trafalgar & District for the year ending 30 June 2024.

We've had a busy 12 months, which saw our branch celebrate 20 years of Community Banking in Trafalgar and it was lovely to be able to celebrate and recognise this momentous milestone with many of our customers, shareholders, past and present Directors, and staff.

In terms of results, a slower economy and a higher interest rate environment continued to challenge the branch for the first half of the year, particularly our lending growth.

However, with rates starting to stabilise at the start of 2024 we saw signs of confidence returning to the market. This led to subdued growth but was in line with what was forecast. Our highlights this year included growth in our deposit book of \$1.975m, growth in our housing loan book of \$106,241 and a pleasing 9.08% increase in new customer growth. Whilst the results aren't extravagant by any means, it was a tough year for branches to even stand still. Run-off, amortisation and un-expected paydown of loans ran at 25% of our book size. This took great efforts by all staff to stay in touch with and make gains.

I'd like to thank my team for the hard work and dedication that they have shown over the past 12 months and call out Gavin Duffy (Customer Relationship Manager) who celebrated his 20 years of Service with Bendigo Bank/Community Bank Trafalgar & District. Congratulations Gavin and I look forward to working alongside you for many more years to come. A big thank you must also go to Emily Morton (Customer Relationship Officer) and Bec Schena (Customer Service Officer) who contributed to some of the outstanding results that we achieved in Insurance Sales, Home Loan Referrals and Wealth products, all of which contributed strongly to our healthy Income position. This year, we also welcomed Thao Nguyen and Mel Kemp to the team, and they have both hit the ground running and have done a fantastic job settling in. I'm really excited about working with this team and can't wait to see what results we can achieve together over the next 12 months.

At the end of 2023, we said goodbye to Board Chairperson Christine Holland and welcomed a familiar face to the role in Debbie Di Sisto. Debbie is local and is proud and passionate about Community Bank Trafalgar & District and I extend my gratitude and admiration of the support that she provides to the Company, Directors, staff and myself. I also can't forget to acknowledge our Directors who ensure that Trafalgar & District Financial Services Limited remains successful. They volunteer their time with minimal acknowledgement, and they also need to be commended for their contribution to the ongoing success of the company.

We are very proud of the impact that Community Bank Trafalgar & District has had on our local community over its 20 years of operation. Through our endeavours we have managed to invest over \$1.8 million dollars back into our community so far. This of course has only been possible because of the support that has been provided by our customers, local businesses, community groups and shareholders and I thank every one of you for your ongoing support.

Over the past 12 months we were able to support several local organisations with their projects and initiatives. Moriah Taylor, our Community Engagement Advisor worked tirelessly with the branch staff, Board and community groups to ensure that we were able to provide this support in a seamless way. We are all very grateful to have Moriah on our team, as it allows us to have a much greater impact in delivering prosperity to our community.

Manager's report (continued)

I am very proud to report that we were supporters of the following clubs and organisations in our catchment area:

- Trafalgar Park Bowls Club
- Willow Grove & District Lions Club
- Live 4 Life
- Baw Baw Radiomodellers Association
- Community Yarragon Good Friday Appeal
- Baw Baw Sustainability Network
- Trafalgar Youth Resource Centre
- Trafalgar Fire Brigade
- Tanjil Valley Artshow
- Trafalgar Mens Shed
- Thorpdale Kindergarten
- Baw Baw Latrobe LLEN
- Thorpdale Bowling Club
- Yarragon Cricket Club
- Trafalgar Junior Football Club
- Trafalgar Playgroup
- West Gippsland Charity Golf Day
- Gippsland Emergency Relief Fund
- Trafalgar Kindergarten
- Trafalgar Golf Club
- Trafalgar Cricket Club
- Better Mental

To ensure our continued success in the years to come, we encourage our shareholders, community sponsorship recipients, friends, families, and neighbours to consider moving their banking to Community Bank Trafalgar & District.

