

Annual Report 2024

Bellarine Peninsula
Community Branch Limited



Community Bank
Portarlinton and Drysdale

ABN 33 089 107 657



Indigo Bar



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Chair's report

For year ending 30 June 2024



I am pleased to present the Chair Report for Community Bank Portarlington and Drysdale for the fiscal year ending 2024. This year has been marked by both significant achievements and considerable challenges. Our commitment to community, customer service, and growth remains unwavering, and I am proud to share the progress and outlook of our organization.

In 2024, Community Bank Portarlington and Drysdale has demonstrated resilience and adaptability. Despite a fluctuating economic environment, our financial performance has been solid. These results can be attributed to our strategic focus on expanding our customer base, enhancing our service offerings, and maintaining operational efficiency. Our total business has grown by 4.85 % to reach \$438 million which is up by \$20 million, reflecting our strong position in the market.

I am also very pleased to announce to shareholders a 10.0 cent dividend per share for the financial year for distribution to shareholders.

A core aspect of our business model is to collaborate, support and contribute to our local communities. In 2024, we have invested over \$82,000 in various community projects and initiatives. These include funding for local schools, community health programs, and environmental sustainability projects. Our Community Grants Program has seen increased participation, with numerous local organizations benefiting from our support. We have also made a contribution of \$400,000 to our Community Enterprise Foundation management account for ongoing grants programs in the coming years.

One of the highlights of this year was our partnership with Farm My School, which has made a significant impact on the school and the wider community at Bellarine Secondary College. We are proud of our role in fostering community development and look forward to continuing these efforts in the coming year.

Our commitment to governance and risk management practices is integral to our success. This year, we have undertaken a comprehensive review of our risk management framework to ensure it aligns with best practices and regulatory requirements. We have also strengthened our internal controls and compliance mechanisms to mitigate potential risks.

Our Board of Directors has been actively engaged in overseeing these efforts, with regular reviews and updates to our policies and procedures. We are confident that these measures will support our continued growth and stability.

Looking ahead, we remain confident about the future of Community Bank Portarlington and Drysdale. Our strategic focus will be on strengthening our community partnerships. We are committed to maintaining our strong community presence and continuing to provide high-quality banking services to our customers.

We acknowledge the ongoing challenges in the financial sector and along with our dedicated team, combined with our strong governance framework, positions us well to adapt to evolving market conditions and achieve our strategic objectives.

The celebration of our 25th anniversary of becoming a Community Bank was held at Jack Rabbit in August and was a huge success and enjoyed by all who attended the luncheon.

I would like to extend my sincere gratitude to our Board members, Board Secretary and staff for their dedication and hard work throughout the year. Their efforts have been instrumental in our achievements and will continue to drive our success in the future.

Chair's report (continued)

Additionally, I want to thank our customers and community members for their ongoing support. Your trust and engagement are the foundation of our success, and we are committed to working together.

In conclusion, 2024 has been a year of progress and positive change for Community Bank Portarlington and Drysdale. We are proud of what we have accomplished and excited about the opportunities that lie ahead. Together, we will continue to build a stronger community through our commitment to banking excellence and community support.

Thank you for your continued support.



Kerry Trewin
Chair
Bellarine Peninsula Community Bank Limited

Manager's report

For year ending 30 June 2024



With 2024, we celebrate 25 wonderful years providing banking services to the Bellarine Community. Our commitment to serving the Bellarine Community remains as strong as ever, and we look forward to making a positive difference in the years to come.

Our vision is to be the Bellarine's bank of choice and our purpose is to feed into and encourage local prosperity. In reviewing our support back to the community this year, we are proudly confident that we are having a significantly positive impact in this vital space.


We are proud to have again provided support to numerous local organisations including but not limited to those in sport and recreation, education and research, health and wellbeing, community facilities, arts, culture, and heritage.

Bendigo Bank is known throughout Australia for its amazing Community Bank model, and since 1998, Community Banks have now contributed up to \$350 million to communities across the national network, with \$3.5 million contributed locally during the 25 years that we have been in operation.

This profit share contribution would not be possible without the support of our shareholders and loyal customers. Thank you again from all of us, this support is vital to the future sustainability and growth of your Community Bank. We encourage you to assist us with our local advocacy efforts, your support can come by way of your own banking and by recommending family and friends to contact us and discuss how we can assist them with their needs.

Customer service remains at the heart of what we do, and we are fortunate to have an experienced team across our two locations. A huge thank you to our amazing staff for the essential and brilliant work that you do.

As always, a special thank you to our Board. We are fortunate to have a group of Directors who are dedicated, community-minded and provide their time, skills, and expertise for the benefit of the Community Bank and the local communities within which we operate.



Nathan Warren
Branch Manager Drysdale



Tansy Collins
Branch Manager Portarlington

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
NATIONAL COUNCIL

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

For the financial year ended 30 June 2024

Your directors submit the financial report of the Company for the financial year ended 30 June 2024.

Directors

The following persons held office as directors at any time during or since the end of the financial year:

Kerry Trewin (Chairman)
Stephen Wight
Chris Niven (appointed 04/09/23)
Philip Volk
Jesse Papak
Jennifer King
Felicity Tol

Company Secretary

The Company Secretary is Mark Cunneen. Mark was appointed to the position of Company Secretary on 16 January 2023 and is a resident of Torquay. Mark is a Graduate of the Australian Institute of Company Directors, a Director of Vibe Success, and has significant experience in banking and board governance. Mark does not hold any shares in the Company.

Principal activities and significant changes in nature of activities

The principal activities of the Company during the financial year were facilitating the Community Bank services under management rights to operate two franchised branches of Bendigo & Adelaide Bank Ltd.

There were no significant changes in the nature of principal activities during the financial year.

Operating result and review of operations

The net result of the Company for the year after providing for income tax was a profit of \$621,335.

