

Annual Report 2023

Inner East Community
Finance Limited

ABN 96 099 590 593

Community Bank
Inner East



Contents

Chair's report	1
Chief Executive Officer's report	3
Treasurer's report	5
The year in review	6
Community report	8
Director profiles	9
Corporate governance statement	11
Directors' report	15
Auditor's independence declaration	19
Financial statements	20
Notes to the financial statements	24
Directors' declaration	43
Independent audit report	44
NSX report	48

Chair's report

For year ending 30 June 2023



As this report is my last as Chair, I wish to acknowledge my fellow Board members, the Executive team, managers and staff, shareholders, customers, community groups and Bendigo Bank. All play an important role in a Community Bank's success and have encouraged me to strive for the growth and development of the Company over the last, almost 11 years I have been Chair.

It is a pleasure to present our 21st Annual Report.

This has been a record-breaking year in many ways for Inner East Community Finance Limited. We celebrated our 20th anniversary during the year with shareholders, community groups, Bendigo Bank representatives and our staff.

We have also achieved the highest revenue and profit for the Company since we commenced operation. This has enabled us to provide more than \$1.3m for community benefit in the year, again a record.

The main reason for the increase in revenue this year is the higher margin which has lifted in line with interest rates. In the previous financial year, we felt the impact of the low margin environment and our revenue suffered. We have benefited from the turnaround this year. The increase was also aided by the purchase of Community Bank Swinburne's revenue right last financial year and our purchase of Community Bank Kew East's revenue right which took effect in May.

Our footings growth this year was limited to the purchase of both revenue rights of Community Banks Swinburne and Kew East. The lack of footings growth was felt throughout the network.

The Kew East revenue right purchase is of great significance. We have worked with Kew East Financial Services Limited in the past and always had a good relationship with the Board. We wish to thank the Board and shareholders for their work in their community over more than 20 years. The combining of the Kew East revenue right to our revenue stream enables us to truly grow into our name of Inner East Community Finance Limited.

Along with the customers, we have gained the community groups across Kew and Kew East and have already contributed to some community groups previously supported by Community Bank Kew East. We will be working to ensure they understand we are their Community Bank and are here to support and assist them as we continue to do for our community.

The provision of funds back into the community in the form of grants can be challenging. In the case of larger grants, it can take some time and require additional work from the Board to assist with the development of the business plan to establish the feasibility of the grant. Your Board decided a new entity separate to Inner East Community Finance Limited be established, which we hope will have charitable status and be able to assist more directly in the areas of need in the community. Inner East Community Support Limited has been established and will be how we will return grant monies to the community either directly as grants or by establishing programs for the benefit of identified need.

As this report is my last as Chair, I wish to acknowledge my fellow Board members, the executive team, managers and staff, shareholders, customers, community groups and Bendigo Bank. All play an important role in a Community Bank's success and have encouraged me to strive for the growth and development of the Company over the last, almost 11 years I have been Chair.

Chair's report (continued)

Looking back, the growth has been exceptional. In the 2012 financial year we had opened Balwyn branch and had footings of \$370 million, our footings as at 30 June 2023 are \$1.2 billion. You will recall we reached our \$1 billion in footings last year prior to the purchase of Swinburne and Kew East's revenue rights.

At the same time, our revenue has increased from \$3.0 million to \$8.2 million and our Community Investment from \$1.9 million to \$7.7 million. This growth has been possible due to a combination of factors. The dedication of the Board, not resting on what had been achieved but challenging the thinking of what was needed for the future, fostering an environment of growth and continual improvement. They supported the introduction of an executive team headed by Nick Coker as CEO, and Maggie Stamoulis as Senior Manager, the addition of a dedicated marketing resource and the introduction of mobile bankers, which has enabled our Company to grow and meet the changing needs of our customers.

The strategic plan's success is attributed to the dedication of the entire team, with special recognition for Nick and Maggie's contributions. Having committed leaders like Nick and Maggie at the helm of the business bodes well for its continued development and adaptability to changing environments.

While stepping down as Chair, I will remain on the Board and will continue to contribute to this wonderful organisation and the continual benefit it provides to its community. I thank you all for your support over the years.



Juliann Byron
Chair

Chief Executive Officer's report

For year ending 30 June 2023



We recognise the role we play in the community, and the importance of supporting our customers, our people and the many individual groups who benefit from our sponsorship and grant program.

We have continued to focus on ensuring our values and behaviours drive our strategy to achieve success. As a result, we have delivered a solid performance under unique circumstances of rising interest rates, higher inflation and labour shortages.

Community Bank Canterbury, Ashburton, Surrey Hills and Balwyn are here to provide exceptional service to our customers and help our community prosper.

- With almost 13,000 customers (28% increase) our focus is to ensure we are here to support them; via direct phone contact, in the branch or at a place that suits them. Our workforce has continued to change in line with changing customer demands.
- Over \$1.3 million contributed for Community Investment through sponsorships and grants in the past 12 months, providing support to many sectors in our community.

On the 1st of May we purchased Community Bank Kew East's revenue right and Community Bank Kew East customers were transferred to Community Bank Balwyn. The transaction process and due diligence took most of the year and we are now benefiting from the business growth through margin income. We have expanded our community support to Kew, Kew East and surrounds. We have already made substantial community investment to several organisations in the area.

Our total footings are sitting at \$1.2 billion, up \$187 million for the year, this includes the purchase of the Kew East revenue right. The growth is made up of an increase in lending of \$59 million (11%) and Deposits increase of \$128 million (23%). Our overall growth is attributed to the revenue right purchase, with the existing business having a flat performance due to the current climate.

As a result of the rising interest rate environment, and the focus on growing the footings over many years, revenue increased by 86% to \$8.22 million and our operating profit was \$4.08 million, a significant increase on the previous year of \$414,000. This revenue has enabled a community contribution commitment of \$1.3 million (up from \$240,000 the year prior) for the year.

Our Community Bank branch network continues to support our local customers and in particular the business and retail outlets in the local shopping strips. Given the challenging environment of rising interest rates and the cost of living, our customers benefit from accessing our staff locally, rather than relying on call centres and online enquiries. The Branch Managers and their teams continue to build their capabilities and capacity to deliver exceptional service and results, being well supported by Maggie Stamoulis, Senior Manager.

As we end another year with our executive and acquisition teams being based in our head office, we are comforted that the strong sales and performance culture is well embedded and as a result we are achieving great outcomes. Our mobile lending force made a strong impact on our results and remains more relevant and connected to our referral and community partners than ever before. We have not been immune to staff shortages and the 'One Team' approach

Chief Executive Officer's report (continued)

across our entire business has enabled us to maintain our high service and performance standards throughout the year.

The right leadership and talent are critical to our success and our executive team including myself, Maggie, and Marketing Manager, Anna Gration understand the importance of building the skills needed for now and into the future, through the development and retention of our high quality and diverse team.


Our Community Investment Program which has now contributed more than \$7.7 million would not have occurred if it was not for our customers and shareholders, and I would like to thank them all for their support and contribution. The program continues to make a substantial impact to the many groups and organisations. As our reach expands it is more important that we promote the benefit of community banking to our new and existing community partners and build our business by providing financial solutions to their members and supporters.

Throughout the challenging unique circumstances of the year, our executive, Mobile Relationship Managers, Branch Managers and their teams, have been amazing dealing with the various challenges presented. They continue to live and breathe our core values and behaviours. The next 12 months will continue to be challenging, and we will progress our operational strategy which will provide career and development opportunities to our people and deliver great outcomes to all stakeholders.

With a diverse set of skills and a passion for success, our Chair, Juliann Byron, our Board of Directors, Company Secretary, Steve Miller and our Treasurer Ian Dinnison, are all to be congratulated and I would like to thank them all for the support and guidance over the past 12 months.

Bendigo and Adelaide Bank Limited continues to be a valued partner and I would like to thank our Regional Manager Rohan Sadler and his team for their ongoing support.

We approach the future with caution, as uncertainties and challenges are inevitable, however, I am confident in the capabilities of our people to navigate through these uncertain times.



Nick Coker
Chief Executive Officer

Treasurer's report

For year ending 30 June 2023

Operating results

This year the Company benefitted from the increased footings won over the last few years with a return to normal net margin share following improved business conditions post-COVID. This resulted in our revenue for the year increasing by 86% to \$8.2 million.

We continued to closely monitor our costs, which increased by only 3.8%. Therefore, most of the increased revenue dropped directly to our Operating Profit which increased from \$414k in FY 22 to \$4.1 million in FY 23.

During the year, we paid \$567,851 to local community groups, an increase of 135% from last year. We also made our initial contribution of \$750,000 to Inner East Community Support Limited for a total of \$1.32 million.

In May 2023, we paid \$1.5 million to Kew East Financial Services Limited to acquire the revenue right of their loans, deposits and other revenue generating business. This increased our total footings by about \$200 million or a 20% increase in our overall business.

The capital management policies our Board has put in place in recent years have built up prudent reserves that we used, in part, to purchase the Kew East revenue rights while maintaining strong cash balances.

In October 2022, the Company paid a dividend of 7 cents per share based on the performance of the 2022 financial year.

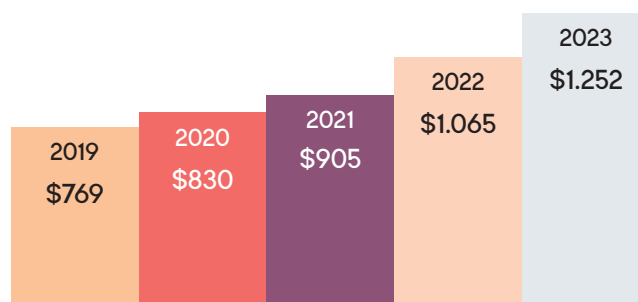
The Directors have determined that a fully franked dividend of 10 cents per share will be paid for the 2023 year, which is to be paid in October 2023.

