

# Annual Report 2023

Wyong Town Financial  
Services Limited

Community Bank  
Wyong

ABN 59 100 313 120



# VALE

## Liz North

11-04-53 to 04-03-23

2023 was a roller coaster year for the WTFS family. With the Wyong Branch having achieved record profits, our level of sponsorship and support for our local community also reached a record high. The sweet taste of these successes was to be tainted by the unexpected passing of our much loved and valued board member, Liz North.

Liz was one of the most passionate, caring and community-minded people you could ever wish to meet. Aside from being incredibly devoted to her family, and a doting Grandmother, Liz held the position of Deputy Chair on our board and was also the driving force behind our Junior Director Program, now known as The Liz North Junior Director Program. This program was a first for the Bendigo Community Bank network and remains today as a valuable commitment and investment in the development of our upcoming youth and future community leaders.

Aside from sharing her time with us, Liz also ran her own successful business and had been a passionate leader in the Australian Window and Door Industry for many years. Liz held the position of Chairperson for the Australian Glass & Window Association, just one of her many board, committee, and association roles.

Another cause close to Liz's heart was Rotary. As a member of the Wyong/Tuggerah Branch, Liz held many positions within the club but was always a hands-on worker, whether flipping snags or organizing fundraising events at the highest levels, Liz was always one you could count on.

It's often said, if you need something done, ask the busy person, and regardless of what Liz had on her plate, she was never one to turn her back when asked for assistance. A long list of charitable and community-based initiatives benefited from Liz's passion and community spirit, however an infinitely longer list of individuals have had their lives touched in a positive way thanks to a lady they never met.

As 2023 draws to a close, we look back fondly and remember our friend and colleague Liz North and give thanks for having had her in our lives.

# Wyong Town Financial Services Limited

## ABN 59 100 313 120

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### Chairman's Report

I am pleased to present my report to you on the progress of the Community Bank Wyong Branch during the 2022/2023 financial year.

The 2022/2023 year has seen our staff shine. Our branch has been consistently at the top of our region in all aspects of the business. have done a fantastic job to service our customers and to continue the growth of the business. The year has seen us make a profit of \$510,934 which has allowed us to again pay a dividend.

This year has been a year of highs and lows for our branch. We have recorded record profits, given record amounts to charities, had fantastic growth in the business and seen our team excel across our region.

Unfortunately, this has been offset with the tragic passing of our longest serving and hardest working director Liz North. There has not been a more dedicated community focused person on our board ever.

Liz has been the driving force behind our highly respected junior director programme where we have year 11 students from local high schools join us for 12 months to see how a public company runs. In honour of Liz, we have renamed the program the Liz North junior director program.

We will all miss Liz's input, honesty, friendship and commitment to the community.

I am extremely grateful and proud of all my fellow directors. Each and every one of them has contributed to the tailoring and implementation of our business and community strategies. We are fortunate to have many dedicated and talented people giving freely of their time to serve the board and the local community.

We also welcomed Tina West to our board. Tina is also a member of the Darkinjung Local Aboriginal Land Council and gives her time freely to assist in the community.

Thanks to the support of Community Bank customers and shareholders, the Australia-wide network has now returned more than \$272 million to support and strengthen local communities.

Our Community Bank company has played a key role in this milestone, returning more than \$782,070.39 to our local community. These community grants and sponsorships have made a significant difference to several local projects & organisations. We have assisted our local Vietnam vets with gardening tools, a container to store these items and a concrete slab at the Vietnam Veterans Park in Toukley. The Vets all come together to maintain the park this is not only helping to keep the park in tip top condition it is also good for the vets to come together and support each other. We have continued our support of The Fathers Table who are doing wonderful work in the community with people who are struggling to make ends meet in these tough times. We look forward to continuing to support these groups and others as more people bank with us and we become more successful.

We have continued to work collaboratively with the other Community Bank companies on the Coast to promote the brand and to increase our community involvement. We have undertaken initiatives to support many organisations including Central Coast Heart Netball and the Century Challenge Cycle Ride to name a few.

I would urge all our shareholders to bank with us and be an advocate for Community Banking as these are the best ways to ensure we are not only profitable but are able to contribute significantly to our local community.

I would like to thank our regional team as well as our locally based Business Banking team for their assistance to the board, staff and our customers throughout the year.

Also, a big thank you and congratulations to the staff who always go above and beyond for the customers and the community. Without their dedication and commitment, we would not be in such a good position moving forward.

**Wyong Town Financial Services Limited**  
**ABN 59 100 313 120**

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**Chairman's Report (continued)**

I look forward to seeing you at the AGM, and invite you to feel free to contact me at any time if you have any questions or concerns.

I wish you a safe and Happy Christmas and a prosperous new year.

Ray Davidson

A handwritten signature in cursive script, appearing to read 'Ray Davidson', written in black ink.

Chairman

# Wyong Town Financial Services Limited

## ABN 59 100 313 120

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### Manager's Report

#### Community Bank Wyong

As we celebrate our 20<sup>th</sup> year of operation in the Wyong Community, it gives me great pleasure to report to you our results of the 2022/23 financial year.

After previous years of record low interest rates, where we received minimal return on our deposit funds, the RBA Cash Rate increased from 0.10% in April 2022 to 4.10% in June 2023. The upside of this is the return of margins on the deposit side of our business over the past 12 months. This has resulted in a strong improvement to our bottom line, which is now evident.

This year our Board of Directors are reporting the largest profit we have ever achieved as a Community Bank company since we opened the doors to our first Customer in March 2003.

During the 2022/23 Financial Year we also achieved the following results which has contributed to this record profit:

- Annual Lending Growth of \$16.39M, against a target of \$6.2M,
- Annual Deposit Growth of \$18.16M, against a target of \$10M,
- we now have 3,459 local Customers who have made Bendigo their bank of choice,
- we completed 14,119 Teller Transactions, an increase of 14.4% compared to the previous year,
- the Branch also continues to achieve strong performance offering General Insurance solutions and a range of Business Banking products and services to our local Customers.

Due to the hard work of our dedicated team of Staff, led by our wonderful Branch Operations Manager Jackie Martin in the engine room, our Branch Footings increased by 123%, growing our combined Lending and Deposit Portfolio by \$33.13M, (exceeded our target of \$16.25M), with Total Footings of \$176.69M at the end of June.

Our Mobile Relationship Manager, Jane Partington capitalised on the launch of the NSW Government's Shared Equity Home Buyer Scheme in January this year. Jane was able to assist a targeted group of people in the community (single parents with dependent children, single people over 50 and key workers – Nurses, Police, School Teachers and Child Care Workers) achieve the Great Australian Dream of getting out of renting and into a home of their own. Jane was able to convert over \$23 million in applications to achieve her Lending Target, settling over \$12 million dollars in new Lending.

