Annual Report 2024

Ku-ring-gai Financial Services Limited

Community Bank · Lindfield & Districts
Bendigo Bank

Ku-ring-gai
Financial Services Limited

KU-RING-GAI FINANCIAL SERVICES LIMITED

ABN 56 103 129 184

ANNUAL REPORT 2024

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Chairman's Report

Dear Shareholder,

It is my pleasure as the Chair of Ku-ring-gai Financial Services Limited (KFSL) to report on the company's progress during the year ending 30 June 2024.

As you are aware, the 2023/24 financial year proved to be a very busy and a tumultuous period for the company and our staff.

The new directors, appointed at the 2023 Annual General Meeting and subsequently, have spent considerable time and effort to achieve a new leadership and organisation to deliver a sustainable future for the company in the rapidly changing banking environment.

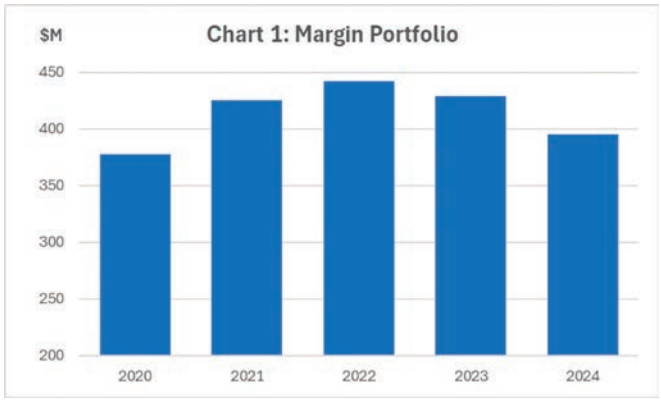
This includes a renewed focus on branch management, customer service and a return to KFSL's historical approach to community development and support activities.

Pleasingly, one significant "constant" has been the continuing high levels of revenue and profitability achieved by the company, arising from the favourable interest rate settings which have prevailed during the past 18 months and which are presently continuing into the current financial year.

In recognition of this continuing profitability and the company's strong financial position, the directors have declared a fully franked dividend of 20 cents per share for 2024 (2023: 19.16 cents per share).

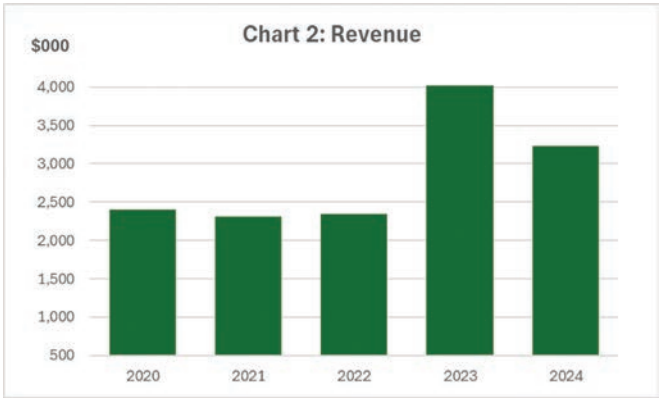
The following charts highlight the company's continuing strong performance relative to recent years.

Chart 1: Margin Portfolio



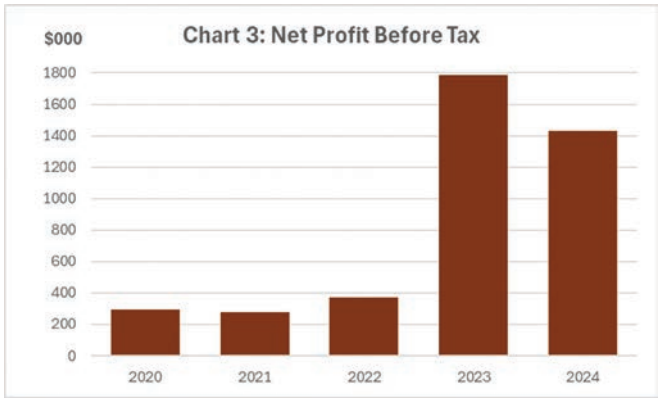
The reduction in 2024 margin portfolio comprised a significant dip during the two months following the Turramurra closure, followed by a more modest decline in the following months.

Chart 2: Revenue



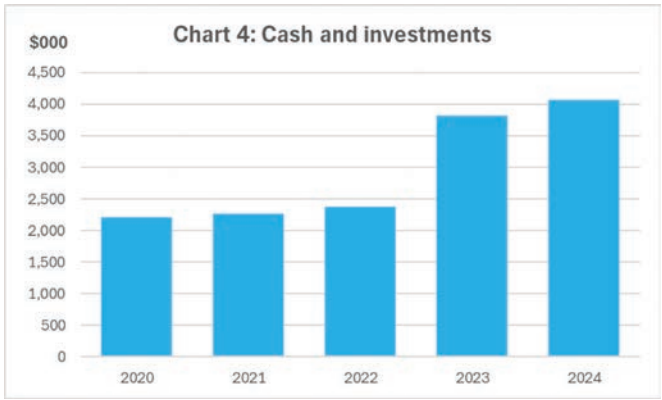
Whilst revenue declined by 22% in 2024 it remains strong and was the second highest ever and 30% higher than 2022 Revenue.

Chart 3: Net Profit Before Tax



With expenses contained and community contributions lower than 2023, NPBT remains very high, representing the second best NPBT result in the company's history.

Chart 4: Cash and Investments



The company has a robust asset base, notwithstanding significant community contributions and dividends paid to shareholders. The company's net assets of $4.1 million at 30 June 2024 represent an increase of $641,000 (18%) over 2023 and $1.8 million (79%) over 30 June 2022.

