

# Annual Report 2024

Warringah Financial Services  
Limited

Community Bank  
Mosman

ABN 61 134 721 216

man

Community Bank® Branch



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# Chair's Report

*For year ending 30 June 2024*

*Dear Shareholders,*

*The past 12 months have been one of consolidation. As was alluded to in my report at last year's AGM we did not expect the financial results this year to be as buoyant as the previous year. Profitability for the year decreased, however this was a result of number of factors.*

- The interest margin income retracted, as expected, due to market influences.*
- We increased our investment in staffing with employment expenses increasing as outlined in the finance report. We continued our strategy to staff the branch to ensure a consistent customer experience and we were able to discontinue branch closures during lunch times.*
- Our community investment of marketing activities increased.*

*This investment and the new Community Bank Mosman structure have the business well positioned for the future. In the last 12 months our customer numbers have increased by 11% and these numbers continue to increase monthly. The banking business managed by the team has increased by \$8.5M to \$166.5M. This is a direct result of the efforts of Daniel, Tamara, Noah and the team. In addition to this Noah has developed in his role as our mobile lender and is building momentum to grow the lending book. At the time of writing this report he was the best performer in the lending team in the country for the month.*

*The purpose of our Community Bank is twofold, one to feed into the prosperity of the Mosman community and to ensure our shareholders reap rewards for their patience and investment. Please refer to the Community Engagement report for details of our recent activity.*

*The branch team, Daniel Posa, Andreas Metaxoulis, Noah Burgess, Tamara Keniry, Jack Scanlon and Luke McKinnon have done a great job throughout the year. They are responding well to the changes in customer banking habits and converting on the community engagement activity that Tamara is undertaking and leading.*

*At the last AGM I advised that we were looking to build a sustainable board structure. In this regard we have been successful in recruiting several well-qualified and locally connected individuals to become directors of the company. These directors will be introduced to the shareholders at the AGM for ratification of their appointment to the board.*

*At the AGM I will also be stepping down from the board and would like to thank the branch team and my fellow directors Jan, Sandra and Fentin for their support during my time on the board. A special thanks to Jan who will also resign at the AGM and has overseen our human resource activities, Jan has put many hours into working with the team and Bendigo Bank to ensure the Community Bank is best positioned for the future.*

*Finally, I would like to thank the shareholders for your continued support.*

*Wayne Simpson  
Chair*

# Branch Manager's Report

For year ending 30 June 2024

Dear Shareholders

It was my pleasure to lead the team for another financial year. This year presented with further growth to the business, an increase in the team's numbers and capability which has brought about a promising start to subsequent financial year.

Over the year we have had some staffing changes, with a special mention to Noah who developed his lending capabilities and local network remarkably quickly over the year, taking advantage of the NSW Shared Equity Home Buyer Scheme which brought a significant number of applications to the branch.

Further to this, a mention is also appropriate for Tamara who made strong improvements to our involvement and outreach in local community groups.

New team members that joined the business this year were.

Andreas Metaxoulis – Customer Relationship Officer: Commenced with Delphi bank (part of the Bendigo Group) in 2022, has spent time working across other branches in the organisation, joining the team in Mosman early April 2024.

Andreas's role consists of attending to customers' Credit Card and Personal lending enquiries, whilst being an additional Senior Staff member in the branch to assist Daniel with the Day-to-day operations of the business. This is providing Daniel with additional capability to conduct business development activities with Tamara and Noah and maintain his focus on Home Lending applications alongside Noah.

Luke McKinnon – Part-Time Customer Service Officer: Joined the team in April 2024, Luke is a university student as well, like Jack studying Economics. Luke is a fast learner and has demonstrated he is an asset to the business. His customer service and communication skills are impeccable, and he has fitted in with the team perfectly.

At the last AGM, I stated the yearly focus was to:

- retention results and growth in customer base.
- strengthen relationships with existing customers. This has been demonstrated with our customer
- Networking and business development. Daniel, Tamara and Noah have been regularly attending Mosman and North Sydney Chamber events along with various other local community events (i.e. sporting clubs presentation days).
- Increasing our ability for community outreach and investment. This has been evidenced in Tamara's work with the local community, with increased community investment during the financial year.

For this financial year ending June 2025, our focus will be the following:

- Increase our lending portfolio
- Maintain business development and community outreach
- Investigate establishing a local referral network

A big thank you to all our shareholders, for this business would not exist without you. Many of you have shown ongoing support for Community Bank Mosman by taking advantage of the products and benefits offered. I encourage you to come into the branch and meet the team.

Warm regards,  
Daniel Posa

# Community Engagement Report

For year ending 30 June 2024

## Introduction

It has been a remarkable year for Community Bank Mosman, and we are delighted to share the highlights of our community contributions during the financial year 2024. From supporting local sports teams and cultural events to partnering with community organisations, our commitment to making a positive impact on the Mosman area has never been stronger. Here's a recap of the initiatives we've proudly supported this year.