At the time of deciding to employ a Mobile Lender two years ago, due to an identified gap in the Bendigo Bank home loan market in the Newcastle/Hunter region, the Board of Directors were unaware of the pending transition of NOVA Alliance Bank (the old Hunter Water Board Employees Credit Union which later merged with Newcastle Herald Employees Credit Union), which has now become Bendigo Community Bank Newcastle.

With the announcement in July that our Mobile Relationship Officer Jane had decided to take up an opportunity to work on an exciting new project with Bendigo Bank's Consumer Lending Team, the Board of Directors have made the decision not to employ a replacement Mobile Lender in the Newcastle region, and instead focus our efforts growing our local Loan Book. To this end, I am pleased to announce that Damon Williams has successfully completed his Two-Year Traineeship as a

# Wyong Town Financial Services Limited

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### Manager's Report (continued)

Customer Service Officer and will be progressing to assist Branch Operations Manager Jackie Martin and myself with the management of an efficient local Lending Pipeline at the Wyong Branch.

Whilst we have celebrated many achievements, we have also experienced significant loss during 2023. In March we were shocked by the sudden death of our long-term Community Bank Director and Assistant Chairperson, Liz North. Liz was a mentor and support for not only the Branch Staff, but also countless young people in the local community through her dedication to the Bendigo Junior Director Program, the Max Potential Program, and the Rotary Youth Leadership Awards.

The success of Wyong Town Financial Services Limited over the past 20 years is attributed to self-less people like Liz who have provided hundreds of hours of unpaid work, and their personal commitment and dedication to support the Community Bank model in Wyong.

We all miss Liz calling into the Branch with her orange ray of sunshine and morning tea for the Staff, checking in on the Team to make sure everyone was OK and seeing if there was anything she could do to support us. Her death is a tremendous loss to our business and the community of Wyong.

In July we also received an announcement, after nearly 19 years of loyal service, that Julie Wing had decided to retire from work and spend more time with her family, travelling with her husband John in their caravan and enjoying being a Grandparent. It was wonderful to see the outpouring of appreciation and thanks for Julie from our Customers on her final day of work. During her time at Community Bank Wyong Julie has supported Customers through generational change, being a shoulder to cry on when Customers have come into the Branch to advise that their loved one has passed away or celebrated the birth of a new addition to a Customer's family. Just like Liz, we will miss Julie's infectious laughter and positive attitude as she tried to make every day fun for Staff and Customers alike!

With the news of Jane and Julie departing the business, we went to market searching for some local talent to join the Team, and I am pleased to introduce Jodie Krkac and Natalie Keto who will be the new faces of Customer Service in the Branch. Both Jodie and Natalie come from backgrounds of genuine support for Customers and a willingness to go the extra mile to make your day special. We look forward to their contribution to our success in the future.

Thank you to our Board of Directors for your dedication, commitment, and support over the past year. We look forward to working collaboratively for the continued success of Community Bank Wyong and running a profitable enterprise for our Shareholders and most importantly for our community.

And finally thank you to our Shareholders and Customers for your continued support of our Branch and your desire for there to be a continued local personalised banking service available for the people of Wyong that benefits the local community.

Mark Cooper

Business Development Manager

**Wyong Town Financial Services Limited**  
**ABN 59 100 313 120**

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**Annual Report**  
**For The Year Ended**  
**30 June 2023**

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# Financial Report - 30 June 2023

# Wyong Town Financial Services Limited

## ABN 59 100 313 120

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### Directors' report 30 June 2023

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2023.

#### Directors

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

Name:	Ray Davidson
Title:	Non-executive director
Experience and expertise:	Ray became a director in February 2008 and was the Managing Director and founder of Ausiports Pty Ltd Home Improvements and has been a resident of the Wyong Shire for 33 years. He has been President of The Entrance Junior Cricket Club, Wyong District Netball association, Central Coast Junior Cricket association, Bateau Bay Dolphins Netball club & Mingara Killarney Netball Club. He is a life member of The Entrance District Cricket Club and Bateau Bay Dolphins Netball Club. Ray is currently member of Bendigo Banks NSW and National marketing committees. Ray brings to the board experience in marketing and general business management gained through running his own business for over 30 years. Ray is married with two adult children.
Name:	David Brine
Title:	Non-executive director
Experience and expertise:	David became a director in February 2011 and is a director, Senior Accountant and Business Adviser of Better Business Advice, a family owned business in Wyong. David was born and raised in Noraville and attended Toukley Primary and Gorokan High School. He has completed his Bachelor of Accounting and Diploma of Financial Services and is a member of CPA Australia, thus allowing him to bring practical financial and business knowledge to the board.
Name:	David Evans
Title:	Non-executive director
Experience and expertise:	David joined the board in October 2012. David has been working with a local business on the Central Coast since 2007 and has had over 30 years of business exposure on the coast in previous roles. David's past positions include Board Level Executive Management - Sales & Marketing as well as sales based roles. David offers the board his experience in business development through marketing, sales, management and negotiation. David has 2 teenage daughters. Interests outside of work revolve around family, cars, bikes and boats.
Name:	Geoff Hetherington
Title:	Non-executive director
Experience and expertise:	Geoff is an energetic, internationally experienced senior executive with other 30 years' experience as a C Suite Executive across several industries and iconic companies. He runs two businesses - The Clarity CEO Business Advisory and the Elite Business Institute - an invitation only on-line mastermind. A Certified Advisory Board Chair, Business Advisor Coach & Mentor he has lived on the Central Coast for nearly 20 years. He was the youngest person ever elected to the YMCA National Board of Directors (age 17) as the chairman of Skillshare project for 5 years and most recently served for 3 years as the Chairman of the Central Coast Business Enterprise Centre. Currently he runs a Governance Board for a major Traffic Management company. Happily married, he has 4 children all of whom have become fine young adults.
Name:	Tina Gay West
Title:	Non-executive director (appointed 16 May 2023)
Experience and expertise:	Tina is a social worker, working in child protection for over 20 years. Tina holds a graduate certificate in Community Services and has been an adviser to women's legal NSW for the past 12 years. Tina has been a board member of her local Aboriginal lands council for over 10 years, Darkinjung Local Aboriginal Land Council.