The support that Community Bank Trafalgar & District provides to our community is a great reason to bring your everyday banking across. The Trafalgar team and I would love to show you how easy it can be to change to a bank you can feel proud of and where your banking can contribute to the growth and prosperity of our community.

On behalf of Community Bank Trafalgar & District, we hope to welcome you in branch soon and look forward to a prosperous year ahead.

Torina Johnston
Branch Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2024

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

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

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

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

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

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

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

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

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

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

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

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

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

Justine Minne
Bendigo and Adelaide Bank

Community Bank National Council report

For year ending 30 June 2024



COMMUNITY BANK
NATIONAL COUNCIL

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

Board Audit and Risk Committee report

For year ending 30 June 2024

In 2023-24, the Audit and Risk Committee held four meetings to review financial reports, internal control systems, and auditing processes. We examined legal and regulatory compliance, updated policies and procedures to ensure best practice, and managed shareholder transactions.

This year, the Committee focused on strengthening our cybersecurity framework to protect our IT systems and data. Recognising the critical importance of robust cybersecurity in safeguarding against breaches and ensuring operational integrity, we undertook a comprehensive review of our measures and insurance coverage. We have maintained strong protections through stringent access controls, regular email filtering, and backups. Additionally, we endorsed advanced measures such as phishing simulations, penetration testing, and restoration tests to enhance our resilience. These proactive steps underscore our commitment to high cybersecurity standards and effective risk management.

The Committee also concentrated on business continuity to ensure that Trafalgar & District Financial Services (TDFS) can effectively manage and recover from disruptions. A strong business continuity plan is essential for maintaining operations during unexpected events, to safeguard our services, and protect our stakeholders. For these reasons, the Committee developed this plan to enhance our preparedness and response strategies, ensuring minimal downtime and a swift return to normal operations. This reflects our commitment to operational resilience and the sustained delivery of critical services to our customers.

We proudly declare a dividend of \$0.13 cents per share for our shareholders. This dividend not only reflects our financial achievements for 2023-24 but also recognises the support of our shareholders.

As at 30 June 2024, there were 305 shareholders with a total of 532,850 shares. RSD Registry continues to manage our Low Volume Market share registry, and their services have proven to be invaluable to both TDFS shareholders and the TDFS Board.

For those interested in registering for the purchase, sale, or transfer of shares, RSD Registry offers convenient options. You can reach out to them via email at shares@rsdregistry.com.au or by phone at (03) 5445 4222.

Matthew Steendam (Committee Chair), Geoff Conway and Edwin Vandenberg
Board Audit and Risk Committee

Community Investment Committee report

For year ending 30 June 2024

We have been dedicated to strengthening the presence of Community Bank Trafalgar & District by actively engaging with customers, community members, and business groups to better understand the financial needs of our community. With these insights, we will establish a clear stakeholder engagement plan to effectively address these needs.

In 2024, we awarded new scholarships to Victoria Luque, James Pettifer, Kaylee Saddington, and Elizabeth Darvill to support their undergraduate studies. We also continued to provide support to previous recipients pursuing higher education. The Scholarship Program will reopen in 2024-25, and we look forward to supporting another wave of talented local students.

We take pride in supporting programs that empower local community groups. Throughout the year, we carefully reviewed sponsorship applications submitted to our Community Investment Program, prioritising initiatives that offer tangible financial returns, stakeholder benefits, feasibility, and valuable marketing opportunities. As a result, we returned over \$55,000 to the community.

If your organisation is seeking support and partnership to achieve its goals, we encourage you to reach out to our dedicated Community Engagement Advisor Moriah Taylor to explore how Community Bank Trafalgar & District can collaborate with you to drive growth and success within our local community.

We commend Moriah for her continued work to strengthen and expand our Community Investment Program, making it more accessible to all members of the community.

For inquiries about the upcoming Community Investment Program, please contact Moriah directly at 0402 106 088 or via email at marketing@tdfs.com.au.