At the 2022 AGM shareholders approved the proposal by the Board to continue the on-market share buy-back program during 2023 to reduce the equity base of the Company and improve the overall use of capital. The company bought back 17,840 shares in the year ended 30 June 2023 at \$1 per share.

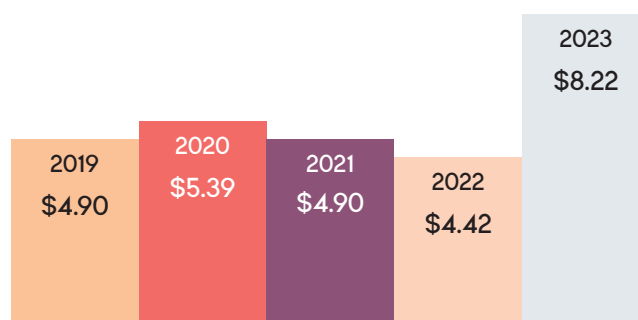


Ian Dinnison
Treasurer

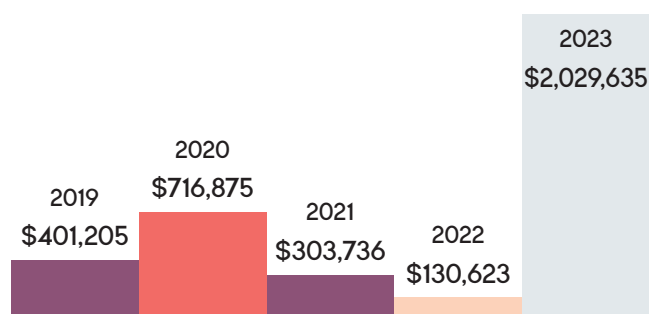
Footings (\$ millions)



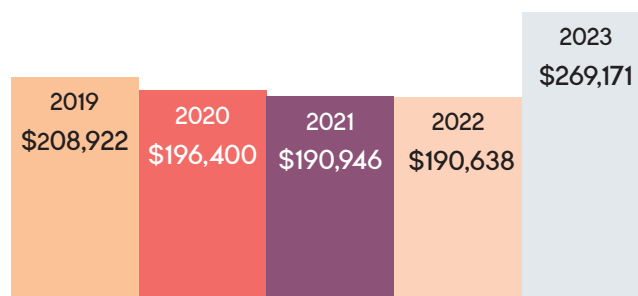
Revenue (\$ millions)



Net Profit after Tax (\$)



Fully Franked Dividend (\$)



The year in review

For year ending 30 June 2023



Building strong communities

Our objectives

Expand our reach into communities that border our existing footprint.

A continued focus on investing in local projects and activities that have an impact on the people in our community.

Deepen our engagement with community groups who receive funds through our Community Investment Program.

Identify new project/s that will make a significant impact in our community, and without our funding will not come to fruition.

Our actions

As a result of the Kew East acquisition, we have already provided support to community groups. We will continue to support Kew, Kew East and the surrounding community as we extend our reach in this area. In Hawthorn we continued to engage with Swinburne University, including providing funds for scholarships.

The diversity of our Community Investment in the past 12 months demonstrates our commitment to support all sectors of our community.

We supported several needy and disadvantaged groups through the provision of grants to allow them to deliver important community programs and initiatives.

Our staff and directors have established and built strong partnerships with many community groups, in particular sporting clubs, where a return on our sponsorship investment is achieved through new business referrals.

We set aside further funds for large and significant community projects. Our team is working with groups in our community, to identify and plan for the investment of these funds. These large projects take time for due diligence to be completed and other funding sources (where required) to be finalised.

The year in review (continued)

Strengthening our business

Our objectives

We will continue to look for opportunities to grow, through new business acquisition and our existing customer base.

We will balance our promotion of lending products with everyday banking solutions to ensure our customers are aware of the broad competitive product offering we have.

We will review our company name and key marketing messages that will underpin our strategy and future direction.

We will focus on our staff retention through our talent management and mentoring program, offering career development opportunities for aspirational staff.

Our actions

We acquired the Community Bank Kew East business and amalgamated this into our Balwyn Community Branch. This now provides a greater reach and further opportunities for business growth through community groups and local businesses.

The competitive lending market and interest rate environment has impacted our growth in the past 12 months. However, the improved margin share and our strong footings growth in previous years has improved our profitability. This profit enables us to return significant funds to community projects.

Our name change to Inner East Community Finance Limited clearly identifies our true geographical expansion and direction to grow the business. Our marketing effort is focussed on promotion of our network of branches and mobile banking team.

We work hard at attracting and recognising employees who share our values, are passionate about helping our customers and partners succeed, and who go about their job in a way that creates value for all our stakeholders. We provide staff training to ensure staff are equipped to fulfil their roles effectively.

Maximising Opportunities

Our objectives

To continue to adapt our working environment, in response to customer needs. Whilst customers increasingly transact via digital platforms, our commitment to our branch network remains unchanged.

Look for opportunities to expand our footprint to grow our business and community investment support.

Improve our engagement with the Swinburne community after the acquisition of this business in the previous year.

Our actions

Our staff provide excellent face-to-face service in our branches which is highly valued by our customers. This service is fully supported by our mobile lending team who meet with customers at a time and place that suits them.

We acquired the Community Bank Kew East and committed to support community organisations in this area. We have grown our branch team in Balwyn and our mobile team with dedicated lenders servicing the Kew and Kew East areas. We have provided sponsorship and grants to organisations in this area.

We worked closely with staff teams at Swinburne to promote our dedicated lender, demonstrating our commitment to put our customers and our community at the centre of everything we do. We have also provided a Community Leadership scholarship to support a student at Swinburne, who is also an active community member.



Community report

For year ending 30 June 2023

Our purpose is to provide value and support to our communities by delivering exceptional banking and social enterprise services, while maximising profits and returning shareholder value.

While our expertise is in delivering best in class financial services, our commitment to strengthening our community underpins everything we do.



Sporting Clubs
\$3.3 million



Community Support
\$1.2 million



Community Welfare
\$1.6 million



Education
\$0.4 million



Community Projects
\$1.2 million



Our Community Investment Program has put another \$1.3 million into local community projects and initiatives in the past 12 months.

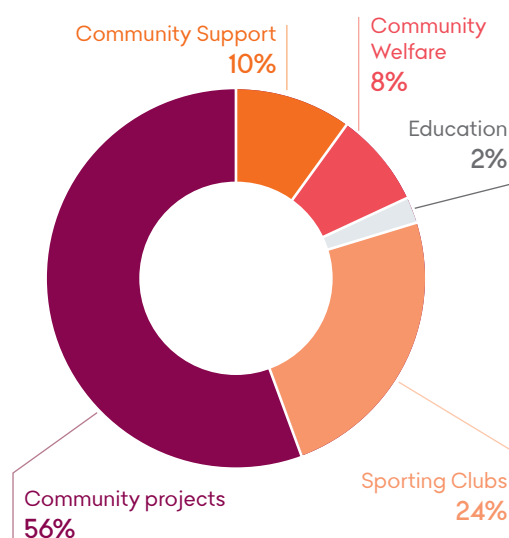
In 2023 we provided 144 grants and sponsorships to community organisations across four key sectors- Community Welfare, Community Events and Support, Education and Sport. We also made a significant investment into our Community Projects fund, via Inner East Community Support. This is an allocation of funds set aside for a large community project/projects.

With the purchase of the Kew East Community Bank customers, we expanded our support of local projects and initiatives into Kew and the surrounding areas. We made an immediate investment of \$50,000 to nine community groups in this area.

We provided a grant for the purchase of a bus to transport people with disabilities to enable them to be actively involved in their communities. Funding was provided to assist with the setup of housing for women and children fleeing family violence. We co-funded a project with the Victorian Government Department of Jobs, Precincts and Regions, to re-develop a community playground.

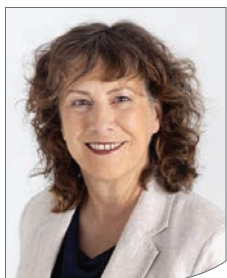
We provided funding to establish the Union Road Surrey Hills Traders Association. Union Road traders were significantly impacted by the level crossing project. Sponsorship was provided to support Christmas activities and events in Maling Road, Canterbury. We were the major sponsor of the Surrey Hills Music Festival, the Ashburton Community Festival and the Camberwell Art Show. We also supported several school fetes and fairs.

Our sponsorship investment to sporting clubs is important. Many clubs are still recovering from the financial impact of COVID. Participation levels in many sports have not returned to pre-COVID levels, impacting revenue from subscriptions and fees. Sponsorship was provided across more than 10 different sports from small grass roots club through to our community partnership with the Box Hill Hawks VFL & VFLW programs.



Please refer to our **2023 Community Impact Report** for full details on our Community Investment Program.

Director profiles



Juliann Byron, Chair and Non-Executive Director

(appointed July 2004)

BCom, Grad Dip CM, FCPA, FAICD, AGIA

Juliann has extensive experience in the accounting and finance fields. She has also provided corporate secretarial, management and governance consulting services over many years, and is a Non-executive Director on public and not for profit company boards.

