Annual Report 2024

Beaufort Community Financial Services Limited

Community Bank Beaufort

ABN 53 097 961 058

Contents

Chair's report

For year ending 30 June 2024

Dear Shareholders and Employees,

It is with great pride and optimism that I present the Chairman's report after another successful year for our company.

This year has been marked by significant progress, transformative changes and a reaffirmation of our commitment to growth, operational excellence and customer satisfaction.

Performance and Growth

During the past year, we have continued to adapt and thrive in a competitive market. Our financial performance has been strong, driven by increased demand, operational efficiencies and our focus on customer service. We are striving to make sure we meet key performance indicators across all operational areas, from revenue growth to customer satisfaction.

Our financial stability has allowed us to reinvest in both our infrastructure and our people, setting the stage for sustained future growth.

Our total revenue this Financial Year is $971,259.00. I am very pleased to announce that this year we will be again paying a dividend of 7.5 cents per share.

Branch Upgrades

One of our major milestones this year has been the successful upgrading of the interior of Community Bank Beaufort. This required us to close the branch for a short period of time and we thank our customers for being so understanding during this period.

The Board and Staff recognised the need to enhance our facilities in order, to better serve our customers and improve operational efficiency. I am pleased to report that we have completed the modernisation of our Branch, equipping it with modern technology and a more customer friendly environment. These upgrades not only allow us to provide enhanced services but also reinforce our commitment to offering the best possible experience to our clients and the commitment to a physical presence in the community.

We also took the opportunity during the year to upgrade our Branch Managers vehicle.

Leadership Transition

While we have much to celebrate, this year also brought about a significant leadership transition. After a short period as Branch Manager, Melinda Houghton tendered her resignation to the Board. Mel has taken up the role as Branch Manager at another Community Bank closer to her home. On behalf of the entire company, I extend our thanks to Mel for her time with us here at Beaufort, firstly as a CRM, then as Branch Manager.

At the same time, we are excited to welcome Luke Calder as the new Branch Manager.

Luke's wealth of experience and leadership abilities make him the ideal Manager to lead our Branch through its next phase of growth. We have full confidence that his vision and management style will be instrumental in maintaining our high standards and steering us towards even greater success.

Chair's report (continued)

Disaster Relief/Recovery

Earlier this year brought home to everyone the volatile state we live in, in regard to bushfires.

With the town being evacuated on two occasions, this resulted in the Branch and other business's being closed. On the back of this, the Community Banks branches of Avoca and Beaufort opened the Western Victoria Bushfire Appeal. Money raised was $109,010.81. I sincerely thank all those generous donors who gave money to this appeal, whether they be individuals, organisations or companies. Without your support this would not be able to happen. Monies distributed so far include $10,000.00 to BlazeAid, for shower and toilet facilities. $8125.00 to the Upper Mount Emu Creek Landcare Network for the Healing with Nature Project. $10,000.00 for the Raglan Hall & Recreation Reserve Committee to produce a book detailing the Recollections & Learning Outcomes of the Bayindeen – Mt Cole Fire 2024. $9955.00 for the Beaufort Progress Association for the Healing with Art Project.

Looking Ahead

As we move forward, we remain steadfast in our commitment to building on the past two years achievements. The upgrades to our Branch infrastructure and leadership changes puts us in a strong position to capitalise on new opportunities. We will continue to focus on expanding our customer base and maintaining the high-quality service that has become synonymous with the Bendigo Bank brand, The Better Big Bank. At the same time, we will continue to support many community organisations, and in doing so, provide opportunities to prosper.

In Closing

I would like to express my sincere gratitude to our Board of Directors, Junior Directors- Sienna Grant, Praneel Kumar and Annie Kehoe, employees - Luke Calder,

Naomi Damalas, Wendy Wen, Jodie Cuthbertson and Julie Smith and Company Secretary- Lynne Dickman, for all their work during the year. I also thank our shareholders and most importantly our customers.

I acknowledge the unwavering support and dedication which has been critical to our success. I am confident that together, we will achieve even greater milestones in the coming years.

I would also like to thank the Bendigo Bank for their support during the year, including the two Regional Managers for our region, Kelly Torpy and Adele Griffin.

Banking is our business

Community is our purpose

Yours sincerely,

Alan T McCartney
Chair

Manager's report

For year ending 30 June 2024

Dear Community,

As we reflect on the 2023/2024 financial year, it's clear that we have faced significant challenges within a fluctuating economic landscape. Despite these hurdles, I remain committed to our mission of fostering a strong, connected community and providing a personable banking experience.

Having joined the Community Bank Beaufort team in April 2024, I have dedicated myself to understanding the unique needs of our community. The warm welcome from the Beaufort residents has been heartening, and I am grateful for the opportunity to serve alongside an exceptional branch team—Naomi, Wendy, Jodie, and Julie. Their dedication and hard work for our customers is truly commendable, and it has been inspiring to witness their unwavering commitment to helping our clients achieve their financial goals.