The immediate challenge is to arrest the run-off in portfolio which followed the Community Bank Turramurra closure and has persisted throughout 2024.

The board is confident that with the appointment of Michele Ferris as Branch Manager, assignment of new roles and responsibilities, and the addition of two new Customer Service Officers in July 2024 our Community Bank is now better positioned to achieve a return to portfolio growth in 2024/25.

Furthermore, the enthusiasm displayed by all of our staff towards our community development and support activities augurs very well for our future.

Re-building the board

As shareholders are aware, the board was reduced to only three newly appointed directors following the 2023 Annual General Meeting.

Since then, a further two new directors have been appointed, namely Geoff Crittenden in January 2024 (a former director in 2004-2007) and Kristyn Haywood in June 2024.

The board has a formal process for the recruitment of new directors, incorporating a candidate-provided skills assessment matrix document and director interview processes.

KFSL strategic planning

During the past three months, the board has developed a formal Business Plan. Initially framed in consultation with senior Bendigo Bank executives, this Business Plan has now been presented to Bendigo Bank, to our Shareholders attending the shareholders information night in August, and to our branch staff.

Action items identified in this Plan include rebuilding our engagement with shareholders, rebuilding the board, building a stronger team and strengthening our culture. This includes recruiting the right people and having the right structure for success.

The board has noted that previously reported opportunities and enthusiasm for mergers and acquisitions of Community Bank companies has waned significantly due to the recent sharply increased profitability and associated higher valuations demanded by prospective acquisition targets. We remain open to opportunities should they arise in the future.

Another key element in our current strategy relates to the future of our Lindfield branch premises. A three-year extension of the current lease is presently being negotiated with the landlord.

Acknowledging our board support team

Our Treasurer, Sharon Warner, continues to provide excellent advice and support with her comprehensive monthly financial reporting services, preparation of the annual budget, and oversight of statutory reporting responsibilities.

Our professional support team from CB-Virtual Solutions provides valuable secretarial support to the board. We also have had a strong relationship with AFS & Associates, which provides audit and accounting services along with maintaining our share registry.

We are fortunate indeed to have had continuity of excellent service from these professionals during the past challenging year.

Our shareholders

I would like to thank all shareholders for your continued support and advocacy of the company.

Our 21st birthday will be celebrated with morning tea in our Lindfield Branch premises on Tuesday 1 October from 10:00 am to midday. Invitations have recently been despatched for our gala 21st birthday celebration at Pymble Golf Club on 12 November 2024, 6:00 pm to 9:00 pm.

I also look forward to meeting shareholders at the 2024 Annual General Meeting to be conducted at the Turramurra Bowling Club at 6:00 pm on Monday 18 November 2024.

David A Langdon
Chair

Branch Manager's Report

I am proud to have been part of the Ku-ring-gai Financial Services Limited (KFSL) family since January 2009. I truly love what I do! Over the years I've had the pleasure of overseeing the day-to-day operations as the Customer Relationship Manager and later Branch Operations Manager, building wonderful relationships with our valued customers and community groups. I recently accepted the role of Branch Manager, and I'm excited to continue supporting our customers in my new role.

With the closure of Community Bank Turramurra in July 2023, and the consolidation of the team at Community Bank Lindfield & Districts, there were many challenges. To say it was a different and difficult year would be a major understatement.

However, we continued to keep the branch operational, achieving satisfactory results in all areas of risk and compliance – not to mention continuing to provide our customers with the exceptional customer service they have come to expect. This wouldn't be the case without the wonderful team of Warren Dwyer, Sharon Franke, Pooja Ram, and our Mobile Relationship Manager Peter Lau, who is achieving great results. Thank you to each of you for your incredible efforts.

During the year Vikki Atkins, after 16 years of wonderful, dedicated service to KFSL, moved to a role within the Bendigo and Adelaide Bank internal iSupport team. We also said goodbye to Hira Mughal, Customer Service Officer and Mirella Yacoub, Branch Manager. Thank you all for your contributions, and we wish you well in the next chapter of your lives.

New team members who have joined the team this year:

- Celesse Yang, part-time Customer Service Officer (currently on maternity leave) joined in October 2023
- Yvette Hu, Customer Relationship Manager, transferred from Community Bank Sorell & District, Tasmania in February 2024
- Sara Granpayeh, Customer Service Officer transferred from Community Bank Laverton, Victoria in July 2024
- Michellin Nixon, Customer Service Officer is a local resident and also joined in July 2024.

I am really thrilled to say we now have a full team who are ready and waiting to take care of all our customers' banking needs.

There is so much that we have to celebrate especially with KFSL 21st Birthday fast approaching. See the Community Development and Support report to read about what we have achieved and what exciting events are on the horizon.

Lastly, I would like to acknowledge and thank each of our very dedicated and enthusiastic volunteer directors for their amazing commitment and support.

We look forward to a successful year ahead with our new look team. We encourage you, our shareholders, to continue sharing with your family and friends about our Community Bank and what being a customer of our branch can do for our fabulous community. Please drop by and say hello.

Michele Ferris
Branch Manager
Community Bank Lindfield & Districts

Community Development and Support Report

I am delighted to present this year's Community Development and Support Report, outlining the initiatives, achievements, and meaningful impact we've made in our local community.

After last year's AGM and changes in the KFSL board, our community engagement activities have been reinvigorated, with the Community Engagement committee taking on a renewed focus. Though the first half of the year was quiet, the second half, following the AGM and now with Jennifer Anderson as the Convenor of the newly named Community Development and Support committee, proved to be exceptionally busy and fruitful.

