

Annual Report 2024

Palerang Financial Services
Limited



Community Bank
Braidwood, Bungendore and Crookwell

ABN 83 097 801 100

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Chairperson's report

For year ending 30 June 2024

The 2023/24 financial year was another profitable year for Palerang Financial Services Limited (PFSL) that has enabled us to continue to allocate substantial funding to our local community in Braidwood, Bungendore and surrounds.

Despite margin income decreasing compared to the 2022/23 year our profit before interest, tax, and community contributions remained strong at \$1,922,091.

During the past financial year, we have continued to deliver sponsorships, grants, and donations to our community totaling \$1,751,698. Within this total amount we allocated \$1.4 million to the Community Enterprise Foundation (CEF), a vehicle the Community Banks use to hold funds until community projects grants are required and the balance of \$351,698 was given directly to community organisations during the year as sponsorships, grants and donations.

I am proud to report that by providing financial services to the community the company continues to deliver upon its purpose to return benefits to the community. Since its commencement in September 2002 until 30 June 2024, PFSL has provided almost \$9.6 million directly to our local community including the funds held in the CEF for future projects.

This total contribution to the community of \$9.6 million represents the majority of our profit over these past 22 years and clearly demonstrates that we are a substantial, sustainable, community-built business that contributes to community prosperity. In recognition of this fact and following the vote to approve the Palerang Financial Services Limited Mission Statement at last year's AGM, PFSL became a Certified Social Enterprise on 18 January 2024.

For the 2023/24 financial year, based on a profit result after community contributions and before income tax of \$170,393, the company has declared a franked dividend of 7.5 cents per share (CPS) as of 1 November 2024 to be paid to shareholders in December 2024.

We continue to maintain an excellent structural position on our balance sheet with no debt, \$4,113,842 in assets and \$812,987 in liabilities.

Our success during this last year and for the past 22 years has been built on the back of the commitment to our business of the past and present directors of PFSL, the hard work of our branch team members, and the support we get from shareholders, customers and the wider community. Thank you all for your contributions to our success.

Garry Cook
Chair, PFSL Board of Directors

Senior Manager's Report

For year ending 30 June 2024

The past year has proven challenging after the strong performance of the previous year and its record profit. The challenges have come from reducing margins and changes within Bendigo Bank as they built a new delivery platform and digital pathways. These are designed to make the lending process more efficient and quicker. The transition phase however is a challenge as we sit between old and new.

The other challenge that has occurred is with the constant fraud and scams that have become a daily challenge for staff. The bank and staff are constantly monitoring for this.

We have found it difficult to grow and the loan book has materially reduced over the last 12 months.

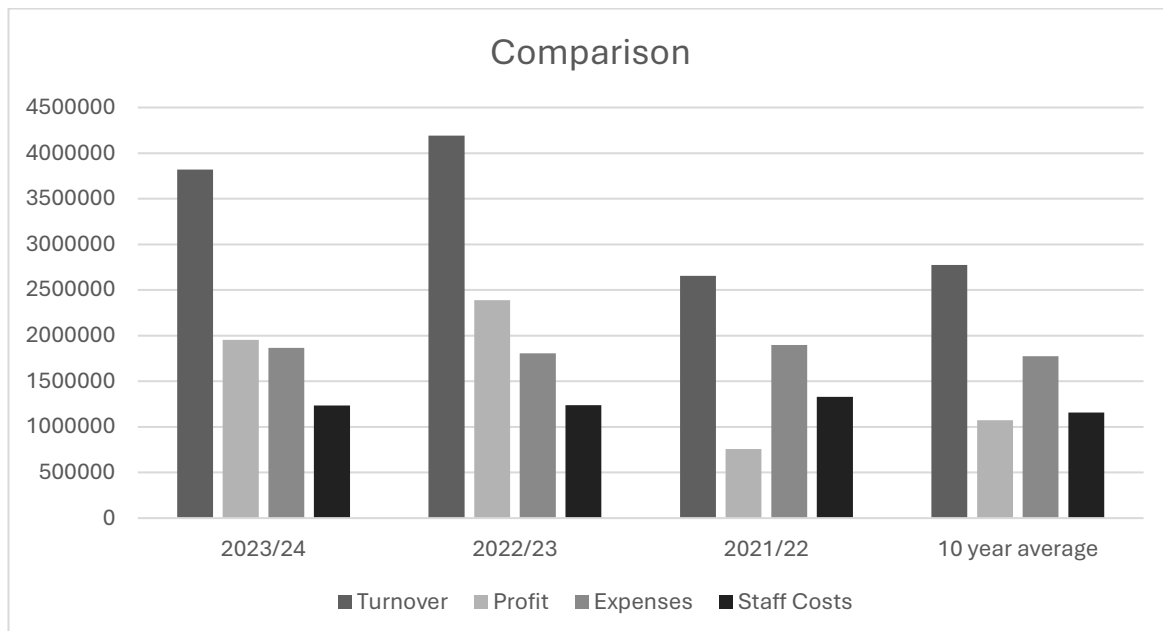
The headline figures are

Turnover	\$3,830,936
Profit	\$1,922,091 #
Cost to income Ratio	49.83%
Staff cost to income ratio	33.04%
Loans Growth	-\$7,006,215
Deposit Growth	\$8,976,897
Other business growth	-\$3,626,112 *
Overall Book Growth	-\$1,655,430

Profit is operating profit before Tax and Community contributions

* Includes loss of \$5m of institution deposit funds

Due to the strong one off 2022/23 year altering the results, the below graph shows you the comparison to 2022/23 year the 2021/22 year and the 10-year average.