This past year has not been without its difficulties, as we experienced negative growth. However, I believe that by prioritizing the needs of our customers and community, we can build a foundation for long-term stability. It is our goal to ensure that banking with us means contributing to vital local funding and services, reinforcing our community bonds.

I am particularly proud to share that we surpassed the $2 million mark in community contributions this financial year—a testament to our commitment to investing in local projects that enhance the quality of life in Beaufort. I want to express my heartfelt thanks to our Board of Directors and Board Secretary, Lynne, for their tireless support and invaluable efforts. Their dedication is crucial to our success, and we could not operate effectively without them.

As someone who was born and raised in the nearby community of Avoca, I understand the importance of supporting small communities like Beaufort. I am excited to increase my involvement and engagement in the community moving forward. I encourage each of you to consider conducting a home loan health check with us. By choosing to bank with Community Bank Beaufort, you are helping us provide essential funding for local initiatives.

Looking ahead, I am optimistic about the future. We have a motivated and engaged team ready to hit the ground running in this new financial year. I invite you to reflect on your financial needs—how long has it been since you assessed your financial health? What does your ideal banking experience look like? We are here to assist you in achieving your financial aspirations, and if you can't come to us, we are more than happy to come to you.

Thank you for your continued support, and I look forward to what we can achieve together in the coming year.

Warm regards,

Luke Calder
Manager, Community Bank Beaufort

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

Community Bank National Council report

For year ending 30 June 2024

Community Bank network: celebrating 26 years of empowering communities

This year our Community Bank network celebrated 26 years of providing grassroots support to metro, regional, rural and remote communities across Australia. It's a milestone that has been widely applauded by our customers and partners who recognise the significant role we play in the lives of everyday Australians. We're there when it matters – whether that be as second responders in times of natural disaster, crisis and need; or as community builders, providing resources and support; help and hope.

In the 2022-23 financial year, our Community Bank network gave back more than $32 million in grants, sponsorships and donations to local community projects and initiatives. Over 26 years, we have returned more than $324 million to local communities for emergency services; facilities and infrastructure; sport and recreation; education and research; health and wellbeing; art, culture and heritage as well as environment and animal welfare.

As a shareholder in your local Community Bank, you are part of this incredible social enterprise network that is playing an ever-important role in the Australian economy. With close working relationships with local, state and federal government, peak governing bodies, clubs and community organisations, we are integrally connected and in tune with the needs of everyday Australians.

Our Community Bank network is a first mover in Australia with our unique social enterprise model. The first Community Bank opened its doors in 1998, and since then, the network has grown to 305 Community Bank branches. Today we represent a diverse cross-section of Australia with more than 215 community enterprises, 70,000+ shareholders, 1500+ volunteer directors, 1700 staff and 950,000 customers.

Our Community Bank National Council (CBNC) plays a pivotal role in these relationships. The CBNC consists of both elected and appointed members from every state and territory. The role of council is to represent the network with its partners and to engage in strategic planning that delivers positive outcomes for our business and our communities.

The 2024 - 2026 Community Bank National Council Strategic Plan has four key focus areas:

- Impact – a planned, deliberate approach with investments that enhance community prosperity.
- Leadership and advocacy – to ensure the long-term sustainability of our enterprises.
- Network alignment – enabling us to develop and nurture partnerships that align with our defined areas of social impact.
- Commercial prosperity – supporting the commercial success of our enterprises.

It is through this strategic plan, which has a foundation built on connection and collaboration, that we will deliver a strong, and secure future for our directors, shareholders, staff and the communities we serve.

Warm regards

Lauren Bean
General Manager
Community Bank National Council

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:	Alan Thomas McCartney
Title:	Non-executive director
Experience and expertise:	Farmer. Bookkeeping, Certificate in Farming (Apprenticeship), Wool-classing Certificate, Dowling Forest Cemetery Chairman, Burrumbeet Soldiers Memorial Hall Committee (Secretary) and numerous other positions held on various committees.
Special responsibilities:	Current Board Chairman

Name:	Robert John Byrne
Title:	Non-executive director
Experience and expertise:	Senior Victorian Public Servant – Department of Jobs, Precincts and Regions. B.Sc (Hons) Melb. M.Comm (Hons) Melbourne. Graduated 1999.
Special responsibilities:	Member of Finance, Strategy & HR Committee

Name:	Simone Victoria Annette Hutchings
Title:	Non-executive director
Experience and expertise:	Civil Engineer. Bachelor of Engineering (Civil), Project management, infrastructure design, community consultation and engagement.
Special responsibilities:	Chair of Risk, Governance & Audit Committee

Name:	Pamela Margaret Sandlant
Title:	Non-executive director
Experience and expertise:	Retired School Principal, Farmer/Director, Business Manager. Diploma of Teaching (Primary), Bachelor of Education, Educational leadership, school management, Director of Corangamite Financial Services (Bendigo Bank), Community House Committee, Community Consultation Network- Anglesea. Chair, President, Secretary and Treasurer of various committees.
Special responsibilities:	Member of Risk, Governance & Audit Committee

