Annual Report 2024

Acacia Ridge Financial Services Limited

Community Bank Acacia Ridge

ABN 73 116 060 916

Contents

Chairman's report

For year ending 30 June 2024

ARFSL has played a key role in supporting our community, returning $1,207,998 for use in our local community organisations (and some further afield) since our opening in 2005. We think this is an outstanding achievement for a single branch and is possible only because local people and businesses bank with us.

Welcome to the Nineteenth Annual Report for Acacia Ridge Financial Services Limited (ARFSL) for the financial year ending 30 June 2024.

Community Bank Acacia Ridge was established on 23 November 2005 following withdrawal of banking services at the Elizabeth St Shopping Centre. Our Community Bank continues to provide valuable banking and financial services to Acacia Ridge and surrounding areas.

Financial

The result after income tax for the year was a profit of $75,606, a decrease of $22,191 on the result for the previous year. Profit can fluctuate each year, depending on many factors including donations and sponsorships to the community.

Revenue increased by 9%, the result of an increase in home loans written in previous years and the change in interest rates which allowed Bendigo Bank to improve the Net Interest Margin. Directors in conjunction with the Branch Manager and staff are continuing to work on ways to further increase the size of the revenue and profits.

The business for the year was driven by our Branch Manager Mark Coxhead, who joined in September 2013. Mark was ably supported by Yuvi, Warren, Riddhi, Jordan and Katarina. Our branch staff has developed strong relationships with customers and community groups and give of their own time to contribute to community events.

Board of directors

One of our original directors, Linda Beaumont retired during the year and we are thankful for the significant contribution that Linda made during the lead-up to the opening of the Community Bank and her tireless efforts with shareholders and the community during her long tenure on the Board. The Board appointed Maria Becis as the company secretary on the retirement of Linda. Amanda Harward remains as Treasurer and Director. Earle Johnston is the Deputy Chairman and Chair of the Marketing and Sponsorship Committee and Maria is the Chair of the Business Development Committee. All seven Directors, including Jane Carlisle, Kellie Griffiths and Vicki Maguire serve on various committees and attend community functions throughout the year.

Dividends to Shareholders

The directors will be considering the payment of a dividend following receipt of audited accounts for the year. The amount of any dividend will depend on a number of factors including profitability and cash flow. Dividends paid since establishment until November 2022 total 86.5 cents per share, or a total of $505,091. Dividends have been fully franked since the payment in November 2013, with the franking credits a useful additional source of income for many shareholders.

ARFSL continues to have approximately 132 shareholders with a total shareholding of 534,487 shares.

Chairman's report (continued)

Community Investment

ARFSL has played a key role in supporting our community, returning $1,207,998 for use in our local community organisations (and some further afield) since our opening in 2005. We think this is an outstanding achievement for a single branch and is possible only because local people and businesses bank with us.

These community grants and sponsorships have made a significant difference to a number of organisations including St Thomas More College, Acacia Ridge YMCA, Volunteers Connect, Algester Little Athletics and local schools. We look forward to continuing to support these groups and others as more people bank with us and we become more successful.

We have been holding our Board meetings each month free of charge in the boardroom of Ice World Beaudesert Rd Acacia Ridge and we thank that organisation for use of facilities.

Our franchise partner

The company's Franchise Agreement expires in November 2025 and we have two options of 5 years with Bendigo Bank to continue our relationship.

Bendigo Bank provides invaluable support to our company and we acknowledge the contribution of our Regional Managers Ms Michelle Johnston last year and Mr Philip Bell this year and other members of the team.

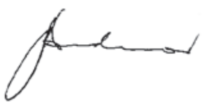
The future

Our Branch Manager Mark Coxhead continues to provide banking expertise to current and new customers and plays an important role in the community. Mark continues to meet the needs of customers with a comprehensive range of products.

The success of our Community Bank relies on revenue generated through your banking, so I invite you to increase your support which will help bring big benefits to our community. We encourage you to refer family and friends to our staff to discuss their banking needs.

Our Annual General Meeting is planned to be held on Thursday 21 November 2024. We look forward to meeting with more shareholders for conversations with your directors and Community Bank staff.

I wish to thank my fellow directors for their expertise and dedication over the year. Thanks are also extended to our administration assistant Maris Dirkx, our staff and customers for their continuing support.



Peter Henderson OAM
Chairman

Manager's report

For year ending 30 June 2024

We continued to build stronger, deeper relationships with our customers by having relevant and meaningful conversations about how we can help our customers achieve their financial goals and aspirations.

It is with pleasure that I present to you the Manager's Report for the 2023/24 year.

The year has presented many opportunities and challenges, however we should all be proud of the achievements we have made throughout the year.

During the past year we've achieved a number of great outcomes including:

- Acacia Ridge Financial Services Limited returned $132,010 through CEF grants and other charitable donations and sponsorships for use in our local community.
- Participated and supported a number of local community events and projects to help our community continue to grow and prosper. It is through our involvement with these events that continue to lift our profile within the community and highlights the fantastic achievements that we as a Community Bank have made in the Acacia Ridge area.
- We continued to build stronger, deeper relationships with our customers by having relevant and meaningful conversations about how we can help our customers achieve their financial goals and aspirations.

A snapshot of our business as at 30 June 2024:

- 3,050 customers
- 2.423 products per customer
- $136.7 million in total business

With the support and efforts of our Shareholders, Directors and staff we continue to make a real difference to both our customers and the local Acacia Ridge community.

In January Katerina Varnava joined the team as a Customer Service Officer.

