Annual Report 2023

Stonnington Community Financial Services Limited

Community Bank Windsor

ABN 31 099 416 092

Contents

Chairman's report.

For year ending June 30 2023.

Stonnington Community Financial Services Ltd (SCFS) - your Community Bank Windsor - is now in its 21st Year of operation.

It was exciting to celebrate our 20th Anniversary (albeit a few months late) earlier this year in our new branch at 149 Chapel St, Windsor. It was a fabulous night as we were joined by our shareholders, former directors, community partners and some of our regional team from Bendigo. To be able to announce on this night that we have returned over $1.5m to our community was a very proud moment.

It was a special evening of celebration as were also able to acknowledge and show our appreciation for Jon Caneva. Jon is not only our inaugural Chair, he also chaired the steering committee and is still the treasurer and director of SCFS. The 20th Anniversary Community Award was named in his honour and we were able to hand out a total of $20,000 to ten of our closest community partners.

Once again this year, we had a Branch Manager change with Tom Del Guidice leaving us in November to travel overseas. However, with a succession plan in place, our Customer Relationship Manager, Jawad Bedar was promoted to Branch Manager. The timing was not optimal as Jawad took over the role just as we had new staff joining, along with the imminent relocation of the branch. He managed both brilliantly and we now have a stable team with Bashir, Anita, Oscar and with Jack starting with us July this year.

I would like to take this opportunity to thank Jawad and the team for a smooth transition from 111 to 149 Chapel St in November 2022, and for the hard work and dedication to their roles. It is through the efforts of our staff that we can see the results in our growth of both deposits and lending.

Our Board of Directors has been stable this year giving us the time to consolidate. We have been able to revisit and rework where necessary our Risk register, our Governance Committee has undertaken a reworking of our Company Policy and Procedure Manual, ensuring that this document remains both relevant and appropriate to our business.

Again, I thank Charlotte Rendle-Short (Company Secretary and Director) for undertaking the additional work that she is required to do, Jon Caneva (Treasurer and Director) for his continued contribution, and our fellow Directors, Anja Barisic, Warrick King, Jemima Joseph and Eileen Macken for their continued passion, diligence, respect and hard work. I am proud to be leading this team.

SCFS is fortunate to have a Community Liaison Officer, Lee Chia. Lee is involved in all aspects of our communication, our grant nights, our community events, and co ordinating all our community groups. She is a hidden gem that we are blessed to have.

Thanks also to our Bendigo Bank team, specifically, Rohan Sadler our Regional Manager and Tania Hansen, Community Banking Relationship Manager.

This past year has not only been one of celebration, but one of consolidation and of looking forward, importantly planning for our future as banking changes. We remain committed to your community, to our shareholders, and to our community partners, as we traverse an ever-changing landscape. We will continue to have a footprint in your community and to manage the business well as we strive to maintain our relevance to our customers, community and shareholders.

But, and there is always a but, your bank can only continue to add value to your community by providing banking services. And it is only by you giving us the opportunity to provide those services at every opportunity, whether it be to yourself, your family, your friends, your business or the community group you volunteer for, that we can all continue to reap the rewards of community banking.

Be assured, your Board continues to be committed to ensuring the success of Community Bank Windsor into the future and we look forward to welcoming you to our events during the next twelve months.

Julie Scott
Chairman

Branch Manager's report.

For year ending June 30 2023.

Community Bank Windsor turned a new page in our 20-year history with the relocation to our new branch premises at 149 Chapel St.

As I look back on the year that's just been I would like to thank my team Anita, Bashir, Oscar, and Jack (who is our new starter) for their continuous hard work, dedication, commitment, and resilience to their roles and the Community Bank Windsor. Specifically, Anita and Oscar who were instrumental in the decommissioning of our old branch and the commissioning of the new branch.

I would also like to thank Julie Scott our Chair and Jon Caneva our Treasurer and all of our fantastic board members who volunteer their time peerlessly to ensure that we are supported and guided towards success.

I am happy to report that this year we have given back $125,832 in grants and sponsorship back to the Windsor Community almost doubling from the previous two years. This achievement is something that I am quite proud of and highlights the contribution that the staff and the board have made to Community Bank Windsor. We ended the year with $130.73 million in lending and deposits, although we were down by 7.3 per cent from the previous year, this was largely due to the continuous rate rise that saw a slowing of our lending opportunities, and ultimately serviceability.

Conversely, the rate increases for at-call deposits and term deposits gathered momentum and we have seen a positive level of enquiries and account opening activities from new to bank customers.

Albeit we are heading into a strong 2024 and continuing to grow our loans and deposits book and Bendigo Bank and Community Bank Windsor committed to being Australia's Bank of choice.

Jawad Beedar
Branch Manager

Treasurer's report.

For year ending June 30 2023.

Dear Shareholders, it is with great pleasure that I again report to you this year our 21st year of Community Banking. The journey so far has proved to be challenging but so rewarding. Rewarding not just for our shareholders but for our whole community. We have come through some of our most challenging years but, every year has its challenges and every year we have thrived on these challenges and come out the other end better and stronger. This year was no different.

After 20 years at 111 Chapel Street, we bit the bullet last year and made the decision to move premises to 149 Chapel Street. The decision was made to ensure that we continue to be viable and strong in our business moving forward. The savings in rent and costs made it viable to undertake the relocation costs and the new environment invigorated our team with a new purpose-built banking site.