Revenue decreased by \$324,704 compared to the previous period as interest rates stabilized and margins tightened which has a direct impact on the revenue received by the Company on its products (deposits and loans).

Financial position

The Company's net assets have increased to \$3,104,613 at the end of the financial year compared to \$2,643,135 for the previous year. The Company's current asset ratio is 5.76, remaining in a sound financial position.

Significant changes in state of affairs

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

Dividends

Dividends paid or declared for payment during the financial year are as follows:

- Ordinary fully franked dividend of 10 cents per share paid on 1 December 2023.

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.

Future development

The directors are not aware of any specific development likely to have a significant effect on the operations of the Company or the expected results of those operations.

Environmental regulations

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Director and Auditor indemnification

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

Share options

No options to shares in the Company have been granted during the financial year and there were no options outstanding at the date of this report.

Proceedings

No person had applied for leave of court to bring proceedings on behalf of the Company or 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 any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Remuneration report

The board is responsible for the determination of remuneration packages and policies applicable to the manager of each branch and all the staff. The managers are invited to the board meeting as required to discuss performance and remuneration packages.

The managers are paid a base salary, which is between \$90,000 and \$110,000 plus superannuation. In addition, each manager receives a bonus if the Company exceeds the performance criteria established by the board.

Directors' report (continued)

Chris Niven received payment for services performed in a role as 'Community Engagement Manager' including, but not limited to, community and public relations, sponsorships and grants, partnerships and community engagement corporate affairs administration, accounts liaison and other Company Secretarial duties. During the 2024 financial year Chris was paid \$43,553 (including superannuation).

Mark Cunneen is a director of Vibe Success Pty Ltd, who received payment for services performed in a role as 'Executive Officer' including, but not limited to, community and public relations, corporate affairs administration, accounts liaison and other Company Secretarial duties. The amount paid to Vibe Success Pty Ltd for these services amounted to \$44,100.

Information on Directors

The director responsible in office at the date of this report together with their qualifications, experience, special responsibilities, and shareholdings are:

Kerry Trewin - Chair

Director of Cosmetic Clinic in Geelong
Treasurer of Portarlington Business Association
Involved in community organisations
Portarlington Resident
Shares Held: 13,000

Stephen Wight - Director

Chartered Accountant
Registered Company Auditor
Director of Davidsons accounting practice based in Geelong and Melbourne
Member of the Institute of Chartered Accountants Australia and New Zealand
Involvement in public and not for profit organisations
Geelong resident
Shares Held: Nil

Christopher Keith Niven - Director

Appointed September 2023

Community engagement Manager
Career in Banking & Finance
Director of Read The Play Inc.
Involved in Local Sporting groups
Point Lonsdale resident
Shares Held: 3000

Philip Volk - Director

Director of Horizons Wealth and Financial Focus Group
Master of Business Administration
Graduate Diploma of Management Sciences
Bachelor of Arts (Mil)
Naval Staff College Graduate
Portarlington resident
Shares Held: Nil

Directors' report (continued)

Jesse Papak-Director

I.T. Professional
Anti-Fraud, Anti Money Laundering specialist
Sports High performance analytics practitioner
Big Data and Analytics specialist
Portarlinton resident
Shares Held: Nil

Jennifer King-Director

Bachelor of Business (Accounting)
Fellow: Certified Practising Accountant
Member of the Australian Institute of Company Directors
Non-Exec Director: ermha365 (mental health & disability service provider)
Non-Exec Director: Priceline Sisterhood Foundation
Secretary Portarlinton Business Development Association
Portarlinton Resident
Shares Held: Nil

Felicity Anne Tol- Director

Accountant
Local business providing Bookkeeping and BAS services and tax & associated services.
Bachelor of Commerce (Accounting & Financial Planning)Involved within the Drysdale/ Clifton Springs community since 1995, including volunteering at the Springdale Neighbourhood Centre.
Member of the Geelong Harley Owners Group for over 10 years. Convenor of the Annual HOG Toy Run collecting toys and donations to be distributed by Bethany Family Services.
Director/ Treasurer of Queenscliff/ Point Lonsdale Community Enterprise Inc.
Drysdale Resident

Shares Held: 500

Meeting attendance July 2023 to June 2024

Director	Eligible	Attended
Kerry Trewin	11	11
Stephen Wight	11	8
Chris Niven	9	9
Philip Volk	11	7
Jesse Papak	11	9
Jennifer King	11	10
Felicity Tol	11	10

Auditor's Independence Declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is attached.

Signed in accordance with a resolution of the Board of Directors



Kerry Trewin

Chair

Auditor's independence declaration



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

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Bellarine Peninsula Community Branch Limited

As lead auditor for the audit of Bellarine Peninsula Community Branch Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

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

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

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

A handwritten signature in black ink, appearing to read 'Lachlan Tatt'.

Lachlan Tatt
Lead Auditor

Financial statements

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Notes	2024 \$	2023 \$
Revenue from Contracts with Customers	6	2,989,366	3,364,309
Other Revenue	7	-	1,381
Finance Income	8	58,774	7,154
Total revenue		3,048,140	3,372,844
Employee Benefits	9(a)	1,038,609	1,124,038
Information Technology Expenses		95,969	85,924
Depreciation and Amortisation	9(b)	151,404	99,247
Finance Costs	9(c)	23,798	7,621
Property Expenses		56,384	54,551
Professional Fees		53,397	49,075
Insurance		24,300	28,627
Administration Expenses		169,371	136,353
Other expenses From Ordinary Activities		22,120	32,182
Loss on disposal of non-current assets	9(e)	90,355	-
Total expenses from ordinary activities		1,725,707	1,617,618
Operating profit before charitable donations, sponsorship and income tax		1,322,433	1,755,226
Donations and Sponsorship	9(d)	504,661	46,625
Profit before income tax expense		817,772	1,708,601
Income Tax Expense	10	196,437	429,132
Profit after income tax expense		621,335	1,279,469
Other comprehensive income			
Available-for-sale Revaluation Surplus/(Loss) Recognised		-	(7,714)
Total other comprehensive income		-	(7,714)
COMPREHENSIVE RESULT FOR THE YEAR		621,335	1,271,755
Earnings per Share (cents per share)			
Basic Earnings per share	31	38.87	80.04
Diluted Earnings per share	31	38.87	80.04

This statement should be read in conjunction with the accompanying notes.