Name:	Gary Ian Knight
Title:	Non-executive director
Experience and expertise:	Farmer, Wool Classer. Bachelor of Education, Certificate IV in Wool Classing, Lieutenant-Treasurer of the Skipton CFA, Member of the Skipton Cemetery Trust, Treasurer of the Skipton Angling Club.
Special responsibilities:	Treasurer, Chair of Finance, Strategy & HR Committee

Name:	Michaela Stabbins
Title:	Non-executive director
Experience and expertise:	Otago Polytechnic in Dunedin, a Bachelor of Nursing and teaching qualification in Speech and Drama from Trinity College London. Post Graduate Certificate in Research/Education and Preoperative Nursing Latrobe University. Directorship Course Institute of Directors Australia and New Zealand. Worked as an acute Psychiatric/Forensic nurse, before taking a job in a private operating theatre for 2.5 years before moving to Australia. Worked as a Perioperative Nurse for 10 years around Melbourne. Was an alternate director of Harraways and Sons Ltd Rolled Oats, Dunedin New Zealand 2011 to 2013. During this period attended Directorship courses offered by the Australian and New Zealand Institutes of Directors. Formed and runs own investment company with interests in both New Zealand and Australian shares and property markets. A member of the Beaufort Primary School Council and Parents and Friends.
Special responsibilities:	Chair of Community Investment & Youth Committee

Name:	Matthew Patrick Bowd
Title:	Non-executive director
Experience and expertise:	General Manager, Echo Managed Services. Director, MKKT Digital Properties. MBA Candidate - University of Canberra, Prosci Change Management Professional. Organisational transformation and technology professional specialising in management consulting, organisational redesign and leadership of geographically diverse, multi-disciplinary teams with a focus on the water and agriculture sectors. Director of a family owned business specialising in ecommerce, digital publishing and marketing. Consultative Panel member for Committee for Ballarat. Vice-President of Beaufort Primary School Council.
Special responsibilities:	Member of Risk, Governance & Audit Committee

Name:	Meryn Ngaire Pease
Title:	Non-executive director (appointed 29 November 2023)
Experience and expertise:	CEO, Beaufort Skipton Health Service. Graduate Australian Institute Company Directors, Masters Health Admin, Ba. Applied Science (Nursing) RN, RM, Senior Health Executive, Chief Executive, Budget Management, Leadership, Governance and Financial performance.
Special responsibilities:	Member of Risk, Governance & Audit Committee and Finance, Strategy & HR Committee

Name:	Michelle Lee Oakman
Title:	Non-executive director (appointed 29 November 2023)
Experience and expertise:	Business Owner, Director One & Twos Plumbing. A successful business owner for over 10 years, networking, marketing, social media, and business operations. Member of B4B and Rotary Club Beaufort.
Special responsibilities:	Member of Community Investment & Youth Committee

Name:	Greg Walton
Title:	Non-executive director (resigned 29 November 2023)
Experience and expertise:	Teacher. Bachelor of Applied Science, Graduate Diploma of Education, Graduate Diploma of Educational Administration. Teacher for over 45 years with the Education Department of Victoria, presently teaching at Beaufort Secondary College. While working full time as a teacher, also worked part time for Texas Instruments, Cambridge University Press and Ballarat University. Currently running a small farm with wife Sue overlooking Lake Learmonth.
Special responsibilities:	Member of Finance, Strategy & HR Committee

Company secretary
The company secretary is Lynne Dickman. Lynne was appointed to the position of company secretary on 4 December 2019.

Experience and expertise:	Lynne holds a Certificate of Business Management, and a Certificate III in Hospitality -Patisserie. During her working career she has held positions as the Business Manager at a Victorian Government School for 30 years, and as a senior clerk with a local government water board, working in the hospitality industry and childcare industry. Over the years she has been a volunteer with many organisations.

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 $64,791 (30 June 2023: $165,412).

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 $	2023 $
Fully franked dividend of 7.5 cents per share (2023: 7.5 cents)	32,283	32,283

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

	Board		Community Investment & Youth		Risk, Governance & Audit		Finance, Strategy & HR	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Alan Thomas McCartney	11	11	4	4	-	-	5	5
Robert John Byrne	11	10	-	-	-	-	8	7
Simone Victoria Annette Hutchings	11	11	-	-	10	10	-	-
Pamela Margaret Sandlant	11	4	-	-	10	10	-	-
Gary Ian Knight	11	11	5	5	-	-	5	5
Michaela Stabbins	11	11	11	10	-	-	-	-
Matthew Patrick Bowd	11	9	-	-	10	10	-	-
Meryn Ngaire Pease	6	5	-	-	5	5	5	5
Michelle Lee Oakman	6	6	6	6	-	-	-	-
Greg Walton	2	-	-	-	-	-	1	1

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 29 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
Alan Thomas McCartney	8,600	-	8,600
Robert John Byrne	750	-	750
Simone Victoria Annette Hutchings	2,000	-	2,000
Pamela Margaret Sandlant	-	-	-
Gary Ian Knight	-	-	-
Michaela Stabbins	-	-	-
Matthew Patrick Bowd	-	-	-
Meryn Ngaire Pease	-	-	-
Michelle Lee Oakman	-	-	-
Greg Walton	2,000	-	2,000

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

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

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

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

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

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

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. No non-audit services were provided during the year.