Committee member: Audit and Governance Committee, Community Investment Committee, Finance Committee, Performance and Remuneration Committee.



Bob Stensholt, Deputy Chair and Non-Executive Director

(appointed February 2002)

BA, BD(Hons), M Int Law, Dip Phil

Bob has had an extensive career including roles as a senior diplomat, Assistant Director General for AusAID, senior research fellow, consultant and for over ten years as the state Member of Parliament for Burwood. Bob was most recently a Chief of Staff to a Victorian Government Minister and is currently involved in many local community organisations.

Committee member: Community Investment Committee (Chair since 28 October 2022), Audit and Governance Committee and Finance Committee.



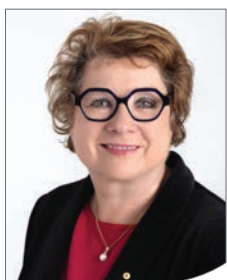
Nick Coker, Executive Director

(appointed 27 October 2022)

AdvDipFinServ(Plan), GAICD

Nick is the Chief Executive Officer and has been employed by IECF since 1 July 2009. He has been the CEO since June 2019 and previously held the role of Senior Manager. Nick is a long-term banking executive with over 30 years' experience in both retail and business banking.

Committee member: Community Investment Committee and Finance Committee.



Coral Ross AM, Non-Executive Director

(appointed 5 December 2022)

BA (Hons), CF, FAICD

Coral was appointed as a Director in December 2022. A professional journalist with more than 20 years' experience, Coral has had an esteemed career in local government. She was a councillor at the City of Boroondara, for more than 18 years and served as Mayor of the City of Boroondara three times. Coral is passionate about gender equality and is the Chair of the Australian Gender Equality Council and was previously the President of the Municipal Association of Victoria.

Coral was made a Member of the Order of Australia (AM) in the 2021 Queen's Birthday Honours. In 2019 Coral was inducted into the Victorian Women's Honour Roll and in 2014 she was named as one of the 100 Women of Influence by Westpac/Fairfax. She is also a Fellow of the Australian Institute of Company Directors.

Committee member: Community Investment Committee.

Director profiles (continued)



Nicki Kenyon, Non-Executive Director

(appointed February 2021- resigned 30 December 2022)

Dip Mgt, GAICD

Committee member (until 30 December 2022): Community Investment Committee.



Damien Hudson, Non-Executive Director

(appointed February 2002- resigned 30 November 2022)

Committee member (until 30 November 2022): Community Investment Committee, Audit & Governance Committee.



Michael Sapountzis, Non-Executive Director

(appointed March 2019- resigned 25 October 2022) and Company Secretary (appointed January 2017)

BCom, LLB(Hons), GDLP, AGIA

Committee member (until 25 October 2022): Performance and Remuneration Committee.



Andrew Whittaker, Non-Executive Director

(appointed May 2016-resigned 28 October 2022)

FCA, GAICD

Committee member (until 28 October 2022): Audit and Governance Committee, Community Investment Committee (Chair).



Ian Dinnison, Treasurer

(appointed December 2016)

LLB, BEc

Ian had more than 40 years' experience in industry, government departments and professional services firms in financial and management roles. He is the Chair of the Finance Committee and attends the Board and Audit and Governance Committee meetings as required as a non-voting member.

Committee member: Finance Committee (Chair).



Steve Miller, Company Secretary

(appointed 10 October 2022)

LLB (Hons), Grad Dip Applied Corporate Governance, FGIA, FASFA

Steve has extensive experience in providing governance and corporate secretarial advice and consulting in the financial services industry. He currently participates on the executive team of a large superannuation fund, contributing to its overall strategic direction and heading up the legal business area. Steve was also the fund's company secretary for many years, and prior to this, practised in law firms both in Australia and overseas.

Committee member: Audit & Governance Committee (Chair).

Corporate governance statement

The Board and management of the Company are committed to ensuring that the Company is not only well managed, but also operates with the standard of ethics expected of a community focused organisation. As such, the Board and management are committed to both the principles of good corporate governance and its practical implementation. Corporate governance encompasses the policies, rules, relationships, systems and processes within and by which authority is exercised and controlled within corporations.

The Board is ultimately responsible for governance of the Company and ensuring that Directors, management and staff comply with the Company's ethical and operational standards.

The responsibilities of the Board include:

- Preparing the Company's strategy and objectives
- Supporting the interests of the local community
- Promoting and developing the Company's business interests
- Reviewing and approving the budgets and business plans prepared by management and Bendigo and Adelaide Bank
- Reviewing the performance of the Company against objectives, both financial and non-financial
- Liaising with Bendigo and Adelaide Bank Limited
- Ensuring that grants and sponsorships are appropriately managed
- Ensuring the effectiveness of the governance of the Company
- Ensuring the adequacy of the internal controls, procedures and policies of the Company; and
- Reporting to shareholders and other stakeholders.

Directors are required to attend all Board meetings unless prevented by other circumstances. The Board meets monthly, together with management, to review the performance of the business, assess its involvement in and support for community activities, review the activities of the Board Committees, monitor compliance with applicable legislation and other obligations, and discuss any other relevant matters. Additional meetings are convened as required to address specific matters. The Board also conducts regular planning sessions to review the Company's strategy and objectives and put in place action plans to achieve these objectives.

Policies and procedures to ensure compliance with the law

The Company's corporate governance practices and policies have been developed by taking into account applicable requirements and recommendations in such things as the:

- Corporations Act 2001 (Cth)
- National Stock Exchange Listing Rules; and
- Bendigo and Adelaide Bank Franchise Agreement.

Accordingly, the Board has adopted the following governance strategies, policies and procedures to ensure that high ethical and operational standards are maintained by the Board, management and staff of the Company.

Board Governance Framework

The Board has identified and documented the roles and obligations of its Directors and Officers in a Board Governance Framework. The Board Governance Framework promotes ethical, considered and independent judgment of the matters before the Board, set out as a Code of Conduct. It highlights the statutory obligations of Directors and Officers generally and sets out the expectations that are placed on them in terms of the time dedicated to the Company's affairs.

Corporate governance statement (continued)

Regulatory and Compliance Calendar

The Company's regulatory and compliance requirements have been defined and listed in an annual regulatory and compliance calendar, which is regularly reviewed by the Audit and Governance Committee. The individual items due for completion are reported by the Company Secretary to the Board each month. The Company Secretary manages all NSX and ASIC reporting requirements, and monitors compliance with the Franchise Agreement and Company's Constitution.

Share Trading Policy

Relevant staff including Directors and Officers are not permitted to trade in the Company's shares except during two periods following the disclosure of the Company's accounts, and provided that they are not in possession of "Inside Information".

Privacy Policy

The requirements of the Australian Privacy Principles have been incorporated into a Privacy Policy that considers the privacy of shareholders, community groups and other stakeholders.

Audit and Governance Committee

This Board Committee has a special role in ensuring the Company complies with its corporate governance obligations and requirements. More details are set out below.

Policies and procedures to ensure the Board acts with due care and diligence and in the interests of its shareholders

Company structure

The Company does not have an extensive executive structure because of its scale and the desire of the Board to be directly connected to the local community. The executive consists of the Chief Executive Officer (CEO), Senior Manager, Marketing Manager, Company Treasurer and Company Secretary.

Due to the size and scale of the Company, Directors are heavily involved in many practical roles such as marketing and risk management that might otherwise be overseen by an executive in a larger company. Directors are not specifically remunerated for this (see details of this policy on page 17 of the Remuneration Report). The Board in conjunction with the Performance and Remuneration Committee monitors and reviews Director remuneration on at least a biennial basis.

To assist the Board in managing the business and achieve its objective of maintaining the highest standards of corporate governance, the Board delegates certain activities to Board Committees. Each of the Board Committees is comprised of Directors and assisted by selected staff. The Treasurer and Company Secretary are also members of certain Board Committees. The Board Committees meet as required to review their respective functions. Details of each Board Committee are provided below.

In addition, certain powers have been delegated by the Board to management to allow the Company to carry on its business in the most efficient manner. These delegated authorities are approved by the Board and include certain financial and non-financial matters. Management provides regular information to the Board in a concise and timely manner to enable the Board to review the operations of the Company and make informed decisions and discharge its duties. Where necessary, the Board will request further information.

The Board is ultimately responsible for ensuring integrity and serving its local community, while at the same time, protecting shareholder interests. At the date of this report, the Board consisted of four (4) Directors. It is the Board's policy that a majority of its Directors are independent. This is currently the case.

Board performance review

The Board Governance Framework identifies how the Board's performance is reviewed. The broad policy requires:

- a review to be conducted of the entire Board annually. This may be an externally facilitated review if the Board considers this necessary

Corporate governance statement (continued)

- each Committee to conduct an annual review of its performance when reviewing its Terms of Reference; and
- the Chair to meet with each Director annually to review each Director's personal performance.

The CEO has a documented performance plan that is approved by the Board annually for the following financial year and this is monitored by the Chair.

Role of the Board Chair

The Chair's role is defined in the Board Governance Framework and is responsible for a range of roles that deal with leadership of the Board and the Company generally. The principal role is to facilitate effective discussion and decision making at Board meetings of material relevant to the conduct of the Company. The Chair must be and is an independent, Non-executive Director.

Role of the Chief Executive Officer

The CEO provides leadership to programs that broadly include implementation of business and people and culture strategies, business growth, asset management, communications and community relations. The CEO is responsible for the banking operations and provides the Board with a direct link to Bendigo and Adelaide Bank and its systems and procedures.