Financial statements (continued)

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107 657

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Notes	2024 \$	2023 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	11	756,571	910,823
Other Financial Assets	13	928,297	752,244
Receivables	12	225,732	259,837
Total Current Assets		1,910,600	1,922,904
Non-Current Assets			
Other Financial Assets	13	9,643	9,643
Deferred Tax Assets	14	13,973	18,026
Property, Plant, Equipment	15	1,334,144	1,274,186
Right-of-use assets	16	383,219	16,714
Intangible Assets	17	127,725	14,268
Total Non-Current Assets		1,868,704	1,332,837
TOTAL ASSETS		3,779,304	3,255,741
LIABILITIES			
Current Liabilities			
Payables	18	23,224	112,026
Borrowings	19	2,202	3,775
Lease liabilities	20	69,120	29,419
Provisions	21	17,429	2,926
Employee Benefits	22	32,095	43,630
Current Tax Liabilities		187,577	380,316
Total Current Liabilities		331,647	572,092
Non-Current Liabilities			
Borrowings	19	19,341	33,200
Lease liabilities	20	309,887	-
Employee Benefits	22	13,815	7,314
Total Non-Current Liabilities		343,043	40,514
TOTAL LIABILITIES		674,690	612,606
NET ASSETS		3,104,614	2,643,135
EQUITY			
Issued Capital	23	787,911	787,911
Financial Assets Reserve	SCE	(30,357)	(30,357)
Retained Earnings	SCE	2,347,059	1,885,581
TOTAL EQUITY		3,104,613	2,643,135

This statement should be read in conjunction with the accompanying notes.

Financial statements (continued)

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107 657

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

	Note	Issued Capital \$	Financial Assets Reserve \$	Retained Earnings \$	Total \$
Balance at 1 July 2022		787,911	(22,643)	686,041	1,451,309
Comprehensive Income					
Net Result for the year		-	-	1,279,469	1,279,469
Other Comprehensive Income for the year		-	(7,714)	-	(7,714)
Transactions with Owners in their Capacity as Owners					
Dividends recognised for the year	32	-	-	(79,929)	(79,929)
Balance at 30 June 2023		787,911	(30,357)	1,885,581	2,643,135
Comprehensive Income					
Net Result for the year		-	-	621,335	621,335
Other Comprehensive Income for the year		-	-	-	-
Transactions with Owners in their Capacity as Owners					
Dividends recognised for the year	32	-	-	(159,857)	(159,857)
Balance at 30 June 2024		787,911	(30,357)	2,347,059	3,104,613

This statement should be read in conjunction with the accompanying notes.

Financial statements (continued)

BELLARINE PENINSULA COMMUNITY BRANCH LTD

A.B.N. 33 089 107 657

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from customers		3,333,313	3,595,995
Interest		49,772	3,986
Dividends		-	675
Payments			
Employee benefits		(1,053,412)	(1,126,394)
Tax Paid		(762,857)	(321,810)
Lease payments (interest component)		(21,973)	(3,540)
Payments to suppliers		(928,341)	(432,247)
Interest on borrowings		(1,825)	(4,081)
NET CASH INFLOWS FROM OPERATING ACTIVITIES	24	<u>614,677</u>	<u>1,712,584</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of fixed assets		(216,040)	(3,394)
Payments for investments		(176,053)	(752,244)
Payments for Intangible Assets		(140,615)	(30,315)
NET CASH OUTFLOWS FROM INVESTING ACTIVITIES		<u>(532,708)</u>	<u>(785,953)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings (principal component)		(15,432)	(269,416)
Lease payments (principal component)		(60,933)	(65,254)
Dividends paid	32	(159,857)	(79,929)
NET CASH INFLOWS/(OUTFLOWS) FROM FINANCING ACTIVITIES		<u>(236,222)</u>	<u>(414,599)</u>
NET INCREASE/(DECREASE) IN CASH HELD		(154,253)	512,032
CASH AT 1 JULY		910,823	398,791
CASH AT 30 JUNE	11	<u>756,570</u>	<u>910,823</u>

This statement should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 30 June 2024

Note 1 Reporting entity

Bellarine Peninsula Community Branch Limited ('the Company') is domiciled in Australia, as an individual entity, which is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The Company was incorporated in Australia and the principal operations involve providing Community Bank services. The registered office and principal place of business is:

Registered office:		44 Newcombe Street Portarlington 3223
Principal places of business:	Portarlington	44 Newcombe Street Portarlington 3223
	Drysdale	6B, 35-37 Murradoc Road Drysdale 3222

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, except for equity financial assets that are measured at revalued amounts or fair values at the end of each reporting period. The financial report is presented in Australian dollars and all values are rounded to the nearest dollar, unless otherwise stated.

These financial statements for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the directors.

Note 3 Changes in accounting policies, standards and interpretations

There are a number of amendments to accounting standards issued by the AASB that became mandatorily effective for accounting periods beginning on or after 1 July 2024, and are therefore relevant for the current financial year. The amendments did not have any impact on the amounts recognised in prior periods and are not expected to materially affect the current or future periods.

Note 4 Summary of material accounting policies

The company has consistently applied the following accounting policies to all periods presented in these financial statements.

(a) Revenue from contracts with customers

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

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

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

Revenue 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.