I would also like to take this opportunity to thank the efforts of all our branch staff, including Yuvi Yuvika, Warren Lelong, Jordan Beckman, Riddhi Chordia & Katerina Varnava, along with our Gold Coast & South Brisbane Regional Manager Phillip Bell.

Without their ongoing hard work, dedication and support, the branch would not have been able to achieve the successes of the past year.

I would also like to thank you, the shareholders, who have continued to show support and commitment to the Community Bank Acacia Ridge.

In addition, I would like to make special mention and thanks to our volunteer Directors – Chairman Peter Henderson and his team, who spend countless hours being advocates of your Community Bank.

Without their continued hard work and unwavering support of your Community Bank, we would not have been able to achieve the great successes and results that we have since we commenced on the 23rd November 2005.

The year ahead:

The year ahead will certainly present many opportunities for us to continue to build and grow our business in the local Acacia Ridge community and surrounding suburbs and promote the great work that we do in helping our community become an even better place to live, work and play.

My goal as always, is to continue to lead and develop my team to help us grow our business, create stronger and deeper relationships with our customers and our local community by having meaningful and relevant conversations as to how we can help our customers achieve their financial goals and aspirations.

I encourage you all, including your family and friends, to call in and have a talk with our team so that we may assist you with all your financial needs.

By helping our customers grow, we in turn also grow, which enables us to further help our local Acacia Ridge community to prosper and thrive.

I am committed to working closely with you all over the next year to help achieve these outcomes, and I look forward to the challenges and successes that are ahead of us.

Once again, my appreciation and thanks to you all for your continued dedication and support over the past 12 months.

Mark Coxhead
Branch Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2024

This past year has been particularly significant for Bendigo Bank and the Community Bank network. After five years apart, we had the opportunity to come together in person and connect in Bendigo at our National Conference in September.

It was lovely to see so many familiar faces and to meet many directors who haven't attended previously. We feel proud to support such an amazing network.

We are committed to our strategy and the qualities that make Bendigo Bank unique, by staying true to our connection with communities, our regional roots, and our position as Australia's most trusted bank.

As Bendigo Bank adapts to the evolving digital landscape and changing customer expectations, the Community Bank Network is organically evolving in response.

Over the past 12 months, we have seen Community Bank companies seek to enhance their presence within their communities more than ever.

This has been through expanding or consolidating branch sites, collaborating with local, state, and national governments to support community initiatives, or by prioritising social value alongside financial performance through Social Trader accreditation.

The anniversary of the Community Bank model, along with changing environmental factors, provides an opportunity to reset and establish a clear pathway towards the next 25 years.

Bendigo Bank's purpose, to feed into the prosperity of communities, and our willingness to ensure our purpose is relevant to the needs of communities in which we are present, is a key contributor to our commercial success.

When we utilise our combined strengths, exercise our imaginations and have the courage to commit to creating our own opportunities, we will be the partner of choice for customers and communities regardless of location or cause.

Community, regional presence, and trust are the distinctive attributes of Bendigo Bank that we have maintained and plan to uphold in the future.

While Bendigo Bank emphasises commercial success, our foundation remains in community values. Our aim is to generate mutual value by providing solutions to local challenges.

On behalf of Bendigo Bank, thank you for being a shareholder in your local Community Bank. Your contribution helps foster economic growth, creates employment opportunities, and provides essential financial services to the members of your community.

Your dedication and support is making a positive impact on your community.

Justine Minne
Bendigo and Adelaide Bank

Sponsorship & Marketing Report

For year ending 30 June 2024

Making a Difference through Banking: A Message from Acacia Ridge Financial Services Limited

Beyond Transactions

You might not think who you bank with matters. But it does. At Community Bank Acacia Ridge we believe that banking is more than just a transactional experience—it's about making a meaningful impact in our customers' lives and in the communities we serve. As we reflect on 2024, we are proud to showcase how our commitment to community is making a real difference.

School Reading Programs: Unlocking Potential

"Once you learn to read, you will be forever free." – Frederick Douglass

At Community Bank Acacia Ridge, we firmly believe in the transformative power of literacy. As Douglass eloquently stated, reading opens the doors to freedom and endless opportunities. This year, we are excited to share how our commitment to education and literacy is helping children of our community unlock their full potential.

The "Love of Reading Program", launched in partnership with Acacia Ridge State School, Our Lady of Fadima Catholic School, and more recently Coopers Plains State School, is designed to foster a love for reading and lifelong learning. Since 2019, we have invested over $105,000 in these programs, providing over 8,000 books, many of which the children selected and got to keep. Teachers have reported that students are sharing their excitement about their new books and have an opportunity to read their very own book at home with their family.

Initially, the Programs targeted Prep to Year 2 students, with over 60% reading well below their expected level. In recent years, the Program has evolved, now supporting children across all year levels and includes funding for teaching books to support evidence based decodable reading programs.

Thanks to your support and the commitment of teachers, the results are amazing with nearly 70% of all students achieving A-C in English. Your involvement has made a significant impact, not just on these students' lives but also on the future of our community. As Dr. Seuss famously said, "The more that you read, the more things you will know. The more that you learn, the more places you'll go."

YMCA Schools' Breakfast Program: Nourishing Success

In 2007, we commenced a partnership with The YMCA to provide healthy breakfasts for young children in our community. Our support over many years of nearly $40,000 gave children in the YMCA Acacia Ridge Early Learning Centre a quality breakfast to start their learning day.