Board appointments

The Board has prepared a Skills Matrix to identify the various skills and experience of its current Directors and to assist it to identify the skills that need to be recruited to the Board in the future. The Board does not have a standing Nominations Committee but may appoint a Nominations Committee from time to time when considering the appointment of a new Director. All new Directors must satisfy a comprehensive due diligence process that meets the requirements of the Company's and Bendigo and Adelaide Bank's risk management systems including police and background checks.

Directors are elected by shareholders for a maximum of three years with retirements on a rotating basis. The Chair, as part of their annual discussion with Directors, will canvas each Director's view of their future plans to remain on the Board. The Board considers succession planning for the Board, CEO and Senior Manager at least annually.

An induction procedure is in place to ensure all new Directors are able to learn as much about the Company as possible in a short time frame and contribute to the Board's functions as soon as possible.

The Board does not have a formal diversity policy because of the scale of the Company and the small geographic area the Company serves. The Board does have an aspiration to have greater gender balance on the Board but is mindful that service on the Board is not remunerated on commercial terms and the limitations this creates.

Policies and procedures to identify and deal with conflicts of interest

The Company maintains a Conflicts of Interest Register to record each Director's ongoing material personal interests. The register is managed by the Company Secretary and is tabled at each Board meeting. Every Board and Committee meeting also has a scheduled item calling for Directors to declare any actual or potential conflicts of interest ahead of the scheduled agenda items.

The Conflicts of Interest Register is supported by a written policy on how actual and potential conflicts of interest must be managed. Conflicted Directors are required to abstain from discussion(s) on the conflicted issue. The policy also defines how a decision to obtain products or services from a Director must be taken, including ensuring that any transactions are on arm's length terms.

Policies and procedures to protect the interests of shareholders

The Board is committed to providing its shareholders with appropriate information regarding any matter that may materially affect the operation of the Company, or more generally considered by the Board to be in shareholders' best interests. The Company encourages its shareholders to attend and actively participate in the Annual General Meeting.

Communication procedures

The Company aims to provide timely and relevant information to shareholders throughout the year via its website <https://iecf.com.au/investor-relations/>

Corporate governance statement (continued)

The Company also releases a number of communications including dividend payment advices and notice of annual general meeting, which are sent directly to shareholders. It also writes directly to shareholders when the Board considers information is sufficiently important.

The Company applies a rigorous process regarding its continuous disclosure obligations in order to comply with the requirements of the Corporations Act. These disclosures are published on the NSX website at <https://www.nsx.com.au>. (company code: IEC).

The Company website includes an investor section with greater information resources. The Company recognises the importance of its Governance Framework and provides all stakeholders with access to this information on the website at <https://iecf.com.au/investor-relations/corporate-governance/>

Shareholders can access forms and assistance for the management of their shareholding from the Company's share registry provider, Boardroom Pty Limited at <https://boardroomlimited.com.au>.

Risk management

The Company has developed its own formal Risk Management System (RMS) and tools to identify and record the various risks to the Company and its business. The RMS is based on the international standard ISO 31000-2018 Risk Management and is monitored by the Audit and Governance Committee.

Bendigo and Adelaide Bank, as the franchisor to the Company, provides support for the development and implementation of the RMS. Bendigo and Adelaide Bank provides an internal audit system for the operational and lending risks to each branch and reports the results of these audit visits to the CEO, Senior Manager and the Board.

The Audit and Governance Committee monitor these reports and review the implementation of any recommended changes and meet with the CEO and Senior Manager at least every six months to discuss any trends in the internal audit findings. The Committee may also interview the external auditors from time to time to discuss the findings from these audits. It also monitors and reviews the Company's risks and risk appetite annually.

Policies and procedures to protect the interests of other stakeholders

All Committees have been established by the Board and each have written terms of reference. The Directors appointed to each Committee are set out on page 16 of Directors Report.

The Board Committees and their major objectives are:

Audit and Governance Committee

To review (and where appropriate, recommend changes to) the Company's processes and systems.

Community Investment Committee

To facilitate community investment. It considers how these investments will contribute to the growth of the Company, how they can position our branches as the primary choice within their community for local banking and how we can promote their activities to the community. The Board has delegated the Committee with authority to approve sponsorships and grants up to \$30,000. Applications for more than this amount must be considered by the Board.

In addition, the Committee's terms of reference prohibit it from considering donations, grants or sponsorship for political or religious purposes, except in limited circumstances (such as fetes or events) for the purposes of tolerance and understanding. The Company has made no political donations during the 2022-23 financial year.

Finance Committee

To review, monitor and report on finance strategy and direction, financial performance and reporting, financial risk and investments of the Company, and review monthly revenue reports from Bendigo and Adelaide Bank.

Performance and Remuneration Committee

To manage policy issues regarding the Company's employees including remuneration policies, communication with the employees, reward programs and development pathways.

Directors' report

For the financial year ended 30 June 2023

Directors' Report

The Directors submit their report of the Company for the financial year ended 30 June 2023.

Directors' details

The names of the Company's Directors in office during the financial year and since the end of the financial year, including their skills, experience and responsibilities are set out on page 9 and 10.

Company secretary

Steve Miller was appointed Company Secretary on 10 October 2022. His skills and experience are set out on page 10.

Principal activities

The principal activities of the Company during the course of the financial period were in providing Community Bank branch services under management rights to operate four franchised branches of Bendigo and Adelaide Bank Limited in Canterbury, Surrey Hills, Ashburton and Balwyn, Victoria.

In April 2023, the Company acquired the banking book of the Kew East branch, including the revenue rights from its loans, deposits and other revenue generating business.

Operating and financial review

The year in review is set out on pages 6 and 7. Further details of the Company's results are provided in the financial statements on pages 20 to 23.

Dividends

A fully franked dividend of 7 cents per share was declared and paid for the year ended 30 June 2022 on 6 October 2022. Subsequent to the end of the financial year, a fully franked dividend of 10 cents per share will be paid for the year ended 30 June 2023 on 6 October 2023.

Options

The Company has granted no options over issued shares at any time.

Significant changes in the state of affairs

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

Events subsequent to the end of the financial year

There are no matters or circumstances that have arisen since the end of the financial year that significantly affect or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company, in future financial years.

Likely future developments

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

Environmental regulation

The Company is not subject to any significant environmental regulation.

Directors' report (continued)

Indemnification and insurance of Directors and Officers

The Company is required under its Constitution to indemnify each Officer (including each Director) of the Company out of assets of the Company to the relevant extent against any liability incurred by that Officer arising out of the discharge of their duties, except where the liability arises out of conduct involving dishonesty, negligence, breach of duty or the lack of good faith.

The Company has Directors and Officers Insurance for the benefit of Officers of the Company against any liability occurred by the Officer, which includes the Officer's liability for legal costs, in or arising out of the conduct of the business of the Company or in or arising out of the discharge of the Officer's duties. Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The Company has not provided any insurance for an Auditor of the Company or a related body corporate.

Directors' meeting attendance

The number of meetings of the Board and each Board Committee held during the financial year, and the number of meetings attended by each Director, are set out below:

	Board meetings attended		Committee meetings attended							
			Audit and Governance		Community Investment ⁷		Finance		Performance & Remuneration	
Non-Executive Directors	E	A	E	A	E	A	E	A	E	A
Juliann Byron	11	11	3	3	5	5	7	7	1	1
Damien Hudson ¹	5	5	1	1	2	1	-	-	-	-
Nicki Kenyon ²	5	5	-	-	3	3	-	-	1	1
Coral Ross ³	6	6	-	-	3	2	-	-	-	-
Michael Sapountzis ⁴	3	1	-	-	-	-	-	-	-	-
Bob Stensholt	11	10	4	4	5	5	7	7	-	-
Andrew Whittaker ⁵	4	4	1	1	2	2	-	-	-	-
Executive Director										
Nick Coker ⁶	7	6	-	-	3	3	4	4	-	-

E – eligible to attend

A – number attended

1. Resigned as a Non-Executive Director effective 30 November 2022

2. Resigned as a Non-Executive Director effective 31 December 2022

3. Appointed as a Non-Executive Director effective 5 December 2022

4. Resigned as a Non-Executive Director effective 25 October 2022

5. Resigned as a Non-Executive Director effective 27 October 2022

6. Appointed as an Executive Director effective 27 October 2022

7. The Community Investment & Marketing Committee was renamed the Community Investment Committee in December 2022.

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 intervene in any proceedings which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

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

Non-audit services

The amount paid or payable to the Auditor (RSD Audit) for non-audit services provided during the year ended 30 June 2023 was \$Nil (2022: \$Nil).

Directors' report (continued)

Remuneration Report

Remuneration policy

The remuneration policy of the Company has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific incentives based on key performance areas affecting the Company's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain key management personnel to run and manage the Company, as well as create alignment between Directors, Executives and shareholders.

Non-Executive Director remuneration:

The Company's special position as a for-profit, community-based company places particular restrictions on how it should remunerate its Directors. The Board's policy is to remunerate Non-Executive Directors for their time, commitment and responsibilities. The amount paid is determined by the Board.

The Board has determined the following policy, which was last approved by shareholders at the 2018 Annual General Meeting (AGM).

Firstly, the Company recognises the personal liability risk that each Non-Executive Director of a listed public company bears and has determined that a fee for this risk is appropriate. The current fee for this risk is \$10,000 per annum. Each Non-Executive Director (together with the Treasurer and Company Secretary) is paid this fee plus a superannuation guarantee contribution required by the government.