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

Alan Thomas McCartney
Chair

25 September 2024

Auditor’s independence declaration

Beaufort Community Financial Services Limited

Auditors Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Beaufort Community Financial Services Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024 there have been:

(i) no contraventions of the auditor independence requirements as set out in 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.

CountPro Audit Pty Ltd
....
CountPro Audit Pty Ltd

....
Jason D. Hargreaves
Director

180 Eleanor Drive, Lucas

19th September 2024

180 Eleanor Drive, Lucas, VIC 3350 ▸ PO Box 4259, Lucas, VIC 3350 ▸ Phone (03) 5331 2333 ▸ www.countpro.com.au

Financial statements

Beaufort Community 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	6	943,628	1,063,381
Other revenue	7	12,664	21,115
Finance revenue	8	14,967	1,708
Total revenue		971,259	1,086,204
Employee benefits expense	9	(467,935)	(346,054)
Advertising and marketing costs		(4,559)	(7,130)
Occupancy and associated costs		(28,195)	(21,354)
System costs		(22,538)	(16,052)
Depreciation and amortisation expense	9	(36,796)	(36,656)
Finance costs	9	(9,508)	(6,349)
General administration expenses		(111,607)	(89,534)
Total expenses before community contributions and income tax expense		(681,138)	(523,129)
Profit before community contributions and income tax expense		290,121	563,075
Charitable donations, sponsorships and grants expense	9	(204,388)	(342,350)
Profit before income tax expense		85,733	220,725
Income tax expense	10	(20,942)	(55,313)
Profit after income tax expense for the year	23	64,791	165,412
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Net gain on measurement of investments at fair value		21,922	11,555
Other comprehensive income for the year, net of tax		21,922	11,555
Total comprehensive income for the year		86,713	176,967
		Cents	**Cents**
Basic earnings per share	32	15.05	38.43
Diluted earnings per share	32	15.05	38.43

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

Beaufort Community Financial Services Limited
Statement of financial position
As at 30 June 2024

	Note	2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	11	151,846	348,943
Trade and other receivables	12	71,224	100,202
Other investments	13	282,430	150,000
Current tax assets	10	7	-
Total current assets		505,507	599,145
Non-current assets			
Other investments	13	404,537	367,703
Property, plant and equipment	14	182,239	87,985
Right-of-use assets	15	127,880	52,273
Intangible assets	16	35,016	48,074
Deferred tax assets	10	5,052	11,152
Total non-current assets		754,724	567,187
Total assets		1,260,231	1,166,332
Liabilities			
Current liabilities			
Trade and other payables	17	39,963	35,536
Lease liabilities	18	7,963	15,772
Current tax liabilities	10	-	35,642
Employee benefits	19	32,432	27,076
Total current liabilities		80,358	114,026
Non-current liabilities			
Trade and other payables	17	14,667	29,333
Lease liabilities	18	149,429	44,412
Employee benefits	19	2,756	822
Lease make good provision	20	17,505	36,653
Total non-current liabilities		184,357	111,220
Total liabilities		264,715	225,246
Net assets		995,516	941,086
Equity			
Issued capital	21	430,440	430,440
Reserves	22	44,259	22,337
Retained earnings	23	520,817	488,309
Total equity		995,516	941,086

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

Beaufort Community 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		430,440	7,594	358,368	796,402
Total comprehensive income		-	11,555	165,412	176,967
Transactions with owners in their capacity as owners:					
Transfer to retained earnings		-	3,188	(3,188)	-
Dividends provided for	25	-	-	(32,283)	(32,283)
Balance at 30 June 2023		430,440	22,337	488,309	941,086
Balance at 1 July 2023		430,440	22,337	488,309	941,086
Total comprehensive income		-	21,922	64,791	86,713
Transactions with owners in their capacity as owners:					
Dividends provided for	25	-	-	(32,283)	(32,283)
Balance at 30 June 2024		430,440	44,259	520,817	995,516