From 2021, we transitioned our support to the YMCA Schools' Breakfast Program which aims to reduce the number of school students disadvantaged by hunger and poor nutrition. Our investment since 2021 of over $27,000 has helped provide more than 40,000 breakfasts to over 200 children per year in our school communities, ensuring these students start their day with a nutritious meal. This initiative helps students make the most of their education and develop healthy eating habits. In the words of a School Principal: “Students are provided with a healthy start to the day. Many students at my school do not get to have breakfast for a variety of reasons. The Breakfast Club not only provides them with healthy options but also gives them another avenue for emotional and social support.”

PCYC Inala After Dark Program: Empowering Youth through Engagement

We are thrilled to announce our substantial commitment to PCYC Inala's vital youth crime prevention programs with a sponsorship of $25,000 annually over the next three years. This support will significantly enhance several key initiatives, including Basketball After Dark, Boxing After Dark, TEAM UP, and the Drop-in Program. These programs are strategically designed to engage young people during critical at-risk hours, utilizing sports and recreation as effective diversionary tactics. In the past six months alone, over 1,300 young participants have benefited from these impactful programs, gaining essential skills in teamwork, conflict resolution, and social interaction. Our sponsorship will ensure that these programs continue to provide inclusive support, addressing the needs of youths facing linguistic, cultural, and economic barriers. We are proud to partner with PCYC Inala in delivering these crucial initiatives and are committed to fostering a positive, lasting impact on the community. Together, we are taking significant steps towards creating a safer and more supportive environment for our youth.

A Heartfelt Thank You

We extend our heartfelt thanks to you—our investors, customers, and community partners. Your everyday banking with us supports these and other impactful initiatives, making a lasting difference in our community. You need a bank to provide the products and services you require, and we need your banking to help us drive positive change.

Thank you for being an integral part of our mission. Together, we have invested over $1.3 million in our community since we opened and are making a difference, one transaction at a time.

Stay Connected

For more information about our programs and how we are making a difference in the community, visit us at https://www.facebook.com/CommunityBankAcaciaRidge/ or drop into the branch and speak with one of our friendly team members.

Earle Johnston
Director/Sponsorship & Marketing Committee Chair

Sponsorship & Marketing Report (continued)

Acacia Ridge Financial Services Limited
Financial Year 2023/2024

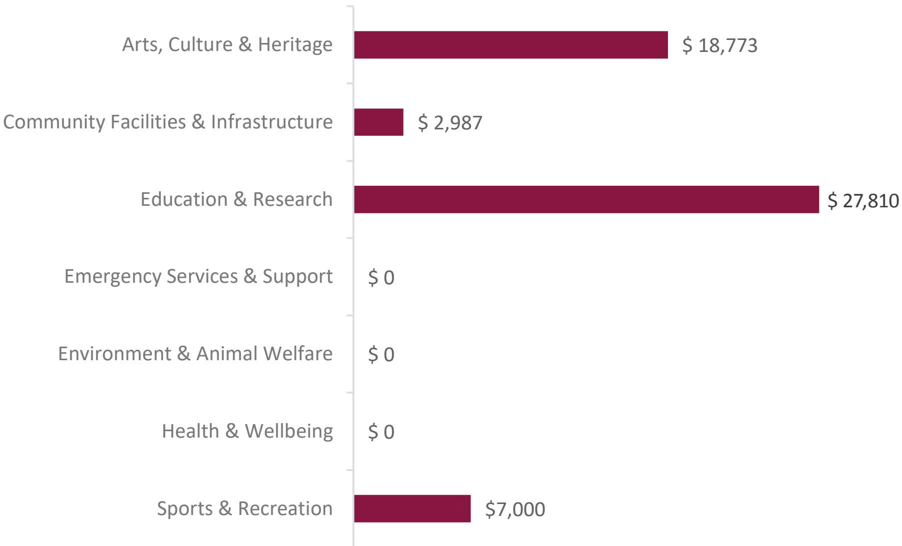
Contribution Totals by Type	
Donation	$0
Grant	$32,717
Scholarship	$0
Sponsorship	$23,852
Total	**$56,569**

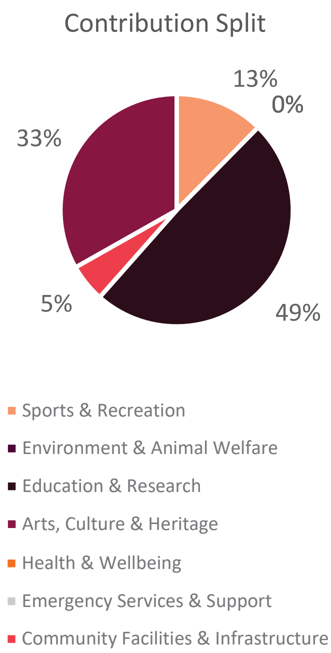
National Contribution	
FY24	$40,457,751
Projects funded	8021

$360 million reinvested back into local communities

Contribution Totals by Sector	
Sports & Recreation	$7,000
Health & Wellbeing	$0
Environment & Animal Welfare	$0
Emergency Services & Support	$0
Education & Research	$27,810
Community Facilities & Infrastructure	$2,987
Arts, Culture & Heritage	$18,773
Total	**$56,569**

Contribution Split by Sector





Directors' report

30 June 2024

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

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

Name:	Peter Geoffrey Henderson OAM
Title:	Non-executive director
Experience and expertise:	Company Director. Involved in banking, finance and accounting since 1962. Involved in community organisations for over 50 years. Holds a Bachelor of Business degree, as well as Graduate Diplomas in Finance & Investment and Management. Fellow of CPA Australia and the Securities Institute.
Special responsibilities:	Chair, Marketing & Sponsorship Committee, Audit & Finance Committee, Business Development Committee.