Secondly, certain Non-Executive Director roles have a further fee attaching to them as some compensation for the additional work and resources provided by those serving in these positions. The positions and their additional fee are:

Board Chair	\$20,000
Committee Chair	\$3,000

Fees for Non-Executive Directors are not linked to the performance of the Company.

CEO remuneration:

The remuneration of the CEO is determined by the Board. The remuneration of the CEO has been split into two parts. The first is a base salary plus a superannuation guarantee contribution required by the government, that is not contingent upon Company performance.

The second is a bonus, the quantum of which is approved by the Board following a review of the performance of the Company and various Key Performance Indicators set by the Board for the CEO. All bonuses must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving bonuses. Any changes must be justified by reference to measurable performance criteria. All remuneration is made on a cash basis.

The CEO is subject to annual performance reviews. The CEO is employed under an ongoing contract, and the period of notice required under the contract to terminate the employment is four weeks. The terms of this contract are not expected to change in the immediate future.

The Company did not engage any remuneration consultants in reviewing its remuneration structure for the 2023 financial year. From 1 July 2011, public companies have additional reporting obligations if they receive a 'no' vote of 25% or higher at their previous AGM. At the 2022 AGM, the Company recorded a 'no' vote of 2.78% (2021: 7.89%) on its remuneration report.

Key management personnel remuneration

Remuneration of key management personnel for the year ended 30 June 2023 is set out in the table below. For the purpose of Section 300A(1) of the Corporations Act 2001, the amount of each prescribed detail is nil unless set out in the table:

Directors' report (continued)

Remuneration Report (continued)

Key management personnel remuneration (continued)

	Short term employee benefits		Post employment benefits
	Cash salary	Bonuses	Superannuation
Juliann Byron	\$30,000	-	\$3,150
Damien Hudson ¹	\$5,000	-	\$525
Nicki Kenyon ²	\$5,500	-	\$578
Coral Ross ³	\$5,833	-	\$612
Michael Sapountzis ⁴	\$4,333	-	\$455
Bob Stensholt	\$13,000	-	\$1,365
Andrew Whittaker ⁵	\$4,333	-	\$455
Nick Coker	\$196,125	\$11,381	\$36,250

Key management personnel shareholdings

Key management personnel held the following interests in the Company as at 30 June 2023:

Name	Fully paid ordinary shares		
	Balance at start of year (1 July 2022)	Changes during the year	Balance at end of year (30 June 2023)
Juliann Byron	28,100	-	28,100
Damien Hudson ¹	14,582	-	14,582
Nicki Kenyon ²	-	-	-
Coral Ross ³	-	1,100	1,100
Michael Sapountzis ⁴	2,150	-	2,150
Bob Stensholt	20,350	-	20,350
Andrew Whittaker ⁵	3,850	-	3,850
Nick Coker	500	7,150	7,650

1 Final balance as at resignation date – 30 November 2022

2 Final balance as at resignation date – 31 December 2022

3 Starting balance at appointment date – 5 December 2022

4 Final balance as at resignation date – 25 October 2022

5 Final balance as at resignation date – 27 October 2022

Loans to key management personnel

There were no loans to key management personnel during the current or prior reporting period.

Auditor Independence Declaration

The Auditor Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 19. No Officer of the Company is or has been a partner of the Auditor of the Company.

Signed in accordance with a resolution of the Directors in Melbourne on 30 August 2023.



Juliann Byron
Chair

Auditor's independence declaration



41A Breen Street
Bendigo, Victoria
PO Box 448, Bendigo, VIC, 3552

Ph: (03) 4435 3550
admin@rsdaudit.com.au
www.rsdaudit.com.au

Auditors Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors of Inner East Community Finance Limited

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

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

RSD Audit

A handwritten signature in black ink, appearing to read 'Mahesh Silva'.

Mahesh Silva
Partner
41A Breen Street
Bendigo VIC 3550

Dated: 31 August 2023

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

Financial statements

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

	Note	2023 \$	2022 \$
Revenue			
Revenue from contracts with customers	7	8,186,708	4,404,498
Finance income	8	39,502	8,491
		8,226,210	4,412,989
Expenses			
Employee benefits expense	9	(2,668,910)	(2,527,134)
Depreciation and amortisation	9	(655,780)	(550,756)
Administration and general costs		(597,809)	(682,436)
Occupancy expenses		(227,054)	(239,160)
		(4,149,553)	(3,999,486)
Operating profit before charitable donations and sponsorship		4,076,657	413,503
Charitable donations and sponsorship	9	(1,317,851)	(240,067)
Profit before income tax		2,758,806	173,436
Income tax expense	10	(729,171)	(42,813)
Profit for the year after income tax		2,029,635	130,623
Other comprehensive income		-	-
Total comprehensive income for the year		2,029,635	130,623
Profit attributable to the ordinary shareholders of the company		2,029,635	130,623
Total comprehensive income attributable to ordinary shareholders of the company		2,029,635	130,623
Earnings per share		¢	¢
- basic and diluted earnings per share	29	74.95	4.81

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Financial Position for the year ended 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	11	1,059,720	448,717
Trade and other receivables	12	883,023	493,731
Financial assets	13	2,100,000	1,530,136
Other assets	14	126,121	101,820
Total current assets		4,168,864	2,574,404
Non-current assets			
Property, plant and equipment	15	1,030,221	1,163,083
Right-of-use assets	16	2,149,073	2,464,394
Intangible assets	17	1,761,023	320,204
Total non-current assets		4,940,317	3,947,681
Total assets		9,109,181	6,522,085
Liabilities			
Current liabilities			
Trade and other payables	19	452,991	155,834
Current tax liability	18	754,931	-
Lease liabilities	20	209,817	283,895
Employee benefits	21	237,691	273,473
Total current liabilities		1,655,430	713,202
Non-current liabilities			
Lease liabilities	20	2,124,326	2,317,137
Employee benefits	21	15,963	15,568
Deferred tax liability	18	132,807	117,650
Total non-current liabilities		2,273,096	2,450,355
Total liabilities		3,928,526	3,163,557
Net assets		5,180,655	3,358,528
Equity			
Issued capital	22	1,208,927	1,226,767
Retained earnings	23	3,971,728	2,131,761
Total equity		5,180,655	3,358,528

The accompanying notes form part of these financial statements.

Financial statements (continued)

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

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2021		1,239,934	2,191,776	3,431,710
Comprehensive income for the year				
Profit for the year		-	130,623	130,623
Transactions with owners in their capacity as owners				
Share buy-backs		(13,167)		(13,167)
Dividends paid or provided	28	-	(190,638)	(190,638)
Balance at 30 June 2022		1,226,767	2,131,761	3,358,528
Balance at 1 July 2022		1,226,767	2,131,761	3,358,528
Comprehensive income for the year				
Profit for the year		-	2,029,635	2,029,635
Transactions with owners in their capacity as owners				
Share buy-backs		(17,840)	-	(17,840)
Dividends paid or provided	28	-	(189,668)	(189,668)
Balance at 30 June 2023		1,208,927	3,971,728	5,180,655

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Cash Flows for the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers		8,354,584	4,639,161
Payments to suppliers and employees		(5,035,019)	(3,927,107)
Interest paid		(96,304)	(78,168)
Interest received		39,502	8,491
Income tax paid		40,918	153,861
Net cash flows provided by operating activities	24b	3,303,681	796,238
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	500
Proceeds from sale of investments		-	600,000
Purchase of property, plant and equipment		(6,633)	(473,519)
Purchase of investments		(569,864)	-
Purchase of intangible assets		(1,641,781)	(300,000)
Net cash flows used in investing activities		(2,218,278)	(173,019)
Cash flows from financing activities			
Repayment of lease liabilities		(266,892)	(344,993)
Payment for share buy-back		(17,840)	(13,167)
Dividends paid		(189,668)	(190,638)
Net cash flows used in financing activities		(474,400)	(548,798)
Net increase in cash held		611,003	74,421
Cash and cash equivalents at beginning of financial year		448,717	374,296
Cash and cash equivalents at end of financial year	24a	1,059,720	448,717

The accompanying notes form part of these financial statements.

Notes to the financial statements

For the year ended 30 June 2023

Note 1. Corporate Information

These financial statements and notes represent those of Inner East Community Finance Ltd (the Company) as an individual entity. Inner East Community Finance Ltd is a company limited by shares, incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on 30th August 2023.

Further information on the nature of the operations and principal activity of the Company is provided in the directors' report. Information on the Company's related party relationships is provided in Note 26.

Note 2. Basis of Preparation

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

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

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

Note 3. Summary of Significant Accounting Policies

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

(a) Economic Dependency

The Company has entered into four franchise agreements with Bendigo and Adelaide Bank Limited (Bendigo Bank) that governs the management of the Community Bank's branches at Canterbury, Surrey Hills, Ashburton and Balwyn. The Company is economically dependent on the ongoing receipt of income under the franchise agreements with Bendigo Bank. The directors have no reason to believe new franchise arrangements under mutually acceptable terms will not be forthcoming following expiry.

All transactions with customers conducted through the Community Bank are effectively conducted between the customers and Bendigo Bank.

(b) Revenue From Contracts With Customers

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

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

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

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

(b) Revenue From Contracts With Customers (continued)

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

(c) Other Revenue

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

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

(d) Employee Benefits

Short-term Employee Benefits

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

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

Other Long-term Employee Benefits

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

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

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

(e) Tax

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

Current Income Tax

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

Deferred Tax

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

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

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

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

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

Goods & Services Tax

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

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

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

(e) Tax (continued)

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

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

(f) Cash & Cash Equivalents

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

(g) Property, Plant & Equipment

Recognition & Measurement

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

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

Subsequent Expenditure

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

Depreciation

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

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

Asset Class	Method	Useful Life
Leasehold improvements	Diminishing value	10 years
Plant & equipment	Diminishing value	5-12 years

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

(h) Intangible Assets

Intangible assets of the Company include the franchise fees paid to Bendigo Bank conveying the right to operate the Community Bank franchise and goodwill from the purchase of the rights to income from footings.