The financials in this report will show that we have had one of our strongest and most profitable years. Our Balance Sheet has been strengthened by those profits this year, evidenced by the more that $100,000 in grants, sponsorships, and contributions to our local community. The business has reserves in term deposits to provide a buffer if we experience any more of those challenges that always seem to pop up.

Our shareholders this year will receive a 5 cents per share dividend, more than double the previous year's dividend. This comes off the back of a lot of had work from a dedicated bank team and board of directors who work very hard at making our business strong, viable and ready to handle any future challenges.

It goes without saying that our business is only as good as its team and its leadership, and I thank Julie Scott our Chair for the fantastic leadership she provides to our business every day. Julie's focus and dedication is truly amazing.

In closing, I would like to thank our shareholders and customers for the confidence they have continued to show for our business and the continued trust they place in us to look after their banking.

Jon Caneva
Treasurer

Directors' report.

Stonnington Community Financial Services Ltd for the year ended 30 June 2023.

The Directors present their report, together with the financial statements, on Stonnington Community Financial Services Limited for the financial year ended 30 June 2023.

Board of Directors

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

JULIE SCOTT

Title:	Chairperson
Qualifications:	Diploma of Catering Management and Certificate 2 Wine Appreciation - WSET.
Experience & Expertise:	Julie was Company Secretary until appointed as Chairperson in October 2018. Julie is an experienced manager, who has developed her skills over the past 31 years in both Catering Management and Banking, including over 12 years within the Bendigo Bank Community® Bank network. Her specific areas of interest are volunteering within her community, and mentoring good people to be better.

CHARLOTTE RENDLE-SHORT

Title:	Company Secretary
Qualifications:	Masters of Business Administration, Med Admin, Diploma of education, Bachelor of Music and Certificate in Executive Coaching & Mentoring.
Experience & Expertise:	Charlotte was appointed as Company Secretary in November 2018. Charlotte has had more than 33 years experience in education, having held senior leadership positions at school and system level. In her current work, Charlotte coaches and mentors principals and school leadership teams across all three sectors. Charlotte is also Deputy Chair on the Board of Early Childhood Management Services.

GIOVANNI CANEVA

Title:	Treasurer
Qualifications:	A registered BAS Agent with a Certificate IV in Accounting.
Experience & Expertise:	Jon has been Treasurer since June 2017. Jon assists other businesses with business development, adminstration, bookkeeping and BAS preparation. He also owned and operated the then D uke of Windsor Hotel (Lucky Coq) for 14 years and was instrumental in getting the Windsor Community Bank® Branch and Windsor IGA up and running.

WARRICK KING

Title:	Non-Executive Director
Qualifications:	Warrrick is a Chartered Accountant with a Graduate Diploma in Applied Finance & Investment. He is currently completing a Graduate Diploma of Applied Corporate Governance.
Experience & Expertise:	Warrick was appointed as a director in January 2019. He was a Manager at PwC and Financial Controller at a Global Services Company. Warrick is currently the General Manager Finance and Company Secretary for a privately owned corporate group.

ANJA BARISIC

Title:	Non-Executive Director
Qualifications:	Bachelor of Journalism.
Experience & Expertise:	Anja was appointed as a director in June 2021. She has extensive experience delivering marketing solutions through social media, online and digital. An analytical and big picture thinker, with a proven track-record in developing, leading and owning marketing campaigns that increase lead acquisition, customer retention and lifetime value.

Directors' report.

Stonnington Community Financial Services Ltd for the year ended 30 June 2023 (Continued).

JEMIMA JOSEPH

Title: Non-Executive Director

Qualifications: Bachelor of Business (Accounting and Finance), Masters of Applied Finance, Chartered Financial Analyst and Graduate of the Australian Institute of Company Directors.

Experience & Expertise: Jemima was appointed as a director in July 2022. Jemima is the Head of Digital Strategy at L1 Capital, where she is responsible for the development and execution of the digital strategy for the L1 Capital group. She has over 16 years' of investment management experience, specialising in strategic Investment Communications and Digital Marketing across retail, intermediary and institutional markets.

EILEEN MACKEN

Title: Non-Executive Director

Qualifications: Qualified as a Certified Practicing Accountant and Certified Public Accountant. Eileen is also a graduate of the Australian Institute of Company Directors.

Experience & Expertise: Eileen has over 30 years of financial and management accounting experience across several industries including Professional Services, Building and Software as a CFO and managing Finance Business Partner teams.

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

The director remuneration and transactions with the company are outlined at Note 28. Related Parties.

Directors' Meetings

Attendances by each Director during the year were as follows:

	Board meetings		Audit Committee Meetings	
Director	**A**	**B**	**A**	**B**
Julie Scott	10	10	1	1
Charlotte Rendle-Short	10	9	--	--
Giovanni Caneva	10	10	1	1
Warrick King	10	10	1	1
Anja Barisic	10	9	--	--
Jemima Joseph	10	8	--	--
Eileen Macken	10	10	--	--

A - The number of meetings eligible to attend. **B - The number of meetings attended.** **- - Not a member of that committee.**

Company Secretary

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

CHARLOTTE RENDLE-SHORT

Title: Company Secretary

Qualifications: Masters of Business Administration, Med Admin, Diploma of education, Bachelor of Music and Certificate in Executive Coaching & Mentoring.