We proudly distributed grants of $25,000 to each of KYDS Youth Counselling (previously known as KYDS Youth Development Service), Hornsby Ku-ring-gai Women's Shelter (HKWS) and Killara Rural Fire Brigade. These funds were put towards strengthening the governance of KYDS putting them in a strong position for growth to meet increasing need for counselling among our youth, creation of a wellness program for the women supported by HKWS and to assist with the fit out of the new Killara Rural Fire Brigade headquarters, expected to be finished by late 2024.

Our long standing and much loved Staff Grants Program was expanded to include the directors of KFSL and is now known as the Staff and Directors Grants Program. Twice a year each staff member and director select a community organisation to receive a $1,000 donation. This program fosters meaningful connections across various organisations, creating a network that extends beyond financial support. One memorable outcome this year is the support that the Ku-ring-gai Community Workshop has provided to the 1st Turramurra Scout Group in repairing their hall; this need was mentioned when both groups were recipients of grants in February.

During the year we have proudly sponsored workshops run by Lifeline Harbour to Hawkesbury Sydney on building healthy workplace relationships and domestic violence awareness. Community education like this strengthens wellbeing and resilience, reducing the risk of suicide in our area.

Given the increasing hardship in our community, we launched the Donate a Box campaign to raise awareness and funds for Hornsby Connect, a charity helping vulnerable locals access affordable groceries. KFSL donated $20,000, and through a matching campaign, we raised an additional $20,000 from the community. Beyond financial support, we provided Hornsby Connect with marketing tools to assist with future fundraising efforts.

Throughout the year, we extended financial support to 33 community groups. Our focus on connecting these groups, partnering in projects, and amplifying our giving has remained steadfast. While we have continued to provide sponsorship to a select number of local community and sporting groups, our primary focus remained on charitable organisations that create a broad and lasting impact on the community.

In the past year, we contributed a total of $172,823 to the local community through grants, donations, and sponsorships. This figure grew to an impressive $222,215 through initiatives like Community Pitch 2023 and the 'Donate a Box' matching campaign.

In August we hosted Community Pitch 2024, our fourth Community Pitch event. Thanks to the support of 36 local businesses and community-minded individuals, we raised $74,550, including our Community Bank's pledge of $30,000, which was distributed to ten remarkable local community organisations. Community Pitch continues to strengthen our ties with local businesses and allows us to forge new relationships within the community.

Since its inception in 2019, Community Pitch has grown significantly in scale and impact, becoming a cornerstone of community engagement. This year's event was not only a testament to this growth but also a showcase of the difference we can make when we unite for a common cause. The collective effort of this year's event brings the total funds raised since Community Pitch's launch in 2019 to an impressive $235,000, all of which has been directed to local charitable organisations.

Our team remains deeply committed to volunteering and giving back. This year, our staff and KFSL directors volunteered at The Dish of St John's, providing meals and companionship to those in need. We continue to build strong relationships with a broad variety of local charities and community organisations, frequently visiting our community partners, attending events, and offering support wherever possible.

Our cumulative contributions to local community groups, including shareholders, since the company's inception is now $3,897,722.

Looking ahead, we're excited about what the next year holds, especially as we prepare to celebrate KFSL's 21st birthday in October with our largest-ever grant program of $210,000.

Sharon Franke
Community Development Manager

Jennifer Anderson
Convenor Community Development and Support Committee

KU-RING-GAI FINANCIAL SERVICES LIMITED

ABN 56 103 129 184

FINANCIAL REPORT – 30 JUNE 2024

Ku-ring-gai Financial Services Limited
Directors' report
30 June 2024

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

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

Name:	David Andrew Langdon
Title:	Non-executive director (appointed 15 November 2023)
Experience and expertise:	David was a Partner in a global technology consulting firm until his retirement in 1999. He was the inaugural Chairman of Ku-ring-gai Financial Services Limited, appointed in November 2002, and remained Chairman until his retirement in 2014. During this period, the company opened and operated two successful Community Bank Branches. David was re-elected to the Board in 2023 and was elected Chair.
Special responsibilities:	Chair
Name:	Julie Fidler
Title:	Non-executive director (appointed 15 November 2023)
Experience and expertise:	Julie has recently retired from a career in business administration, finance and governance for various public and listed companies. Julie was founding Company Secretary of Ku-ring-gai Financial Services Limited for 15 years, from its formation in 2002 until 2017, and is committed to its success and the provision of banking services in Ku-ring-gai.
Special responsibilities:	Deputy Chair, Convenor, Governance Committee
Name:	Jennifer Gai Anderson
Title:	Non-executive director (appointed 15 November 2023)
Experience and expertise:	Emeritus Mayor Ku-ring-gai Council, the longest serving mayor in the Council’s 118-year history. Over fifteen years as an elected councillor, recipient of Local Government NSW Excellence Award, NSW Ministers’ Award for Women in Local Government, Davidson NSW Woman of the Year, and Rotary International Paul Harris Fellow. Past board member of Ku-ring-gai Meals on Wheels, Hornsby Ku-ring-gai Women’s shelter and Ku-ring-gai Youth Development Service (KYDS).
Special responsibilities:	Convenor, Community Development & Support Committee
Name:	Geoffrey John Crittenden
Title:	Non-executive director (appointed 29 January 2024)
Experience and expertise:	Geoff was a member of the British Army from 1974-1991, RET Major. Geoff has experience as a CEO of Association of Consulting Engineers Australia, ATRIA Group, Risk Management Institute of Australasia and Weld Australia. Geoff's qualifications include BScEng(Hons), International Welding Engineer, FIEAust, CPEng, FICML, CEng, MAICD.
Special responsibilities:	Convenor, HR & Operations Committee
Name:	Kristyn Ann Haywood
Title:	Non-executive director (appointed 29 July 2024)
Experience and expertise:	Kristyn Haywood runs a leadership consultancy business that educates managers to connect with, and act on, their values. She is a published poet, a local conservationist and runs a not-for-profit organisation which supports women to grow in confidence and stand in their power.
Special responsibilities:	Nil
Name:	Sara Adams
Title:	Non-executive director (retired 15 November 2023)
Experience and expertise:	GAICD. Sara has had over 24 years' experience in the ICT industry holding senior leadership roles within sales, marketing and distribution channels for companies such as Apple and Cisco.