**David Balfour (Committee Chair),
Debbie Litkowski, Melanie Cahani and Moriah Taylor
Community Investment Committee**

Donations, Scholarships and Grants 2023/2024	
Baw Baw Latrobe LLEN	\$200.00
Trafalgar Kindergarten	\$900.00
Bettermentall	\$1,706.60
Community of Yarragon Good Friday Appeal	\$600.00
Baw Baw Sustainability Network	\$650.10
Trafalgar Youth Resource Centre	\$1,000.00
Gippsland Emergency Relief Fund	\$1,000.00
Trafalgar Golf Club	\$1,000.00
Trafalgar Youth Resource Centre	\$500.00
Baw Baw Shire Council Life4Life	\$3,333.34
Scholarships	\$20,000.00
Total	\$30,890.04
Sponsorship 2023/24	
Willow Grove & District Lions Club	\$7,190.00
Yarragon Cricket Club	\$4,695.00
Trafalgar Men's Shed	\$1,500.00
Trafalgar Golf Club	\$6,091.00
Thorpdale & District Bowling Club	\$2,500.00
Trafalgar Playgroup	\$1,200.00
Baw Baw Radiomodellers Association	\$3,000.00
Trafalgar Cricket Club	\$5,000.00
Tanjil Valley Art Show	\$2,500.00
Trafalgar Junior Football Club	\$5,214.00
Thorpdale & District Kindergarten	\$3,000.00
Trafalgar Park Bowls Club	\$5,250.00
Trafalgar Fire Brigade CFA	\$3,000.00
West Gippsland Charity Golf Day Association	\$1,500.00
Baw Baw Latrobe LLEN	\$1,650.00
Youth Awards	\$2,145.00
Total	\$55,435.00
Grand Total	\$86,325.04

Directors' report

For the financial year ended 30 June 2024

The Directors present their report on the Company for the financial year ending 30 June 2024.

1. The directors in office at any time during or since the end of the year are:

Christine Holland, Board Chair

Christine was appointed Director on 1 March 2018, Deputy Chair on 15 November 2018 and Chair on 21 November 2019. Christine's background in governance and as a Director is extensive, spreading over many structures and industry profiles, a Fellow with AICD and presently serving on the Boards of Baw Baw Latrobe LLEN and the Celebrate Baw Baw Awards Committee, and she is also a member of the Gippsland AICD Committee. She was a director of the West Gippsland Healthcare Group, resigning as of 30/06/2023. Christine holds a Masters in Career Development and works as a Career Consultant. Christine was a member of the Community Investment Committee. Her resignation from TDFS was announced at the AGM in November.

Anthony Staley, Treasurer

Tony was appointed to the Board on 1 October 2020 and was TDFS's Treasurer. Tony is a retired accountant, with 30 years' experience in senior roles within the electricity and water sectors. Tony has strong financial and governance skills which have been developed through his previous roles, particularly as Chief Finance Officer and Corporation Secretary of a large local Statutory Authority. Tony has also over 20 years experience on School Councils. Tony has a Bachelor of Business and a Graduate Diploma of Applied Corporate Governance. He holds Fellow membership status with both CPA Australia and the Governance Institute and is a Graduate member of AICD. Tony was a member of the Audit and Risk Committee. He resigned effective from 2 June 2024.

Matthew Steendam

Matt was appointed Director on 5 December 2019. Matt holds a Bachelor of Agricultural Science from the University of Melbourne, and prior to joining the families diversified potato farming business, was an Agribusiness Relationship Manager with Rural Bank in Gippsland. This role encompassed client relationship management; new business acquisition; and undertaking business, financial, farming and cashflow analysis for clients. Matt has a strong involvement with Thorpdale CFA, and in recent years with the Thorpdale Recreation Reserve Committee of Management and Thorpdale Potato Festival. He is married with three young children and lives at Thorpdale on the family farm. Matt is Chair of the Audit and Risk Committee.

David Balfour

David was appointed Director on 9 July 2019. David lives in Willow Grove and has been a local councillor for the Thompson and then the North Ward. David has had extensive involvement in local community activities including meetings with local progress associations and town committees and a strong involvement with CFA, Landcare, Reserve Committees, School Councils, UDV and sporting clubs with a strong community connection. David is Chair of the Community Investment Committee.