## Supporting Our Community

We've provided sponsorships and grants totalling \$21,881 this year, reflecting our dedication to nurturing a vibrant and connected community. This is a significant increase of 172% from FY23 when we spent \$8,034. Last year, our focus was on stabilizing the branch and returning to profitability after the challenges posed by COVID-19. Now, in FY24, we are re-establishing and strengthening our community relationships, which took a hit during the pandemic. We're excited to renew our commitment to supporting local organizations and events.

### Here are some key highlights:

#### Arts and Culture:

- *Mosman Art Gallery: Sponsored two impactful programs: Art Explorers, which encourages young people to engage with art, and an initiative supporting dementia patients through creative activities.*
- *Mosman High Art Walk: Supported the People's Choice Award, celebrating the creative talents within our community.*

#### Sports and Recreation:

- *Mosman Football Club: Sponsored two marquees, ensuring the community could enjoy the game in any weather conditions.*
- *Mosman Netball: Supported with a Bronze Sponsorship for 2024, reinforcing our long-term commitment to the sport.*
- *Middle Harbour Skiff Club: Provided branded bags, enhancing team spirit and visibility.*
- *Mosman Physie: Our Gold Sponsorship for 2024 is helping this physical culture club thrive and continue its positive impact on the community.*
- *Mosman Hockey Club: Co-branded a marquee to support their events and activities.*
- *Croquet Club: Celebrated their 100th anniversary with a sponsorship, acknowledging their century-long contribution to the community.*

#### Community Wellbeing and Social Support:

- *Garrison Community: Supported the Knitwits project with knitting supplies and contributed to their Cancer Council Fundraiser, promoting health and well-being through community action.*
- *Business with a Heart: Sponsored this initiative to support local businesses that are making a difference.*
- *Biggest Morning Tea: Proud to support this event, which raises funds and awareness for cancer research.*
- *Men's Shed: They crafted a beautiful table for our branch. We're proud to have helped establish the Men's Shed several years ago, and it's inspiring to see how they continue to contribute to the community with their skills and dedication.*

- *Scouts: We sponsored a marquee to support their outdoor activities, helping young people build life skills through adventure.*

#### **Music and Performance:**

- *Mosman Orchestra: Our sponsorship for 2024 helps ensure that the arts continue to flourish in our community.*

#### **Business and Economic Support:**

- *Chamber of Commerce: We are proud to be a Gold Member, helping promote and support the growth of local businesses. We also extended our reach by joining the North Sydney Chamber of Commerce.*
- *Impact100 Pilot at Shore School: We supported this innovative program, fostering educational excellence and community engagement.*

#### **Engaging the Community Through Events**

*We actively participated in key community events that brought residents together:*

- **Festival of Mosman:** *We were honoured to support this beloved local event, celebrating the spirit of Mosman.*
- **David Robinson Economics Event:** *Supported this insightful event, which was organized by the Chamber of Mosman. We were pleased to contribute to this initiative that brought valuable economic insights to the community.*

#### **Enhancing Our Branch Experience**

*We believe Community Bank Mosman should be a welcoming space that reflects our commitment to the community. This year, we undertook several upgrades to improve our facilities:*

- **Main Area:** *We added a couch, creating a more inviting atmosphere for customers and community members alike.*
- **Pop-Up Marketplace:** *We opened our doors to local businesses, providing them with a space to showcase their products and engage with the community.*
- **Branch Makeover:** *A fresh coat of paint has given our branch a revitalized look, aligning our physical presence with our vibrant community spirit.*

#### **Expanding Our Reach**

*We have made significant efforts to connect with the community and spread awareness of our initiatives through various channels:*

- **Facebook:** *Engaged with our audience online, sharing updates, community stories, and event highlights.*
- **Mosman Collective:** *Advertised in this well-regarded local publication to strengthen our connection with the community.*
- **Orpheum & Middle Harbour Skiff Club Billboard:** *Utilized these prominent platforms to increase our visibility and highlight our support for local initiatives.*

#### **Looking Ahead**

*As we reflect on a successful year of community engagement, we are more committed than ever to supporting the Mosman community. We look forward to continuing our work together, making a lasting positive impact, and building an even stronger community in the year ahead. Thank you for your ongoing support and for being a part of this journey with us.*

# *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 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**



# Supporting Our Community





# Warringah Financial Services Limited

ABN: 61 134 721 216

Financial Report for the year ended 30 June 2024

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# Warringah Financial Services Limited

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For the year ended 30 June 2024

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# Warringah Financial Services Limited

## Directors' Report

For the year ended 30 June 2024

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

### Board of Directors

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

#### Wayne Simpson

Title:	Chair, Treasurer and Company Secretary
Qualifications:	MAICD
Experience & Expertise:	Business Consultant, 30 years of experience in finance industry, directorships have included NFP in the disability sector and RDA Southern Inland NSW. CEO Rise Above - Capital Region Cancer Relief.