Name:	Christopher Bradley Williamson
Title:	Non-executive director (retired 15 November 2023)
Experience and expertise:	BCom. Chris brings business development, marketing and technology experience to the Board, as well as a Gen Y perspective. After working in finance and IT whilst studying for his Bachelor of Commerce majoring in Economics and Business Law at Macquarie University, Chris founded his own marketing agency based in Pymble.

Name:	Catherine Anne Harris
Title:	Non-executive director (not re-elected 15 November 2023)
Experience and expertise:	Catherine Harris is an experienced Human Resources Specialist with over 20 years' experience working across a variety of industries. Her experience has been gained working with multi-national, not-for-profits, Government, and small-to-medium companies. Catherine has a Postgraduate Certificate in Career Development from SRI, Master of Business Administration from Macquarie Graduate School of Management and a Bachelor of Arts majoring in Psychology from Macquarie University.

Name:	Zoe Gilliland
Title:	Non-executive director (not re-elected 15 November 2023)
Experience and expertise:	Zoe is a results-driven and optimistic business professional with over 20 years' experience in sales, marketing and retail.

Name:	Adrian Gordon Fong
Title:	Non-executive director (not re-elected 15 November 2023)
Experience and expertise:	B Com, LLB, LLM, Legal Practitioner of the Supreme Court of NSW, Practising Principal Member of Law Society of NSW, Member of NSW Chamber of Commerce. Adrian resides in St Ives and is involved with local sporting clubs and community groups. He has practised as a commercial lawyer for over 20 years, and was previously a corporate and commercial partner for a large national law firm. Adrian is now the principal of his own corporate and commercial legal practice based in Sydney.

Name:	Jason Conor Grindlay
Title:	Non-executive director (resigned 20 November 2023)
Experience and expertise:	Jason holds a Masters degree in Civil Engineering (Hons) with European Studies (Spanish) from the University of Bristol, U.K. He worked in Investment banking at Credit Suisse in London and New York before moving to the Institutional buy-side in several multi-billion dollar funds. He has invested in companies across all sectors and continents. In recent years he has invested and run private companies.

Name:	Stephen Peter Brickett
Title:	Non-executive director (resigned 21 November 2023)
Experience and expertise:	BCompt (Honours), Chartered Accountant. Based in Sydney, Stephen has over 20 years' experience in both professional services and listed global financial services organisations in South Africa, the United Kingdom and Australia. Stephen is currently a General Manager: Finance for a leading medical defence organisation.

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

Company secretary
The company secretary is Joy Lenore Rollason. Joy was appointed to the position of company secretary on 30 June 2023.

Experience and expertise:	Joy holds a bachelor's degree in Information Services (Librarianship), a graduate diploma in Applied Corporate Governance and a diploma in Project Management. She has more than twenty years of company secretarial experience with unlisted public companies.

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

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

Review of operations
The profit for the company after providing for income tax amounted to $1,072,524 (30 June 2023: $1,336,927).

Operations have continued to perform in line with expectations.

Dividends
During the financial year dividends were declared:

	2024 $	2023 $
Fully franked dividend of 7.39 cents per share (2023: 7.25 cents)	166,355	163,204
Special fully franked dividend of 11.77 cents per share (2023: nil)	264,953	-
	431,308	163,204

Since the end of the financial year, the board of directors declared a fully franked dividend to be paid of 20 cents per share. The financial impact of the dividend, amounting to $450,217, has not been recognised in the financial statements for the financial year ended 30 June 2024, and will be recognised in the subsequent financial statements.

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

As disclosed in the company's 30 June 2023 financial report, on 14 July 2023, the company closed its Turramurra branch prior to the expiry of the lease agreement on 4 August 2023. The company's operations have since been consolidated into its Lindfield branch.

On 20 October 2023, the company entered into a new 5-year franchise agreement with Bendigo Bank, increasing the company's intangible assets and trade and other payables by approximately $69,451.

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

Matters subsequent to the end of the financial year
Apart from the dividend declared as discussed above, no other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

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

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

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

	Board	
	Eligible	Attended
David Andrew Langdon	6	6
Julie Fidler	6	6
Jennifer Gai Anderson	6	6
Geoffrey John Crittenden	5	5
Kristyn Ann Haywood	-	-
Sara Adams	3	2
Christopher Bradley Williamson	3	3
Catherine Anne Harris	3	3
Zoe Gilliland	3	3
Adrian Gordon Fong	3	2
Jason Conor Grindlay	3	3
Stephen Peter Brickett	3	2

Eligible represents the number of meetings held during the time the director held office.

Directors' benefits
No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest.

Directors' interests
The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
David Andrew Langdon	20,002	-	20,002
Julie Fidler	1,000	-	1,000
Jennifer Gai Anderson	-	-	-
Geoffrey John Crittenden	-	-	-
Kristyn Ann Haywood	-	-	-
Sara Adams	-	-	-
Christopher Bradley Williamson	-	-	-
Catherine Anne Harris	-	-	-
Zoe Gilliland	-	-	-
Adrian Gordon Fong	-	-	-
Jason Conor Grindlay	17,000	-	17,000
Stephen Peter Brickett	3,000	-	3,000

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

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

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

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

Ku-ring-gai Financial Services Limited
Directors' report
30 June 2024

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

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

Indemnity and insurance of auditor
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor. During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Non-audit services
The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 25 to the accounts.