Experience & Expertise: Charlotte was appointed as Company Secretary in November 2018. Charlotte has had more than 33 years experience in education, having held senior leadership positions at school and system level. In her current work, Charlotte coaches and mentors principals and school leadership teams across all three sectors. Charlotte is also Deputy Chair on the Board of Early Childhood Management Services.

Principal Activities

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

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

Operating Results

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

	30 June 2023 ($)	30 June 2022 ($)	Movement
Profit After Tax	226,386	25,316	794%

Both revenue and profit were higher than previous years. The main reason being that the At Call Deposits rose significantly through the year, as customers did not deposit into Term Deposits due to the low rates. This left considerable amounts in at call accounts.

Director's Interests

DIRECTOR	Fully paid ordinary shares		
	Balance at 1 July 2022	Changes During the Year	Balance at 30 June 2023
Julie Scott	5 00	--	500
Giovanni Caneva	4 0,000	22,500	62,500

Dividends

The board declared at its May 2023 meeting that it would declare a 5 cent dividend and pay the $32,500 later in 2023. This dividend has been provided for in the financial statements.

2023	Cents per share	Total amount $
Final fully franked dividend	5.00	$32,500
Total Amount	**5.00**	**$32,500**

Options

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

Significant Changes in the State of Affairs

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

The branch relocated from 111 Chapel Street, Windsor to 149 Chapel Street, Windsor on 1st December 2023.

Events Since the end of the Financial Year

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

Directors' report.

Stonnington Community Financial Services Ltd for the year ended 30 June 2023 (Continued).

Likely Developments

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

Environmental Regulations

The Company is not subject to any significant environmental regulation.

Indemnification & Insurance of Directors & Officers

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

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

Proceedings on Behalf of the Company

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

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

Non-audit Services

The Company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (RSD Audit) for audit and non-audit services provided during the year are set out in Note 30 to the accounts.

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

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

Auditor's Independence Declaration.

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6 of this financial report.

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

Julie Scott
Chair Director

Dated this 27th day of September, 2023.

Auditor's independence declaration.

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Bendigo, Victoria
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Auditors Independence Declaration under section 307C of the *Corporations Act 2001*
to the Directors of Stonnington Community Financial Services Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Stonnington Community Financial Services Limited. As the lead audit partner for the audit of the financial report for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) Any applicable code of professional conduct in relation to the audit.

RSD Audit

Josh Porker
Principal

41A Breen Street
Bendigo VIC 3550

Dated: 27 September 2023

Richmond Sinnott & Delahunty, trading as RSD Audit
ABN 85 619 186 908
Liability limited by a scheme approved under Professional Standards Legislation

Financial statements.

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023.

	Note	2023 $	2022 $
Revenue			
Revenue from contracts with customers	7	1,298,449	770,727
Other revenue	8	9,167	20,355
Finance income	9	4,148	2,247
		1,311,764	**793,329**
Expenses			
Employee benefits expense	10	(445,848)	(402,293)
Depreciation and amortisation	10	(135,015)	(127,179)
Finance costs	10	(33,821)	(6,572)
Administration and general costs		(50,759)	(53,255)
Occupancy expenses		(9,591)	(1,591)
IT expenses		(49,357)	(42,985)
Insurance expenses		(18,749)	(24,281)
ATM expenses		(11,781)	(13,873)
Repairs and maintenance		(43,935)	(4,528)
Other expenses		(90,378)	(58,658)
		(889,234)	**(735,215)**
Operating profit before charitable donations and sponsorship		**422,530**	**58,114**
Charitable donations and sponsorship	10	(125,833)	(24,359)
Profit before income tax		296,697	33,755
Income tax expense	11	(70,311)	(8,439)
Profit for the year after income tax		226,386	25,316
Other comprehensive income		-	-
Total comprehensive income for the year		226,386	25,316
Profit attributable to the ordinary shareholders of the company		226,386	25,316
Total comprehensive income attributable to ordinary shareholders of the company		**226,386**	**25,316**
Earnings per share		**¢**	**¢**
- basic and diluted earnings per share	31	34.99	3.91

The accompanying notes form part of these financial statements.

Statement of Financial Position for the year ended 30 June 2023.

Assets	Note	2023 $	2022 $
Current assets			
Cash and cash equivalents	12	225,570	93,563
Trade and other receivables	13	118,146	64,265
Financial assets	14	200,000	409,161
Other assets	15	-	5,417
Total current assets		**543,716**	**572,406**
Non-current assets			
Property, plant and equipment	16	374,534	16,062
Right-of-use assets	17	1,031,833	55,605
Intangible assets	18	57,835	3,673
Deferred tax assets	19	12,347	2,881
Other assets	15	16,249	16,249
Total non-current assets		**1,492,798**	**94,470**
Total assets		**2,036,514**	**666,876**
Liabilities			
Current liabilities			
Trade and other payables	20	82,924	53,859
Current tax liability	19	87,983	2,197
Borrowings	21	58,725	-
Lease liabilities	22	11,123	54,050
Employee benefits	23	13,056	3,466
Total current liabilities		**253,811**	**113,572**
Non-current liabilities			
Lease liabilities	22	1,004,299	-
Employee benefits	23	2,267	1,053
Lease make good		40,000	-
Total non-current liabilities		**1,046,566**	**1,053**
Total liabilities		**1,300,377**	**114,625**
Net assets		**736,137**	**552,251**
Equity			
Issued capital	24	647,010	647,010
Retained earnings/(Accumulated losses)	25	99,127	(94,759)
Total equity		**746,137**	**552,251**

The accompanying notes form part of these financial statements.