#### Fentin McEvoy

Title:	Non-Executive Director
Qualifications:	B.A, B.Ec, LL.B, Dip. Ed
Experience & Expertise:	Admitted as Barrister to NSW Supreme Court, previous CEO NSW Law Reform Commission, Policy and Legal Adviser for 2 NSW Ministers - Attorney General and Premier, NSW Board of Studies Teacher and Examiner, President of University of Sydney Settlement.

#### Janet Edwards

Title:	Non-Executive Director
Qualifications:	CA, CPA, MBA Finance & Accounting, GAICD
Experience & Expertise:	Retired CEO BDCU Allince Bank, Senior positions in insurance & superannuation, banking, manufacturing, and consulting industries in Canada, the UK, USA and the Middle East. Director Social Traders, Chair, RSPCA Australia and many past directorships.

#### Sandra Arps

Title:	Non-Executive Director
Qualifications:	Diploma of Science (Economics), Post-Graduate Certificate in General Management, GAICD, PMI, SAFe Product Owner.
Experience & Expertise:	Global technology leader with experience across 30+ countries, driving tech innovations in Asia, and served as a NASA Space App Challenge Judge.

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

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

### Directors' Meetings

Attendances by each Director during the year were as follows:

Director	Board Meetings	
	A	B
Wayne Simpson	11	11
Fentin McEvoy	11	9
Janet Edwards	11	11
Sandra Arps	11	10

A - The number of meetings eligible to attend.

## Warringah Financial Services Limited

### Directors' Report

For the year ended 30 June 2024

B - The number of meetings attended.

#### Company Secretary

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

Wayne Simpson	
Qualifications:	MAICD
Experience & Expertise:	Business Consultant, 30 years of experience in finance industry, directorships have included NFP in the disability sector and RDA Southern Inland NSW. CEO Rise Above - Capital Region Cancer Relief.

#### Principal Activities

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

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

#### Operating Results

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

	30 June 2024 (\$)	30 June 2023 (\$)	Movement
Profit After Tax	199,330	589,966	-66%

#### 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.

#### Director's Interests

Director	Fully Paid Ordinary Shares		
	Balance at 1 July 2023	Changes During the Year	Balance at 30 June 2024
Wayne Simpson	-	-	-
Fentin McEvoy	1,001	-	1,001
Janet Edwards	-	-	-
Sandra Arps	-	-	-

#### Dividends

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

	Cents per Share	Total Amount (\$)
Final fully unfranked dividend	4.00	\$30,984
<b>Total Amount</b>	<b>4.00</b>	<b>\$30,984</b>

**Directors' Report**

For the year ended 30 June 2024

**Options**

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

**Significant Changes in the State of Affairs**

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

**Events Since the end of the Financial Year**

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

**Likely Developments**

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

**Environmental Regulations**

The company is not subject to any significant environmental regulation.

**Indemnification & Insurance of Directors & Officers**

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

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

**Proceedings on Behalf of the Company**

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

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

## Warringah Financial Services Limited

### Directors' Report

For the year ended 30 June 2024

#### Non-audit Services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (RSD Audit) for audit and non-audit services provided during the year are set out in Note 28 to the accounts.


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

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

#### Auditor's Independence Declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5 of this financial report.

Signed in accordance with a resolution of the Board of Directors at Jerrabomberra, NSW.

  
\_\_\_\_\_  
**Wayne Simpson**  
Chair/Director

Dated this 25th day of September, 2024

**Auditors Independence Declaration under section 307C of the *Corporations Act 2001*  
To the Directors of Warringah Financial Services Limited.**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Warringah Financial Services Limited. As the lead audit partner for the audit of the financial report for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

**RSD Audit**

A handwritten signature in blue ink, appearing to read 'JP', is placed over a light blue rectangular background.

**Josh Porker**  
**Principal**

41A Breen Street  
Bendigo VIC 3550

**Dated:** 25 September 2024



## Warringah Financial Services Limited

### Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
<b>Revenue</b>			
Revenue from contracts with customers	7	899,528	1,073,171
Other revenue	8	22,394	23,123
Finance income	9	854	77
		<b>922,776</b>	<b>1,096,371</b>
<b>Expenses</b>			
Employee benefits expense	10	(453,765)	(265,444)
Depreciation and amortisation	10	(126,005)	(123,904)
Finance costs	10	(4,105)	(11,200)
Professional fees		(20,334)	(33,154)
Occupancy expenses		(19,727)	(13,861)
IT expenses		(27,158)	(25,492)
ATM expenses		(5,163)	(4,211)
Other expenses		(39,873)	(16,026)
Bad and doubtful debts expense		(120)	(47)
Cash delivery, freight & cartage		(5,315)	(5,032)
		<b>(701,565)</b>	<b>(498,371)</b>
<b>Operating profit before charitable donations and sponsorship</b>		<b>221,211</b>	<b>598,000</b>
Charitable donations and sponsorship	10	(21,881)	(8,034)
<b>Profit before income tax</b>		<b>199,330</b>	<b>589,966</b>
Income tax expense	11	-	-
<b>Profit for the year after income tax</b>		<b>199,330</b>	<b>589,966</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>199,330</b>	<b>589,966</b>
Profit attributable to the ordinary shareholders of the company		199,330	589,966
<b>Total comprehensive income attributable to ordinary shareholders of the company</b>		<b>199,330</b>	<b>589,966</b>
<b>Earnings per share</b>		<b>¢</b>	<b>¢</b>
- basic and diluted earnings per share	30	17.83	52.78