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

Beaufort Community 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)		1,075,614	1,135,706
Payments to suppliers and employees (inclusive of GST)		(929,829)	(949,713)
Interest received		8,731	744
Interest and other finance costs paid		(246)	-
Income taxes paid		(58,034)	(16,196)
Net cash provided by operating activities	31	96,236	170,541
Cash flows from investing activities			
Payments for term deposit		(276,492)	(150,000)
Payments for property, plant and equipment	14	(117,170)	-
Payments for intangibles		(13,333)	(26,666)
Proceeds from disposal of investments		150,000	-
Proceeds from disposal of property, plant and equipment		14,546	-
Net cash used in investing activities		(242,449)	(176,666)
Cash flows from financing activities			
Dividends paid	25	(32,283)	(32,283)
Repayment of lease liabilities	18	(18,601)	(29,994)
Net cash used in financing activities		(50,884)	(62,277)
Net decrease in cash and cash equivalents		(197,097)	(68,402)
Cash and cash equivalents at the beginning of the financial year		348,943	417,345
Cash and cash equivalents at the end of the financial year	11	151,846	348,943

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 Beaufort Community 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 17 Lawrence Street Beaufort, Victoria 3373.

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 25 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)

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

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

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

Impairment
Non-derivative financial assets
Expected credit losses (ECL) are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received. At each reporting date, the entity recognises the movement in the ECL (if any) as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The company's trade receivables are limited to the monthly profit share distribution from Bendigo Bank, which is received 10 business days post month end. Due to the reliance on Bendigo Bank the company has reviewed credit ratings provided by Standard & Poors, Moody's and Fitch Ratings to determine the level of credit exposure to the company. The company also performed a historical assessment of receivables from Bendigo Bank and found no instances of default. As a result no ECL has been made in relation to trade receivables as at 30 June 2024.

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

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

Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST, except when the amount of GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue or expense item.

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Fair value measurement hierarchy
The company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: inputs are based on the quoted market price at the close of business at the end of the reporting period
Level 2: inputs are based on a valuation performed by a third party qualified valuer using quoted prices for similar assets in an active market
Level 3: unobservable inputs for the asset or liability.

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

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

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

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

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

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

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

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

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

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

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 March 2027.

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

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

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

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

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

Note 6. Revenue from contracts with customers

	2024 $	2023 $
Margin income	818,861	918,622
Fee income	40,749	44,116
Commission income	84,018	100,643
	943,628	1,063,381

Note 6. Revenue from contracts with customers (continued)

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

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

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

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

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

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

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

	Interest paid by customers on loans less interest paid to customers on deposits
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 income is in the form of commission generated for products and services sold. This commission is recognised at a point in time which reflects when the company has fulfilled its performance obligation.

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

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

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.

Note 6. Revenue from contracts with customers (continued)

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 7. Other revenue

	2024 $	2023 $
Net gain on disposal of property, plant and equipment	2,598	-
Market development fund	-	10,000
Dividend and distribution income	9,069	11,115
Other income	997	-
Other revenue	12,664	21,115

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

Revenue stream	Revenue recognition policy
Discretionary financial contributions (also "Market Development Fund" or "MDF" income)	MDF income is recognised when the right to receive the payment is established. MDF income is discretionary and provided and receivable at month-end and paid within 14 days after month-end.
Dividend and distribution income	Dividend and distribution income is recognised when the right to receive the payment is established.

All revenue is stated net of the amount of GST.

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

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

The payments from Bendigo Bank are discretionary and may change the amount or stop making them at any time. The company retains control over the funds, the funds are not refundable to Bendigo Bank.

Note 8. Finance revenue

	2024 $	2023 $
Interest on cash and cash equivalents	14,967	1,708

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

Note 9. Expenses

Employee benefits expense

	2024 $	2023 $
Wages and salaries	319,001	296,118
Non-cash benefits	3,015	1,683
Superannuation contributions	34,959	29,248
Other expenses	110,960	19,005
	467,935	346,054

Depreciation and amortisation expense

	2024 $	2023 $
Depreciation of non-current assets		
Leasehold improvements	6,153	5,812
Plant and equipment	1,569	1,886
Motor vehicles	3,246	2,899
	10,968	10,597
Depreciation of right-of-use assets		
Leased land and buildings	12,770	13,001
Amortisation of intangible assets		
Franchise fee	2,176	2,176
Franchise renewal fee	10,882	10,882
	13,058	13,058
	36,796	36,656

Finance costs

	2024 $	2023 $
Lease interest expense	6,254	3,207
Unwinding of make-good provision	1,544	1,711
Managed investment administration fees	1,463	1,431
Other interest	247	-
	9,508	6,349

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

Charitable donations, sponsorships and grants

	2024 $	2023 $
Direct donation, sponsorship and grant payments expense	46,493	26,561
Contribution to the Community Enterprise Foundation™	157,895	315,789
	204,388	342,350

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).

Note 9. Expenses (continued)

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.

During the financial year the company contributed funds to the Community Enterprise Foundation™ (CEF), the philanthropic arm of the Bendigo Bank. These contributions paid in form part of charitable donations and sponsorship expenditure included in profit or loss.