Notes to the financial statements (continued)

Note 4 Summary of material accounting policies (continued)

(a) Revenue from contracts with customers (continued)

Revenue calculation

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

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

Margin Income

Margin is arrived at through the following calculation:

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

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

Commission Income

Commission revenue is 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 material reversal in a subsequent reporting period. The receipt of ongoing trailing commission income is outside the control of the Company, and is a material 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 Group entities including fees for loan applications and account transactions.

Core banking products

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

Ability to change financial return

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

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

Bendigo 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.

(b) Other revenue

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

Revenue stream

Dividend and distribution income

Other income

Revenue recognition policy

Dividend and distribution income is recognised when the right to receive the payment is established.

All other revenues that did not contain contracts with customers are recognised as goods and services are provided.

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

Notes to the financial statements (continued)

Note 4 Summary of material accounting policies (continued)

(c) Economic Dependency - Bendigo Bank

The company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the Community Bank branches at Drysdale and Portarlington.

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

The branches operate as a franchise of Bendigo and Adelaide Bank Limited, using the name "Bendigo Bank", the logo, and systems of operation of Bendigo and Adelaide Bank Limited. The Company manages the Community Bank branches on behalf of Bendigo and Adelaide Bank Limited, however all transactions with customers conducted through the Community Bank branches are effectively conducted between the customers and Bendigo and Adelaide Bank Limited.

All deposits are made with Bendigo and Adelaide Bank Limited, and all personal and investment products are products of Bendigo and Adelaide Bank Limited, 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 and Adelaide Bank Limited, must be approved by Bendigo and Adelaide Bank Limited. All credit transactions are made with Bendigo and Adelaide Bank Limited, and all credit products are products of Bendigo and Adelaide Bank Limited.

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

Bendigo Bank provides material 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

(d) Employee benefits

Short-term employee benefits

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

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

Defined superannuation contribution plans

The Company contributes to a defined contribution plan. Obligations for superannuation contributions to defined contribution plans are expensed as the related service is provided.

Contributions to a defined contribution plan are expected to be settled wholly before 12 months after the end of the financial year in which the employees render the related service.

Notes to the financial statements (continued)

Note 4 Summary of material accounting policies (continued)

(d) Employee benefits (continued)

Other long-term employee benefits

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

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

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

(e) Taxes

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

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore recognises them under AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

Current income tax

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

Deferred tax

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

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

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

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

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

Goods and Services Tax

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

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

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

(f) Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Property, plant and equipment

Recognition and measurement

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

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

Subsequent expenditure

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

Notes to the financial statements (continued)

Note 4 Summary of material accounting policies (continued)

(g) Property, plant and equipment (continued)

Depreciation

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

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

<u>Asset class</u>	<u>Method</u>	<u>Useful life</u>
Leasehold improvements	Straight-line	5 years
Buildings	Straight-line	40 years
Furniture, fixtures and fittings	Straight-line	2 to 10 years
Motor vehicles	Diminishing value	8 years

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

(h) Intangible assets

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

Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed as either finite or indefinite.

Subsequent expenditure

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

Amortisation

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

Intangible assets assessed as having indefinite useful lives are tested for impairment at each reporting period and whenever impairment indicators are present. The indefinite useful life is also reassessed annually.

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

<u>Asset class</u>	<u>Method</u>	<u>Useful life</u>
Franchise licence fee	Straight-line	Over the franchise term (5 years)

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

(i) Financial instruments

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

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, except for the equity securities which are measured at fair value through other comprehensive income.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value through other comprehensive income. The Company has elected to do this and as such, net gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss. Dividends are recognised as income in profit or loss.

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. For equity securities any gain or loss on derecognition is recognised in other comprehensive income. Any gain or loss on other assets and liabilities is recognised through 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.

Notes to the financial statements (continued)

Note 4 Summary of material accounting policies (continued)

Non-derivative financial assets

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.

(j) Impairment**Non-financial assets**

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets that have an indefinite useful life 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 the impairment loss (if any).

If the recoverable amount of an asset (or cash-generating unit) 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.

(k) Share capital

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

(l) Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

The estimated provisions for the current and comparative periods are to restore the premises under a 'make-good' clause.

The Company is required to restore the leased premises to its/their original condition before the end of the lease term. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements, ATM installed at the branch, and incidental damage caused from the removal of assets.

(m) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in AASB 16.

As a lessee

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

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

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

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

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

Notes to the financial statements (continued)

Note 4 Summary of material accounting policies (continued)

(m) Leases (continued)

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

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

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

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

Short-term leases and leases of low-value assets

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

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

(n) Fair value measurement

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors determine the appropriate valuation techniques and inputs for fair value measurements.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- 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 inputs are unobservable inputs for the asset or liability.

Note 5 Material accounting judgements, estimates, and assumptions

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

a) Judgements

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

<u>Note</u>	<u>Judgement</u>
- leases:	
a) control	a) whether a contract is or contains a lease at inception by assessing whether the Company has the right to direct the use of the identified asset and obtain substantially all the economic benefits from the use of that asset;
b) lease term	b) whether the Company is reasonably certain to exercise extension options, termination periods, and purchase options;
c) discount rates	c) judgement is required to determine the discount rate, where the discount rate is the Company's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. The incremental borrowing rate is determined with reference to factors specific to the Company and underlying asset including the amount, the lease term, economic environment and other relevant factors.

b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 30 June 2024 that have a material risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

<u>Note</u>	<u>Assumptions</u>
- recognition of deferred tax assets	availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilised;
- fair value	determining the fair value less costs to sell of the disposal group on the basis of quoted market price at the close of business at the end of the reporting period.
- estimation of useful lives of assets	key assumptions on historical experience and the condition of the asset;
- long service leave provision	key assumptions on attrition rate and pay increases through promotion and inflation;
- make-good provision	key assumptions on future cost estimates in restoring the leased premises in accordance with the lease agreement;

Notes to the financial statements (continued)