The accompanying notes form part of these financial statements

## Warringah 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	12	207,315	305,801
Trade and other receivables	13	83,074	90,716
Financial assets	14	695,394	425,500
Other assets	15	5,138	4,750
<b>Total current assets</b>		<b>990,921</b>	<b>826,767</b>
<b>Non-current assets</b>			
Property, plant and equipment	16	1,924	767
Right-of-use assets	17	-	110,893
Intangible assets	18	-	13,068
<b>Total non-current assets</b>		<b>1,924</b>	<b>124,728</b>
<b>Total assets</b>		<b>992,845</b>	<b>951,495</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	19	51,287	74,050
Lease liabilities	20	-	114,147
Employee benefits	21	20,607	14,865
<b>Total current liabilities</b>		<b>71,894</b>	<b>203,062</b>
<b>Non-current liabilities</b>			
Employee benefits	21	8,297	4,125
Other provisions	19	30,000	30,000
<b>Total non-current liabilities</b>		<b>38,297</b>	<b>34,125</b>
<b>Total liabilities</b>		<b>110,191</b>	<b>237,187</b>
<b>Net assets</b>		<b>882,654</b>	<b>714,308</b>
<b>Equity</b>			
Issued capital	23	1,095,009	1,095,009
Accumulated losses	24	(212,355)	(380,701)
<b>Total equity</b>		<b>882,654</b>	<b>714,308</b>

The accompanying notes form part of these financial statements

## Warringah Financial Services Limited

### Statement of Changes in Equity

For the year ended 30 June 2024

	Note	Issued Capital \$	Accumulat Losses \$	Total Equity \$
<b>Balance at 1 July 2022</b>		<b>1,095,009</b>	<b>(970,667)</b>	<b>124,342</b>
<b>Comprehensive income for the year</b>				
Profit for the year		-	589,966	589,966
<b>Transactions with owners in their capacity as owners</b>				
Dividends paid or provided	29	-	-	-
<b>Balance at 30 June 2023</b>		<b>1,095,009</b>	<b>(380,701)</b>	<b>714,308</b>
<b>Balance at 1 July 2023</b>		<b>1,095,009</b>	<b>(380,701)</b>	<b>714,308</b>
<b>Comprehensive income for the year</b>				
Profit for the year		-	199,330	199,330
<b>Transactions with owners in their capacity as owners</b>				
Dividends paid or provided	29	-	(30,984)	(30,984)
<b>Balance at 30 June 2024</b>		<b>1,095,009</b>	<b>(212,355)</b>	<b>882,654</b>

The accompanying notes form part of these financial statements

## Warringah Financial Services Limited

### Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		973,291	1,080,977
Payments to suppliers and employees		(635,019)	(344,877)
Interest paid		(4,105)	(11,200)
Interest received		854	77
<b>Net cash flows provided by operating activities</b>	25b	<b>335,021</b>	<b>724,977</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(2,570)	-
Purchase of investments		(269,894)	(400,000)
Purchase of intangible assets		(15,282)	(15,283)
<b>Net cash flows used in investing activities</b>		<b>(287,746)</b>	<b>(415,283)</b>
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities		(114,777)	(107,034)
Dividends paid		(30,984)	-
<b>Net cash flows used in financing activities</b>		<b>(145,761)</b>	<b>(107,034)</b>
<b>Net increase/(decrease) in cash held</b>		<b>(98,486)</b>	<b>202,660</b>
Cash and cash equivalents at beginning of financial year		305,801	103,141
<b>Cash and cash equivalents at end of financial year</b>	25a	<b>207,315</b>	<b>305,801</b>

The accompanying notes form part of these financial statements

**Note 1. Corporate Information**

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

Further information on the nature of the operations and principal activity of the company is provided in the directors' report. Information on the company's related party relationships is provided in Note 27.

**Note 2. Basis of Preparation**

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

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

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

**Note 3. Summary of Significant Accounting Policies**

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

**(a) Economic Dependency**

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

**Mosman Community Bank**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Revenue Calculation**

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

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

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

**Margin**

Margin is arrived at through the following calculation:

Interest paid by customers on loans, less interest paid to customers on deposits
<i>plus</i>
Deposit returns (i.e. interest return applied by BABL on deposits)
<i>minus</i>
Any costs of funds (i.e. interest applied by BABL to fund a loan)

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

**Commission**

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

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

**Fee Income**

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

**Core Banking Products**

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

**Ability to Change Financial Return**

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

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

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

**(c) Other Revenue**

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

Revenue	Revenue Recognition Policy
Other income	All other revenues that did not contain contracts with customers are recognised as goods and services are provided.