	2024 $	2023 $
Disaggregation of CEF funds		
Opening balance	411,870	175,287
Contributions paid in	157,895	315,789
Grants paid out	(83,740)	(67,845)
Interest received	17,164	4,427
Management fees incurred	(7,894)	(15,788)
Balance available for distribution	495,295	411,870

Note 10. Income tax

	2024 $	2023 $
Income tax expense		
Current tax	23,243	53,837
Movement in deferred tax	6,101	6,390
Investments at FVTOCI	(7,307)	(4,914)
Adjustment recognised for prior periods	(1,095)	-
Aggregate income tax expense	20,942	55,313
Prima facie income tax reconciliation		
Profit before income tax expense	85,733	220,725
Tax at the statutory tax rate of 25%	21,433	55,181
Tax effect of:		
Non-deductible expenses	604	132
Adjustment recognised for prior periods	(1,095)	-
Income tax expense	20,942	55,313

Note 10. Income tax (continued)

Amounts recognised in other comprehensive income	2024 Gross $	2024 Tax credit / (expense) $	2024 Net of tax $	2023 Gross $	2023 Tax credit / (expense) $	2023 Net of tax $
Items that will not be reclassified subsequently to profit or loss						
Fair value gain on financial assets	29,229	7,307	21,922	15,231	3,808	11,423
Gain on disposal of investments	-	-	-	176	44	132
Transfer to retained earnings	-	-	-	4,250	1,062	3,188
	29,229	7,307	21,922	19,657	4,914	14,743

	2024 $	2023 $
Deferred tax assets/(liabilities)		
Property, plant and equipment	(3,200)	(2,044)
Carried-forward capital losses	1,774	1,774
Employee benefits	8,798	6,975
Fair value of investments	(14,753)	(7,446)
Provision for lease make good	4,376	9,163
Accrued expenses	1,000	1,000
Income accruals	(321)	(248)
Lease liabilities	39,348	15,046
Right-of-use assets	(31,970)	(13,068)
Deferred tax asset	5,052	11,152

	2024 $	2023 $
Income tax refund due	7	-

	2024 $	2023 $
Provision for income tax	-	35,642

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

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

Note 10. Income tax (continued)

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

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

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

Note 11. Cash and cash equivalents

	2024 $	2023 $
Cash at bank and on hand	89,502	165,936
Term deposits	62,344	183,007
	151,846	348,943

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

Note 12. Trade and other receivables

	2024 $	2023 $
Trade receivables	62,910	92,189
Accrued income	1,285	987
Prepayments	7,029	7,026
	8,314	8,013
	71,224	100,202

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

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

Note 13. Other investments

	2024 $	2023 $
Current assets		
Term deposit	282,430	150,000
Non-current assets		
Managed investments - designated at fair value through other comprehensive income	404,537	367,703

Note 13. Other investments (continued)

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

Accounting policy for financial assets at fair value through other comprehensive income
Financial assets are recognised at fair value. The company has made an irrevocable election to recognise fair value movements of its investment class through other comprehensive income. The company designated the equity securities shown below as at fair value through other comprehensive income because these equity securities represent financial assets that the company intends to hold for the long term for strategic purposes.

Note 14. Property, plant and equipment

	2024 $	**2023** $
Leasehold improvements - at cost	270,365	269,282
Less: Accumulated depreciation	(150,695)	(197,862)
	119,670	71,420
Plant and equipment - at cost	34,163	38,670
Less: Accumulated depreciation	(18,482)	(34,312)
	15,681	4,358
Motor vehicles - at cost	48,127	31,411
Less: Accumulated depreciation	(1,239)	(19,204)
	46,888	12,207
	182,239	87,985

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 $	Motor vehicles $	Total $
Balance at 1 July 2022	77,232	6,244	-	83,476
Reclassification	-	-	15,106	15,106
Depreciation	(5,812)	(1,886)	(2,899)	(10,597)
Balance at 30 June 2023	71,420	4,358	12,207	87,985
Additions	55,885	13,158	48,127	117,170
Disposals	(1,482)	(266)	(10,200)	(11,948)
Depreciation	(6,153)	(1,569)	(3,246)	(10,968)
Balance at 30 June 2024	119,670	15,681	46,888	182,239

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

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

Note 14. Property, plant and equipment (continued)

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

Leasehold improvements	6 to 15 years
Plant and equipment	1 to 10 years
Motor vehicles	5 years

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

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

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.

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

Note 15. Right-of-use assets

	2024 **$**	**2023** **$**
Land and buildings - right-of-use	176,710	176,967
Less: Accumulated depreciation	(48,830)	(124,694)
	127,880	52,273

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

	Land and buildings $	Motor vehicles $	Total $
Balance at 1 July 2022	34,620	15,106	49,726
Remeasurement adjustments	30,654	-	30,654
Reclassification	-	(15,106)	(15,106)
Depreciation expense	(13,001)	-	(13,001)
Balance at 30 June 2023	52,273	-	52,273
Remeasurement adjustments	88,377	-	88,377
Depreciation expense	(12,770)	-	(12,770)
Balance at 30 June 2024	127,880	-	127,880

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

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

Refer to note 18 for more information on lease arrangements.