# Wyong Town Financial Services Limited

## ABN 59 100 313 120

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### Directors' report

#### 30 June 2023

Name: David Harris  
Title: Non-executive director (resigned 5 April 2023)  
Experience and expertise: David joined the board in November 2011. He has lived in Wyong Shire for more than 20 years and is married with two children. David is currently a member of the NSW Legislative Assembly for the seat of Wyong. He holds the positions of Shadow Minister for the Central Coast, Regional Transport, Aboriginal Affairs and Treaty. Previously, David was the Principal at Point Clare Public School and has over 20 years' experience in teaching and school executive roles in a very small to large Primary Schools. David was a member of the NSW Parliament representing the seat of Wyong from 2007 - 2011 and was Parliamentary Secretary for Education and Training and Central Coast. David currently holds the positions of President of Central Coast Men of Football and is a former President and current member of Soldiers Beach SLSC. He is dedicated to working with a variety of charities including Wyong Lions and the Iris Foundation (Youth suicide). David is Patron of Wyong Hospital Auxiliary, Wyong Family History Association, Wyong Historical Society and Central Coast National Serviceman's Association (Toukley).

Name: Elizabeth Ada North  
Title: Non-executive director (passed away 4 March 2023)  
Experience and expertise: Liz became a director in May 2006 and was a proprietor of Add-Vantage Systems Pty Ltd (AVS Windows and Doors) located in Tuggerah. She was a long-term resident of Wyong Shire and business leader. Liz had been in business in the Wyong area since 1978 and had employed many local people during that time. Liz was actively involved in the business community and NFP sector. Liz has an adult daughter and two grandchildren.

#### Company secretary

The company secretary is David Evans. David was appointed to the position of company secretary on 23 September 2020.

#### Principal activity

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

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

#### Review of operations

The profit for the company after providing for income tax amounted to \$383,139 (30 June 2022: loss of \$17,805).

The company has seen a significant increase in its revenue during the financial year. This is a result of the Reserve Bank of Australia (RBA) increasing the cash rate by 3.25% during the financial year moving from 0.85% to 4.10% as at 30 June 2023. The increased cash rate has had a direct impact on the revenue received by the company, increasing the net interest margin income received under the revenue share arrangement the company has with Bendigo Bank.

#### Dividends

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

	<b>2023</b>
	<b>\$</b>
Fully franked dividend of 5 cents per share (2022: 7 cents)	<u>32,501</u>

#### Significant changes in the state of affairs

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

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

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

# Wyong Town Financial Services Limited

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### Directors' report

#### 30 June 2023

#### Likely developments

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

#### Environmental regulation

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

#### Meetings of directors

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

	Board	
	Eligible	Attended
Ray Davidson	11	8
David Brine	11	10
David Evans	11	10
Geoff Hetherington	11	10
Tina Gay West	2	2
David Harris	8	2
Elizabeth Ada North	8	7

#### 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 except as disclosed in note 28 to the financial statements.

#### Directors' interests

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Ray Davidson	1,500	-	1,500
David Brine	500	-	500
David Evans	1,500	-	1,500
Geoff Hetherington	1,000	-	1,000
Tina Gay West	-	-	-
David Harris	500	-	500
Elizabeth Ada North	15,000	-	15,000

#### Indemnity and insurance of directors and officers

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

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

#### Proceedings on behalf of the company

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

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

# Wyong Town Financial Services Limited

## ABN 59 100 313 120

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### Directors' report 30 June 2023

#### Indemnity and insurance of auditor

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

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

#### Non-audit services

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

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

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

#### Auditor's independence declaration

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

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

On behalf of the directors



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Ray Davidson  
Chair

12 October 2023



Andrew Frewein Stewart  
61 Bull Street Bendigo VIC 3550  
ABN: 65 684 604 390  
afs@afsbendigo.com.au  
(03) 5443 0344

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Independent auditor's independence declaration under  
section 307C of the *Corporations Act 2001* to the Directors of  
Wyong Town Financial Services Limited

As lead auditor for the audit of Wyong Town Financial Services Limited for the year ended 30 June 2023, I  
declare that, to the best of my knowledge and belief, there have been:

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

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

**Andrew Frewein Stewart**  
61 Bull Street, Bendigo, Vic, 3550  
Dated: 12 October 2023

A handwritten signature in black ink, appearing to read 'Joshua Griffin'.

**Joshua Griffin**  
Lead Auditor



**Wyong Town Financial Services Limited**  
**ABN 59 100 313 120**

**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2023**

	Note	2023 \$	2022 \$
Revenue from contracts with customers	7	1,560,374	754,179
Other revenue	8	45,730	23,093
Finance revenue		5,687	95
Fair value gains/(losses) on financial assets		15,348	(26,977)
Total revenue		<u>1,627,139</u>	<u>750,390</u>
Employee benefits expense	9	(497,456)	(515,982)
Advertising and marketing costs		(8,057)	(9,416)
Occupancy and associated costs		(14,993)	(11,143)
System costs		(17,250)	(19,379)
Depreciation and amortisation expense	9	(59,858)	(61,733)
Finance costs	9	(15,422)	(16,974)
General administration expenses		(105,044)	(105,196)
Total expenses before community contributions and income tax expense		<u>(718,080)</u>	<u>(739,823)</u>
<b>Profit before community contributions and income tax expense</b>		909,059	10,567
Charitable donations, sponsorships and grants expense	9	<u>(398,125)</u>	<u>(33,674)</u>
<b>Profit/(loss) before income tax (expense)/benefit</b>		510,934	(23,107)
Income tax (expense)/benefit	10	<u>(127,795)</u>	<u>5,302</u>
<b>Profit/(loss) after income tax (expense)/benefit for the year</b>	22	383,139	(17,805)
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u><u>383,139</u></u>	<u><u>(17,805)</u></u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	31	58.94	(2.74)
Diluted earnings per share	31	58.94	(2.74)

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

**Wyong Town Financial Services Limited**  
**ABN 59 100 313 120**

**Statement of financial position**  
**As at 30 June 2023**

	Note	2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	11	638,266	298,508
Trade and other receivables	12	135,992	86,392
Current tax assets	10	-	17,514
<b>Total current assets</b>		<u>774,258</u>	<u>402,414</u>
<b>Non-current assets</b>			
Financial assets	13	307,719	192,371
Property, plant and equipment	14	82,171	94,175
Right-of-use assets	15	215,325	252,773
Intangible assets	16	61,645	7,161
Deferred tax assets	10	21,457	20,654
<b>Total non-current assets</b>		<u>688,317</u>	<u>567,134</u>
<b>Total assets</b>		<u>1,462,575</u>	<u>969,548</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	17	43,232	38,815
Borrowings	18	11,794	13,801
Lease liabilities	19	34,717	32,900
Current tax liabilities	10	113,558	-
Employee benefits	20	94,781	84,924
<b>Total current liabilities</b>		<u>298,082</u>	<u>170,440</u>
<b>Non-current liabilities</b>			
Trade and other payables	17	57,103	-
Borrowings	18	-	11,794
Lease liabilities	19	192,983	227,700
Employee benefits	20	15,394	12,392
Lease make good provision		22,019	20,866
<b>Total non-current liabilities</b>		<u>287,499</u>	<u>272,752</u>
<b>Total liabilities</b>		<u>585,581</u>	<u>443,192</u>
<b>Net assets</b>		<u>876,994</u>	<u>526,356</u>
<b>Equity</b>			
Issued capital	21	650,010	650,010
Retained earnings/(accumulated losses)	22	226,984	(123,654)
<b>Total equity</b>		<u>876,994</u>	<u>526,356</u>