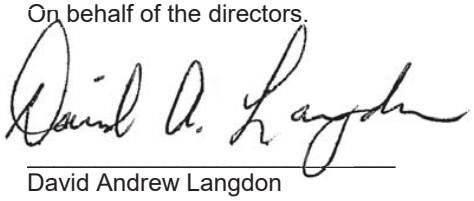
The board of directors has considered the non-audit services provided during the year by the auditor and, in accordance with the advice received from the Treasurer, is satisfied that the provision of the non-audit services is compatible with, and did not compromise, the auditor independence requirements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

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

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

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

On behalf of the directors.



David Andrew Langdon
Chair

23 September 2024

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

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Ku-ring-gai Financial Services Limited

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 23 September 2024

Lachlan Tatt
Lead Auditor

Liability limited by a scheme approved under Professional Standards Legislation.

Ku-ring-gai Financial Services Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	2024 $	2023 $
Revenue from contracts with customers	7	3,046,975	3,920,290
Other revenue		10,682	24,773
Finance revenue	8	170,283	74,165
Total revenue		3,227,940	4,019,228
Employee benefits expense	9	(955,252)	(1,011,545)
System costs		(64,185)	(73,794)
Advertising and marketing costs		(115,969)	(145,655)
Occupancy and associated costs		(70,624)	(48,548)
Depreciation and amortisation expense	9	(132,649)	(255,776)
Loss on disposal of assets		(6,011)	-
Finance costs	9	(14,177)	(43,675)
General administration expenses		(265,908)	(255,672)
Total expenses before community contributions and income tax		(1,624,775)	(1,834,665)
Profit before community contributions and income tax expense		1,603,165	2,184,563
Charitable donations and sponsorships expense		(172,823)	(398,400)
Profit before income tax expense		1,430,342	1,786,163
Income tax expense	10	(357,818)	(449,236)
Profit after income tax expense for the year attributable to the ordinary shareholders of Ku-ring-gai Financial Services Limited		1,072,524	1,336,927
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the ordinary shareholders of Ku-ring-gai Financial Services Limited		1,072,524	1,336,927
		Cents	**Cents**
Basic earnings per share	27	47.64	59.39
Diluted earnings per share	27	47.64	59.39

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

Ku-ring-gai Financial Services Limited
Statement of financial position
As at 30 June 2024

	Note	2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	11	989,016	953,083
Trade and other receivables	12	339,126	357,902
Investments	13	3,084,087	2,866,187
Current tax assets	10	15,932	-
Total current assets		4,428,161	4,177,172
Non-current assets			
Property, plant and equipment	14	14,813	45,156
Right-of-use assets	15	145,798	248,813
Intangible assets	16	59,774	8,188
Deferred tax asset	10	56,829	85,290
Total non-current assets		277,214	387,447
Total assets		4,705,375	4,564,619
Liabilities			
Current liabilities			
Trade and other payables	17	208,944	164,057
Lease liabilities	18	132,930	133,867
Current tax liabilities	10	-	374,920
Employee benefits		110,431	164,180
Total current liabilities		452,305	837,024
Non-current liabilities			
Trade and other payables	17	45,838	-
Lease liabilities	18	45,767	178,698
Employee benefits		2,715	144
Provisions		33,091	64,310
Total non-current liabilities		127,411	243,152
Total liabilities		579,716	1,080,176
Net assets		4,125,659	3,484,443
Equity			
Issued capital	19	1,258,525	1,258,525
Retained earnings		2,867,134	2,225,918
Total equity		4,125,659	3,484,443

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

Ku-ring-gai Financial Services Limited
Statement of changes in equity
For the year ended 30 June 2024

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2022		1,258,525	1,052,195	2,310,720
Profit after income tax expense		-	1,336,927	1,336,927
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	1,336,927	1,336,927
Transactions with ordinary shareholders in their capacity as ordinary shareholders:				
Dividends provided for or paid	21	-	(163,204)	(163,204)
Balance at 30 June 2023		1,258,525	2,225,918	3,484,443
Balance at 1 July 2023		1,258,525	2,225,918	3,484,443
Profit after income tax expense		-	1,072,524	1,072,524
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	1,072,524	1,072,524
Transactions with ordinary shareholders in their capacity as ordinary shareholders:				
Dividends provided for or paid	21	-	(431,308)	(431,308)
Balance at 30 June 2024		1,258,525	2,867,134	4,125,659

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

Ku-ring-gai Financial Services Limited
Statement of cash flows
For the year ended 30 June 2024

	Note	2024 $	2023 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,414,763	4,245,563
Payments to suppliers and employees (inclusive of GST)		(2,000,635)	(2,307,540)
Interest received		133,790	38,252
Interest and other finance costs paid		(1,727)	-
Income taxes paid		(720,209)	(95,445)
Net cash provided by operating activities	26	825,982	1,880,830
Cash flows from investing activities			
Payments for investments		(217,900)	(1,100,000)
Payments for property, plant and equipment		(2,824)	(3,924)
Payments for intangible assets		(13,890)	(27,834)
Proceeds from disposal of property, plant and equipment		17,170	-
Proceeds from disposal of intangibles		3,474	-
Net cash used in investing activities		(213,970)	(1,131,758)
Cash flows from financing activities			
Interest and other finance costs paid		(10,903)	(41,459)
Dividends paid	21	(431,308)	(163,204)
Repayment of lease liabilities	18	(133,868)	(204,954)
Net cash used in financing activities		(576,079)	(409,617)
Net increase in cash and cash equivalents		35,933	339,455
Cash and cash equivalents at the beginning of the financial year		953,083	613,628
Cash and cash equivalents at the end of the financial year	11	989,016	953,083

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

Ku-ring-gai Financial Services Limited
Notes to the financial statements
30 June 2024

Note 1. Reporting entity

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 318 Pacific Highway Lindfield NSW 2070.