NOTE 6: Revenue from contracts with customers

	2024	2023
	\$	\$
- Margin income	2,666,413	3,042,488
- Fee income	129,775	134,908
- Commission income	193,178	186,913
	2,989,366	3,364,309
<u>Timing of revenue recognition</u>		
Goods transferred at a point in time	322,953	321,821
Services transferred over time	2,666,413	3,042,488
	2,989,366	3,364,309

NOTE 7: Other revenue

	2024	2023
	\$	\$
- Dividend and distribution income	-	675
- Other income	-	706
	-	1,381

NOTE 8: Finance income

	2024	2023
	\$	\$
- Interest from cash at bank	58,774	7,154
	58,774	7,154

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

NOTE 9: Expenses

a) Employee benefits

	2024	2023
	\$	\$
Salaries and wages	860,774	905,899
Expenses related to long service leave	(3,646)	13,413
Superannuation contributions	96,550	110,291
Other employer expenses	84,931	94,435
	1,038,609	1,124,038

b) Depreciation and amortisation expense

Depreciation of property, plant and equipment	65,727	39,808
Depreciation of right-of-use assets.	58,520	33,063
Amortisation of intangibles	27,157	26,376
	151,404	99,247

c) Finance costs

Lease interest expense	21,973	3,540
Bank loan interest paid or accrued	1,825	4,081
	23,798	7,621

d) Charitable donations, sponsorship, advertising and promotion

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

	2024	2023
	\$	\$
Direct sponsorship, advertising, and promotion payments	83,608	46,625
Contribution to the Community Enterprise Foundation™	421,053	-
	504,661	46,625

e) Loss on disposal of non-current asset

	2024	2023
	\$	\$
Loss on disposal of Portarlington branch fit-out	90,355	-
	90,355	-

Notes

15(b)

Notes to the financial statements (continued)

NOTE 10: Income tax expense

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

	2024	2023
	\$	\$
a) Amounts recognised in profit or loss		
Current Tax	196,437	429,132
Movement in deferred tax	(4,053)	(13,420)
	192,384	415,712
b) Prima facie income tax reconciliation		
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2023: 25%)	204,443	427,150
Add		
Tax effect of:		
non-deductible expenses	21,961	11,717
timing difference expenses	2,462	3,876
movement in deferred tax	(4,053)	(13,420)
other deductible expenses	(19,898)	(17,163)
	204,915	412,160
Less		
Tax effect of:		
under provision of tax in prior years	(12,531)	3,552
	192,384	415,712
Weighted Average Tax Effective Rate	25.00%	25.00%

NOTE 11: Cash and cash equivalents

Cash and cash equivalents includes cash on hand and in banks. Term deposits which can be readily converted to a known amount of cash and subject to an insignificant risk of change may qualify as a cash equivalent.

	2024	2023
	\$	\$
Cash at Bank	101,518	556,216
At call Deposits	655,053	354,607
	756,571	910,823

NOTE 12: Receivables

	2024	2023
	\$	\$
CURRENT		
Contractual		
Trade debtors	206,473	251,483
Accrued Investment Income	12,170	3,168
Prepayments	7,089	5,186
TOTAL	225,732	259,837

(a) Ageing of Receivables

Please refer to note 25 (c) for the ageing analysis of receivables

(b) Nature and extent of risk arising from Receivables

Please refer to note 25 (c) for the nature and extent of credit risk arising from receivables

NOTE 13: Other financial assets

	2024	2023
	\$	\$
CURRENT		
Term deposits - at amortised cost	928,297	752,244
NON-CURRENT		
Equity securities - at FVTOCI	9,643	9,643
TOTAL	937,940	761,887

(a) Ageing of Other Financial Assets

Please refer to note 25 (c) for the ageing analysis of Other Financial Assets

(b) Nature and extent of risk arising from other financial assets

Please refer to note 25 (c) for the nature and extent of credit risk arising from Other Financial Assets

(c) Equity securities designated as at fair value through other comprehensive income

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 FVTOCI because these equity securities represent investments that the company intends to hold for the long term for strategic purposes.

Notes to the financial statements (continued)

NOTE 14: Deferred tax assets

	2024	2023
	\$	\$
Deferred Tax Assets Comprise:		
Employee Benefits	11,477	12,736
Make-good Provision	4,357	732
Lease Liability	94,719	7,261
Right-of-use Asset	(95,805)	(4,179)
Other	(775)	1,476
	13,973	18,026
Movement in deferred tax charged to Statement of Profit or Loss and Other Comprehensive income	(4,053)	(13,420)

NOTE 15: Property, plant and equipment

(a) Gross carrying amount and accumulated depreciation at cost

	2024	2023
	\$	\$
Land at cost	145,000	145,000
Buildings at cost	1,028,437	1,028,437
Less Accumulated Depreciation	(72,758)	(40,217)
Total Buildings	955,679	988,220
Furniture and Equipment	82,306	79,978
Less Accumulated Depreciation	(78,106)	(74,929)
Total Furniture and Equipment	4,200	5,049
Leasehold Improvements	357,494	234,136
Less Accumulated Amortisation	(135,940)	(108,016)
Total Leasehold improvements	221,554	126,120
Motor Vehicles	17,699	17,699
Less Accumulated Depreciation	(9,988)	(7,902)
Total Leasehold improvements	7,711	9,797
Total Property, Plant & Equipment	1,334,144	1,274,186

(b) Reconciliations of the carrying amounts of each class of asset

	Land	Buildings	Leasehold Improvements	Furniture & Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	145,000	1,013,931	134,353	4,673	12,643	1,310,600
Additions	-	-	-	3,396	-	3,396
Transfer between categories	-	-	-	-	-	-
Disposals at WDV	-	-	-	-	-	-
Depreciation expense	-	(25,711)	(8,233)	(3,020)	(2,846)	(39,810)
Balance at 30 June 2023	145,000	988,220	126,120	5,049	9,797	1,274,186
Additions	-	-	213,712	2,328	-	216,040
Transfer between categories	-	-	-	-	-	-
Disposals at WDV	-	-	(90,355)	-	-	(90,355)
Depreciation expense	-	(32,541)	(27,923)	(3,177)	(2,086)	(65,727)
Balance at 30 June 2024	145,000	955,679	221,554	4,200	7,711	1,334,144