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



**Wyong Town Financial Services Limited**  
**ABN 59 100 313 120**

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**Statement of changes in equity**  
**For the year ended 30 June 2023**

	Note	Issued capital \$	Retained earnings \$	Total equity \$
<b>Balance at 1 July 2021</b>		650,010	(60,348)	589,662
Loss after income tax benefit		-	(17,805)	(17,805)
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	(17,805)	(17,805)
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	24	-	(45,501)	(45,501)
<b>Balance at 30 June 2022</b>		<u>650,010</u>	<u>(123,654)</u>	<u>526,356</u>
 <b>Balance at 1 July 2022</b>		 650,010	 (123,654)	 526,356
Profit after income tax expense		-	383,139	383,139
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	383,139	383,139
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for	24	-	(32,501)	(32,501)
<b>Balance at 30 June 2023</b>		<u>650,010</u>	<u>226,984</u>	<u>876,994</u>

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

**Wyong Town Financial Services Limited**  
**ABN 59 100 313 120**

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**Statement of cash flows**  
**For the year ended 30 June 2023**

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		1,635,124	825,299
Payments to suppliers and employees (inclusive of GST)		(1,122,200)	(748,624)
Dividends received		6,457	8,971
Interest received		11,374	95
Interest and other finance costs paid		(1,028)	(1,352)
Income taxes refunded/(paid)		2,474	(33,223)
		<u>532,201</u>	<u>51,166</u>
Net cash provided by operating activities	30		
<b>Cash flows from investing activities</b>			
Payments for financial assets	13	(100,000)	-
Payments for intangible assets		-	(11,202)
		<u>(100,000)</u>	<u>(11,202)</u>
Net cash used in investing activities			
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(13,801)	(13,429)
Dividends paid	24	(32,501)	(45,501)
Repayment of lease liabilities	19	(46,141)	(44,797)
		<u>(92,443)</u>	<u>(103,727)</u>
Net cash used in financing activities			
Net increase/(decrease) in cash and cash equivalents		339,758	(63,763)
Cash and cash equivalents at the beginning of the financial year		298,508	362,271
		<u>638,266</u>	<u>298,508</u>
Cash and cash equivalents at the end of the financial year	11		

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

# Wyong Town Financial Services Limited

## ABN 59 100 313 120

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### Notes to the financial statements

30 June 2023

#### Note 1. Reporting entity

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 88 Pacific Highway, Wyong NSW 2259.

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

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 12 October 2023. The directors have the power to amend and reissue the financial statements.

#### Note 3. Significant accounting policies

The company has consistently applied the following accounting policies to all periods presented in these financial statements.

##### Changes in accounting policies, standards and interpretations

There are a number of amendments to accounting standards issued by the AASB that became mandatorily effective for accounting periods beginning on or after 1 July 2022, and are therefore relevant for the current financial year. The amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

##### Current and non-current classification

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

An asset is classified as current when, it is expected to be realised or intended to be sold or consumed in the company's normal operating cycle, it is held primarily for the purpose of trading, it is expected to be realised within 12 months after the reporting period or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when, it is either expected to be settled in the company's normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within 12 months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

##### Impairment

###### *Non-derivative financial assets*

Expected credit losses (ECL) 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. At each reporting date, the entity recognises the movement in the ECL (if any) as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

# Wyong Town Financial Services Limited

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### Notes to the financial statements

30 June 2023

#### Note 3. Significant accounting policies (continued)

The company's trade receivables are limited to the monthly profit share distribution from Bendigo Bank, which is received 10 business days post month end. Due to the reliance on Bendigo 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 Bank and found no instances of default. As a result no ECL has been made in relation to trade receivables as at 30 June 2023.

#### *Non-financial assets*

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

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

#### **Goods and Services Tax (GST)**

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.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. 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.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events that it believes to be reasonable under the circumstances. Differences between the accounting judgements and estimates and actual results and outcomes are accounted for in future reporting periods. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

#### *Fair value measurement hierarchy*

The company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: inputs are based on the quoted market price at the close of business at the end of the reporting period
- Level 2: inputs are based on a valuation performed by a third party qualified valuer using quoted prices for similar assets in an active market
- Level 3: unobservable inputs for the asset or liability.

Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

#### *Estimation of useful lives of assets*

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

# Wyong Town Financial Services Limited

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### Notes to the financial statements

30 June 2023

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

##### *Impairment of non-financial assets*

The company assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined as the higher of its fair value less costs of disposal or value-in-use, each of which incorporate a number of key estimates and assumptions.

##### *Recovery of deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

##### *Lease term*

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations, comparison of terms and conditions to prevailing market rates, incurrence of significant penalties, existence of significant leasehold improvements and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

##### *Incremental borrowing rate*

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

##### *Employee benefits provision*

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and inflation have been taken into account.

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.

In the absence of sufficient historical employee attrition rates, the company applies a benchmark probability rate from across the Community Bank network to factor in estimating the probability of an employee, at a given date, achieving continuous employment eligible for entitlement in accordance with legislation.

##### *Lease make good provision*

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

#### Note 5. Correction of error

The prior year financial report incorrectly classified chattel mortgages relating to motor vehicles under 'lease liabilities' and the corresponding asset under 'right-of-use assets'. Upon further analysis of *AASB 16 Leases*, the correct classification should have been under 'borrowings' and 'property, plant and equipment'. We considered the discrepancy immaterial to users of the financial report, however we believe it is important to rectify the classification error. Therefore, the necessary corrections to the 2023 and 2022 disclosures have been made accordingly.