Financial statements. (continued)

Statement of Changes in Equity for the year ended 30 June 2023.

	Note	Issued Retained $	Capital Earnings $	Total Equity $
Balance at 1 July 2021		**647,010**	**(107,075)**	**539,935**
Comprehensive income for the year				
Profit for the year		-	25,316	25,316
Transactions with owners in their capacity as owners				
Dividends paid or provided	30	-	(13,000)	(13,000)
Balance at 30 June 2022		**647,010**	**(94,759)**	**552,251**
Balance at 1 July 2022		**647,010**	**(94,759)**	**552,251**
Comprehensive income for the year				
Profit for the year		-	226,386	226,386
Transactions with owners in their capacity as owners				
Dividends paid or provided	30	-	(32,500)	(32,500)
Balance at 30 June 2023		**647,010**	**99,127**	**746,137**

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the year ended 30 June 2023.

Cash flows from operating activities	Note	2023 $	2022 $
Receipts from customers		1,252,785	860,906
Payments to suppliers and employees		(817,353)	(720,900)
Interest paid		(33,821)	-
Interest received		3,636	2,843
Income tax received/(paid)		(403)	16,324
Net cash flows provided by operating activities	**26b**	**404,844**	**159,173**
Cash flows from investing activities			
Proceeds from sale of motor vehicle		6,364	-
Proceeds from sale of investments		209,161	-
Purchase of property, plant and equipment		(408,191)	-
Purchase of investments		-	(1,367)
Purchase of intangible assets		(8,008)	(12,544)
Net cash flows used in investing activities		**(200,674)**	**(13,911)**
Cash flows from financing activities			
Repayment of lease liabilities		(59,982)	(122,722)
Dividends paid		(12,181)	(12,956)
Net cash flows used in financing activities		**(72,163)**	**(135,678)**
Net increase in cash held		**132,007**	**9,584**
Cash and cash equivalents at beginning of financial year		93,563	83,979
Cash and cash equivalents at end of financial year	**26a**	**225,570**	**93,563**

The accompanying notes form part of these financial statements.

Notes to the financial statements.

For the year ended 30 June 2023.

NOTE 1. CORPORATE INFORMATION

These financial statements and notes represent those of Stonnington Community Financial Services Limited (the Company) as an individual entity. Stonnington Community Financial Services Limited is a company limited by shares, incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on XXth September 2023.

Further information on the nature of the operations and principal activity of the Company is provided in the directors' report. Information on the company's related party relationships is provided in Note 28.

NOTE 2. BASIS OF PREPARATION

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

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

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

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Economic Dependency

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

- Windsor Community Bank, 149 Chapel St, Windsor

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

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

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

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

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

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

Notes to the financial statements.

For the year ended 30 June 2023.
Note 3. Summary of Significant Accounting Policies (continued).

- calculation of Company revenue and payment of many operating and administrative expenses
- the formulation and implementation of advertising and promotional programs
- sales techniques and proper customer relations.

(b) Revenue From Contracts With Customers

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

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

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

Under *AASB 15 Revenue from Contracts with Customers* (*AASB 15*), revenue recognition for the Company's revenue stream is as follows:

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

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

Revenue Calculation

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

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

Margin

Margin is arrived at through the following calculation:

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

  plus

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

  minus

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

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

Commission

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

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

Fee Income

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

Core Banking Products

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

Ability to Change Financial Return

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

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

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

(c) Other Revenue

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

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

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

Discretionary Financial Contributions

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

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

The payments from Bendigo Bank are discretionary and may change the amount or stop making them at any time.

The Company retains control over the funds, the funds are not refundable to Bendigo Bank.

(d) Employee Benefits

Short-term Employee Benefits

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

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

Notes to the financial statements.

For the year ending 30 June 2023.
Note 3. Summary of Significant Accounting Policies (continued).

Other Long-term Employee Benefits

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

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

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

The Company retains control over the funds, the funds are not refundable to Bendigo Bank.

(e) Tax

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

Current Income Tax

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

Deferred Tax

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

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

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

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

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

Goods & Services Tax

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

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

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

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

(f) Cash & Cash Equivalents

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

(g) Property, Plant & Equipment

Recognition & Measurement

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

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

Subsequent Expenditure

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

Depreciation

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

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

Asset Class	Method	Useful Life
Leasehold improvements	Straight line	5 - 10 years
Plant & equipment	Straight line	4 - 20 years
Motor vehicles	Diminishing value	8 years

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

(h) Intangible Assets

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

Recognition & Measurement

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

Subsequent Expenditure

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

Amortisation

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

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

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

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

Notes to the financial statements.

For the year ending 30 June 2023.
Note 3. Summary of Significant Accounting Policies (continued).