Name:	Amanda Lee Harward
Title:	Non-executive director
Experience and expertise:	Accountant. Amanda is a Chartered Accountant and Director of a local accountancy firm. She holds a Bachelor of Commerce/ Bachelor of Business (Management) from the University of Queensland. She is a registered tax agent with over 20 years' experience in assisting small business clients with their accounting, business and taxation needs.
Special responsibilities:	Treasurer, Chair of Audit & Finance Committee.

Name:	Earle Alexander Johnston
Title:	Non-executive director
Experience and expertise:	Earle is a fund raising professional and has worked for The Salvation Army since July 2012. Previously, he was Fundraising Manager at 96.5 Family Radio (2 years) and a Senior Business Analyst at Telstra (12 years). Earle is a past President (2018-2021) of QUT Alumni Board (elected as a member 2012-2021), was appointed to QUT Council from March 2018 to November 2021 and was a member of CHC (Christian Heritage College) Council Fundraising sub-committee (2017-2021}. He previously held directorships in media and education and is currently a director of Hush Foundation. He is a member of AICD, a Fellow of Fund raising Institute Australia (FIA), holds Certified Fundraising Executive (CFRE) international accreditation and his most recent qualification is Master of Business, Philanthropy & Non-Profit Studies QUT.
Special responsibilities:	Deputy Chairman; Chairman, Marketing & Sponsorship Committee.

Name:	Victoria Louise Maguire
Title:	Non-executive director
Experience and expertise:	Property Management. Psychologist (retired), small business, M.A. (Psychology).
Special responsibilities:	Business Development Committee.

Name:	Jane Baxter Carlisle
Title:	Non-executive director
Experience and expertise:	Consultant. Jane has extensive previous experience as a Senior Queensland Government Officer responsible for delivering health service improvements. The experience involved engaging and partnering with health service providers, community groups, advocacy and non-government organisations to define and develop the service improvements. Extensive past and current experience in developing frameworks to support organisational governance including quality systems, policies, risk management, project management, data analysis and reporting. Jane has a Graduate Diploma in Health Administration and Information Systems and an Associate Diploma in Clinical Laboratory Techniques.
Special responsibilities:	Marketing and Sponsorship Committee, Audit & Finance Committee.

Name:	Angela Kellie Griffiths
Title:	Non-executive director
Experience and expertise:	Manager. Centre Manager of St David's Neighbourhood Centre. Passionate community member who believes in social justice and assisting people to reach their full potential.
Special responsibilities:	Audit & Finance Committee.
Name:	Maria Kim Becis
Title:	Non-executive director (appointed 14 December 2023)
Experience and expertise:	Since commencing their professional career in 2000, Maria has gained valuable experience from working with several publicly listed companies both as an employee and consultant. Since 2008, Maria has established an accounting and tax practice, event management business, insurance business and finance business. Maria's core technical skills are in the areas of business development, stakeholder, community, corporate, business and government relations, law, taxation and commerce. Maria is a Chartered Accountant and professional qualifications include a Bachelor of Laws/ Bachelor of Commerce and Masters of Applied Taxation.
Special responsibilities:	Chair Business Development Committee
Name:	Linda Anne Beaumont
Title:	Non-executive director (resigned 31 January 2024)
Experience and expertise:	Pharmacist. Linda has worked as a community pharmacist since 1979. At present she is self-employed performing home medicine reviews and locum pharmacist jobs. She has a Bachelor of Pharmacy and a post-graduate certificate in Medication Management. Linda has been involved with softball for over 20 years as a player, coach and other club roles, she has returned to playing socially. Linda was the South Brisbane softball association treasurer in 1997-98 and has been involved with Acacia Ridge Community Bank since its inception and a director since 2005. Linda was the managing partner of the Elizabeth St Chemmart Pharmacy from 1999-2007.
Special responsibilities:	Marketing and Sponsorship Committee.

Company secretary
There have been two company secretaries holding the position during the financial year:

- Maria Becis was appointed company secretary on 31 January 2024.
- Linda Beaumont was appointed as company secretary on 1 January 2014 and ceased on 14 December 2023.

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

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

Review of operations
The profit for the company after providing for income tax amounted to $75,606 (30 June 2023: $97,797).

Operations have continued to perform in line with expectations.

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

	2024 **$**
Fully franked dividend of 8 cents per share (2023: 5 cents)	42,759

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

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

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

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

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

Meetings of directors
The number of directors' meetings (including meetings of committees of directors') attended by each of the directors' of the company during the financial year were:

	Board		Audit & Finance Committee		Marketing & Sponsorship Committee		Business Development Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Peter Geoffrey Henderson OAM	11	11	11	10	11	10	4	4
Amanda Lee Harward	11	11	11	11	-	-	-	-
Earle Alexander Johnston	11	8	-	-	11	10	-	-
Victoria Louise Maguire	11	8	-	-	-	-	4	2
Jane Baxter Carlisle	11	7	11	8	11	7	-	-
Angela Kellie Griffiths	11	8	11	9	5	4	-	-
Maria Kim Becis	11	10	-	-	-	-	4	3
Linda Anne Beaumont	6	6	-	-	6	6	-	-

Directors' benefits
No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 24 and 25 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

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

	Balance at the start of the year	Changes	Balance at the end of the year
Peter Geoffrey Henderson OAM	32,001	1,600	33,601
Amanda Lee Harward	10,000	-	10,000
Earle Alexander Johnston	400	-	400
Victoria Louise Maguire	50,001	-	50,001
Jane Baxter Carlisle	500	-	500
Angela Kellie Griffiths	200	-	200
Maria Kim Becis	-	-	-
Linda Anne Beaumont	7,501	-	7,501

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

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

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

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

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

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

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

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

Non-audit services
The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 26 to the accounts.