Recognition & Measurement

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

Subsequent Expenditure

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

Amortisation

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

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

Asset Class	Method	Useful Life
Goodwill	Straight line	3-5 years

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

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

(i) Financial Instruments

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

Recognition & Initial Measurement

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

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

Classification & Subsequent Measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at amortised cost.

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

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

Financial Assets - Business Model Assessment

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

Financial Assets - Subsequent Measurement, Gains & Losses

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

Financial Liabilities - Classification, Subsequent Measurement, Gains & Losses

Borrowings and other financial liabilities (including trade payables) are classified as measured at amortised cost. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial Assets

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

Financial Liabilities

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

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

Offsetting

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

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

(j) Impairment

The Company's trade receivables are limited to the monthly profit share distribution from Bendigo Bank, which is received 14 days post month end. The Company performed a historical assessment of receivables from Bendigo Bank and found no instances of default. As a result no impairment loss allowance has been made in relation to trade receivables as at 30 June 2023.

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

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

(k) Issued Capital

Ordinary Shares

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

(l) Leases

As Lessee

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

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

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

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

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

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

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

Short-term Leases & Leases of Low-value Assets

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

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

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

(l) Leases (continued)

As Lessor

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

(m) Standards Issued But Not Yet Effective

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

(n) Comparative Figures

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

Note 4. Significant Accounting Judgements, Estimates & Assumptions

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

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

(a) Judgements

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

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

(b) Assumptions & Estimation Uncertainty

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

Note	Assumption
Note 18 - Recognition of deferred tax assets	Availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilised
Note 15 - Estimation of asset useful lives	Key assumptions on historical experience and the condition of the asset
Note 21 - Long service leave provision	Key assumptions on attrition rate of staff and expected pay increases through promotion and inflation

Notes to the financial statements (continued)

Note 5. Financial Risk Management

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

- credit risk
- liquidity risk
- market risk

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

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

(a) Credit Risk

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

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

(b) Liquidity Risk

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

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

30 June 2023	Contractual Cash Flows			
Non-derivative Financial Liability	Carrying Amount	< 12 Months	1 - 5 Years	> 5 Years
Lease liabilities	2,334,143	292,132	1,063,898	2,665,355

(c) Market Risk

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

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

Price Risk

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

Cash Flow & Fair Values Interest Rate Risk

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

The Company held cash and cash equivalents of \$1,059,720 at 30 June 2023 (2022: \$448,717). The cash and cash equivalents are held with Bendigo Bank, which are rated BBB on Standard & Poor's credit ratings.

Note 6. Capital Management

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

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

Notes to the financial statements (continued)

Note 6. Capital Management

The distribution limit is the greater of:

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

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the Company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2023 can be seen in the statement of profit or loss and other comprehensive Income.

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

Note 7. Revenue From Contracts With Customers

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

	2023 \$	2022 \$
Revenue		
- Revenue from contracts with customers	8,186,708	4,404,498
<i>Disaggregation of Revenue From Contracts With Customers</i>		
- Margin income	7,743,188	3,410,416
- Fee income	171,004	163,875
- Commission income	272,516	830,207
	8,186,708	4,404,498

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

Note 8. Finance Income

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

	2023 \$	2022 \$
Finance Income		
- Interest from term deposits	39,502	8,491
	39,502	8,491

Note 9. Expenses

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

(a) Employee Benefits Expense

	2023 \$	2022 \$
Employee Benefits Expense		
- Wages & salaries	2,250,960	2,134,464
- Superannuation costs	243,030	213,871
- Other expenses related to employees	174,920	178,799
	2,668,910	2,527,134

Notes to the financial statements (continued)

Note 9. Expenses (continued)

(b) Depreciation & Amortisation Expense

	2023 \$	2022 \$
<i>Depreciation of Non-current Assets</i>		
- Leasehold improvements	123,471	85,545
- Plant and equipment	16,024	42,237
	139,495	127,782
<i>Depreciation of Right-of-use Assets</i>		
- Leased buildings	315,323	367,273
	315,323	367,273
<i>Amortisation of Intangible Assets</i>		
- Franchise fees	56,741	40,742
- Goodwill	144,221	14,959
	200,962	55,701
Total depreciation & amortisation expense	655,780	550,756

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

(c) Community Investments & Sponsorship

Under the Community Bank model, the Company provides community investment and sponsorships to local organisations.

	2023 \$	2022 \$
Community Investments & Sponsorship		
- Direct sponsorship and grant payments	567,851	240,067
- Contribution to Inner East Community Support Ltd	750,000	-
	1,317,851	240,067

Inner East Community Support Ltd will distribute funds for charitable purposes throughout the Inner East Melbourne community.

Note 10. Income Tax Expense

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

(a) The Components of Tax Expense

	2023 \$	2022 \$
Current tax expense	754,931	-
Deferred tax expense	(33,361)	109,596
Under / (over) provision of prior years	7,601	(66,783)
	729,171	42,813

Notes to the financial statements (continued)

Note 10. Income Tax Expense (continued)

(b) Prima Facie Tax Payable

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

	2023 \$	2022 \$
Prima facie tax on profit before income tax at 25% (2022: 25%)	689,702	43,359
<i>Add Tax Effect Of:</i>		
- Non-deductible expenses	1,000	1,250
- Goodwill amortisation	30,868	3,740
- Under / (over) provision of prior years	7,601	(66,783)
- Change in company tax rates	-	(4,706)
- Temporary differences	33,361	(89,267)
- Movement in deferred tax	(33,361)	114,302
- Account for tax losses	-	48,519
Income tax attributable to the entity	729,171	50,414
The applicable weighted average effective tax rate is:	-26.43%	-24.69%

Note 11. Cash & Cash Equivalents

	2023 \$	2022 \$
Cash at bank and on hand	258,076	448,717
Short-term bank deposits	801,644	-
	1,059,720	448,717

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

Note 12. Trade & Other Receivables

	2023 \$	2022 \$
Current		
Trade receivables	883,023	493,731
	883,023	493,731

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

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

Notes to the financial statements (continued)

Note 13. Financial Assets

	2023 \$	2022 \$
At Amortised Cost		
Term deposits	2,100,000	1,530,136
	2,100,000	1,530,136

Term deposits classified as financial assets include only those with a maturity period greater than three months.

Note 14. Other Assets

	2023 \$	2022 \$
Security bond	98,760	98,759
Accrued interest	27,361	3,061
	126,121	101,820

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

Note 15. Property, Plant & Equipment

(a) Carrying Amounts

	2023 \$			2022 \$		
	At Cost / Valuation	Accumulated Depreciation	Written Down Value	At Cost / Valuation	Accumulated Depreciation	Written Down Value
Leasehold improvements	1,227,451	(234,913)	992,538	1,227,451	(111,442)	1,116,009
Plant & equipment	361,997	(324,314)	37,683	359,536	(312,462)	47,074
Total	1,589,448	(559,227)	1,030,221	1,586,987	(423,904)	1,163,083

(b) Movements in Carrying Amounts

	Leasehold Imp. \$	Plant & Equipment \$
2023		
Opening carrying value	1,116,009	47,074
Additions	-	6,633
Disposals	-	-
Depreciation expense	(123,471)	(16,024)
Closing carrying value	992,538	37,683
2022		
Opening carrying value	739,357	146,860
Additions	462,197	11,322
Disposals	-	(68,871)
Depreciation expense	(85,545)	(42,237)
Closing carrying value	1,116,009	47,074

Notes to the financial statements (continued)

Note 15. Property, Plant & Equipment (continued)

(c) Capital Expenditure Commitments

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

(d) Changes in Estimates

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

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

Note 16. Right-of-use Assets

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

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

The Company's lease portfolio includes buildings.