(i) Financial Instruments

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

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

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

Recognition & Initial Measurement

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

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

Classification & Subsequent Measurement

Financial Assets

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

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

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows;

  and

- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

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

Financial Assets - Business Model Assessment

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

Financial Assets - Subsequent Measurement, Gains & Losses

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

Financial Liabilities - Classification, Subsequent Measurement, Gains & Losses

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

Derecognition

Financial Assets

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

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

Financial Liabilities

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

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

Offsetting

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

(j) Impairment

Non-derivative Financial Instruments

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

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

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

Recognition of ECL in Financial Statements

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

The Company's trade receivables are limited to the monthly profit share distribution from Bendigo and Adelaide Bank, which is received 14 days post month end. Due to the reliance on Bendigo and Adelaide Bank the company has reviewed credit ratings provided by Standard & Poors, Moody's and Fitch ratings to determine the level of credit exposure to the company. The company also performed a historical assessment of receivables from Bendigo and Adelaide Bank and found no instances of default. As a result no impairment loss allowance has been made in relation to trade receivables as at 30 June 2023.

Non-financial Assets

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

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

Notes to the financial statements.

For the year ending 30 June 2023.
Note 3. Summary of Significant Accounting Policies (continued).

(k) Issued Capital

Ordinary Shares

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

(l) Leases

As Lessee

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

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

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

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

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

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

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

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

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

Short-term Leases & Leases of Low-value Assets

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

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

As Lessor

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

(m) Standards Issued But Not Yet Effective

There are no new standards effective for annual reporting periods beginning after 1 July 2022 that are expected to have a significant impact on the Company's financial statements.

(n) Comparative Figures

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

NOTE 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES & ASSUMPTIONS

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

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

(a) Judgements

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

Note	Judgement
Note 7 - Revenue	Whether revenue is recognised over time or at a point in time.
Note 22 - Leases:	
(a) Control	Whether a contract is or contains a lease at inception by assessing whether the Company has the right to direct the use of the identified asset and obtain substantially all the economic benefits from the use of that asset.
(b) Lease term	Whether the Company is reasonably certain to exercise extension options, termination periods, and purchase options.
(c) Discount rates	Judgement is required to determine the discount rate, where the discount rate is the Company's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. The incremental borrowing rate is determined with reference to factors specific to the Company and underlying asset including: • the amount • the lease term • economic environment • any other relevant factors.

(b) Assumptions & Estimation Uncertainty

Information about assumptions and estimation uncertainties at 30 June 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

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

Notes to the financial statements.

For the year ending 30 June 2023.

NOTE 5. FINANCIAL RISK MANAGEMENT

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

- credit risk
- liquidity risk
- market risk

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

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

(a) Credit Risk

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

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

(b) Liquidity Risk

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

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

30 June 2023		Contractual Cash Flows		
Non-derivative Financial Liability	**Carrying Amount**	**< 12 Months**	**1 - 5 Years**	**> 5 Years**
Lease liabilities	1,015,422	11,123	74,702	929,597

(c) Market Risk

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

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

Price Risk

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

Cash Flow & Fair Values Interest Rate Risk

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

The Company held cash and cash equivalents of $225,570 at 30 June 2023 (2022: $93,563). The cash and cash equivalents are held with Bendigo & Adelaide Bank, which are rated BBB on Standard & Poor's credit ratings.

NOTE 6. CAPITAL MANAGEMENT

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

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

The distribution limit is the greater of:

(a) 20% of the profit or funds of the Company otherwise available for distribution to shareholders in that 12 month period; and

(b) subject to the availability of distributable profits, the relevant rate of return multiplied by the average level of share capital of the Company over that 12 month period where the relevant rate of return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the Company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2023 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 7. REVENUE FROM CONTRACTS WITH CUSTOMERS

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

Revenue	**2023 $**	**2022 $**
- Revenue from contracts with customers	1,307,616	770,727
Disaggregation of Revenue From Contracts With Customers		
- Margin income	1,200,134	668,634
- Fee income	60,625	60,817
- Commission income	37,690	41,276
	1,298,449	**770,727**

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

NOTE 8. OTHER REVENUE

The Company generates other sources of revenue as outlined below.

Other Revenue	**2023 $**	**2022 $**
- Market development fund income	9,167	20,355
	9,167	**20,355**

NOTE 9. FINANCE INCOME

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

Finance Income	**2023 $**	**2022 $**
At amortised cost:		
- Interest from term deposits	4,148	2,247
	4,148	**2,247**

Notes to the financial statements.

For the year ending 30 June 2023.

NOTE 10. EXPENSES

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

(a) Employee Benefits Expense

Employee Benefits Expense	2023 $	2022 $
- Wages & salaries	376,707	346,848
- Superannuation costs	38,975	34,029
- Other expenses related to employees	30,166	21,416
	445,848	**402,293**

(b) Depreciation & Amortisation Expense

Depreciation of Non-current Assets	2023 $	2022 $
- leasehold improvements	5,663	-
- plant and equipment	30,748	3,199
- motor vehicles	909	1,751
	37,320	**4,950**
Depreciation of Right-of-use Assets		
- leased buildings	85,125	111,210
	85,125	**111,210**
Amortisation of Intangible Assets		
- franchise fees	2,217	2,204
- establishment costs	10,353	8,815
	12,570	**11,019**
Total depreciation & amortisation expense	**135,015**	**127,179**

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

(c) Finance Costs

Finance Costs	2023 $	2022 $
- Interest paid	33,821	6,572
	33,821	**6,572**

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

(d) Community Investments & Sponsorship

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

Community Investments & Sponsorship	Note	2023 $	2022 $
- Direct sponsorship and grant payments		7,467	3,612
- Contribution to the Community Enterprise Foundation™	10(e)	118,366	20,747
		125,833	**24,359**

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.