NOTE 16: Right-of-use assets

a) Carrying amounts

	2024	2023
	\$	\$
Leased land and buildings	889,638	464,613
Less Accumulated Depreciation	(506,419)	(447,899)
	383,219	16,714
	383,219	16,714

b) Reconciliation of carrying amounts

Carrying amount at beginning	16,714	49,777
Additional right-of-use assets recognised	425,025	-
Disposals	-	-
Depreciation	(58,520)	(33,063)
Carrying amount at end	383,219	16,714

Notes to the financial statements (continued)

NOTE 17: Intangible assets

	2024	2023
	\$	\$
(a) Carrying amounts		
NON-CURRENT		
Franchise Licence Fee	140,614	131,838
less accumulated amortisation	(12,889)	(117,570)
	127,725	14,268
(a) Reconciliation of carrying amounts		
Carrying amount at beginning	14,268	40,644
Additional intangible assets recognised	140,614	-
Amortisation	(27,157)	(26,376)
Carrying amount at end	127,725	14,268

NOTE 18: Payables

	2024	2023
	\$	\$
CURRENT		
Contractual		
Payables - contractual	595	831
Accrued wages	22,519	32,634
Accrued Expenses	9,070	9,070
	32,184	42,535
Statutory		
GST payable/(receivable)	(13,834)	64,963
PAYG withholding	4,874	4,528
	(8,960)	69,491
TOTAL CURRENT	23,224	112,026
Total Payables	23,224	112,026

NOTE 19: Loans and borrowings

	2024	2023
	\$	\$
a) Current liabilities		
Chattel mortgage loan	2,202	3,775
	2,202	3,775
b) Non-current liabilities		
Secured bank loans	19,341	31,017
Chattel mortgage loan	-	2,183
	19,341	33,200
TOTAL LOANS AND BORROWINGS	21,543	36,975

The Company has entered into a mortgage loan with Bendigo Bank for an initial drawdown of \$805,000 in July 2021 to facilitate the settlement of the property development at 35-37 Murradoc Road, Drysdale (the mortgage property). Interest is payable at variable rates.

The Company has entered into an equipment loan, secured by way of chattel mortgage over the vehicle, for a 4 year term commencing in February 2021. Interest is payable at a fixed rate.

NOTE 20: Lease liabilities

Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate on the adoption date. The discount rate used on recognition of the lease renewal from 13 January 2024 is 7.23%.

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

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

The Company's lease portfolio includes:

Portarlington branch The lease agreement is a non-cancellable lease with an initial term of 4 years which commenced in January 2010. An extension option term of 5 years was exercised in January 2014, and further 5 years in January 2019. During the current financial year the company entered into a 5 year lease extension from 13 January 2024.

There are no remaining options for extension of the lease.

Notes to the financial statements (continued)

NOTE 20: Lease liabilities (continued)

	2024	2023
	\$	\$
a) Current lease liabilities		
Property lease liabilities	94,273	30,890
Less unexpired interest charges	(25,153)	(1,471)
	<u>69,120</u>	<u>29,419</u>
b) Non-current lease liabilities		
Property lease liabilities	352,400	-
Less unexpired interest charges	(42,513)	-
	<u>309,887</u>	<u>-</u>
	<u>379,007</u>	<u>29,419</u>
c) Maturity analysis		
- Not later than 12 months	94,273	30,890
- Between 12 months and 5 years	352,400	-
Total undiscounted lease payments	<u>446,673</u>	<u>30,890</u>
Unexpired interest	(67,666)	(1,471)
Present value of lease liabilities	<u>379,007</u>	<u>29,419</u>

NOTE 21: Provisions

As at the reporting date, the make-good of the leased premises are expected to be wholly settled within 12 months. The balance is classified as current.

	2024	2023
	\$	\$
a) Current liabilities		
Make-good on leased premises	17,429	2,926
	<u>17,429</u>	<u>2,926</u>

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 based on experience and consideration of the expected future costs to remove all fittings and the ATM as well as cost to remedy any damages caused during the removal process.

	2024	2023
	\$	\$
<i>Provision</i>		
Balance at the beginning	2,926	2,784
Present value discounting	74	142
Provision remeasurements	14,429	-
	<u>17,429</u>	<u>2,926</u>

NOTE 22: Employee benefits

	2024	2023
	\$	\$
CURRENT		
Long Service Leave	9,883	23,272
Annual Leave	22,212	20,358
TOTAL	<u>32,095</u>	<u>43,630</u>
NON-CURRENT		
Long Service Leave	<u>13,815</u>	<u>7,314</u>
	<u>45,910</u>	<u>50,944</u>

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 23: Issued capital

	2024	2023
	\$	\$
(a) Ordinary Shares		
1,598,571 (2023: 1,598,571) ordinary shares fully paid	<u>787,911</u>	<u>787,911</u>
	<u>787,911</u>	<u>787,911</u>
	2024	2023
	no.	no.
Ordinary Shares at the beginning of the reporting period	1,598,571	1,598,571
Shares Issued during the year	-	-
Shares held at reporting date	<u>1,598,571</u>	<u>1,598,571</u>

Notes to the financial statements (continued)

NOTE 24: Reconciliation of net result for the year to net cash flows from operating activities

	2024	2023
	\$	\$
Result after income tax	621,335	1,279,469
Non-Cash Flows in Profit		
Depreciation	124,247	72,871
Amortisation	27,157	26,376
Loss on disposal of assets	90,355	-
Interest expense on loan	1,825	4,081
Changes in Assets and Liabilities		
Increase/(Decrease) in employee benefits	(5,034)	(22,171)
Increase/(Decrease) in payables	(96,354)	86,786
Increase/(Decrease) in tax liabilities	(188,686)	371,970
Decrease/(Increase) in receivables	36,008	(108,619)
Decrease/(Increase) in prepayments	(1,903)	1,679
Decrease/(Increase) in intangibles	(8,776)	-
Increase/(Decrease) in provisions	14,503	142
Net Cash From Operating Activities	614,677	1,712,584

NOTE 25: Financial instruments

(a) Financial Risk Management Objectives and Policies

The Company has exposure to credit risk, liquidity risk and market risk from their use of financial instruments.