Directors' report (continued)

1. The directors in office (continued)

Geoff Conway

Geoff was appointed Director on 27 May 2022. Geoff's qualifications include a Masters in Business Administration, Diploma of Teaching, Certificate vi in Workplace Training and Assessment, and he is a Graduate of the Institution of Fire Engineers. Geoff has over 42 years experience as a leader, manager and professional development trainer in public and emergency management agencies in Victoria. Geoff has worked internationally as a consultant on behalf of Australian Government agencies supporting organisational improvement initiatives in Asia and South America. Now he is a founder and the principal consultant with Crossbow Consulting Services, a consultancy focusing on the provision of support to government and NGOs.

Debbie Di Sisto, Board Chair

Debbie was appointed Director on 1 August 2019. Debbie has lived in Trafalgar all of her life and attended both Trafalgar Primary & Trafalgar High School as a student. Debbie holds Certificates in Events Management, Retail Operations and Financial Services and is currently completing a Certificate IV in Accounting & Bookkeeping. Debbie has previously worked in the mining, retail, banking and construction industries. . Debbie's husband is a dairy farmer and they live on their farm just out of Trafalgar. Debbie was a member of the Audit & Risk Committee until the AGM, after which she joined the Community Investment committee. Debbie became chair when Christine Holland retired in November.

Debbie Litkowski

Debbie was appointed to the Board on 1 September 2021. Debbie lives in Trafalgar and has managed various businesses over the past 20 years, and is currently completing a Master of Business Administration (MBA). Debbie has a Diploma in Business Management.

Melanie Cahani

MBA qualified, Melanie is a Marketing and Public Relations expert with more than 15 years' experience in marketing management and consulting. She is a skilled communicator who has previously served on the board of the International Association of Business Communicators Victoria. Passionate about building positive relationships between businesses and customers, Melanie has been the driving force within multinational organisations in media, digital communications and community engagement. Her expertise in multi-channel marketing and strategy development has been instrumental in helping organisations build strong, long-lasting relationships with their customers.

Edwin Vandenberg

Edwin's career has included senior executive roles in agribusiness, manufacturing and retail including time in banking and finance. Tertiary studies Edwin has completed include degrees in agricultural science, economics, an MBA in agribusiness as well as the AICD company director course. The interest Edwin has in serving as a director is to help the organisation grow and continue in its assistance to the community.

Rosie Carroll - Company Secretary

Rosie was appointed Company Secretary on 16 March 2021. Rosie is an experienced Executive Assistant and Company Secretary, who is currently employed as an Executive Assistant to a CEO and Board Secretary of a large, charitable not for profit health service provider, and has previous experience working in the legal sector. Rosie has a Bachelor of Business.

Directors' report (continued)

2. The principal activity of the Company during the financial year was the management of a community bank.
3. The net profit after tax of the Company for the financial year was \$537,662 (2023: \$738,114)
4. During the financial year the Company continued its trading activities, the results of those operations were in line with projections.
5. There was no significant change in the state of the affairs on the Company during the financial year.
6. No matters of circumstances have arisen since the end of the financial year which significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.
7. Other than matters identified in this report, no matters of circumstances have arisen since the end of the financial year which significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.
8. The directors are not aware of any likely developments in the operation of the Company or of any change in the expected results of those operations in future financial years.
9. No Indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company.
10. No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is party for the purpose of taking responsibility on behalf of the Company of all or any part of those proceedings.
11. The company was not a party to any such proceedings during the year.
12. The Company's operation are not regulated by any significant environmental regulation under a law of the Commonwealth, or of a State or Territory.
13. 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 with a Director, a firm of which a Director is a member, or an entity in which a Director has a substantial financial interest other than the benefits disclosed in Note 8. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the accounts, or the fixed salary or an employee of the company.
13. During the Financial year, 11 meetings of directors were held. Attendances by each director were as follows:

	Directors Meetings			
	Director Since	Eligible to Attend	Number Attended	
Director				
Anthony Staley	2020	10	9	Resigned 02/06/2024
Christine Holland	2018	4	4	Resigned 15/11/2023
David Balfour	2019	11	8	
Debbie Di Sisto	2019	11	11	
Debbie Litkowski	2021	11	9	
Edwin Vandenberg	2023	7	6	Appointed 15/11/2023
Geoff Conway	2022	11	11	
Matt Steendam	2019	11	10	
Melanie Cahani	2023	7	7	Appointed 15/11/2023
Non-Director				
Rosie Carroll	2021	6	4	Leave from 4/12/2023 - 3/6/2024
Torina Johnston	2021	11	11	

All Directors are widely experienced in the general business environment in which the company operates.

Directors' report (continued)

Auditors Independence Declaration

The directors received the following declaration from the auditor of the company:

Kidmans Partners Audit Pty Ltd

Signed in accordance with a resolution of the Board of Directors.



Debbie Di Sisto
Chair

Date: 30 August 2024

Auditor's independence declaration



Accountants and Advisors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Trafalgar & District Financial Services Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024 there have been:

- (i) no contraventions of the auditor independence requirements as set out in 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.

KIDMANS PARTNERS AUDIT PTY LTD

A handwritten signature in black ink, appearing to read 'John Petridis', written over a light grey rectangular background.

John Petridis
Director

Melbourne, 2 September 2024

Kidmans Partners Audit Pty Ltd

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Liability limited by a scheme approved under Professional Standards Legislation.

Financial statements

Statement of profit or loss and other comprehensive income
for the year ended 30 June 2024

	Note	2024 \$	2023 \$
REVENUE			
Income from operations		1,540,137	1,687,571
Government grants		-	802
Interest received		48,563	16,061
TOTAL REVENUE		1,588,700	1,704,434
EXPENSES			
Employee benefit expenses		502,204	450,356
Depreciation		26,635	26,890
Amortisation of franchise fee		13,721	13,184
General administration		132,323	122,851
Leasing costs		9,383	10,854
Audit services		6,090	5,780
Advertising and promotion		54,637	23,175
Community contributions		72,812	44,345
Occupancy costs		21,736	23,348
TOTAL EXPENSES		839,541	720,783
PROFIT BEFORE MARKET DEVELOPMENT		749,159	983,651
Contribution - CEF		(31,579)	-
PROFIT BEFORE INCOME TAX		717,580	983,651
Income tax expense	3	179,918	245,537
PROFIT FOR THE YEAR		537,662	738,114
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		537,662	738,114
Earnings per share (cents per share)			
- basic earnings per share (cents)		100.90	138.52
- diluted earnings per share (cents)		100.90	138.52

The accompanying notes form part of these financial statements

Financial statements (continued)

Statement of financial position
as at 30 June 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,742,112	1,560,099
Trade and other receivables		124,608	145,000
Tax Assets		83,769	-
Other		8,941	8,179
TOTAL CURRENT ASSETS		1,959,430	1,713,278
NON-CURRENT ASSETS			
Intangibles	14	61,685	5,310
Property, Plant & Equipment	2	638,245	633,059
Right-of-Use Asset	7	17,321	31,177
Deferred Tax Asset	3	10,835	8,504
TOTAL NON-CURRENT ASSETS		728,086	678,050
TOTAL ASSETS		2,687,516	2,391,328
LIABILITIES			
CURRENT LIABILITIES			
Interest Bearing Liabilities		16,558	18,105
Trade and other payables		146,480	101,366
Tax Liabilities		-	201,405
Provisions	4	22,383	14,720
TOTAL CURRENT LIABILITIES		185,421	335,596
NON-CURRENT LIABILITIES			
Interest Bearing Liabilities		4,222	19,141
Deferred Tax Liability	3	15,406	13,009
Provisions	4	5,955	4,805
TOTAL NON-CURRENT LIABILITIES		25,583	36,955
TOTAL LIABILITIES		211,004	372,551
NET ASSETS		2,476,512	2,018,777
EQUITY			
Contributed Equity		532,850	532,850
Accumulated Profits	10	1,943,662	1,485,927
TOTAL EQUITY		2,476,512	2,018,777