# Wyong Town Financial Services Limited

## ABN 59 100 313 120

### Notes to the financial statements

30 June 2023

#### Note 6. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in March 2028.

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

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

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

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

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

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

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

	2023 \$	2022 \$
Margin income	1,466,124	669,479
Commission income	94,250	84,700
	<u>1,560,374</u>	<u>754,179</u>

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:

# Wyong Town Financial Services Limited

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### Notes to the financial statements

30 June 2023

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

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

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

#### *Revenue calculation*

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

#### *Margin income*

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

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

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

#### *Commission income*

Commission income is 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 Bank including fees for loan applications and account transactions. Fee income is recognised in margin income.

#### *Core banking products*

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

#### *Ability to change financial return*

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

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

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

# Wyong Town Financial Services Limited

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### Notes to the financial statements 30 June 2023

#### Note 8. Other revenue

	2023	2022
	\$	\$
Market development fund	-	12,500
Dividend and distribution income	6,457	8,971
Other income	39,273	1,622
	45,730	23,093
	45,730	23,093

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 stream

Discretionary financial contributions (also "Market development fund" or "MDF" income)

Dividend and distribution income

Other income

#### Revenue recognition policy

MDF income is recognised when the right to receive the payment is established. MDF income is discretionary and provided and receivable at month-end and paid within 14 days after month-end.

Dividend and distribution income is recognised when the right to receive the payment is established.

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 GST.

#### Note 9. Expenses

##### Employee benefits expense

	2023	2022
	\$	\$
Wages and salaries	425,343	453,868
Superannuation contributions	43,091	39,489
Expenses related to long service leave	12,858	5,541
Other expenses	16,164	17,084
	497,456	515,982
	497,456	515,982

##### Depreciation and amortisation expense

	2023	2022
	\$	\$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	6,323	6,323
Furniture and fittings	1,932	3,217
Motor vehicles	3,749	3,749
	12,004	13,289
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	37,448	36,323
<i>Amortisation of intangible assets</i>		
Franchise fee	2,193	2,204
Franchise renewal fee	8,213	9,917
	10,406	12,121
	59,858	61,733



# Wyong Town Financial Services Limited

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### Notes to the financial statements

30 June 2023

#### Note 9. Expenses (continued)

##### Finance costs

	2023	2022
	\$	\$
Lease interest expense	13,241	14,528
Unwinding of make-good provision	1,153	1,092
Other	499	453
Chattel mortgage interest expense	529	901
	15,422	16,974
	15,422	16,974

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

##### Leases recognition exemption

	2023	2022
	\$	\$
Expenses relating to low-value leases	1,286	1,248
Expenses relating to short-term leases	2,236	2,313
	3,522	3,561
	3,522	3,561

The company pays for the right to use indoor plants and information technology. The underlying assets have been assessed as low value and exempted from recognition under *AASB 16 Leases*. Expenses relating to low-value exempt leases are included in general administration expenses and system costs.

The company pays for the right to use a self-storage unit. The lease agreement is expired and continues on existing terms on a month-by-month basis with no significant penalty for termination. As such the lease has been assessed as short term and exempted from recognition under *AASB 16 Leases*. Expenses relating to short term exempt leases are included in general administration expenses.

##### Charitable donations, sponsorships and grants

	2023	2022
	\$	\$
Direct donation, sponsorship and grant payments	98,125	33,674
Contribution to the Community Enterprise Foundation™	300,000	-
	398,125	33,674
	398,125	33,674

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

The funds contributed to and held by the Community Enterprise Foundation™ (CEF) are available for distribution as grants to eligible applicants for a specific purpose in consultation with the directors.

When the company pays a contribution in to the CEF, the company loses control over the funds at that point. While the directors are involved in the payment of grants, the funds are not refundable to the company.

# Wyong Town Financial Services Limited

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### Notes to the financial statements

30 June 2023

#### Note 10. Income tax

	2023	2022
	\$	\$
<i>Income tax expense/(benefit)</i>		
Current tax	128,632	4,610
Movement in deferred tax	(803)	(9,904)
Net benefit of franking credits on dividends received	(34)	(8)
	<u>127,795</u>	<u>(5,302)</u>
<i>Aggregate income tax expense/(benefit)</i>		
<i>Prima facie income tax reconciliation</i>		
Profit/(loss) before income tax (expense)/benefit	510,934	(23,107)
Tax at the statutory tax rate of 25%	127,734	(5,777)
Tax effect of:		
Non-deductible expenses	88	481
Other assessable income	7	2
Net benefit of franking credits on dividends received	(34)	(8)
	<u>127,795</u>	<u>(5,302)</u>
Income tax expense/(benefit)	<u>127,795</u>	<u>(5,302)</u>
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Deferred tax assets/(liabilities)</i>		
Employee benefits	27,544	24,329
Lease liabilities	56,925	65,150
Provision for lease make good	5,504	5,217
Right-of-use assets	(53,831)	(63,193)
Property, plant and equipment	(12,880)	(12,880)
Financial assets at fair value through profit or loss	(1,805)	2,031
	<u>21,457</u>	<u>20,654</u>
Deferred tax asset	<u>21,457</u>	<u>20,654</u>
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Income tax refund due	<u>-</u>	<u>17,514</u>
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Provision for income tax	<u>113,558</u>	<u>-</u>

#### *Accounting policy for income tax*

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

#### *Accounting policy for current tax*

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

# Wyong Town Financial Services Limited

## ABN 59 100 313 120

### Notes to the financial statements

30 June 2023

#### Note 10. Income tax (continued)

##### *Accounting policy for deferred tax*

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

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 11. Cash and cash equivalents

	2023 \$	2022 \$
Cash at bank and on hand	<u>638,266</u>	<u>298,508</u>

##### *Accounting policy for cash and cash equivalents*

For the purposes of the Statement of Financial Position and Statement of Cash Flows, cash and cash equivalents comprise cash on hand and deposits held with banks.

#### Note 12. Trade and other receivables

	2023 \$	2022 \$
Trade receivables	<u>130,841</u>	<u>77,522</u>
Other receivables and accruals	5,151	8,278
Prepayments	<u>-</u>	<u>592</u>
	<u>135,992</u>	<u>86,392</u>

##### *Accounting policy for trade and other receivables*

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

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

# Wyong Town Financial Services Limited

## ABN 59 100 313 120

### Notes to the financial statements

30 June 2023

#### Note 13. Financial assets

	2023	2022
	\$	\$
<i>Non-current assets</i>		
Equity securities - designated at fair value	<u>307,719</u>	<u>192,371</u>
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening fair value	192,371	219,348
Additions	100,000	-
Revaluation increments	15,348	-
Revaluation decrements	-	<u>(26,977)</u>
Closing fair value	<u>307,719</u>	<u>192,371</u>

The company classifies financial assets as a current asset when it expects to realise the asset, or intends to sell or consume it, no more than 12 months after the reporting period. All other investments are classified as non-current.