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

(e) Community Enterprise Foundation™ (CEF) Contributions

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

Disaggregation of CEF Funds	Note	2023 $	2022 $
Opening balance		62,165	92,541
Contributions paid	10(d)	118,366	20,747
Grants paid out		(69,346)	(50,761)
Interest received		1,363	454
Management fees incurred		(718)	(816)
Balance available for distribution		**111,830**	**62,165**

NOTE 11. INCOME TAX EXPENSE

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

(a) The Components of Tax Expense

	2023 $	2022 $
Current tax expense	79,778	3,518
Deferred tax expense (revenue)	(9,467)	6,242
Recoupment of prior year tax losses	-	(1,321)
Under / (over) provision of prior years	-	-
	70,311	**8,439**

(b) Prima Facie Tax Payable

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

	2023 $	2022 $
Prima facie tax on profit before income tax at 25% (2022: 25%)	74,174	8,439
Add Tax Effect Of:		
Tax effect of permanent differences	(3,863)	-
- Utilisation of previously unrecognised carried forward tax losses		
Income tax attributable to the entity	**70,311**	**8,439**

The applicable weighted average effective tax rate is:	-23.70%	-25.00%

Notes to the financial statements.

For the year ending 30 June 2023.

NOTE 12. CASH & CASH EQUIVALENTS

	2023 $	2022 $
Cash at bank and on hand	225,570	93,563
	225,570	**93,563**

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

NOTE 13. TRADE & OTHER RECEIVABLES

Current	2023 $	2022 $
Trade receivables	113,057	63,493
Other receivables	5,089	772
	118,146	**64,265**

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

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

NOTE 14. FINANCIAL ASSETS

At Amortised Cost	2023 $	2022 $
Term deposits	200,000	409,161
	200,000	**409,161**

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

NOTE 15. OTHER ASSETS

	2023 $	2022 $
Prepayments	-	5,417
Security bond	16,249	16,249
	16,249	**21,666**

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

NOTE 16. PROPERTY, PLANT & EQUIPMENT

(a) Carrying Amounts

	2023 $			2022 $		
	At Cost / Valuation	Accumulated Depreciation	Written Down Value	At Cost / Valuation	Accumulated Depreciation	Written Down Value
Leasehold improvements	349,550	5,663	343,887	348,103	348,103	-
Plant & equipment	63,812	33,165	30,647	99,950	89,141	10,809
Motor vehicles	-	-	-	23,501	18,248	5,253
Total	**413,362**	**38,828**	**374,534**	**471,554**	**455,492**	**16,062**

(b) Movements in Carrying Amounts

2023	Leasehold Imp. $	Plant & Equipment $	Motor Vehicles $	Total $
Opening carrying value	-	10,809	5,253	16,062
Additions	349,550	58,641	-	408,191
Disposals	-	(8,055)	(4,344)	(12,399)
Depreciation expense	(5,663)	(30,748)	(909)	(37,320)
Closing carrying value	**343,887**	**30,647**	**-**	**374,534**

2022	Leasehold Imp. $	Plant & Equipment $	Motor Vehicles $	Total $
Opening carrying value	-	14,008	7,004	21,012
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation expense	-	(3,199)	(1,751)	(4,950)
Closing carrying value	-	10,809	5,253	16,062

(c) Capital Expenditure Commitments

The entity does not have any capital expenditure commitments as at 30 June 2023 (2022: None).

(d) Changes in Estimates

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

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

Notes to the financial statements.

For the year ending 30 June 2023.

NOTE 17. RIGHT-OF-USE ASSETS

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

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

The Company's lease portfolio includes buildings.

Options to Extend or Terminate

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

AASB 16 Amounts Recognised in the Statement of Financial Position

	Leased Buildings $	Total ROU Asset $
Leased asset	1,061,354	1,061,354
Depreciation	(29,521)	(29,521)
	1,031,833	**1,031,833**

Movements in carrying amounts:

	Leased Buildings $	Total ROU Asset $
Recognised on initial application of AASB 16	1,061,354	1,061,354
Depreciation expense	(29,521)	(29,521)
Net carrying amount	**1,031,833**	**1,031,833**

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

	2023 $	2022 $
Depreciation expense related to right-of-use assets	(85,125)	(111,210)
Interest expense on lease liabilities	(33,821)	(6,572)

NOTE 18. INTANGIBLE ASSETS

(a) Carrying Amounts

	2023 $			2022 $		
	At Cost / Valuation	Accumulated Depreciation	Written Down Value	At Cost / Valuation	Accumulated Depreciation	Written Down Value
Franchise fees	133,677	124,038	9,639	122,555	121,820	735
Establishment fees	25,000	25,000	-	25,000	25,000	-
Renewal franchise fee	145,834	97,638	48,196	90,224	87,286	2,938
Training fee	-	-	-	1,925	1,925	-
	304,511	**246,676**	**57,835**	**239,704**	**236,031**	**3,673**