The accompanying notes form part of these financial statements

Financial statements (continued)

Statement of changes in equity for the year ended 30 June 2024

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2023		532,850	1,485,927	2,018,777
Total comprehensive income for the year		-	537,662	537,662
Transactions with owners in their capacity as owners:				
Shares issued during the year		-	-	-
Dividends recognised for the year		-	(79,927)	(79,927)
Balance at 30 June 2024		532,850	1,943,662	2,476,512
Balance at 1 July 2022		532,850	801,098	1,333,948
Total comprehensive income for the year		-	738,114	738,114
Transactions with owners in their capacity as owners:				
Shares issued during the year		-	-	-
Dividends recognised for the year		-	(53,285)	(53,285)
Balance at 30 June 2023		532,850	1,485,927	2,018,777

The accompanying notes form part of these financial statements

Financial statements (continued)

Statement of cash flows for the year ended 30 June 2024

	Note	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,716,582	1,797,489
Payments to suppliers and employees		(916,614)	(874,801)
Interest received		48,563	16,061
Income tax paid		(465,026)	(40,115)
NET CASH PROVIDED BY OPERATING ACTIVITIES	6	383,505	898,634
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(35,003)	(3,087)
Payments for purchase of franchise term		(70,096)	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(105,099)	(3,087)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from lease liabilities		3,218	3,003
Repayment of lease liabilities		(18,409)	(17,153)
Repayment of borrowings		(1,275)	814
Dividends paid		(79,927)	(53,285)
NET CASH USED IN FINANCING ACTIVITIES		(96,393)	(66,621)
Net increase/(decrease) in Cash Held		182,013	828,926
Cash and Cash Equivalents at beginning of year		1,560,099	731,173
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	1,742,112	1,560,099

The accompanying notes form part of these financial statements

Notes to the financial statements

For the year ended 30 June 2024

1. Summary of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers the economic entity of Trafalgar & District Financial Services Limited ("the Company") as an individual entity. The Company is a company limited by shares, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based in historical costs and does not take into account changing money values, or except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied.

(a) Basis of preparation

These general purpose financial statements for the year reporting period ended 30 June 2024 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This financial report is intended to provide users with an update on the latest annual financial statements of the Company. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2024, together with any public announcements made during the following year.

(b) Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. 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.

(c) Accounting policies

The same accounting policies and methods of computation have been followed in this financial report as were applied to prior financial statements

These policies have been consistently applied to all the years presented, unless otherwise stated.

(d) Property, Plant and Equipment

Each class of property, plant and equipment are carried at cost less where applicable any accumulated depreciation.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the incorporated association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

The carrying amount of fixed assets is reviewed annually to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets, employment and subsequent disposal. The expected net cash flows have been discounted to their present value in determining the recoverable amounts.

The depreciable amount of all fixed assets are depreciated using the diminishing value method over their useful lives to the Company commencing from the time the asset is held ready for use.

Notes to the financial statements (continued)

1. Summary of significant accounting policies (continued)

(d) Property, Plant and Equipment (continued)

The depreciation rates used for each for each class of depreciable asset are:-

Plant and Equipment 5% - 100%

(e) Right-of-use Assets

The right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset. Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities. The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(f) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Revenue

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of a cost of acquisition of the asset or as part of an item if the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are included in the Statement of Cash Flows on a gross basis, and the GST component arising from investing and financing activities, which is recoverable from, or payable to the Australian Taxation Office, are classified as operating activities

(i) Intangibles

The franchise fee is valued in the accounts at cost and is being amortised over a period of five years. The balance is reviewed annually and any balance representing future benefits for which the realisation is considered to be no longer recoverable is written off.