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established an Audit and Governance committee which reports regularly to the Board.

The Company's principal financial instruments comprise of:

- Cash Assets
- Term Deposits
- Financial Assets
- Receivables (excluding statutory receivables)
- Payables (excluding statutory payables)
- Lease liabilities
- Borrowings

Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 4 to the financial statements.

(b) Categorisation of Financial Instruments

	Note	Category	Carrying Amount	
			2024	2023
			\$	\$
Financial Assets				
Cash and Cash Equivalents	11	Financial assets at amortised cost	756,571	910,823
Receivables	12	Financial assets at amortised cost	218,643	254,651
Term deposits	13	Financial assets at amortised cost	928,297	752,244
Other Financial Assets	13	Financial assets at fair value through other comprehensive income	9,643	9,643
Financial Liabilities				
Payables	18	Financial Liabilities measured at Amortised Cost	32,184	42,535
Lease liabilities	20	Financial Liabilities measured at Amortised Cost	379,007	29,419
Borrowings	19	Financial Liabilities measured at Amortised Cost	21,543	36,975

(c) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The Company's exposure to credit risk is limited to Australia by geographic area. The entire balance of receivables is due from Bendigo and Adelaide Bank Ltd.

The Company limits its exposure to credit risk by only investing in liquid securities with Bendigo and Adelaide Bank Ltd.

The Company's exposure to credit risk and effective weighted average interest rate by ageing periods is set out in the following table. For interest rates applicable to each class of asset refer to individual notes to the financial statements.

Notes to the financial statements (continued)

NOTE 25: Financial instruments (continued)

Interest Rate Exposure and ageing analysis of financial assets as at 30 June

	Weighted Average Interest Rates %	Consolidated Carrying Amount \$	Interest Rate Exposure			Not Past Due And Not Impaired \$
			Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$	
2024						
Financial Assets						
Cash and Cash Equivalents	1.19	756,571	655,053	101,158	360	756,571
Receivables	0.00	218,643	-	-	218,643	218,643
Term deposits	4.14	928,297	928,297	-	-	928,297
Other Financial Assets	0.00	9,643	-	-	9,643	9,643
Total Financial Assets		1,913,154	1,583,350	101,158	228,646	1,913,154
2023						
Financial Assets						
Cash and Cash Equivalents	1.75	910,823	354,607	555,856	360	910,823
Receivables	0.00	259,837	-	-	259,837	259,837
Term deposits	3.80	752,244	752,244	-	-	752,244
Other Financial Assets	0.00	9,643	-	-	9,643	9,643
Total Financial Assets		1,932,547	1,106,851	555,856	269,840	1,932,547

(d) Liquidity Risk

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that liquid assets are available.

The following table discloses the contractual maturity analysis for the Company's financial liabilities.

	Weighted Average Interest Rates %	Carrying Amount \$	Fixed Interest Rate \$	Interest Rate Exposure			Maturity Dates	
				Variable Interest Rate \$	Non Interest Bearing \$	Less than 1 Year \$	1-5 Years	5+ Years
2024								
Payables	0.00	32,184	-	-	32,184	1,869	30,315	-
Lease Liabilities	6.12	379,007	379,007	-	-	94,273	284,734	-
Borrowings	7.44	21,543	-	21,543	-	2,202	11,010	8,331
Total Financial Liabilities		432,734	379,007	21,543	32,184	98,344	326,059	8,331
2023								
Payables	0.00	42,535	-	-	42,535	12,220	30,315	-
Lease Liabilities	5.00	29,419	29,419	-	-	29,419	-	-
Borrowings	3.18	36,975	-	36,975	-	3,775	18,875	14,325
Total Financial Liabilities		108,929	29,419	36,975	42,535	45,414	49,190	14,325

Notes to the financial statements (continued)

NOTE 25: Financial instruments (continued)

(e) Market Risk

Currency Risk

The Company has no exposure to foreign currency risk.

Interest Rate Risk

Exposure to interest rate risk might arise primarily through the Company's interest bearing liabilities. The Company has a variable interest mortgage loan with Bendigo Bank.

Other Price Risk

The Company is exposed to insignificant other price risk

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Company believes the following movements are 'reasonably possible' over the next 12 months.

- A parallel shift of +1% and -1% in market interest rates (AUD)
- A parallel shift of +1% and -1% in inflation rate

The following table discloses the impact on net operating result and equity for each category of financial instrument held by the Company at year end if changes in the relevant risk occur:

	Carrying Amount \$	Interest Rate Risk			
		-1% Profit \$	Equity \$	+1% Profit \$	Equity \$
2024					
Financial Assets					
Cash and Cash Equivalents	756,571	(7,566)	(7,566)	7,566	7,566
Receivables	218,643	-	-	-	-
Term deposits	928,297	(9,283)	(9,283)	9,283	9,283
Other Financial Assets	9,643	-	-	-	-
Financial Liabilities					
Trade Creditors and Accruals	32,184	-	-	-	-
Lease Liabilities	379,007	-	-	-	-
Borrowings	21,543	(215)	(215)	215	215
2023					
Financial Assets					
Cash and Cash Equivalents	910,823	(9,108)	(9,108)	9,108	9,108
Receivables	259,837	-	-	-	-
Term deposits	752,244	(7,522)	(7,522)	7,522	7,522
Other Financial Assets	9,643	-	-	-	-
Financial Liabilities					
Trade Creditors and Accruals	42,535	-	-	-	-
Lease Liabilities	29,419	-	-	-	-
Borrowings	36,975	(370)	(370)	370	370

(f) Fair values

The fair values and net fair values of financial instrument assets and liabilities are determined as follows:

Level 1 - the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;

Level 2 - the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and

Level 3 - the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the Statement of financial position. The Company does not have any unrecognised financial instruments at year end.