(b) Movements in Carrying Amounts

2023	Franchise Fees $	Establishment Fees $	Renewal Franchise Fees $	Training Fees $	Total $
Opening carrying value	735	-	2,938	-	3,673
Additions	11,121	-	55,611	-	66,732
Disposals	-	-	-	-	-
Amortisation expense	(2,217)	-	(10,353)	-	(12,570)
Closing carrying value	**9,639**	**-**	**48,196**	**-**	**57,835**

2022	Franchise Fees $	Establishment Fees $	Renewal Franchise Fees $	Training Fees $	Total $
Opening carrying value	2,938	-	11,753	-	14,691
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Amortisation expense	(2,203)	-	(8,815)	-	(11,018)
Closing carrying value	**735**	**-**	**2,938**	**-**	**3,673**

Notes to the financial statements.

For the year ending 30 June 2023.

NOTE 19. TAX ASSETS & LIABILITIES

(a) Current Tax

	2023 $	2022 $
Income tax payable/(refundable)	87,983	2,197

(b) Deferred Tax

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

Deferred Tax Assets	30 June 2022 $	Recognised in P & L $	30 June 2023 $
- Expense accruals	3,687	700	4,387
- Employee provisions	1,130	1,254	2,384
- Make good leases	-	10,000	10,000
Total deferred tax assets	**4,817**	**11,954**	**16,771**
Deferred Tax Liabilties			
- Right-of-use assets	(389)	(3,714)	(4,103)
- Prepayments	(1,354)	1,354	-
- Accrued income	(193)	(128)	(321)
Total deferred tax assets / (liabilities)	**(1,936)**	**(2,488)**	**(4,424)**
Net deferred tax assets	**2,881**	**9,466**	**12,347**

Movement in the Company's deferred tax balances for the year ended 30 June 2022:

Deferred Tax Assets	30 June 2021 $	Recognised in P & L $	30 June 2022 $
- Expense accruals	1,972	1,715	3,687
- Carried forward tax losses	1,321	(1,321)	-
- Right-of-use assets	2,490	(2,490)	-
- Employee provisions	3,683	(2,553)	1,130
Total deferred tax assets	**9,466**	**(4,649)**	**4,817**
Deferred Tax Liabilties			
- Right-of-use assets	-	(389)	(389)
- Prepayments	-	(1,354)	(1,354)
- Accrued income	(342)	149	(193)
Total deferred tax liabilities	**(342)**	**(1,594)**	**(1,936)**
Net deferred tax assets	**9,124**	**(6,243)**	**2,881**

NOTE 20. TRADE & OTHER PAYABLES

Current	2023 $	2022 $
Trade creditors	2,131	4,589
Dividend Payable	39,983	19,664
Other creditors and accruals	40,810	29,606
	82,924	**53,859**

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

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

NOTE 21. BORROWINGS

Current	2023 $	2022 $
Unsecured Liabilities		
Franchise & Renewal Fees	58,725	-
Total borrowings	**58,725**	**-**

NOTE 22. LEASE LIABILITIES

Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate on the adoption date. The discount rate used on recognition was 5.62%.

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

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

(a) Lease Portfolio

The Company's lease portfolio includes:

Lease	Details
149 Chapel Street, Windsor	The lease agreement is a non-cancellable lease with an initial term of five years which commenced in December 2022. The lease has three further five year extension option available. The lease commencement date was 1st March 2022, whil ethe rent commencement date was 1st December 2022 due to a 9 month rent free period.

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

Notes to the financial statements.

For the year ending 30 June 2023.
Note 22. Lease Liabilities (continued).

(b) Lease Liabilities

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

	2023 $	2022 $
Current	11,123	54,050
Non-current	1,004,299	-

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2023 were as follows:

	Minimum lease payments due				
	< 1 Year	1 - 2 Years	3 - 5 Years	> 5 years	Total
30 June 2023					
Lease payments	68,122	70,165	223,380	1,395,484	1,757,151
Finance charges	(56,999)	(56,145)	(162,698)	(465,887)	(741,729)
Net present values	**11,123**	**14,020**	**60,682**	**929,597**	**1,015,422**
30 June 2022					
Lease payments	54,749	-	-	-	54,749
Finance charges	(699)	-	-	-	(699)
Net present values	**54,050**	**-**	**-**	**-**	**54,050**

Total cash outflows for leases for the year ended 30 June 2023 was $59,982 (2022: $122,722).

NOTE 23. EMPLOYEE BENEFITS

Current	2023 $	2022 $
Provision for annual leave	13,056	3,466
	13,056	**3,466**

Non-Current		
Provision for long service leave	2,267	1,053
	2,267	**1,053**

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

Employee Attrition Rates

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

NOTE 24. ISSUED CAPITAL

(a) Issued Capital

	2023		2022	
	Number	$	Number	$
Ordinary shares - fully paid	650,000	647,010	650,000	647,010
	650,000	**647,010**	**650,000**	**647,010**

Ordinary shares are classified as equity.