#### Note 14. Property, plant and equipment

	2023	2022
	\$	\$
Leasehold improvements - at cost	279,654	279,654
Less: Accumulated depreciation	<u>(243,288)</u>	<u>(236,965)</u>
	36,366	42,689
Furniture and fittings - at cost	84,934	84,934
Less: Accumulated depreciation	<u>(68,754)</u>	<u>(66,822)</u>
	16,180	18,112
Motor vehicles - at cost	37,493	37,493
Less: Accumulated depreciation	<u>(7,868)</u>	<u>(4,119)</u>
	29,625	33,374
	<u>82,171</u>	<u>94,175</u>

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

	Leasehold improvements	Furniture and fittings	Motor vehicles	Total
	\$	\$	\$	\$
Balance at 1 July 2021	49,012	21,329	37,123	107,464
Depreciation	<u>(6,323)</u>	<u>(3,217)</u>	<u>(3,749)</u>	<u>(13,289)</u>
Balance at 30 June 2022	42,689	18,112	33,374	94,175
Depreciation	<u>(6,323)</u>	<u>(1,932)</u>	<u>(3,749)</u>	<u>(12,004)</u>
Balance at 30 June 2023	<u>36,366</u>	<u>16,180</u>	<u>29,625</u>	<u>82,171</u>

#### *Accounting policy for property, plant and equipment*

Items of property, plant and equipment are measured at cost or fair value as applicable, less accumulated depreciation. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

# Wyong Town Financial Services Limited

## ABN 59 100 313 120

### Notes to the financial statements

30 June 2023

#### Note 14. Property, plant and equipment (continued)

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Leasehold improvements	8 years
Furniture and fittings	5 to 20 years
Motor vehicles	10 years

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

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

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

#### *Changes in estimates*

During the financial year, the company assessed estimates used for property, plant and equipment including useful lives, residual values, and depreciation methods. There were no changes in estimates for the current reporting period.

#### Note 15. Right-of-use assets

	2023	2022
	\$	\$
Land and buildings - right-of-use	370,824	370,824
Less: Accumulated depreciation	(155,499)	(118,051)
	<u>215,325</u>	<u>252,773</u>

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

	Land and buildings
	\$
Balance at 1 July 2021	281,506
Additions	7,590
Depreciation expense	(36,323)
Balance at 30 June 2022	252,773
Depreciation expense	(37,448)
Balance at 30 June 2023	<u>215,325</u>

#### *Accounting policy for right-of-use assets*

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Refer to note 19 for more information on lease arrangements.

# Wyong Town Financial Services Limited

## ABN 59 100 313 120

### Notes to the financial statements

30 June 2023

#### Note 16. Intangible assets

	2023	2022
	\$	\$
Franchise fee	21,833	11,018
Less: Accumulated amortisation	<u>(11,559)</u>	<u>(9,366)</u>
	<u>10,274</u>	<u>1,652</u>
Franchise renewal fee	98,150	44,075
Less: Accumulated amortisation	<u>(46,779)</u>	<u>(38,566)</u>
	<u>51,371</u>	<u>5,509</u>
	<u><u>61,645</u></u>	<u><u>7,161</u></u>

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

	Franchise fee	Franchise renewal fee	Total
	\$	\$	\$
Balance at 1 July 2021	3,856	15,426	19,282
Amortisation expense	<u>(2,204)</u>	<u>(9,917)</u>	<u>(12,121)</u>
Balance at 30 June 2022	1,652	5,509	7,161
Additions	10,815	54,075	64,890
Amortisation expense	<u>(2,193)</u>	<u>(8,213)</u>	<u>(10,406)</u>
Balance at 30 June 2023	<u><u>10,274</u></u>	<u><u>51,371</u></u>	<u><u>61,645</u></u>

#### *Additions*

During the financial year, franchise fees were renewed and are to be amortised over five years to March 2028.

#### *Accounting policy for intangible assets*

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

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

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

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

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	March 2028
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	March 2028

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

#### *Change in estimates*

During the financial year, the company assessed estimates used for intangible assets including useful lives, residual values, and amortisation methods. There were no changes in estimates for the current reporting period.

# Wyong Town Financial Services Limited

## ABN 59 100 313 120

### Notes to the financial statements 30 June 2023

#### Note 17. Trade and other payables

	2023 \$	2022 \$
<i>Current liabilities</i>		
Trade payables	9,305	3,361
Other payables and accruals	33,927	35,454
	43,232	38,815
	57,103	-
<i>Non-current liabilities</i>		
Other payables and accruals	57,103	-
	57,103	-

#### *Accounting policy for trade and other payables*

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Where the company is liable to settle the amount within 12 months of the reporting date, the liability is classified as current. All other obligations are classified as non-current.

#### Note 18. Borrowings

	2023 \$	2022 \$
<i>Current liabilities</i>		
Chattel mortgage	11,794	13,801
	11,794	13,801
<i>Non-current liabilities</i>		
Chattel mortgage	-	11,794
	-	11,794
	-	11,794

#### *Accounting policy for borrowings*

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

#### Note 19. Lease liabilities

	2023 \$	2022 \$
<i>Current liabilities</i>		
Land and buildings lease liabilities	46,141	46,141
Unexpired interest	(11,424)	(13,241)
	34,717	32,900
	34,717	32,900
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	219,170	265,311
Unexpired interest	(26,187)	(37,611)
	192,983	227,700
	192,983	227,700

# Wyong Town Financial Services Limited

## ABN 59 100 313 120

### Notes to the financial statements

#### 30 June 2023

#### Note 19. Lease liabilities (continued)

##### Reconciliation of lease liabilities

	2023	2022
	\$	\$
Opening balance	260,600	283,279
Remeasurement adjustments	-	7,590
Lease interest expense	13,241	14,528
Lease payments - total cash outflow	(46,141)	(44,797)
	227,700	260,600

##### Maturity analysis

	2023	2022
	\$	\$
Not later than 12 months	46,141	46,141
Between 12 months and 5 years	184,564	184,564
Greater than 5 years	34,606	80,747
	265,311	311,452

##### Accounting policy for 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.

Lease payments included in the measurement of the lease liability comprise variable lease payments that depend on an index or rate and lease payments in a renewal option if the company is reasonably certain to exercise that option. For leases of property the company has elected to separate lease and non-lease components when calculating the lease liability.

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

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the company changes its assessment of whether it will exercise an extension option, or if there is a revised in-substance fixed lease payment.

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.