(j) Comparative figures

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

Notes to the financial statements (continued)

1. Summary of significant accounting policies (continued)

(k) Leases

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred. Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down

(l) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid in respect of services provided by employees up to the reporting date.

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

(m) Income Tax

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects either the accounting profit nor taxable profit or loss: and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised: Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business and, at the time of the transaction, effects neither the accounting profit nor taxable profit or loss: and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that are enacted or substantially enacted at the reporting date.

Notes to the financial statements (continued)

1. Summary of significant accounting policies (continued)

(n) Trade and other payables

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

(o) Provision for impairment of inventories

The Entity performs an annual assessment of the assets valuation to determine if there is a requirement for an Provision for Impairment. The provision for impairment assessment requires a degree of estimation and judgement.

(p) 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. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

	2024 \$	2023 \$
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2. Property, plant and equipment

Land & Buildings at Cost	478,212	478,212
Plant and Equipment at Cost	394,869	376,905
Less Accumulated Depreciation	(234,836)	(222,058)
	638,245	633,059
Reconciliation of written-down value of Property, Plant & Equipment		
Balance at beginning of year	633,059	643,005
Additions	17,964	3,087
Disposals	-	-
Depreciation Expense	(12,778)	(13,033)
Balance at end of year	638,245	633,059

3. Income tax expense

The prima facie tax payable in operating profit is reconciled to the income tax expense as follows:

Prima facie tax payable on accounting profit at 25% (2023: 25%)	179,395	245,913
Add:		
Non-deductible permanent differences		
Non-deductible entertainment	523	(376)
Less:		
Adjustment for change in tax rate	-	-
Income Tax Expense	179,918	245,537

Notes to the financial statements (continued)

	2024 \$	2023 \$
3. Income tax expense (continued)		
Timing differences deductible when incurred		
Provision for holiday pay, accrued and prepaid expenses	8,174	(730)
Provision for long service leave	1,150	(125)
	9,324	(855)
Movement in Deferred Tax Liability	2,397	(3,378)
Deferred Tax Asset		
Accrued Expenses	3,750	3,622
Provision for Holiday Pay	5,596	3,680
Provision for Long Service Leave	1,489	1,201
	10,835	8,504
Deferred Tax Liabilities		
Accrued Interest	2,235	2,045
Depreciation - Acc v Tax Difference	13,469	11,262
Rent Expense	(298)	(298)
	15,406	13,009

4. Provisions

Current		
Annual Leave	22,383	14,720
Long Service Leave	-	-
	22,383	14,720
Non - Current		
Long Service Leave	5,955	4,805
Average number of employees	7	7

5. Cash & cash equivalents

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash at Bank	1,742,112	1,560,099
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Notes to the financial statements (continued)

	2024 \$	2023 \$
6. Cash flow information		
Reconciliation of cash flow from operations with operating profit / (loss)		
Operating profit after tax	537,662	738,114
Non-operating Cash flows in operating results		
Depreciation	26,635	26,890
Amortisation	13,721	13,184
Changes in Assets and Liabilities		
Decrease / (Increase) in receivables	20,392	(53,490)
(Decrease) / Increase in payables	23,020	(49,743)
(Decrease) / Increase in provisions	8,813	(3,080)
(Decrease) / Increase in tax payable	(246,804)	229,923
Decrease / (Increase) in deferred tax assets	(2,331)	214
(Increase) / Decrease in deferred tax liabilities	2,397	(3,378)
Net cash provided by operating activities	383,505	898,634

7. Right-of-use-asset

Right-to-Use Asset	76,004	76,004
Less: Accumulated Depreciation	(58,683)	(44,827)
	17,321	31,177

8. Related party transactions

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

No transactions with related entities.

9. Segment reporting

The Company operates in the service sector where it conducts a Community Bank in Trafalgar, Yarragon, Willow Grove, Thorpdale, Narracan, Erica, Rawson, Walhalla and Tanjil South of Gippsland in Victoria.