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

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

**(d) Employee Benefits**

**Short-term Employee Benefits**

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

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

**Other Long-term Employee Benefits**

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

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

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

**(e) Tax**

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

**Current Income Tax**

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

**Deferred Tax**

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

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

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

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

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



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

**Goods & Services Tax**

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

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

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

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

**(f) Cash & Cash Equivalents**

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

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

**Recognition & Measurement**

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

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

**Subsequent Expenditure**

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

**Depreciation**

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

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

Asset Class	Method	Useful Life
Plant & equipment	Straight line	4 - 20 years

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

**Notes to the Financial Statements**

For the year ended 30 June 2024

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

**(h) Intangible Assets**

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

**Recognition & Measurement**

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

**Subsequent Expenditure**

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

**Amortisation**

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

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

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

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

**(i) Financial Instruments**

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

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

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

**Recognition & Initial Measurement**

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

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

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

**Classification & Subsequent Measurement**

*Financial Assets*

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

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

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

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

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

*Financial Assets - Business Model Assessment*

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

*Financial Assets - Subsequent Measurement, Gains & Losses*

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

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

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

**Derecognition**

*Financial Assets*

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

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

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

*Financial Liabilities*

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

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

**Offsetting**

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

**(j) Impairment**

**Non-derivative Financial Instruments**

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

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

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

*Recognition of ECL in Financial Statements*

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

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

**Non-financial Assets**

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

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

**(k) Issued Capital**

**Ordinary Shares**

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

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

**(l) Leases**

**As Lessee**

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

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

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

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

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

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

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

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

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

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

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

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

**As Lessor**

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

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

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

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

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

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

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

**(a) Judgements**

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

Note	Judgement
Note 7 - Revenue	Whether revenue is recognised over time or at a point in time
Note 20 - Leases:	
(a) Control	Whether a contract is or contains a lease at inception by assessing whether the company has the right to direct the use of the identified asset and obtain substantially all the economic benefits from the use of that asset
(b) Lease term	Whether the company is reasonably certain to exercise extension options, termination periods, and purchase options
(c) Discount rates	Judgement is required to determine the discount rate, where the discount rate is the company's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. The incremental borrowing rate is determined with reference to factors specific to the company and underlying asset including: <ul style="list-style-type: none"> <li>• the amount</li> <li>• the lease term</li> <li>• economic environment</li> <li>• any other relevant factors.</li> </ul>

**(b) Assumptions & Estimation Uncertainty**

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

Note	Assumption
Recognition of deferred tax assets	The company does not recognise deferred taxes.
Note 16 - Estimation of asset useful lives	Key assumptions on historical experience and the condition of the asset
Note 21 - Long service leave provision	Key assumptions on attrition rate of staff and expected pay increases though promotion and inflation

**Note 5. Financial Risk Management**

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

- credit risk
- liquidity risk
- market risk

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

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

**(a) Credit Risk**

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

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

**(b) Liquidity Risk**

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

**(c) Market Risk**

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

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

**Price Risk**

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

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

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

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

The company held cash and cash equivalents of \$207,315 at 30 June 2024 (2023: \$305,801). The cash and cash equivalents are held with Bendigo & Adelaide Bank, which are rated BBB on Standard & Poor's credit ratings.

**Note 6. Capital Management**

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

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

The distribution limit is the greater of:

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

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2024 can be seen in the statement of profit or loss and other comprehensive Income.

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



## Warringah Financial Services Limited

### Notes to the Financial Statements

For the year ended 30 June 2024

#### Note 7. Revenue From Contracts With Customers

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

	2024 \$	2023 \$
<b>Revenue</b>		
- Revenue from contracts with customers	899,528	1,073,171
	<b>899,528</b>	<b>1,073,171</b>
<b>Disaggregation of Revenue From Contracts With Customers</b>		
- Margin income	839,667	1,017,787
- Fee income	28,925	26,022
- Commission income	30,936	29,362
	<b>899,528</b>	<b>1,073,171</b>

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

#### Note 8. Other Revenue

The company generates other sources of revenue as outlined below.

	2024 \$	2023 \$
<b>Other Revenue</b>		
- Traineeship Govt subsidy	2,500	1,670
- Other	19,894	21,453
	<b>22,394</b>	<b>23,123</b>

#### Note 9. Finance Income

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

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

	2024 \$	2023 \$
<b>Finance Income</b>		
<b>At amortised cost:</b>		
- Interest from term deposits	854	77
	<b>854</b>	<b>77</b>

## Warringah Financial Services Limited

### Notes to the Financial Statements

For the year ended 30 June 2024

#### Note 10. Expenses

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

##### (a) Employee Benefits Expense

	2024	2023
	\$	\$
Employee Benefits Expense		
- Wages & salaries	382,151	224,642
- Superannuation costs	43,453	22,833
- Other expenses related to employees	28,161	17,969
	<b>453,765</b>	<b>265,444</b>