Where the company is a lessee for the premises to conduct its business, extension options are included in the lease term except when the company is reasonably certain not to exercise the extension option. This is due to the significant disruption of relocating premises and the loss on disposal of leasehold improvements fitted out in the leased premises.

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 nil.

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise	Lease term end date used in calculations
Wyong Branch	5.39%	5 years	1 x 5 years	Yes	March 2029



# Wyong Town Financial Services Limited

## ABN 59 100 313 120

### Notes to the financial statements

30 June 2023

#### Note 20. Employee benefits

	2023	2022
	\$	\$
<i>Current liabilities</i>		
Annual leave	62,722	57,134
Long service leave	32,059	27,790
	94,781	84,924
<i>Non-current liabilities</i>		
Long service leave	15,394	12,392

#### *Accounting policy for employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for salary and wages where the employee has provided the service but payment has not yet occurred at the reporting date. They are measured at amounts expected to be paid, plus related on-costs. Non-accumulating sick leave is expensed 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. The company's obligations for short-term employee benefits such as salaries and wages are recognised as part of current trade and other payables in the statement of financial position. The company's obligations for employees' annual leave and long service leave entitlements are recognised in employee benefits in the statement of financial position.

#### *Superannuation contributions*

Contributions to superannuation plans are expensed in the period in which they are incurred.

#### *Short-term employee benefits*

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

#### *Other long-term employee benefits*

The 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 estimated future cash outflows.

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

#### Note 21. Issued capital

	2023	2022	2023	2022
	Shares	Shares	\$	\$
Ordinary shares - fully paid	650,010	650,010	650,010	650,010

#### *Accounting policy for issued capital*

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

#### *Rights attached to issued capital*

# Wyong Town Financial Services Limited

## ABN 59 100 313 120

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### Notes to the financial statements

30 June 2023

#### Note 21. Issued capital (continued)

##### Ordinary shares

##### Voting rights

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

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

On a poll, that person may exercise one vote as a member and one vote for each other member that person represents as duly appointed attorney, corporate representative or proxy.

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

##### Dividends

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

##### Transfer

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

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

##### *Prohibited shareholding interest*

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").

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

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

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

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

# Wyong Town Financial Services Limited

## ABN 59 100 313 120

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### Notes to the financial statements

30 June 2023

#### Note 22. Retained earnings/(accumulated losses)

	2023	2022
	\$	\$
Accumulated losses at the beginning of the financial year	(123,654)	(60,348)
Profit/(loss) after income tax (expense)/benefit for the year	383,139	(17,805)
Dividends paid (note 24)	(32,501)	(45,501)
	<u>226,984</u>	<u>(123,654)</u>

#### Note 23. Capital management

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

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

The distribution limit is the greater of:

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

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

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

#### Note 24. Dividends

*Dividends provided for and paid during the period*

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

	2023	2022
	\$	\$
Fully franked dividend of 5 cents per share (2022: 7 cents)	<u>32,501</u>	<u>45,501</u>

# Wyong Town Financial Services Limited

## ABN 59 100 313 120

### Notes to the financial statements

30 June 2023

#### Note 24. Dividends (continued)

##### Franking credits

	2023	2022
	\$	\$
Franking account balance at the beginning of the financial year	88,523	70,458
Franking credits (debits) arising from income taxes paid (refunded)	(2,474)	33,224
Franking debits from the payment of franked distributions	(10,834)	(15,167)
Franking credits from franked distributions received	34	8
	<u>75,249</u>	<u>88,523</u>

##### *Franking transactions that will arise subsequent to the financial year end:*

Balance at the end of the financial year	75,249	88,523
Franking credits (debits) that will arise from payment (refund) of income tax	113,558	(17,514)
Franking credits available for future reporting periods	<u>188,807</u>	<u>71,009</u>

The ability to utilise franking credits is dependent upon the company's ability to declare dividends. The tax rate at which future dividends will be franked is 25%.

##### *Accounting policy for dividends*

Dividends are recognised in the financial year they are declared.

#### Note 25. Financial instruments

	2023	2022
	\$	\$
<b>Financial assets</b>		
Trade and other receivables	135,992	85,800
Cash and cash equivalents	638,266	298,508
Financial assets	307,719	192,371
	<u>1,081,977</u>	<u>576,679</u>
<b>Financial liabilities</b>		
Trade and other payables	100,335	38,815
Lease liabilities	227,700	260,600
	<u>328,035</u>	<u>299,415</u>

##### *Accounting policy for 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 and lease liabilities.

Trade receivables are initially recognised at the transaction price when they originated. All other financial assets and financial liabilities are initially measured at fair value plus transaction costs (where applicable), when the company becomes a party to the contractual provisions of the instrument. These assets and liabilities are subsequently measured at amortised cost using the effective interest method.

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the rights are transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and rewards associated with the asset. Financial liabilities are derecognised when its contractual obligations are discharged, cancelled, or expire. Any gain or loss on derecognition is recognised in profit or loss.

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.

# Wyong Town Financial Services Limited

## ABN 59 100 313 120

### Notes to the financial statements

30 June 2023

#### Note 25. Financial instruments (continued)

##### **Financial risk management**

The company has exposure to credit, liquidity and market risk arising from financial instruments. 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 use derivative instruments. Risk management is carried out directly by the board.

##### **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.

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of \$638,266 at 30 June 2023 (2022: \$298,508).

##### **Equity Price risk**

All of the company's listed equity investments are listed on the Australian Stock Exchange (ASX). All unlisted equity investments trade shares through a Low Volume Financial Market. Changes in equity securities value is recognised through profit or loss.

2023	% change increase	Effect on profit before tax	Effect on equity	% change decrease	Effect on profit before tax	Effect on equity
Equity securities	10%	<u>30,772</u>	<u>23,079</u>	(10%)	<u>(30,772)</u>	<u>(23,079)</u>
2022	% change increase	Effect on profit before tax	Effect on equity	% change decrease	Effect on profit before tax	Effect on equity
Equity securities	10%	<u>19,237</u>	<u>14,428</u>	10%	<u>(19,237)</u>	<u>(14,428)</u>

##### **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's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo Bank. The company monitors credit worthiness through review of credit ratings, Bendigo Bank is rated BBB+ on Standard & Poor's credit ratings.