	2024 \$	2023 \$
10. Accumulated profits		
Accumulated profit at the beginning of the financial year	1,485,927	801,098
Net profit after income tax	537,662	738,114
Less dividends paid	(79,927)	(53,285)
Accumulated profit at the end of the financial year	1,943,662	1,485,927

Notes to the financial statements (continued)

	2024 \$	2023 \$
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11. Dividends paid on ordinary shares

Franked dividends (15 cents per share for 2024, 10 cents per share for 2023)	79,927	53,285
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12. Franking credit balance

Franking account balance as at the end of the financial year	753,146	352,839
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13. Company details

The registered office of the Company is 82 Smith Street, WARRAGUL Victoria.

The principal place of business is 107b Princes Highway, Yarragon, Victoria.

14. Intangibles

Franchise Fee at cost	70,097	65,919
Less Amortisation	(8,412)	(60,609)
	61,685	5,310

15. Earnings per share

Earnings used in calculating basic and diluted earnings per share	537,662	738,114
Weighted average number of shares for basic and diluted earnings per share	532,850	532,850

16. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the entity is set out below:

Aggregate Compensation	112,619	119,980
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17. Financial instruments

	Fixed Interest Rate									
	Effective Interest Rate		Floating Interest Rate		Within 1 Year		1 to 5 Years		Non Interest Bearing	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Financial Assets										
Cash at Bank	3.17%	3.45%	814,800	614,196	927,312	945,903	-	-		
Receivables									124,608	145,000
Total Financial Assets			814,800	614,196	927,312	945,903	-	-	124,608	145,000

Notes to the financial statements (continued)

17. Financial instruments (continued)

	Fixed Interest Rate									
	Effective Interest Rate		Floating Interest Rate		Within 1 Year		1 to 5 Years		Non Interest Bearing	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Financial Liabilities										
Loan			-	-						
Payables	13.99%	13.99%	267	1,542					146,480	101,366
Occupancy lease	5.00%	5.00%			16,291	16,563	4,222	19,141		
Chattel Mortgage Liabilities	-	-			-	-				
Total Financial Liabilities			267	1,542	16,291	16,563	4,222	19,141	146,480	101,366

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the Statement of Financial Position and Notes to the Financial Statements.

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

(c) Net Fair Value

For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in a standardised form. Financial assets where the carrying amount exceeds net fair values have been written down as the company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and Notes to the Financial Statements.

18. Current and non-current classification

Assets and liabilities are presented in the Statement of Financial Position based on current and non-current classification.

An asset is classified as current when:

- it is either expected to be realised or intended to be sold or consumed in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is expected to be realised within 12 months after the reporting period; or
- the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- it is either expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

19. Events after the reporting period

No other 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.

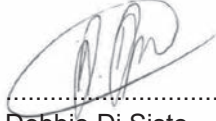
Directors' declaration

For the financial year ended 30 June 2024

The directors of Trafalgar & District Financial Services Limited, declare that:

- (1) The financial statements and notes, as set out on pages 14 to 25 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Australian Accounting Standards; and
 - (b) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the year ended on that date.
- (2) In the directors opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Debbie Di Sisto
Chair

Dated this 30th day of August 2024

Independent audit report



Accountants and Advisors

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAFALGAR & DISTRICT FINANCIAL SERVICES LIMITED

Opinion

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

In our opinion the financial report of Trafalgar & District Financial Services Limited has been prepared in accordance with the *Corporations Act 2001*, including:

- a) 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 then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

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

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 do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Directors for the Financial Report

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

Kidmans Partners Audit Pty Ltd

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAFALGAR & DISTRICT FINANCIAL SERVICES LIMITED (CONTINUED)

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

The directors are responsible for overseeing the Company's financial reporting process.

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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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, related safeguards.

Kidmans Partners Audit Pty Ltd
ABN: 46 143 986 841

A handwritten signature in blue ink, appearing to read 'John Petridis', written over a light blue horizontal line.

John Petridis
Director

Melbourne, 2 September 2024

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