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

Note 2. Basis of preparation and statement of compliance

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 23 September 2024. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

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

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

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

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

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

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

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

Note 3. Material accounting policy information (continued)

Investments
Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the company has the positive intention and ability to hold the financial asset to maturity. Investments are carried at amortised cost using the effective interest rate method adjusted.

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

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

The loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

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

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

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

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

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

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

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

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

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

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

Estimates and assumptions

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

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

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

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

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

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

Note 5. Economic dependency

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

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

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

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

The credit risk (i.e. the risk that a customer will not make repayments) is borne by Bendigo Bank 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.

Note 5. Economic dependency (continued)

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

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

Note 6. Change to comparative figures

Classification of term deposits

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

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

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

- Cash and cash equivalents decreased and investments increased by $2,866,187 at 30 June 2023 as reported in the Statement of financial position.
- Opening and closing cash balances were reduced to exclude term deposits with initial investment periods greater than three months as reported in the Statement of cash flows.
- Investments in and redemptions of term deposits with initial investment periods greater than three months are now classified within investment activities as reported in the Statement of cash flows.

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

Note 7. Revenue from contracts with customers

	2024 $	2023 $
Margin income	2,810,591	3,530,027
Fee income	99,982	102,944
Commission income	136,402	287,319
	3,046,975	3,920,290

Accounting policy for revenue from contracts with customers
The company has entered into a franchise agreement with Bendigo Bank. The company delivers banking and financial services of Bendigo Bank to its community. The franchise agreement provides for a share of interest, fee, and commission revenue to be 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.

Note 7. Revenue from contracts with customers (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 7. Revenue from contracts with customers (continued)

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

Note 8. Finance revenue

	2024 $	2023 $
Interest revenue	170,283	74,165

Finance income is recognised when earned using the effective interest rate method.

Note 9. Expenses

Employee benefits expense

	2024 $	2023 $
Wages and salaries	791,098	786,884
Non-cash benefits	674	2,080
Superannuation contributions	88,068	89,423
Expenses related to long service leave	6,512	3,823
Other expenses	68,900	129,335
	955,252	1,011,545

Expenses relating to low-value leases

	2024 $	2023 $
Expenses relating to low-value leases	24,844	24,391

Refer to note 18 for more information on low-value leases.

Depreciation and amortisation expense

	2024 $	2023 $
Depreciation of non-current assets		
Leasehold improvements	6,141	19,260
Furniture and fittings	3,216	5,176
Office equipment	283	163
Motor vehicles	5,603	6,701
	15,243	31,300
Depreciation of right-of-use assets		
Leased land and buildings	103,015	198,108
Amortisation of intangible assets		
Franchise fee	2,398	4,395
Franchise renewal process fee	11,993	21,973
	14,391	26,368
	132,649	255,776

Note 9. Expenses (continued)

Finance costs

	2024 $	2023 $
Lease interest expense	10,903	41,459
Unwinding of make-good provision	1,547	2,216
Other	1,727	-
	14,177	43,675

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

Note 10. Income tax

	2024 $	2023 $
Income tax expense		
Current tax	333,741	444,226
Movement in deferred tax	28,460	5,010
Under/over provision in respect to prior years	(4,383)	-
Aggregate income tax expense	357,818	449,236
Prima facie income tax reconciliation		
Profit before income tax expense	1,430,342	1,786,163
Tax at the statutory tax rate of 25%	357,586	446,541
Tax effect of:		
Non-deductible expenses	4,615	2,695
Under/over provision in respect to prior years	(4,383)	-
Income tax expense	357,818	449,236

Effective tax rate is 25.2% (2023: 25.6%)

	2024 $	2023 $
Deferred tax assets/(liabilities)		
Property, plant and equipment	16,974	10,130
Employee benefits	40,786	51,394
Lease liabilities	44,674	78,141
Provision for lease make good	8,273	16,078
Income accruals	(18,561)	(9,438)
Right-of-use assets	(36,449)	(62,204)
Expense accuals	1,132	1,189
Deferred tax asset	56,829	85,290

	2024 $	2023 $
Income tax refund due	15,932	-

Note 10. Income tax (continued)

	2024 $	2023 $
Provision for income tax	-	374,920

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

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

Accounting policy for deferred tax
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.

Note 11. Cash and cash equivalents

	2024 $	2023 $
Cash on hand	200	354
Cash at bank	988,816	952,729
	989,016	953,083

Note 12. Trade and other receivables

	2024 $	2023 $
Trade receivables	258,895	314,265
Accrued income	74,244	37,751
Prepayments	5,987	5,886
	80,231	43,637
	339,126	357,902

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

Note 13. Investments

	2024 $	2023 $
Current assets		
Term deposits	3,084,087	2,866,187

Note 14. Property, plant and equipment

	2024 $	2023 $
Leasehold improvements - at cost	417,932	423,946
Less: Accumulated depreciation	(414,694)	(414,292)
	3,238	9,654
Furniture and fittings - at cost	82,435	94,838
Less: Accumulated depreciation	(71,384)	(77,596)
	11,051	17,242
Motor vehicles - at cost	-	26,806
Less: Accumulated depreciation	-	(9,290)
	-	17,516
Office equipment - at cost	970	907
Less: Accumulated depreciation	(446)	(163)
	524	744
	14,813	45,156