Note 16. Intangible assets

	2024 $	2023 $
Franchise fee	172,074	172,074
Less: Accumulated amortisation	(166,237)	(164,061)
	5,837	8,013
Franchise renewal fee	99,178	99,178
Less: Accumulated amortisation	(69,999)	(59,117)
	29,179	40,061
	35,016	48,074

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	10,189	50,943	61,132
Amortisation expense	(2,176)	(10,882)	(13,058)
Balance at 30 June 2023	8,013	40,061	48,074
Amortisation expense	(2,176)	(10,882)	(13,058)
Balance at 30 June 2024	5,837	29,179	35,016

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

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

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

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

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	March 2027
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	March 2027

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		
Other payables and accruals	39,963	35,536
Non-current liabilities		
Other payables and accruals	14,667	29,333

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

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

Note 18. Lease liabilities

	2024 $	2023 $
Current liabilities		
Land and buildings lease liabilities	19,007	18,312
Unexpired interest	(11,044)	(2,540)
	7,963	15,772
Non-current liabilities		
Land and buildings lease liabilities	220,016	47,305
Unexpired interest	(70,587)	(2,893)
	149,429	44,412

Reconciliation of lease liabilities

	2024 $	2023 $
Opening balance	60,184	56,317
Remeasurement adjustments	109,555	30,654
Lease interest expense	6,254	3,207
Lease payments - total cash outflow	(18,601)	(29,994)
	157,392	60,184

Maturity analysis

	2024 $	2023 $
Not later than 12 months	19,007	18,312
Between 12 months and 5 years	76,030	47,305
Greater than 5 years	143,986	-
	239,023	65,617

Note 18. Lease liabilities (continued)

Accounting policy for lease liabilities
Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise variable lease payments that depend on an index and lease payments in a renewal option if the company is reasonably certain to exercise that option. For leases of property the company has elected not to separate lease and non-lease components when calculating the lease liability.

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

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

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

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

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

The company's lease portfolio includes:

Lease	**Discount rate**	**Non-cancellable term**	**Renewal options available**	**Reasonably certain to exercise options**	**Lease term end date used in calculations**
Beaufort branch premises	7.50%	5 years	2 x 5 years	Yes	January 2037

Note 19. Employee benefits

	2024 $	2023 $
Current liabilities		
Annual leave	21,847	17,623
Long service leave	10,585	9,453
	32,432	27,076
Non-current liabilities		
Long service leave	2,756	822

Accounting policy for employee benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognised for salary and wages where the employee has provided the service but payment has not yet occurred at the reporting date. They are measured at amounts expected to be paid, plus related on-costs. Non-accumulating sick leave is expensed when the leave is taken and measured at the rates paid or payable.

Note 19. Employee benefits (continued)

An annual leave liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated. The company's obligations for short-term employee benefits such as salaries and wages are recognised as part of current trade and other payables in the statement of financial position. The company's obligations for employees' annual leave and long service leave entitlements are recognised in employee benefits in the statement of financial position.

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

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

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

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

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

Note 20. Lease make good provision

	2024 $	2023 $
Lease make good provision	17,505	36,653

Lease make good provision
In accordance with the branch lease agreements, the company must restore the leased premises to their original condition before the expiry of the lease term. The company has estimated the provision as at $43,500 based on experience and consideration of the expected future costs to remove all fittings and the ATM as well as the cost to remedy any damages caused during the removal process. The lease is due to expire on January 2027 at which time it is expected the face-value costs to restore the premises will fall due.

Accounting policy for provisions
Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. The provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Note 21. Issued capital

	2024 Shares	2023 Shares	2024 $	2023 $
Ordinary shares - fully paid	430,440	430,440	430,440	430,440

Note 21. Issued capital (continued)

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 258. As at the date of this report, the company had 287 shareholders (2023: 284 shareholders).

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.

Note 21. Issued capital (continued)

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 22. Reserves

	2024 $	2023 $
Equity securities at fair value through other comprehensive income reserve	44,259	22,337

Equity securities at fair value through other comprehensive income reserve
The reserve is used to recognise increments and decrements in the fair value of equity securities at fair value through other comprehensive income.

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	7,594
Fair value movement on equity instruments designated at FVTOCI	11,423
Gain on disposal of equity instruments designated at FVTOCI	132
Transfer to retained earnings	3,188
Balance at 30 June 2023	22,337
Fair value movement on equity instruments designated at FVTOCI	21,922
Balance at 30 June 2024	44,259

Note 23. Retained earnings

	2024 $	2023 $
Retained earnings at the beginning of the financial year	488,309	358,368
Profit after income tax expense for the year	64,791	165,412
Dividends paid (note 25)	(32,283)	(32,283)
Transfers from other comprehensive income	-	(3,188)
Retained earnings at the end of the financial year	520,817	488,309

Note 24. 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.