##### **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.

# Wyong Town Financial Services Limited

## ABN 59 100 313 120

### Notes to the financial statements

30 June 2023

#### Note 25. Financial instruments (continued)

##### *Exposure to liquidity risk*

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

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>2023</b>				
Chattel mortgage	11,794	-	-	11,794
Trade and other payables	43,232	57,103	-	100,335
Lease liabilities	46,141	184,564	34,606	265,311
Total non-derivatives	<u>101,167</u>	<u>241,667</u>	<u>34,606</u>	<u>377,440</u>

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>2022</b>				
Chattel mortgage	13,801	11,794	-	25,595
Trade and other payables	38,815	-	-	38,815
Lease liabilities	46,141	184,564	80,747	311,452
Total non-derivatives	<u>98,757</u>	<u>196,358</u>	<u>80,747</u>	<u>375,862</u>

#### Note 26. Fair value measurement

##### *Fair value hierarchy*

The following tables detail the company's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>2023</b>				
Assets				
Equity securities	307,719	-	-	307,719
Total assets	<u>307,719</u>	<u>-</u>	<u>-</u>	<u>307,719</u>

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>2022</b>				
Assets				
Equity securities	192,371	-	-	192,371
Total assets	<u>192,371</u>	<u>-</u>	<u>-</u>	<u>192,371</u>

There were no transfers between levels during the financial year.

# Wyong Town Financial Services Limited

## ABN 59 100 313 120

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### Notes to the financial statements

30 June 2023

#### Note 27. Key management personnel disclosures

The following persons were directors of Wyong Town Financial Services Limited during the financial year and/or up to the date if signing of these Financial Statements.

Ray Davidson	Tina Gay West
David Brine	David Harris
David Evans	Elizabeth Ada North
Geoff Hetherington	

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

There are no executives within the company whose remuneration is required to be disclosed.

#### Note 28. Related party transactions

The following transactions occurred with related parties:

	2023 \$	2022 \$
The company used the bookkeeping/accounting services of David Brine's company. The total benefit received was:	10,560	11,360

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

#### Note 29. Remuneration of auditors

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

	2023 \$	2022 \$
<i>Audit services</i>		
Audit or review of the financial statements	5,400	5,200
<i>Other services</i>		
Taxation advice and tax compliance services	660	600
General advisory services	2,910	2,520
Share registry services	5,459	5,371
	<u>9,029</u>	<u>8,491</u>
	<u>14,429</u>	<u>13,691</u>

# Wyong Town Financial Services Limited

## ABN 59 100 313 120

### Notes to the financial statements

30 June 2023

#### Note 30. Reconciliation of profit/(loss) after income tax to net cash provided by operating activities

	2023	2022
	\$	\$
Profit/(loss) after income tax (expense)/benefit for the year	383,139	(17,805)
Adjustments for:		
Depreciation and amortisation	59,858	61,733
Net fair value increase of equity instruments	(15,348)	26,977
Lease liabilities interest	13,241	14,529
Change in operating assets and liabilities:		
Increase in trade and other receivables	(114,490)	(15,458)
Decrease/(increase) in income tax refund due	17,514	(17,514)
Increase in deferred tax assets	(803)	(9,903)
Increase in trade and other payables	61,520	13,129
Increase/(decrease) in provision for income tax	113,558	(11,108)
Increase in employee benefits	12,859	5,494
Increase in other provisions	1,153	1,092
	532,201	51,166
Net cash provided by operating activities	532,201	51,166

#### Note 31. Earnings per share

	2023	2022
	\$	\$
Profit/(loss) after income tax	383,139	(17,805)
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	650,010	650,010
Weighted average number of ordinary shares used in calculating diluted earnings per share	650,010	650,010
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	58.94	(2.74)
Diluted earnings per share	58.94	(2.74)

#### Accounting policy for earnings per share

Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Wyong Town Financial Services Limited by the weighted average number of ordinary shares outstanding during the financial year.

#### Note 32. Commitments

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

#### Note 33. Contingencies

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

#### Note 34. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.



# Wyong Town Financial Services Limited

## ABN 59 100 313 120

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### Directors' declaration 30 June 2023

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



---

Ray Davidson  
Chair

12 October 2023



Andrew Frewin Stewart  
61 Bull Street Bendigo VIC 3550  
ABN: 65 684 604 390  
afs@afsbendigo.com.au  
(03) 5443 0344

## Independent auditor’s report to the Directors of Wyong Town Financial Services Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Wyong Town Financial Services Limited (the company), which comprises:

- Statement of financial position as at 30 June 2023
- Statement of profit or loss and other comprehensive income
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements, including a summary of significant accounting policies
- The directors’ declaration of the company.

In our opinion, the accompanying financial report of Wyong Town 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 2023 and of its financial performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

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

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

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





Andrew Frewin Stewart  
61 Bull Street Bendigo VIC 3550  
ABN: 65 684 604 390  
afs@afsbendigo.com.au  
(03) 5443 0344

## Other Information

The other information comprises the information included in the company's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon. The annual report may also include "other information" on the company's operations and financial results and financial position as set out in the financial report, typically in a Chairman's report and Manager's report, and reports covering governance and shareholder matters.

The directors are responsible for the other information. The annual report is expected to be made available to us after the date of this auditor's report.

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

Our responsibility is to read the other information identified above when it becomes available 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 we identify that a material inconsistency appears to exist when we read the annual report (or become aware that the other information appears to be materially misstated), we will discuss the matter with the directors and where we believe that a material misstatement of the other information exists, we will request management to correct the other information. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Report

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists.



Andrew Frewin Stewart  
61 Bull Street Bendigo VIC 3550  
ABN: 65 684 604 390  
afs@afsbendigo.com.au  
(03) 5443 0344

Misstatement can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

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

**Andrew Frewin Stewart**  
61 Bull Street, Bendigo, Vic, 3550  
Dated: 12 October 2023

A handwritten signature in black ink, appearing to read 'Joshua Griffin'.

**Joshua Griffin**  
Lead Auditor







Community Bank - Wyong  
88 Pacific Highway,  
Wyong NSW 2259  
Phone: 02 4353 8800 Fax: 02 4353 8899  
Email: [wyongmailbox@bendigoadelaide.com.au](mailto:wyongmailbox@bendigoadelaide.com.au)  
Web: [bendigobank.com.au/wyong](http://bendigobank.com.au/wyong)

Franchisee: Wyong Town Financial Services Limited  
ABN: 59 100 313 120  
PO Box 688  
Wyong NSW 2259  
Phone: 02 4353 8800 Fax: 02 4353 8899  
Email: [wyongcb@bigpond.com.au](mailto:wyongcb@bigpond.com.au)

Share Registry:  
AFS & Associates Pty Ltd  
PO Box 454, Bendigo VIC 3552  
Phone: 5443 0344  
Fax: 5443 5304  
Email: [shareregistry@afsbendigo.com.au](mailto:shareregistry@afsbendigo.com.au)

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 **Bendigo Bank**