Options to Extend or Terminate

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

AASB 16 Amounts Recognised in the Statement of Financial Position

	Leased Buildings \$	Total ROU Asset \$
Leased asset	3,267,607	3,267,607
Accumulated Depreciation	(1,118,534)	(1,118,534)
	2,149,073	2,149,073

Movements in carrying amounts:

	Leased Buildings \$	Total ROU Asset \$
Recognised on initial application of AASB 16	-	-
- Transferred from property, plant & equipment	2,464,394	2,464,394
Additions	-	-
Depreciation expense	(315,323)	(315,323)
Net carrying amount	2,149,071	2,149,071

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

	2023 \$	2022 \$
Depreciation expense related to right-of-use assets	315,323	367,273
Interest expense on lease liabilities	96,304	48,630

Notes to the financial statements (continued)

Note 17. Intangible Assets

(a) Carrying Amounts

	2023 \$			2022 \$		
	At Cost / Valuation	Accumulated Amortisation	Written Down Value	At Cost / Valuation	Accumulated Amortisation	Written Down Value
Franchise fees	793,459	(685,257)	108,202	663,679	(628,516)	35,163
Goodwill	1,812,001	(159,180)	1,652,821	300,000	(14,959)	285,041
	2,605,460	(844,437)	1,761,023	963,679	(643,475)	320,204

(b) Movements in Carrying Amounts

	Franchise Fees \$	Goodwill \$
2023		
Opening carrying value	35,163	285,041
Additions	129,780	1,512,001
Disposals	-	-
Amortisation expense	(56,741)	(144,221)
Closing carrying value	108,202	1,652,821
2022		
Opening carrying value	75,905	-
Additions	-	300,000
Disposals	-	-
Amortisation expense	(40,742)	(14,959)
Closing carrying value	35,163	285,041

Note 18. Tax Assets & Liabilities

(a) Current Tax

	2023 \$	2022 \$
Income tax payable	754,931	-

(b) Deferred Tax

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

	30 June 2022 \$	Recognised in P & L \$	30 June 2023 \$
<i>Deferred Tax Assets</i>			
- Expense accruals	8,496	5,471	13,967
- Carried forward losses	48,519	(48,519)	-
- Employee provisions	72,260	(8,846)	63,414
Total deferred tax assets	129,275	(51,894)	77,381

Notes to the financial statements (continued)

Note 18. Tax Assets & Liabilities (continued)

(b) Deferred Tax (continued)

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

	30 June 2022 \$	Recognised in P & L \$	30 June 2023 \$
<i>Deferred Tax Liabilities</i>			
- Right-of-use assets	34,160	12,107	46,267
- Accrued income	(765)	(6,075)	(6,840)
- Property, plant & equipment	(280,320)	30,705	(249,615)
Total deferred tax liabilities	(246,925)	36,737	(210,188)
Net deferred tax liabilities	(117,650)	(15,157)	(132,807)

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

	30 June 2021 \$	Recognised in P & L \$	30 June 2022 \$
<i>Deferred Tax Assets</i>			
- Expense accruals	5,164	3,332	8,496
- Carried forward losses	49,025	(506)	48,519
- Employee provisions	93,376	(21,116)	72,260
Total deferred tax assets	147,565	(18,290)	129,275
<i>Deferred Tax Liabilities</i>			
- Right-of-use assets	28,301	5,859	34,160
- Accrued income	(1,190)	425	(765)
- Property, plant & equipment	(183,019)	(97,301)	(280,320)
Total deferred tax liabilities	(155,908)	(91,017)	(246,925)
Net deferred tax liabilities	(8,343)	(109,307)	(117,650)

Note 19. Trade & Other Payables

	2023 \$	2022 \$
Current		
Trade creditors	88,792	63,554
Other creditors and accruals	364,199	92,280
	452,991	155,834

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

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

Notes to the financial statements (continued)

Note 20. Lease Liabilities

Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate on the adoption date. The discount rate used on recognition was 4.39%.

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

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

(a) Lease Portfolio

The Company's lease portfolio includes:

Lease	Details
Ashburton Branch	The lease agreement is a non-cancellable lease with an initial term of five years which commenced in October 2018. The lease has two further five year extension option available.
Balwyn Branch	The lease agreement is a non-cancellable lease with an initial term of five years which commenced in August 2021. The lease has two further five year extension option available.
Canterbury Branch	The lease agreement is a non-cancellable lease with an initial term of five years which commenced in August 2021. The lease has two further five year extension option available.
Canterbury Office	The lease agreement is a non-cancellable lease with an initial term of five years which commenced in April 2020. The lease has two further five year extension option available.
Surrey Hills Branch	The lease agreement is a non-cancellable lease with an initial term of three years which commenced in March 2023. The lease has one further three year extension option available.

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

(b) Lease Liabilities

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

	2023 \$	2022 \$
Current	209,817	283,895
Non-current	2,124,326	2,317,137

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

	Minimum lease payments due				
	< 1 Year	1 - 2 Years	3 - 5 Years	> 5 years	Total
30 June 2023					
Lease payments	292,158	266,410	806,086	1,439,688	2,804,341
Finance charges	(75,805)	(70,373)	(165,072)	(158,949)	(470,198)
Net present values	216,353	196,037	641,014	1,280,739	2,334,143
30 June 2022					
Lease payments	368,074	292,132	814,003	1,674,896	3,149,105
Finance charges	(84,179)	(75,804)	(186,226)	(201,864)	(548,073)
Net present values	283,895	216,328	627,777	1,473,032	2,601,032

Notes to the financial statements (continued)

Note 21. Employee Benefits

	2023 \$	2022 \$
Current		
Provision for annual leave	188,193	155,241
Provision for long service leave	49,498	118,232
	237,691	273,473
Non-Current		
Provision for long service leave	15,963	15,568
	15,963	15,568

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

Employee Attrition Rates

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

Note 22. Issued Capital

(a) Issued Capital

	2023		2022	
	Number	\$	Number	\$
Ordinary shares - fully paid	2,709,547	1,226,767	2,723,407	1,239,934
Less: shares bought back during the year	(17,840)	(17,840)	(13,860)	(13,167)
	2,691,707	1,208,927	2,709,547	1,226,767

Ordinary shares are classified as equity.

(b) Movements in share capital

	2023 \$	2022 \$
<i>Fully paid ordinary shares:</i>		
At the beginning of the reporting period	2,709,547	2,723,407
Shares bought back during the year	(17,840)	(13,860)
At the end of the reporting period	2,691,707	2,709,547

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

Note 23. Retained Earnings

	Note	2023 \$	2022 \$
Balance at the beginning of the reporting period		2,131,761	2,191,776
Profit for the year after income tax		2,029,635	130,623
Dividends paid	28	(189,668)	(190,638)
Balance at the end of the reporting period		3,971,728	2,131,761

Notes to the financial statements (continued)

Note 24. Cash Flow Information

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

	Note	2023 \$	2022 \$
Cash and cash equivalents	11	1,059,720	448,717
As per the Statement of Cash Flows		1,059,720	448,717

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

	2023 \$	2022 \$
Profit for the year after income tax	2,029,635	130,623
Non-cash flows in profit		
- Depreciation	454,818	495,055
- Amortisation	200,962	55,701
- Net loss on disposal of property, plant & equipment	-	68,372
Changes in assets and liabilities		
- (Increase) / decrease in trade and other receivables	(389,292)	(65,167)
- (Increase) / decrease in prepayments and other assets	(24,301)	(14,938)
- Increase / (decrease) in trade and other payables	297,158	(45,268)
- (Increase) / decrease in deferred tax liabilities	15,157	109,307
- Increase / (decrease) in current tax liability	754,931	87,367
- Increase / (decrease) in provisions	(35,387)	(24,814)
Net cash flows from operating activities	3,303,681	796,238

Note 25. Financial Instruments

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

	Note	2023 \$	2022 \$
Financial Assets			
Trade and other receivables	12	883,023	493,731
Cash and cash equivalents	11	1,059,720	448,717
Term deposits	13	2,100,000	1,530,136
		4,042,743	2,472,584
Financial Liabilities			
Trade and other payables	19	452,991	155,834
Lease liabilities	20	2,334,143	2,601,032
		2,787,134	2,756,866

Note 26. Related Parties

(a) Key Management Personnel

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

Notes to the financial statements (continued)

Note 26. Related Parties (continued)

(b) Key Management Personnel Compensation

	2023 \$	2022 \$
Short-term employee benefits	275,505	298,580
Post-employment benefits	43,390	43,447
Total key management personnel compensation	318,895	342,027

Short-term Employee Benefits

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

Post-employment Benefits

These amounts are the current year's estimated cost of providing the Company's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

(c) Other Related Parties

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

(d) Transactions With Key Management Personnel & Related Parties

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

Name of Related Party	Description of Goods or Services Provided	Value \$
Inner East Community Support Ltd	Grant	750,000
Ashburton Traders Association	Grant / Sponsorship	22,000
The Edge Community Fund	Grant	4,000
Samarinda Ashburton Aged Services	Grant	250

(e) Key Management Personnel Shareholdings

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

(f) Other Key Management Transactions

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

Note 27. Auditor's Remuneration

The appointed auditor of Inner East Community Finance Ltd for the year ended 30 June 2023 is RSD Audit. Amounts paid or due and payable to the auditor are outlined below.

	2023 \$	2022 \$
<i>Audit & Review Services</i>		
Audit and review of financial statements (RSD Audit)	5,409	4,510
Total auditor's remuneration	5,409	4,510

Notes to the financial statements (continued)

Note 28. Dividends

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

	2023		2022	
	Number	\$	Number	\$
Fully franked dividend	-	189,668	-	190,638
Dividends provided for and paid during the year	-	189,668	-	190,638

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

Note 29. Earnings Per Share

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

	2023	2022
	\$	\$
Profit attributable to ordinary shareholders	2,029,635	130,623

	Number	Number
Weighted average number of ordinary shares	2,708,060	2,716,642

	¢	¢
Basic and diluted earnings per share	74.95	4.81

Note 30. Events After the Reporting Period

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

Note 31. Commitments & Contingencies

Any commitments for future expenditure associated with leases are recorded in Note 20. Details about any capital commitments are detailed in Note 15(c).

The Company has no other commitments requiring disclosure.

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

Note 32. Company Details

The registered office of the Company is:

Inner East Community Finance Ltd 143 Maling Road, Canterbury Vic 3126

The principal places of business are:

Ashburton Branch	241 High Street, Ashburton Vic 3147
Balwyn Branch	278 Whitehorse Road, Balwyn Vic 3103
Canterbury Branch	143 Maling Road, Canterbury Vic 3126
Surrey Hills Branch	107 Union Road, Surrey Hills Vic 3127

Directors' declaration

For the financial year ended 30 June 2023

In accordance with a resolution of the directors of Inner East Community Finance Ltd, we state that:

In the opinion of the directors:

- (a) The financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Juliann Byron
Chair

Dated this 30th day of August, 2023

Independent audit report



41A Breen Street
Bendigo, Victoria
PO Box 448, Bendigo, VIC, 3552

Ph: (03) 4435 3550
admin@rsdaudit.com.au
www.rsdaudit.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INNER EAST COMMUNITY FINANCE LIMITED

REPORT ON THE FINANCIAL REPORT

Opinion

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

In our opinion the accompanying financial report of Inner East Community Finance Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance and its cash flows for the year then ended; and
- (ii) complying with Australian Accounting Standards.