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

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

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

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

On behalf of the directors

Peter Geoffrey Henderson OAM
Chair

26 September 2024

Auditor's independence declaration

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

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 26 September 2024

Joshua Griffin
Lead Auditor

Financial statements

Acacia Ridge Financial Services Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	2024 $	2023 $
Revenue from contracts with customers	7	1,019,320	935,155
Other revenue		8,253	15,879
Finance revenue		7,848	2,122
Total revenue		1,035,421	953,156
Employee benefits expense	8	(543,769)	(457,459)
Advertising and marketing costs		(6,255)	(5,693)
Occupancy and associated costs		(25,954)	(26,760)
System costs		(17,061)	(15,994)
Depreciation and amortisation expense	8	(89,403)	(85,771)
Finance costs	8	(28,654)	(29,836)
General administration expenses		(86,427)	(82,951)
Total expenses before community contributions and income tax		(797,523)	(704,464)
Profit before community contributions and income tax expense		237,898	248,692
Charitable donations, sponsorships and grants expense	8	(132,010)	(119,304)
Profit before income tax expense		105,888	129,388
Income tax expense	9	(30,282)	(31,591)
Profit after income tax expense for the year		75,606	97,797
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Gain on the revaluation of equity instruments at fair value through other comprehensive income, net of tax	20	16,911	12,973
Other comprehensive income for the year, net of tax		16,911	12,973
Total comprehensive income for the year		92,517	110,770
		Cents	**Cents**
Basic earnings per share	28	14.15	18.30
Diluted earnings per share	28	14.15	18.30

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

Acacia Ridge Financial Services Limited
Statement of financial position
As at 30 June 2024

	Note	2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	10	244,873	16,008
Trade and other receivables	11	52,214	63,510
Investments	13	195,244	115,000
Total current assets		492,331	194,518
Non-current assets			
Financial assets	12	-	209,376
Property, plant and equipment	14	57,812	72,594
Right-of-use assets	15	721,911	732,798
Intangible assets	16	18,039	30,950
Deferred tax assets	9	14,070	7,962
Total non-current assets		811,832	1,053,680
Total assets		1,304,163	1,248,198
Liabilities			
Current liabilities			
Trade and other payables	17	30,303	24,083
Lease liabilities	18	84,527	53,759
Current tax liabilities	9	28,703	3,201
Total current liabilities		143,533	81,043
Non-current liabilities			
Trade and other payables	17	-	14,767
Lease liabilities	18	720,930	762,706
Provisions		6,726	6,466
Total non-current liabilities		727,656	783,939
Total liabilities		871,189	864,982
Net assets		432,974	383,216
Equity			
Issued capital	19	405,476	405,476
Fair value reserve	20	-	13,221
Retained earnings/(accumulated losses)		27,498	(35,481)
Total equity		432,974	383,216

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

Acacia Ridge Financial Services Limited
Statement of changes in equity
For the year ended 30 June 2024

	Note	Issued capital $	Fair value reserve $	Retained earnings $	Total equity $
Balance at 1 July 2022		405,476	248	(106,554)	299,170
Profit after income tax expense		-	-	97,797	97,797
Other comprehensive income, net of tax		-	12,973	-	12,973
Total comprehensive income		-	12,973	97,797	110,770
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	22	-	-	(26,724)	(26,724)
Balance at 30 June 2023		405,476	13,221	(35,481)	383,216

	Note	Issued capital $	Fair value reserve $	Retained earnings $	Total equity $
Balance at 1 July 2023		405,476	13,221	(35,481)	383,216
Profit after income tax expense		-	-	75,606	75,606
Other comprehensive income, net of tax		-	16,911	-	16,911
Total comprehensive income		-	16,911	75,606	92,517
Transactions with owners in their capacity as owners:					
Transfers between classes		-	(30,132)	30,132	-
Dividends provided for or paid	22	-	-	(42,759)	(42,759)
		-	(30,132)	(12,627)	(42,759)
Balance at 30 June 2024		405,476	-	27,498	432,974

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

Acacia Ridge Financial Services Limited
Statement of cash flows
For the year ended 30 June 2024

	Note	2024 $	2023 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,123,736	1,002,415
Payments to suppliers and employees (inclusive of GST)		(897,645)	(802,939)
Dividends received		6,556	6,546
Interest received		9,181	993
Income taxes paid		(23,083)	(8,287)
Net cash provided by operating activities	27	218,745	198,728
Cash flows from investing activities			
Payments for financial assets	12	-	(33,369)
Redemption of/(investment in) term deposits		(80,244)	(35,000)
Payments for property, plant and equipment	14	-	(18,235)
Payments for intangible assets		(13,424)	(13,424)
Proceeds from disposal of financial assets		231,189	-
Net cash provided by/(used in) investing activities		137,521	(100,028)
Cash flows from financing activities			
Interest and other finance costs paid		(28,421)	(29,612)
Dividends paid	22	(42,759)	(26,724)
Repayment of lease liabilities		(56,221)	(50,194)
Net cash used in financing activities		(127,401)	(106,530)
Net increase/(decrease) in cash and cash equivalents		228,865	(7,830)
Cash and cash equivalents at the beginning of the financial year		16,008	23,838
Cash and cash equivalents at the end of the financial year	10	244,873	16,008

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

Notes to the financial statements

30 June 2024

Note 1. Reporting entity

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Shop 5/28 Elizabeth Street, Acacia Ridge QLD 4110.