##### (b) Depreciation & Amortisation Expense

	2024	2023
	\$	\$
Depreciation of Non-current Assets		
- plant and equipment	1,413	548
	<b>1,413</b>	<b>548</b>
Depreciation of Right-of-use Assets		
- leased buildings	111,524	110,288
	<b>111,524</b>	<b>110,288</b>
Amortisation of Intangible Assets		
- franchise fee	13,068	13,068
	<b>13,068</b>	<b>13,068</b>
<b>Total depreciation &amp; amortisation expense</b>	<b>126,005</b>	<b>123,904</b>

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

##### (c) Finance Costs

	2024	2023
	\$	\$
Finance Costs		
- Interest paid	4,105	11,200
	<b>4,105</b>	<b>11,200</b>

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

## Warringah Financial Services Limited

### Notes to the Financial Statements

For the year ended 30 June 2024

#### Note 10. Expenses (continued)

##### (d) Community Investments & Sponsorship

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

	2024 \$	2023 \$
<b>Community Investments &amp; Sponsorship</b>		
- Direct sponsorship and grant payments	21,881	8,034
	<b>21,881</b>	<b>8,034</b>

#### Note 11. Income Tax Expense

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

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

	2024 \$	2023 \$
Current tax expense	50,986	149,077
Recoupment of prior year tax losses	(50,986)	(149,077)
	-	-

Recoupment of prior year tax losses and carried forward tax losses are as follows:

	2024 \$	2023 \$
Taxable income	204,333	596,307
Carried forward tax losses as per prior year tax return	284,777	881,084
Tax losses utilised in current year	(204,333)	(596,307)
Taxable income after recoupment of tax losses	-	-

##### (b) Prima Facie Tax Payable

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

	2024 \$	2023 \$
Prima facie tax on profit before income tax at 25% (2023: 25%)	49,833	147,492
<b>Add Tax Effect Of:</b>		
- Utilisation of previously unrecognised carried forward tax losses	(50,986)	(149,077)
- Temporary differences	1,153	1,585
<b>Income tax attributable to the entity</b>	<b>-</b>	<b>-</b>
The applicable weighted average effective tax rate is:	0.00%	0.00%

## Warringah Financial Services Limited

### Notes to the Financial Statements

For the year ended 30 June 2024

#### Note 12. Cash & Cash Equivalents

	2024	2023
	\$	\$
Cash at bank and on hand	207,315	305,801
	<b>207,315</b>	<b>305,801</b>

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

#### Note 13. Trade & Other Receivables

	2024	2023
	\$	\$
<b>Current</b>		
Trade receivables	83,074	90,716
	<b>83,074</b>	<b>90,716</b>

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

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

#### Note 14. Financial Assets

	2024	2023
	\$	\$
<b>At Amortised Cost</b>		
Term deposits	695,394	425,500
	<b>695,394</b>	<b>425,500</b>

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

#### Note 15. Other Assets

	2024	2023
	\$	\$
Prepayments	5,138	4,750
	<b>5,138</b>	<b>4,750</b>

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

## Warringah Financial Services Limited

### Notes to the Financial Statements

For the year ended 30 June 2024

#### Note 16. Property, Plant & Equipment

##### (a) Carrying Amounts

	2024 \$			2023 \$		
	At Cost / Valuation	Accumulated Depreciation	Written Down Value	At Cost / Valuation	Accumulated Depreciation	Written Down Value
Leasehold improvements	121,128	(121,128)	-	121,128	(121,128)	-
Plant & equipment	120,065	(118,141)	1,924	117,496	(116,729)	767
	<b>241,193</b>	<b>(239,269)</b>	<b>1,924</b>	<b>238,624</b>	<b>(237,857)</b>	<b>767</b>

##### (b) Movements in Carrying Amounts

2024	Plant & Equipment \$	Total
Opening carrying value	767	767
Additions	2,570	2,570
Depreciation expense	(1,413)	(1,413)
<b>Closing carrying value</b>	<b>1,924</b>	<b>1,924</b>

2023	Plant & Equipment \$	Total
Opening carrying value	1,315	1,315
Depreciation expense	(548)	(548)
<b>Closing carrying value</b>	<b>767</b>	<b>767</b>

##### (c) Capital Expenditure Commitments

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

##### (d) Changes in Estimates

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

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

## Warringah Financial Services Limited

### Notes to the Financial Statements

For the year ended 30 June 2024

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

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

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

The company's lease portfolio includes buildings.

#### Options to Extend or Terminate

The option to extend or terminate are contained in the property lease of the Company. As of June 30, 2024, the decision to extend the lease was uncertain. However, post-year-end, management renewed the agreement for an additional two years.