Notes to the financial statements (continued)

NOTE 25: Financial instruments (continued)

(g) Capital management

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

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

The Distribution Limit is the greater of:

- (a) 20% of the profit or funds of the Franchisee otherwise available for distribution to shareholders in that 12 month period; and
- (b) subject to the availability of distributable profits, the Relevant Rate of Return multiplied by the average level of share capital of the Franchisee over that 12 month period.

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

NOTE 26: Segment reporting

Industry Segments

Bellarine Peninsula Community Branch Ltd's only industry segment is the provision of branch banking services.

Geographical Segment

Bellarine Peninsula Community Branch Ltd operates predominantly on the Bellarine Peninsula, Victoria. More than 90% revenue, net surplus from ordinary activities and segment assets relate to operations on the peninsula.

NOTE 27: Director and related party disclosures

a) The names of directors whom have held office during the financial year are:	From	To
K Trewin (Chair)	1/07/2023	30/06/2024
M. Cunneen (Company Secretary)	1/07/2023	30/06/2024
S Wight	1/07/2023	30/06/2024
J Papak	1/07/2023	30/06/2024
P Volk	1/07/2023	30/06/2024
JL King	1/07/2023	30/06/2024
F Tol	1/07/2023	30/06/2024
C Niven	4/09/2023	30/06/2024

b) Key management personnel compensation	2024	2023
	\$	\$
Key management personnel compensation comprised the following:		
Short-term employee benefits	39,237	-
Post-employment benefits	4,316	-
	43,553	-

Chris Niven received payment for services performed in a role as 'Community Engagement Manager' including, but not limited to, community and public relations, sponsorships and grants, partnerships and community engagement and corporate affairs administration.

No directors received remuneration in exchange for being a director of the company during the financial year as the positions are held on a voluntary basis.

Notes to the financial statements (continued)

NOTE 27: Director and related party disclosures (continued)

c) Transactions with directors and/or related parties

Stephen Wight was a director of Davidsons Pty Ltd from 1/7/2023 to 30/6/2024, which provides accounting services to the Company. The amount paid to Davidsons Pty Ltd for these services amounted to \$53,397 (2023 \$49,075).

Stephen Wight received a reimbursement payment of \$3,000 for expenses incurred relating to his role as a director of the Company during the financial year.

Mark Cuneen is a director of Vibe Success Pty Ltd, which has provided services in a role as 'Executive Officer' including, but not limited to, community and public relations, corporate affairs administration, accounts liaison and other Company Secretarial duties. The amount paid to Vibe Success Pty Ltd for these services amounted to \$44,100 (2023 \$21,450).

The company made sponsorships to community groups where company directors are also committee member, these sponsorships amounted to \$11,550.

NOTE 28: Contingent assets and contingent liabilities

There were no contingent liabilities or contingent assets at the date of this report to affect the financial statements.

NOTE 29: Events occurring after reporting date

There have been no material events occurring after the reporting date which may affect either the Company's operations or the results of those operations or the Company's state of affairs.

NOTE 30: Auditors remuneration

	2024	2023
	\$	\$
Remuneration of the Auditor of the Company for:		
-Auditing or reviewing the financial report	8,250	6,400
-General advisory services	-	1,750
-Share registry services	5,409	3,915
	<u>13,659</u>	<u>12,065</u>

NOTE 31: Earnings per share

Basic earnings per share amounts are calculated by dividing profit after income tax by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing profit after income tax by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of any dilutive options or preference shares).

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	2024	2023
	\$	\$
Profit after income tax expense	621,335	1,279,469
Weighted average number of ordinary shares for basic and diluted earnings per share	1,598,571	1,598,571
a) Basic earnings per share (cents per share)	38.87	80.04
b) Diluted earnings per share (cents per share)	38.87	80.04

NOTE 32: Dividends

	2024	2023
	\$	\$
(a) Dividends paid during the year		
Fully Franked dividends - 10 cents per share (2023: 5 cents per share)	159,857	79,929
(b) Franking credit balance		
The amount of franking credits available for the subsequent financial year are:		
Franking account balance as at the end of the financial year	<u>668,640</u>	<u>362,401</u>

The tax rate at which dividends have been franked is 25% (2023: 25%).

Directors' declaration

The directors of the company declare that:

1. The financial statements of the company comprising the Statement of Profit and Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes forming part of the accounts:
 - (a) give a true and fair view of the company's financial position as at 30 June 2024 and its performance and cash flows for the year ended on that date; and
 - (b) comply with the Corporations Act 2001, Accounting Standards and the Corporations Regulations 2001.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
3. 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 Company.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the directors by:

Dated this 26th day of September, 2024



Kerry Trewin
Chairperson

Independent audit report



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
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03 5443 0344

Independent auditor's report to the Directors of Bellarine Peninsula Community Branch Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Bellarine Peninsula Community Branch Limited (the company), which comprises:

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

In our opinion, the accompanying financial report of Bellarine Peninsula Community Branch Limited, is in accordance with the *Corporations Act 2001*, including:

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

Basis for Opinion

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

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

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



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Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's responsibilities for the Audit of the Financial Report

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



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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

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

A handwritten signature in black ink, appearing to read 'Lachlan Tatt'.

Lachlan Tatt
Lead Auditor

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 **Bendigo Bank**