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

Note 2. Basis of preparation and statement of compliance

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 September 2024. The directors have the power to amend and reissue the financial statements

Note 3. Material accounting policy information

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

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

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

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

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

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

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

Note 3. Material accounting policy information (continued)

Investments
Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the company has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

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

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

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

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

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

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

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

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

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

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

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

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

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

Estimates and assumptions

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

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

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

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

Note 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in November 2025.

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

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

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

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

Bendigo Bank provides significant assistance in establishing and maintaining the Community Bank franchise operations. It also continues to provide ongoing management and operational support and other assistance and guidance in relation to all aspects of the franchise operation, including advice and assistance in relation to:
- the design, layout and fit out of the Community Bank premises
- training for the branch manager and other employees in banking, management systems and interface protocol
- methods and procedures for the sale of products and provision of services
- security and cash logistic controls
- calculation of company revenue and payment of many operating and administrative expenses
- the formulation and implementation of advertising and promotional programs
- sales techniques and proper customer relations
- providing payroll services.

Note 6. Change to comparative figures

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

Note 6. Change to comparative figures (continued)

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

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

- Cash and cash equivalents decreased and investments increased by $115,000 at 30 June 2023 as reported in the Statement of financial position.
- Opening and closing cash balances were reduced to exclude term deposits with initial investment periods greater than three months as reported in the Statement of cash flows.
- Investments in and redemptions of term deposits with initial investment periods greater than three months are now classified within investment activities as reported in the Statement of cash flows.

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

Calculation of right-of-use asset cost and accumulated depreciation
On adoption of AASB 16 Leases on 1 July 2019, the company previous recognised the right-of-use asset cost and accumulated depreciation on a gross basis from the commencement of the lease as if AASB 16 had always been applied by the company.

During the financial year the company recorded a change in accounting policy, whereby it elected to recognise the right-of-use asset net of accumulated depreciation on initial adoption of AASB 16. The change in accounting policy had no impact on the company's net profit or net asset position, however it did reduce the company's right-of-use asset cost and accumulated depreciation at 30 June 2023 by $176,764.

Note 7. Revenue from contracts with customers

	2024 $	2023 $
Margin income	851,270	758,516
Fee income	64,038	65,301
Commission income	104,012	111,338
	1,019,320	935,155

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

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

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

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

Note 7. Revenue from contracts with customers (continued)

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

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

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

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

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

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

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

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

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

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

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

Note 8. Expenses

Employee benefits expense

	2024 **$**	**2023** **$**
Wages and salaries	437,374	363,679
Superannuation contributions	48,071	40,895
Expenses related to long service leave	9,952	(5,102)
Other expenses	48,372	57,987
	543,769	457,459

Note 8. Expenses (continued)

Accounting policy for employee benefits
The company seconds employees from Bendigo and Adelaide Bank Limited. The total cost of these employees, including an allowance for accrued annual and long service leave, is charged to the company by Bendigo and Adelaide Bank Limited by offsetting against the monthly profit share arrangement. The company recognises these costs as an expense on a monthly basis.

Depreciation and amortisation expense

	2024 $	2023 $
Depreciation of non-current assets		
Leasehold improvements	7,603	10,370
Plant and equipment	7,179	3,713
	14,782	14,083
Depreciation of right-of-use assets		
Leased land and buildings	61,710	58,777
Amortisation of intangible assets		
Franchise fee	2,152	2,152
Franchise renewal fee	10,759	10,759
	12,911	12,911
	89,403	85,771

Finance costs

	2024 $	2023 $
Lease interest expense	28,421	29,612
Unwinding of make good provision	231	224
Other	2	-
	28,654	29,836

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

Charitable donations, sponsorships and grants expense

	2024 $	2023 $
Direct donation, sponsorship and grant payments	32,010	26,122
Contribution to the Community Enterprise Foundation™ exclusive of management fee	100,000	93,182
	132,010	119,304

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

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

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

Note 8. Expenses (continued)

	2024 $	2023 $
Disaggregation of CEF funds		
Opening balance	148,226	78,320
Contributions paid in	105,263	98,086
Grants paid out	(55,917)	(25,600)
Interest received	6,484	2,324
Management fees incurred	(5,263)	(4,904)
Balance available for distribution	198,793	148,226

Note 9. Income tax

	2024 $	2023 $
Income tax expense		
Current tax	38,158	32,426
Movement in deferred tax	(11,137)	3,372
Investments at FVTOCI	4,431	(3,021)
Under/over provision in respect to prior years	(215)	-
Net benefit of franking credits on dividends received	(955)	(1,186)
Aggregate income tax expense	30,282	31,591
Prima facie income tax reconciliation		
Profit before income tax expense	105,888	129,388
Tax at the statutory tax rate of 25%	26,472	32,347
Tax effect of:		
Non-deductible expenses	310	133
Investments recognised FVTOCI	4,431	-
Net benefit of franking credits on dividends received	(955)	(1,186)
Other assessable income	239	297
Under/over provision in respect to prior years	(215)	-
Income tax expense	30,282	31,591

	2024 $	2023 $
Deferred tax assets/(liabilities)		
Property, plant and equipment	(7,931)	(11,352)
Retirement benefit obligations	-	185
Lease liabilities	201,364	204,116
Provision for lease make good	1,682	1,617
Income accruals	(567)	(303)
Right-of-use assets	(180,478)	(183,199)
Fair value of investments	-	(3,102)
Deferred tax asset	14,070	7,962