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

	2024		2023	
	Leased Buildings \$	Total ROU Asset \$	Leased Buildings \$	Total ROU Asset \$
Leased asset	222,439	222,439	221,181	221,181
Depreciation	(222,439)	(222,439)	(110,288)	(110,288)
	-	-	<b>110,893</b>	<b>110,893</b>

Movements in carrying amounts:

	Leased Buildings \$	Total ROU Asset \$
Opening balance of carrying amount	110,893	110,893
Additions	631	631
Depreciation expense	(111,524)	(111,524)
<b>Net carrying amount</b>	-	-

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

	2024 \$	2023 \$
Depreciation expense related to right-of-use assets	111,524	110,288
Interest expense on lease liabilities	4,105	11,200

## Warringah Financial Services Limited

### Notes to the Financial Statements

For the year ended 30 June 2024

#### Note 18. Intangible Assets

##### (a) Carrying Amounts

	2024			2023		
	At Cost / Valuation	Accumulated Amortisation	Written Down Value	At Cost / Valuation	Accumulated Amortisation	Written Down Value
Franchise fee	65,340	(65,340)	-	65,340	(52,272)	13,068
	<b>65,340</b>	<b>(65,340)</b>	<b>-</b>	<b>65,340</b>	<b>(52,272)</b>	<b>13,068</b>

##### (b) Movements in Carrying Amounts

2024	Franchise Fee \$
Opening carrying value	13,068
Amortisation expense	(13,068)
<b>Closing carrying value</b>	<b>-</b>

2023	Franchise Fee \$
Opening carrying value	26,136
Amortisation expense	(13,068)
<b>Closing carrying value</b>	<b>13,068</b>

**Note 19. Trade & Other Payables**

	2024 \$	2023 \$
<b>Current</b>		
Trade creditors	6,594	6,337
Other creditors and accruals	44,693	52,430
Trade creditors - Franchisee fee	-	15,283
	<b>51,287</b>	<b>74,050</b>

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

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

**Note 20. Lease Liabilities**

Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate on the adoption date. The discount rate used on recognition was 6.5%.

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

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

**(a) Lease Portfolio**

The company's lease portfolio includes:

Lease	Details
Mosman Branch	The lease agreement is a non-cancellable lease with an initial term of eight years, commencing in July 2014 and expiring in June 2024. Post year-end, the Company successfully negotiated a renewal of the lease for an additional two years, commencing on July 1, 2024.

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

**(b) Lease Liabilities**

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

	2024 \$	2023 \$
Current	-	114,147
Non-current	-	-



## Warringah Financial Services Limited

### Notes to the Financial Statements

For the year ended 30 June 2024

The lease liabilities are secured by the related underlying assets. The current lease has expired in June 2024. There is a renewal contract for another 2-year term commencing 1 July 2024, with operating lease commitment of \$123,026 per annum plus GST.

#### Note 21. Employee Benefits

	2024	2023
	\$	\$
<b>Current</b>		
Provision for annual leave	20,607	14,865
	<b>20,607</b>	<b>14,865</b>
<b>Non-Current</b>		
Provision for long service leave	8,297	4,125
	<b>8,297</b>	<b>4,125</b>

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

#### Employee Attrition Rates

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

#### Note 22. Other Provisions

	2024	2023
	\$	\$
<b>Non-Current</b>		
Provision for lease restoration	30,000	30,000
	<b>30,000</b>	<b>30,000</b>

The provision also includes an amount relating to leased land and buildings where restoration costs are contractually expected to be incurred at the end of the lease term. Such costs are capitalised within ROU assets. The provision is long-term in nature, typically covering the leased asset term.

#### Note 23. Issued Capital

##### (a) Issued Capital

	2024		2023	
	Number	\$	Number	\$
Ordinary shares - fully paid	1,117,768	1,117,768	1,117,768	1,117,768
Less: equity raising costs	-	(22,759)	-	(22,759)
	<b>1,117,768</b>	<b>1,095,009</b>	<b>1,117,768</b>	<b>1,095,009</b>

Ordinary shares are classified as equity.

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

## Warringah Financial Services Limited

### Notes to the Financial Statements

For the year ended 30 June 2024

#### Note 23. Issued Capital (*continued*)

##### (b) Movements in share capital

	2024 \$	2023 \$
Fully paid ordinary shares:		
At the beginning of the reporting period	1,117,768	1,117,768
Shares issued during the year	-	-
<b>At the end of the reporting period</b>	<b>1,117,768</b>	<b>1,117,768</b>

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

#### Note 24. Retained Earnings

	Note	2024 \$	2023 \$
Balance at the beginning of the reporting period		(380,701)	(970,667)
Profit for the year after income tax		199,330	589,966
Dividends paid	29	(30,984)	-
<b>Balance at the end of the reporting period</b>		<b>(212,355)</b>	<b>(380,701)</b>

## Warringah Financial Services Limited

### Notes to the Financial Statements

For the year ended 30 June 2024

#### Note 25. Cash Flow Information

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

	Note	2024 \$	2023 \$
Cash and cash equivalents	12	207,315	305,801
As per the Statement of Cash Flows		<b>207,315</b>	<b>305,801</b>