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

	Leasehold improvements $	Furniture and fittings $	Office equipment $	Motor vehicle $	Total $
Balance at 1 July 2022	25,897	22,418	-	24,217	72,532
Additions	3,017	-	907	-	3,924
Depreciation	(19,260)	(5,176)	(163)	(6,701)	(31,300)
Balance at 30 June 2023	9,654	17,242	744	17,516	45,156
Additions	1,940	821	63	-	2,824
Disposals	(2,215)	(3,796)	-	(11,913)	(17,924)
Depreciation	(6,141)	(3,216)	(283)	(5,603)	(15,243)
Balance at 30 June 2024	3,238	11,051	524	-	14,813

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

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

Leasehold improvements	4 to 10 years
Furniture and fittings	1 to 40 years
Motor vehicle	4 years
Office equipment	3 to 5 years

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

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

Note 14. Property, plant and equipment (continued)

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

Note 15. Right-of-use assets

	2024 $	2023 $
Land and buildings	654,842	1,036,601
Less: Accumulated depreciation	(509,044)	(787,788)
	145,798	248,813

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

	Land and buildings $
Balance at 1 July 2022	933,462
Remeasurement adjustments	(486,541)
Depreciation expense	(198,108)
Balance at 30 June 2023	248,813
Depreciation expense	(103,015)
Balance at 30 June 2024	145,798

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

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

Refer to note 18 for more information on lease arrangements.

Note 16. Intangible assets

	2024 $	2023 $
Franchise fee	36,650	118,992
Less: Accumulated amortisation	(26,688)	(117,626)
	9,962	1,366
Franchise renewal fee	133,249	244,949
Less: Accumulated amortisation	(83,437)	(238,127)
	49,812	6,822
	59,774	8,188

Note 16. Intangible assets (continued)

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

	Franchise fee $	Franchise renewal fee $	Total $
Balance at 1 July 2022	5,761	28,795	34,556
Amortisation expense	(4,395)	(21,973)	(26,368)
Balance at 30 June 2023	1,366	6,822	8,188
Additions	11,575	57,876	69,451
Disposals	(581)	(2,893)	(3,474)
Amortisation expense	(2,398)	(11,993)	(14,391)
Balance at 30 June 2024	9,962	49,812	59,774

Additions
During the financial year, the franchise fee for Lindfield was renewed. This is to be amortised over five years to October 2028. Due to the decision to close the Turramurra branch, this franchise fee was not renewed.

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

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

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

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

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

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

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

Note 17. Trade and other payables

	2024 $	2023 $
Current liabilities		
Trade payables	28,133	21,872
Other payables and accruals	180,811	142,185
	208,944	164,057
Non-current liabilities		
Other payables and accruals	45,838	-
	254,782	164,057

Note 17. Trade and other payables (continued)

	2024 $	2023 $
Financial liabilities at amortised cost classified as trade and other payables		
Total trade and other payables	254,782	164,057
Less: other payables and accruals (net GST payable to the ATO)	(48,032)	(39,925)
	206,750	124,132

Note 18. Lease liabilities

	2024 $	2023 $
Current liabilities		
Land and buildings lease liabilities	132,930	133,867
Non-current liabilities		
Land and buildings lease liabilities	45,767	178,698
	178,697	312,565

Reconciliation of lease liabilities

	2024 $	2023 $
Opening balance	312,565	1,034,551
Remeasurement adjustments	-	(517,032)
Lease interest expense	10,903	41,459
Lease payments - total cash outflow	(144,771)	(246,413)
	178,697	312,565

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

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

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

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Lindfield branch	4.40%	5 years	N/A	N/A	November 2025

Note 19. Issued capital

	2024 Shares	2023 Shares	2024 $	2023 $
Ordinary shares - fully paid	1,326,925	1,326,925	1,326,925	1,326,925
Bonus shares (1:1)	924,160	924,160	-	-
Less: Equity raising costs	-	-	(68,400)	(68,400)
	2,251,085	2,251,085	1,258,525	1,258,525

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

Rights attached to issued capital

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

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

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

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

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

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

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"), being 343. As at the date of this report, the company had 485 shareholders (2023: 485 shareholders).

Note 19. Issued capital (continued)

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

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

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

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

Note 20. Capital management

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

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

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

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

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

Note 21. Dividends

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

	2024 $	2023 $
Fully franked dividend of 7.39 cents per share (2023: 7.25 cents)	166,355	163,204
Special fully franked dividend of 11.77 cents per share (2023: nil)	264,953	-
	431,308	163,204

Note 21. Dividends (continued)

Dividends proposed but not recognised at balance date
Since the end of the financial year, the board of directors declared a fully franked dividend to be paid of 20 cents per share. The financial impact of the dividend, amounting to $450,217, has not been recognised in the financial statements for the financial year ended 30 June 2024, and will be recognised in the subsequent financial statements.

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

Franking credits

	2024 $	2023 $
Franking account balance at the beginning of the financial year	536,474	495,430
Franking credits arising from income taxes paid	720,208	95,445
Franking debits from the payment of franked distributions	(143,769)	(54,401)
	1,112,913	536,474
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	1,112,913	536,474
Franking credits (debits) that will arise from payment (refund) of income tax	(15,932)	374,920
Franking credits available for future reporting periods	1,096,981	911,394

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

Note 22. Financial risk management

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

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

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

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

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

Note 22. Financial risk management (continued)

	2024 $	2023 $
Financial assets at amortised cost		
Trade and other receivables (note 12)	333,139	352,016
Cash and cash equivalents (note 11)	989,016	953,083
Investments (note 13)	3,084,087	2,866,187
	4,406,242	4,171,286
Financial liabilities		
Trade and other payables (note 17)	206,750	124,132
Lease liabilities (note 18)	178,697	312,565
	385,447	436,697

Accounting policy for financial instruments

Financial assets

Classification
The company classifies its financial assets at amortised cost.