Note 9. Income tax (continued)

	2024 $	2023 $
Provision for income tax	28,703	3,201

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

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

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

Note 10. Cash and cash equivalents

	2024 $	2023 $
Cash at bank and on hand	244,873	16,008

Note 11. Trade and other receivables

	2024 $	2023 $
Trade receivables	44,929	50,408
Other receivables	-	553
Accrued income	2,271	3,604
Prepayments	5,014	8,945
	7,285	13,102
	52,214	63,510

	2024 $	2023 $
Financial assets at amortised cost classified as trade and other receivables		
Total trade and other receivables	47,200	54,012
less other receivables (net GST receivable from the ATO)	(2,689)	(775)
	44,511	53,237

Note 12. Financial assets

	2024 $	2023 $
Equity securities - designated at fair value through other comprehensive income	-	209,376

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

	2024 $	2023 $
Opening fair value	209,376	158,700
Additions	-	33,369
Revaluation increments	16,911	17,307
Disposals	(226,287)	-
Closing fair value	-	209,376

During the financial year the company sold their financial assets.

Note 13. Investments

	2024 $	2023 $
Current assets		
Term deposits	195,244	115,000

Note 14. Property, plant and equipment

	2024 $	2023 $
Leasehold improvements - at cost	189,753	189,753
Less: Accumulated depreciation	(145,990)	(138,387)
	43,763	51,366
Plant and equipment - at cost	77,912	77,912
Less: Accumulated depreciation	(63,863)	(56,684)
	14,049	21,228
	57,812	72,594

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

	Leasehold improvements $	Plant and equipment $	Total $
Balance at 1 July 2022	58,846	9,596	68,442
Additions	2,890	15,345	18,235
Depreciation	(10,370)	(3,713)	(14,083)
Balance at 30 June 2023	51,366	21,228	72,594
Depreciation	(7,603)	(7,179)	(14,782)
Balance at 30 June 2024	43,763	14,049	57,812

Note 14. Property, plant and equipment (continued)

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

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

Leasehold improvements	2 to 15 years
Plant and equipment	3 to 15 years

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

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Note 15. Right-of-use assets

	2024 $	2023 $
Land and buildings - right-of-use	997,239	946,416
Less: Accumulated depreciation	(275,328)	(213,618)
	721,911	732,798

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

	Land and buildings $
Balance at 1 July 2022	729,464
Remeasurement adjustments	62,111
Depreciation expense	(58,777)
Balance at 30 June 2023	732,798
Remeasurement adjustments	50,823
Depreciation expense	(61,710)
Balance at 30 June 2024	721,911

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

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

Refer to note 18 for more information on lease arrangements.

Note 16. Intangible assets

	2024 $	2023 $
Franchise fee	43,626	43,626
Less: Accumulated amortisation	(40,619)	(38,467)
	3,007	5,159
Franchise renewal fee	168,133	168,133
Less: Accumulated amortisation	(153,101)	(142,342)
	15,032	25,791
	18,039	30,950

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

	Franchise fee $	Franchise renewal fee $	Total $
Balance at 1 July 2022	7,311	36,550	43,861
Amortisation expense	(2,152)	(10,759)	(12,911)
Balance at 30 June 2023	5,159	25,791	30,950
Amortisation expense	(2,152)	(10,759)	(12,911)
Balance at 30 June 2024	3,007	15,032	18,039

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

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

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

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

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	November 2025
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	November 2025

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

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

Note 17. Trade and other payables

	2024 $	2023 $
Current liabilities		
Trade payables	1,072	615
Other payables and accruals	29,231	23,468
	30,303	24,083
Non-current liabilities		
Other payables and accruals	-	14,767

Note 18. Lease liabilities

	2024 $	2023 $
Current liabilities		
Land and buildings lease liabilities	84,527	53,759
Non-current liabilities		
Land and buildings lease liabilities	720,930	762,706

Reconciliation of lease liabilities

	2024 $	2023 $
Opening balance	816,465	804,548
Remeasurement adjustments	45,213	62,111
Lease interest expense	28,421	29,612
Lease payments - total cash outflow	(84,642)	(79,806)
	805,457	816,465

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

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

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options	Reasonably certain to exercise options	Lease term end date used in calculations
Branch	3.54%	5 years	2 x 5 years	Yes	November 2035

Note 19. Issued capital

	2024 Shares	2023 Shares	2024 $	2023 $
Ordinary shares - fully paid	534,487	534,487	534,487	534,487
Return of capital payment	-	-	(106,897)	(106,897)
Less: Equity raising costs	-	-	(22,114)	(22,114)
	534,487	534,487	405,476	405,476

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

Rights attached to issued capital

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

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

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

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

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

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

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 111. As at the date of this report, the company had 132 shareholders (2023: 136 shareholders).