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

	2024 \$	2023 \$
Profit for the year after income tax	199,330	589,966
<b>Non-cash flows in profit</b>		
- Depreciation	112,937	110,836
- Amortisation	13,068	13,068
<b>Changes in assets and liabilities</b>		
- (Increase) / decrease in trade and other receivables	7,642	(15,317)
- (Increase) / decrease in prepayments and other assets	(388)	(4,408)
- Increase / (decrease) in trade and other payables	(7,482)	28,294
- Increase / (decrease) in provisions	9,914	2,538
<b>Net cash flows from operating activities</b>	<b>335,021</b>	<b>724,977</b>

#### Note 26. Financial Instruments

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

	Note	2024 \$	2023 \$
<b>Financial Assets</b>			
Trade and other receivables	13	83,074	90,716
Cash and cash equivalents	12	207,315	305,801
Term deposits	14	695,394	425,500
		<b>985,783</b>	<b>822,017</b>
<b>Financial Liabilities</b>			
Trade and other payables	19	102,574	148,100
Lease liabilities	20	-	114,147
		<b>102,574</b>	<b>262,247</b>

## Warringah Financial Services Limited

### Notes to the Financial Statements

For the year ended 30 June 2024

#### Note 27. Related Parties

##### (a) Key Management Personnel

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

##### (b) Key Management Personnel Compensation

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

##### (c) Other Related Parties

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

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

No key management personnel or related party has entered into any contracts with the company.

##### (e) Key Management Personnel Shareholdings

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

##### (f) Other Key Management Transactions

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

#### Note 28. Auditor's Remuneration

The appointed auditor of Warringah Financial Services Limited for the year ended 30 June 2024 is RSD Audit. Amounts paid or due and payable to the auditor are outlined below.

	2024	2023
	\$	\$
<b>Audit &amp; Review Services</b>		
Audit and review of financial statements (RSD Audit)	6,200	5,750
	<b>6,200</b>	<b>5,750</b>
<b>Non-Audit Services</b>		
Preparation of the financial statements	2,500	1,800
Other non-audit services	1,800	1,560
	<b>4,300</b>	<b>3,360</b>
<b>Total auditor's remuneration</b>	<b>10,500</b>	<b>9,110</b>

## Warringah Financial Services Limited

### Notes to the Financial Statements

For the year ended 30 June 2024

#### Note 29. Dividends

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

	2024		2023	
	Number	\$	Number	\$
Fully unfranked dividend	1,117,768	30,984	1,117,768	-
Dividends provided for and paid during the year	<b>1,117,768</b>	<b>30,984</b>	<b>1,117,768</b>	-

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

#### Note 30. Earnings Per Share

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

	2024	2023	
	\$	\$	
Profit attributable to ordinary shareholders	199,330	589,966	
		Number	Number
Weighted average number of ordinary shares	1,117,768	1,117,768	
		¢	¢
Basic and diluted earnings per share	17.83	52.78	

#### Note 31. Events After the Reporting Period

The Company has entered into a renewal lease contract for another 2-year term with no extension options commencing on 1 July 2024. Aside from this, there have been no significant events after the end of the financial year that would have a material impact on the financial statements or the company's state of affairs.

#### Note 32. Commitments & Contingencies

Any commitments for future expenditure associated with leases are recorded in Note 20. Details about any capital commitments are detailed in Note 16(c).

The company has no other commitments requiring disclosure.

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

#### Note 33. Company Details

The registered office of the company is:

Warringah Financial Services Limited	652 Military Road, Mosman, NSW 2088
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The principal place of business are:

Mosman Community Bank	652 Military Road, Mosman, NSW 2088
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## **Warringah Financial Services Limited**

### **Consolidated Entity Disclosure Statement**

**As at 30 June 2024**

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

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

## Warringah Financial Services Limited

### Director's Declaration

For the year ended 30 June 2024

In accordance with a resolution of the directors of Warringah Financial Services Limited, we state that:

In the opinion of the directors:

- (a) The financial statements and notes of the company are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
  - (ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable
- (c) The information disclosed in the attached consolidated entity disclosure statement, on page 34 is true and correct.

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



---

**Wayne Simpson**  
Chair/Director

Dated this 25th day of September, 2024

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF WARRINGAH DISTRICT FINANCIAL SERVICES LIMITED**

**REPORT ON THE AUDIT OF THE FINANCIAL REPORT**

**Opinion**

We have audited the financial report of Warringah 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, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, the consolidated entity disclosure statement and other explanatory information, and the directors' declaration.

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

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

**Basis for Opinion**

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

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

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

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

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

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

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

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



## **Other Information**

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

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

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

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

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

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

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

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

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

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

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

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

## **Independence**

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

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

## **RSD Audit**

A handwritten signature in blue ink, appearing to be 'JP', written over a light blue grid background.

**Josh Porker**  
*Principal*

41A Breen Street  
Bendigo VIC 3550

Dated: 25 September 2024

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 **Bendigo Bank**