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

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

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

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

Financial liabilities

Classification
The company classifies its financial liabilities at amortised cost.

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

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

Note 22. Financial risk management (continued)

Interest-bearing assets are held with Bendigo Bank in both fixed rate term ($3,084,087 (2023: $2,866,187)) and variable rate products ($988,816 (2023: $952,729)). The balances held in fixed rate term products are subject to changes in market interest rates following the expiry and re-investment of those balances, whilst the balances held in variable rate products are subject to changes in variable market interest rates.

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

2024	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	208,944	45,838	-	254,782
Lease liabilities	132,930	46,190	-	179,120
Total non-derivatives	341,874	92,028	-	433,902

2023	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	164,057	-	-	164,057
Lease liabilities	133,867	184,346	-	318,213
Total non-derivatives	297,924	184,346	-	482,270

Note 23. Key management personnel disclosures

The following persons were directors of Ku-ring-gai Financial Services Limited during the financial year and/or up to the date of signing of these Financial Statements.

David Andrew Langdon
Julie Fidler
Jennifer Gai Anderson
Geoffrey John Crittenden
Kristyn Ann Haywood
Sara Adams
Christopher Bradley Williamson
Catherine Anne Harris
Zoe Gilliland
Adrian Gordon Fong
Jason Conor Grindlay
Stephen Peter Brickett

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

Note 24. Transactions with related entities

Key management personnel
Disclosures relating to key management personnel are set out in note 23.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

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

Note 24. Transactions with related entities (continued)

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

Note 25. Remuneration of auditors

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

	2024 $	2023 $
Audit services		
Audit or review of the financial statements	8,150	7,200
Other services		
Taxation advice and tax compliance services	700	660
General advisory services	1,910	3,180
Share registry services	8,632	7,026
	11,242	10,866
	19,392	18,066

Note 26. Reconciliation of profit after income tax to net cash provided by operating activities

	2024 $	2023 $
Profit after income tax expense for the year	1,072,524	1,336,927
Adjustments for:		
Depreciation and amortisation	132,649	255,776
Net loss on disposal of non-current assets	2,348	-
Lease liabilities interest	10,903	41,459
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	18,776	(109,011)
Increase in current tax assets	(15,932)	-
Decrease in deferred tax assets	28,461	5,010
Increase/(decrease) in trade and other payables	33,570	(2,180)
Increase/(decrease) in current tax liabilities	(374,920)	348,781
Decrease in employee benefits	(51,178)	(10,887)
Increase/(decrease) in provisions	(31,219)	14,955
Net cash provided by operating activities	825,982	1,880,830

Note 27. Earnings per share

	2024 $	2023 $
Profit after income tax attributable to the ordinary shareholders of Ku-ring-gai Financial Services Limited	1,072,524	1,336,927

Note 27. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	2,251,085	2,251,085
Weighted average number of ordinary shares used in calculating diluted earnings per share	2,251,085	2,251,085

	Cents	Cents
Basic earnings per share	47.64	59.39
Diluted earnings per share	47.64	59.39

Accounting policy for earnings per share
Basic and diluted earnings per share is calculated by dividing the profit attributable to the ordinary shareholders of Ku-ring-gai Financial Services Limited by the weighted average number of ordinary shares outstanding during the financial year.

Note 28. Commitments

At 30 June 2023 the company committed to spend $500,000 over 3 years on community-related initiatives. During the year ended 30 June 2024 the company incurred $172,823 in community-related expenditure, with $327,177 still committed at 30 June 2024.

The company has no other commitments that it has contracted for, other than reflected in the financial statements.

Note 29. Contingencies

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

Note 30. Events after the reporting period

Apart from the dividend declared as disclosed in note 21, no other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

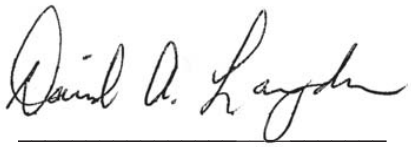
Ku-ring-gai Financial Services Limited
Directors' declaration
30 June 2024

In the directors' opinion:

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

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

On behalf of the directors.



David Andrew Langdon
Chair

23 September 2024

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

Independent auditor's report to the Directors of Ku-ring-gai Financial Services Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Ku-ring-gai Financial Services Limited (the company), which comprises:

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

In our opinion, the accompanying financial report of Ku-ring-gai Financial Services Limited, is in accordance with the *Corporations Act 2001*, including:

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

Basis for Opinion

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

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

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

Liability limited by a scheme approved under Professional Standards Legislation.

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

Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's responsibilities for the Audit of the Financial Report

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

Liability limited by a scheme approved under Professional Standards Legislation.

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 23 September 2024

Lachlan Tatt
Lead Auditor

Liability limited by a scheme approved under Professional Standards Legislation.

Community Bank - Lindfield & Districts
318 Pacific Highway,
Lindfield NSW 2070
Phone: (02) 9416 6337 Fax: (02) 9880 9171
Email: LindfieldMailbox@bendigoadelaide.com.au
Web: bendigobank.com.au/lindfield

Franchisee: Ku-Ring-Gai Financial Services Limited
ABN: 56 103 129 184
318 Pacific Highway
Lindfield NSW 2070
Phone: (02) 9416 6337 Fax: (02) 9880 9171

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

communitybanklindfield

Bendigo Bank

Bendigo and Adelaide Bank Limited ABN 11 068 049 178, AFSL/Australian Credit Licence 237879 A1429506 OUT_31943915 07/10/2024