Basis for Opinion

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. On 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 material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report or the year ended 30 June 2023. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key Audit Matter	How Our Audit Addressed the Matter
Taxation <p>The application of taxation legislation to the Company's accounts is inherently complex and requires judgement to be exercised in relation to estimating tax exposures and quantifying provisions and liabilities.</p> <p>Further disclosure regarding Taxation can be found at Note 1(f) <i>Critical Accounting Estimates and Judgements</i> and Note 4 <i>Income Tax</i>.</p>	<p>We have performed the following procedures:</p> <ul style="list-style-type: none"> Reviewed the income taxation calculations prepared and are satisfied that the calculations are in accordance with the accounting standards and applicable income tax legislation. Tested the assumptions and forecast taxable income supporting deferred tax assets Considered the appropriateness of the Company's disclosures regarding current tax matters Assessed the consistency of assumptions used in estimating provisions and liabilities.
Employee Provisions <p>The valuation of employee entitlements are subject to complex estimation techniques and significant judgement. Assumptions required for wage growth and CPI movements, coupled with the estimated likelihood of employees reaching unconditional services is estimated.</p> <p>A small change in assumptions can have a material impact on the financial statements.</p> <p>Further disclosure regarding Employee Provisions can be found at Note 1(f) <i>Critical Accounting Estimates and Judgements</i> and Note 14 <i>Provisions</i>.</p>	<p>We have performed the following procedures:</p> <ul style="list-style-type: none"> Reviewed the employee entitlement calculations and are satisfied that they calculations are in accordance with applicable accounting standards. Tested the accuracy of the calculations and models used to calculate employee entitlement provisions. Evaluated the assumptions applied in calculating employee entitlements such as the discount rate and the probability of long service leave vesting conditions being met.

Director's Responsibility for the Financial Report

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

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

Auditor's Responsibility for the Audit of the Financial Report

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.



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

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

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

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

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

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

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independence

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

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



REPORT ON THE AUDIT OF THE REMUNERATION REPORT

Auditor's Opinion on the Remuneration Report

We have audited the remuneration report included in pages 33 to 34 of the director's report for the year ended 30 June 2023. The directors of the Company are responsible for the preparation and presentation of the remuneration report and in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

In our opinion, the remuneration report of Inner East Community Finance Limited, for the year ended 30 June 2023 is in accordance with s300A of the *Corporations Act 2001*

Responsibilities for the Remuneration Report

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

RSD Audit

Chartered Accountants

A handwritten signature in blue ink, appearing to read 'Mahesh'.

Mahesh Silva

Partner

Bendigo

Dated: 31 August 2023

NSX report

Additional Information

In accordance with National Stock Exchange Listing Rule 6.9, the Company provides the following information as at 30 June 2023:

- (a) The principal activities of the Company are set out on page 15.
- (b) The Company has established Inner East Community Support Limited (IECS), a company limited by guarantee, and is its sole member. IECS has been established with a charitable purpose.
- (c) The interests of each Director and Officer in the Company are set out on page 18.
- (d) The accounts presented with this report do not differ materially from any forecast previously issued by the Company.
- (e) There are no service contracts for Directors that are proposed for election at the forthcoming Annual General Meeting.
- (f) No Director holds any right to subscribe to equity or debt securities of the Company.
- (g) No Director has a material interest in contracts or proposed contracts with the Company.
- (h) There are no arrangements under which a Director has waived or agreed to waive any emoluments.
- (i) There are no arrangements under which a shareholder has waived or agreed to waive any dividends.
- (j) Five year comparative table of financial results

	2023 (\$)	2022 (\$)	2021 (\$)	2020 (\$)	2019 (\$)
Profit & Loss					
Revenue from operating activities	8,226,210	4,412,989	4,965,139	5,386,671	4,903,421
Total Expenses	5,467,404	4,239,553	4,564,413	4,411,154	4,339,132
Profit from ordinary activities before income tax expense	2,578,806	173,436	400,726	975,517	564,289
Income tax expense	729,171	42,813	96,990	258,642	166,815
Net profit/loss after tax	2,029,635	130,623	303,736	716,875	397,474
Net profit/loss attributable to shareholders	2,029,635	130,623	303,736	716,875	397,474
Balance Sheet					
Current assets	4,168,864	2,574,404	3,107,245	3,614,195	2,783,104
Non-current assets	4,940,317	3,947,681	3,121,312	2,984,374	497,000
Total assets	9,109,181	6,522,085	6,228,557	6,598,569	3,280,104
Current liabilities	1,655,430	713,202	783,191	961,953	369,881
Non-current liabilities	2,273,096	2,450,355	2,013,656	2,312,020	30,462
Total liabilities	3,928,526	3,163,557	2,796,847	3,273,973	400,343
Shareholders' funds	5,180,655	3,358,528	3,431,710	3,324,596	2,879,761
Earnings per share (in cents)	74.95	4.82	11.15	25.67	13.50
Dividends per share (in cents)	10.00	7.00	7.00	7.00	7.00
Net assets value per share (in cents)	192.47	123.95	126.01	121.39	102.23
Price earnings ratio	1.33	19.71	8.52	3.25	6.30

- (k) The Treasurer's Report is set out on page 5
- (l) The Corporate Governance Statement is set out on page 11 to 14

NSX report (continued)

(m) The following table shows the distribution of fully paid ordinary shareholders:

Holdings ranges	Total shareholders	Number of shares	Percentage of issued capital
1-1,000	125	73,935	2.75%
1,001-5,000	454	949,856	35.29%
5,001-10,000	64	433,530	16.11%
10,001-100,000	64	1,124,386	41.77%
100,001+	1	110,000	4.09%
Total	708	2,691,707	100.00%

Each of the above shareholders is entitled to one (1) vote, irrespective of the number of shares held. There are no substantial shareholders (holding more than 5% of the voting rights) as each shareholder is entitled to one vote.

There are 12 shareholders holding less than a marketable parcel of shares (\$500 in value), based on the closing price on 30 June 2023 of \$1.00 per share.

There are no restricted securities on issue.

All shares on issue are fully paid ordinary shares. There are no unquoted equity securities.

(n) The following table shows the ten (10) largest shareholders:

Shareholder	Number of shares	Percentage of issued capital
ADRIENNE LESLIE MURRAY	110,000	4.08%
THOMAS LEIGH PTY LTD <THE WARING FAMILY S/F A/C>	81,040	3.01%
MRS MARGARET RHODA STANFORTH MENTING	55,202	2.05%
LEIGH SMITH & FELICITY SMITH <ATF EB INVESTMENT FUND A/C>	44,000	1.64%
RICHARD MIDDLETON <ATF MARPJZ SUPER FUND A/C>	44,000	1.64%
WAYNE AUSTEN & ERICA AUSTEN	41,800	1.55%
JOHN HENRY ANDERSON & PATRICIA NOREEN ANDERSON	33,000	1.23%
IAN ADRIAN DINNISON	24,700	0.92%
RODNEY STROYAN WEATHERHEAD	22,000	0.82%
MELVIN WILLIAM AUSTIN & GILLIAN REBECCA AUSTIN	22,000	0.82%
JOSLIN ADELAIDE GUEST	22,000	0.82%
TSUNG-HSIEN LIM	22,000	0.82%
CHESTERFIELD SUPER PTY LTD <R & C DALY SUPER FUND A/C>	22,000	0.82%
GWENDOLINE JOAN MATTHIES	22,000	0.82%
CGT INVESTMENTS PTY LTD <CGT INVESTMENTS P/L S/F A/C>	22,000	0.82%
CHANDLER CONSULTING SERVICES <CHANDLER CONS SERV S/F A/C>	22,000	0.82%
PETER DAVIS ENGINEERS PTY LTD <P DAVIS ENGINEERS EXEC PLAN>	22,000	0.82%
Total	631,742	23.47%

Registered office and principal administrative office

The registered office of the Company, and its principal administrative office, is located at:

Shop 2, 143 Maling Road, Canterbury VIC 3126
Telephone: +61 3 9836 9466

Security register

The Company's security register (share register) is kept at:

Boardroom Pty Limited
Level 8, 210 George Street, Sydney NSW 2000
Telephone: +61 2 9290 9600

Community Bank Inner East

Canterbury
145 Maling Road, Canterbury VIC 3126
Phone: 03 9836 9466
Email: canterburymailbox@bendigobank.com.au

Surrey Hills
107 Union Road, Surrey Hills VIC 3127
Phone: 03 9890 7188
Email: surreyhillsmailbox@bendigobank.com.au

Ashburton
241 High Street, Ashburton VIC 3147
Phone: 03 9885 2666
Email: ashburtonmailbox@bendigobank.com.au

Balwyn
411 Whitehorse Road, Balwyn VIC 3103
Phone: 03 9836 8029
Email: balwynmailbox@bendigobank.com.au

iecf.com.au

Franchisee: Inner East Community Finance Limited
ABN: 96 099 590 593
PO Box 439, Canterbury VIC 3126