Note 24. Capital management (continued)

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

The distribution limit is the greater of:

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

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

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

Note 25. 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 7.5 cents per share (2023: 7.5 cents)	32,283	32,283

Franking credits

	2024 $	2023 $
Franking account balance at the beginning of the financial year	193,651	188,216
Franking credits (debits) arising from income taxes paid (refunded)	58,034	16,196
Franking debits from the payment of franked dividends	(10,761)	(10,761)
	240,924	193,651
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	240,924	193,651
Franking credits (debits) that will arise from payment (refund) of income tax	(7)	35,642
Franking credits available for future reporting periods	240,917	229,293

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

Accounting policy for dividends
Dividends are recognised in the financial year they are declared.

Note 26. Financial instruments

	2024 $	2023 $
Financial assets		
Trade and other receivables	64,195	93,176
Cash and cash equivalents	151,846	348,943
Financial assets	686,967	517,703
	903,008	959,822
Financial liabilities		
Trade and other payables	54,630	64,869
Lease liabilities	157,392	60,184
	212,022	125,053

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

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

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

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

Financial risk management
The company has exposure to credit, liquidity and market risk arising from financial instruments. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company does not use derivative instruments. Risk management is carried out directly by the board.

Market risk
Market risk is the risk that changes in market prices - e.g. foreign exchange rates, interest rates, and equity prices - will affect the company's income or the value of its holdings in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The company has no exposure to any transactions denominated in a currency other than Australian dollars.

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of $151,846 at 30 June 2024 (2023: $348,943).

Price risk
The company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. The company is not exposed to commodity price risk.

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

Note 26. Financial instruments (continued)

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

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

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

2024	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	39,963	14,667	-	54,630
Lease liabilities	19,007	76,030	143,986	239,023
Total non-derivatives	58,970	90,697	143,986	293,653

2023	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	35,536	29,333	-	64,869
Lease liabilities	18,312	47,305	-	65,617
Total non-derivatives	53,848	76,638	-	130,486

Note 27. Fair value measurement

2024	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Equity securities	404,537	-	-	404,537
Total assets	404,537	-	-	404,537

2023	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Equity securities	367,703	-	-	367,703
Total assets	367,703	-	-	367,703

There were no transfers between levels during the financial year.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Note 27. Fair value measurement (continued)

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 28. Key management personnel disclosures

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

Alan Thomas McCartney
Robert John Byrne
Simone Victoria Annette Hutchings
Pamela Margaret Sandlant
Gary Ian Knight
Michaela Stabbins
Matthew Patrick Bowd
Meryn Ngaire Pease
Michelle Lee Oakman
Greg Walton

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

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

Note 29. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 28.

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.

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

Note 30. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by CountPro Audit Pty Ltd, the auditor of the company:

	2024 **$**	**2023** **$**
Audit services		
Audit or review of the financial statements	6,650	6,150

Note 31. Reconciliation of profit after income tax to net cash provided by operating activities

	2024 $	2023 $
Profit after income tax expense for the year	64,791	165,412
Adjustments for:		
Depreciation and amortisation	36,796	36,656
Net gain on disposal of non-current assets	(2,598)	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	28,978	(27,001)
Increase in income tax refund due	(7)	-
Decrease in deferred tax assets	6,100	6,390
Increase/(decrease) in trade and other payables	9,676	(27,335)
Increase/(decrease) in provision for income tax	(35,642)	28,561
Increase/(decrease) in employee benefits	7,290	(13,853)
Increase/(decrease) in other provisions	(19,148)	1,711
Net cash provided by operating activities	96,236	170,541

Note 32. Earnings per share

	2024 $	2023 $
Profit after income tax	64,791	165,412
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	430,440	430,440
Weighted average number of ordinary shares used in calculating diluted earnings per share	430,440	430,440
	Cents	**Cents**
Basic earnings per share	15.05	38.43
Diluted earnings per share	15.05	38.43

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

Note 33. Commitments

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

Note 34. Contingencies

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

Note 35. 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

Alan Thomas McCartney
Chair

25 September 2024

Independent audit report

Independent Auditor’s Report
To the Directors of Beaufort Community Financial Services Limited

Opinion

We have audited the financial report of Beaufort Community Financial Services Limited (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors’ declaration.

In our opinion, the accompanying financial report of the Company 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; 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Responsibilities of Directors for the Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, and for such internal control as the Directors determines 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 intends to liquidate the Company or to cease operations, or has 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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CountPro AUDIT

Independent Auditor's Report

To the Directors of Beaufort Community Financial Services Limited

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 Director's 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, related safeguards.

CountPro Audit Pty Ltd

CountPro Audit Pty Ltd

Jason D. Hargreaves
Director

Signed at Lucas
26th September 2024

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Bendigo Bank

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