Note 19. Issued capital (continued)

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

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

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

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

Note 20. Fair value reserve

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

	Fair value $
Balance at 1 July 2022	248
Fair value movement on equity instruments designated at FVTOCI	12,973
Balance at 30 June 2023	13,221
Fair value movement on equity instruments designated at FVTOCI	16,911
Transfer to retained earnings	(30,132)
Balance at 30 June 2024	-

Financial assets at fair value through other comprehensive income reserve
The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Note 21. Capital management

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

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

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

Note 21. Capital management (continued)

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

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

Note 22. Dividends

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

	2024 $	2023 $
Fully franked dividend of 8 cents per share (2023: 5 cents)	42,759	26,724

Franking credits

	2024 $	2023 $
Franking account balance at the beginning of the financial year	15,820	35,327
Franking credits (debits) arising from income taxes paid (refunded)	23,083	(11,590)
Franking debits from the payment of franked distributions	(14,253)	(8,908)
Franking credits from franked distributions received	825	991
	25,475	15,820
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	25,475	15,820
Franking credits (debits) that will arise from payment (refund) of income tax	37,203	3,201
Franking credits available for future reporting periods	62,678	19,021

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

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

Note 23. Financial risk management

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

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

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

Note 23. Financial risk management (continued)

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

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

	2024 $	2023 $
Financial assets at amortised cost		
Trade and other receivables (note 11)	44,511	53,237
Cash and cash equivalents (note 10)	244,873	16,008
Financial assets (note 12)	-	209,376
Investments (note 13)	195,244	115,000
	484,628	393,621
Financial liabilities		
Trade and other payables (note 17)	30,303	38,850
Lease liabilities (note 18)	805,457	816,465
	835,760	855,315

At balance date, the fair value of financial instruments approximated their carrying values.

Accounting policy for financial instruments

Financial assets

Classification
The company classifies its financial assets into the following categories:

- Amortised cost
- Fair value through other comprehensive income (FVOCI)

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

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

The company's financial assets measured at FVOCI comprise investments in listed entities over which the company does not have significant influence nor control. The company has made an irrevocable election to classify these equity investments at FVTOCI as they are not held for trading purposes.

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

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

Note 23. Financial risk management (continued)

Financial liabilities

Classification
The company classifies its financial liabilities at amortised cost.

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

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

Interest-bearing assets and liabilities are held with Bendigo Bank and subject to movements in market interest rates. The company held cash and cash equivalents of $244,873 at 30 June 2024 (2023: $16,008) and term deposits of $195,244 at 30 June 2024 (2023: $115,000).

Price risk
The company is not exposed to equity securities price risk as all hold investments for sale or at fair value were sold during the financial year.

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

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

2024	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives				
Trade and other payables	30,303	-	-	30,303
Lease liabilities	86,067	344,268	545,091	975,426
Total non-derivatives	116,370	344,268	545,091	1,005,729

2023	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives				
Trade and other payables	24,083	14,767	-	38,850
Lease liabilities	81,795	327,180	599,830	1,008,805
Total non-derivatives	105,878	341,947	599,830	1,047,655

Note 24. Key management personnel disclosures

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

Peter Geoffrey Henderson OAM	Victoria Louise Maguire
Amanda Lee Harward	Jane Baxter Carlisle
Linda Anne Beaumont	Angela Kellie Griffiths
Earle Alexander Johnston	Linda Anne Beaumont

Compensation
Key management personnel compensation comprised the following.

	2024 $	2023 $
Short-term employee benefits	15,315	14,318
Post-employment benefits	1,685	1,482
	17,000	15,800

Compensation of the company's key management personnel includes salaries and contributions to a post-employment superannuation fund.

Note 25. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 24.

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

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

Transactions with related parties
The following transactions occurred with related parties:

	2024 $	2023 $
Victoria Maguire is a Director of J L Lander Pty Ltd, J L Lander Pty Ltd own the branch premises leased by the bank and received rent income of:	85,355	79,805
Amanda Harward is a Director at Accounting Intelligence Pty Ltd, Acacia Ridge Financial Services Limited used the services of Accounting Intelligence Pty Ltd during the financial year.	9,888	10,440
Peter Henderson provided consulting and clercical services to the bank during the financial year.	1,724	2,856
Earle Johnston provided consulting services to the bank during the financial year.	3,574	3,352
Jane Carlisle provided consulting services to the bank during the financial year.	1,221	1,379
The company made sponsorships to community groups where company directors also are owners/managers.	200	1,760

Note 26. Remuneration of auditors

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

	2024 $	2023 $
Audit services		
Audit or review of the financial statements	6,450	5,400
Other services		
Taxation advice and tax compliance services	-	250
General advisory services	2,610	2,630
Share registry services	3,871	3,186
Valuation services	-	4,500
	6,481	10,566
	12,931	15,966

Note 27. Reconciliation of profit after income tax to net cash provided by operating activities

	2024 $	2023 $
Profit after income tax expense for the year	75,606	97,797
Adjustments for:		
Depreciation and amortisation	89,403	85,771
Lease liability interest	28,421	29,612
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	11,296	(31,371)
Decrease in income tax refund due	-	15,413
Decrease/(increase) in deferred tax assets	(11,010)	4,690
Increase/(decrease) in trade and other payables	11,492	(6,610)
Increase in provision for income tax	13,307	3,201
Increase in other provisions	230	225
Net cash provided by operating activities	218,745	198,728

Note 28. Earnings per share

	2024 $	2023 $
Profit after income tax	75,606	97,797
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	534,487	534,487
Weighted average number of ordinary shares used in calculating diluted earnings per share	534,487	534,487

Note 28. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	14.15	18.30
Diluted earnings per share	14.15	18.30

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

Note 29. Commitments

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

Note 30. Contingencies

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

Note 31. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Directors' declaration

30 June 2024

In the directors' opinion:

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

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

On behalf of the directors

Peter Geoffrey Henderson OAM
Chair

26 September 2024

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
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Independent auditor's report to the Directors of Acacia Ridge Financial Services Limited

Report on the Audit of the Financial Report

Opinion

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

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

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

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

Basis for Opinion

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

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

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

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
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Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 26 September 2024

Joshua Griffin
Lead Auditor

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Bendigo Bank

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