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

(b) Movements in share capital

Fully paid ordinary shares:	2023 $	2022 $
At the beginning of the reporting period	647,010	647,010
At the end of the reporting period	**647,010**	**647,010**

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

NOTE 25. RETAINED EARNINGS

	Note	2023 $	2022 $
Balance at the beginning of the reporting period		(94,759)	(107,075)
Profit for the year after income tax		226,386	25,316
Dividends paid	30	(32,500)	(13,000)
Balance at the end of the reporting period		**99,127**	**(94,759)**

NOTE 26. CASH FLOW INFORMATION

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

	Note	2023 $	2022 $
Cash and cash equivalents	12	225,570	93,563
As per the Statement of Cash Flows		**225,570**	**93,563**

Notes to the financial statements.

For the year ending 30 June 2023.
Note 26. Cash Flow Information (continued).

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

	2023 $	2022 $
Profit for the year after income tax	226,386	25,316
Non-cash flows in profit		
- Depreciation	122,445	116,160
- Amortisation	12,571	11,019
- Bad debts	1,463	-
- Net loss on disposal of property, plant & equipment	6,035	-
Changes in assets and liabilities		
- (Increase) / decrease in trade and other receivables	(55,343)	2,171
- (Increase) / decrease in prepayments and other assets	5,417	(21,667)
- (Increase) / decrease in deferred tax asset	(9,578)	6,243
- Increase / (decrease) in trade and other payables	8,745	11,626
- Increase / (decrease) in current tax liability	75,787	18,520
- Increase / (decrease) in provisions	10,805	(10,215)
Net cash flows from operating activities	**404,733**	**159,173**

NOTE 27. FINANCIAL INSTRUMENTS

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

	Note	2023 $	2022 $
Financial Assets			
Trade and other receivables	13	118,146	64,265
Cash and cash equivalents	12	225,570	93,563
Term deposits	14	200,000	409,161
		543,716	**566,989**
Financial Liabilities			
Trade and other payables	20	82,924	53,859
Borrowings	21	58,725	-
Lease liabilities	22	1,015,422	54,050
		1,157,071	**107,909**

NOTE 28. RELATED PARTIES

(a) Key Management Personnel

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

(b) Key Management Personnel Compensation

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

	2023 $	2022 $
Short-term employee benefits	8,000	9,488
Total key management personnel compensation	**8,000**	**9,488**

Short-term Employee Benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive Directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to Executive Directors and other key management personnel.

(c) Other Related Parties

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

(d) Transactions With Key Management Personnel & Related Parties

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

Name of Related Party	Description of Goods or Services Provided	Value $
Caneva Management Pty Ltd, a company of which Giovanni Caneva is a director.	Bookkeeping & Administration	12,000
Windsor Primary School, with Warrick King as a Community Member on the School Council.	Community Sponsorship	2,000
South Melbourne Park Primary School, with Julie Scott's sister being Treasurer on the School Council.	Community Sponsorship	2,500

(d) Key Management Personnel Shareholdings

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

(e) Other Key Management Transactions

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

Notes to the financial statements.

For the year ending 30 June 2023.

NOTE 29. AUDITOR'S REMUNERATION

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

Audit & Review Services	2023 $	2022 $
Audit and review of financial statements (RSD Audit)	5,750	5,450
Total auditor's remuneration	**5,750**	**5,450**

NOTE 30. DIVIDENDS

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

	2023 $		2022 $	
	Number	$	Number	$
Fully franked dividend	650,000	(32,500)	650,000	(13,000)
Dividends provided for and paid during the year	**650,000**	**(32,500)**	**650,000**	**(13,000)**

The tax rate at which dividends have been franked is 25% (2022: 25%).

NOTE 31. EARNINGS PER SHARE

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

	2023 $	2022 $
Profit attributable to ordinary shareholders	226,386	25,316

	Number	Number
Weighted average number of ordinary shares	650,000	650,000

	¢	¢
Basic and diluted earnings per share	34.99	3.91

NOTE 32. EVENTS AFTER THE REPORTING PERIOD

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

NOTE 33. COMMITMENTS & CONTINGENCIES

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

The Company has no other commitments requiring disclosure.

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

NOTE 34. COMPANY DETAILS

> The registered office of the company is:
> **Stonnington Community Financial Services Limited**
> **149 Chapel St, Windsor VIC 3181**

> The principal place of business is:
> **Windsor Community Bank 149 Chapel St, Windsor VIC 3181**

Director's declaration.

For the year ended 30 June 2023

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

In the opinion of the directors:

(a) The financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:

{i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and

{ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Julie Scott
Chair/Director
Dated this 27th day of September, 2023

Independent audit report.

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

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Stonnington Community Financial Services Limited (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

(i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance and its cash flows for the year then ended; and

(ii) complying with Australian Accounting Standards.

Basis for Opinion

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Director's Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Financial Report

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

As part of an audit in accordance with 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

Independence

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

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

RSD Audit

Josh Porker
Principal

Dated: 27 September 2023.

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Franchisee: Stonnington Community Financial Services Limited
ABN: 31 099 416 092

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facebook.com/communitybankwindsor

instagram.com/communitybankwindsor/

Bendigo Bank

Bendigo and Adelaide Bank Limited ABN 11 068 049 178, AFSL/Australian Credit Licence 237879 A1429506 OUT_31221029 28/08/2023