Senior Manager's report (continued)

The turnover and profits were contracted during the COVID years when the official interest rate went down to as low as 0.10%. Once official rates climbed quickly in 2022/23 the interest margin accelerated producing strong income and profit.

The current year has seen this come back to normal interest margins for the first time since 2018/19.

The challenge for this year is to stabilise profits at current level through increasing business, while maintaining margin and costs.

The 2023/24 saw the overall banking book contract. This was a minor movement at 0.3% and with new lending platform being released in the 2024/25 year for our lenders and the business banking area getting traction we will attempt to reverse this.

Whilst the board has remained stable, we said farewell to long term secretary Janene Collins after almost 10 years of service. We wish Janene all the best for her retirement.

We welcome Susi Pluess as our new secretary.

We said farewell to Carrie Reeves in Braidwood who has not returned from maternity leave. Sharrane Witt also left Braidwood during the year. We welcome Rebecca Brydon and Carmen Byrne as customer service officers in Braidwood.

I would like to take this opportunity to thank all the staff across the business for their tremendous effort within the business which has been in a very challenging time with much change occurring.

I wish to share my thanks and appreciation for the members of the board that do a tremendous job and put in a lot of hours unpaid to help make the company the success that it is.

Finally, I wish to thank those who bank with us, as their support ensures our future.

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:	Garry Edward Cook
Title:	Non-executive director
Experience and expertise:	Employed as an agricultural consultant and manager for 42 years including 19 years with the Indigenous Land Corporation (Commonwealth Statutory Authority). Member of Rotary Club of Bungendore, committee member of Bungendore Rugby Football Club, committee member St Mary's and St Philip's Combined Churches Rodeo Association, committee member Bungendore Rodeo and Equestrian Sports and Recreation Ground Trust, committee member Bungendore Community Foundation. Bachelor of Science (Hons), Graduation Australian Institute of Company Directors and Graduate of Australian Rural Leadership Programme.
Special responsibilities:	Chair, member of Finance & HR Committee, member of Bungendore Community Funding Committee
Name:	Rhyll Elizabeth Tozer
Title:	Non-executive director
Experience and expertise:	Chartered Accountant and Registered Tax Agent. Started working career in banking for Westpac Melbourne office. Treasurer for Braidwood Life Centre and the Bungendore Chamber of Commerce. Chaired the Braidwood Community Help fund which dispersed donated funds to affected residents and businesses of the 2019/2020 bushfires.
Special responsibilities:	Treasurer, Finance & HR Committee
Name:	Dale Josephine Towell
Title:	Non-executive director
Experience and expertise:	Dale has a degree in Business/Office Management/Secretarial Studies. Dale has experience in the Department of Defence, Education and Infrastructure and is Secretary, Rally director and magazine editor - Classic Riders Club Goulburn. Dale is also an Authorised Marriage Celebrant.
Special responsibilities:	Vice Chair responsibilities, Chair of Governance & Risk Committee, Member of Community Funding Committee
Name:	Diana Mary Izzard
Title:	Non-executive director
Experience and expertise:	Di runs a sheep and cattle farm in the area. She is closely involved with several community groups including the Braidwood Show Society and the Gundillion Hall and Recreation Trust. Di also has previous experience in administration and accounts working in the Australia Federal Public Service and in private enterprise.
Special responsibilities:	Finance & HR Committee
Name:	Alexandra Rofe
Title:	Non-executive director
Experience and expertise:	Alexandra has extensive experience working in the public sector, engaged in strategic, policy and operational roles, with both business & corporate governance knowledge. In her local community Alex has volunteered with Majors Creek Recreation Reserve, the Majors Creek ANZAC Committee and the Majors Creek Progress Association.
Special responsibilities:	Braidwood Community Funding Committee

Directors' report (continued)

Name: Richard Elliot
Title: Non-executive director
Experience and expertise: Richard has a scientific background and has previously sat on the board of a Credit Union. Richard is currently the captain of the Majors Creek Rural Fire Service. He is involved in several community organisations such as Braidwood National Theatre s355 Committee, Braidwood Film Club and the Historical Radio Society.
Special responsibilities: Braidwood Community Funding Committee

Name: Shane Anthony Holness
Title: Non-executive director
Experience and expertise: Shane is a Project Management Consultant. AIMM;GAICD. Shane has operated a family business since 1999; former director in the APS; former member of the Royal Australian Navy. Other current directorships include being Director & Chair of Western Riverina Community Financial Services Pty Ltd.
Special responsibilities: Governance & Risk Committee, Finance & HR Committee

Name: Andrew Trevor Callan
Title: Non-executive director
Experience and expertise: BA Agriculture / BA Business (UNE). Certificate IV in Metalliferous Mining Operations (Underground). NSW Underground Mine Supervisor. Underground Miner. NSW Underground Shot Firer. Farmer and Grazier. Chairperson of Braidwood and District Education Foundation Committee.
Special responsibilities: Governance and Risk Committee

Name: Craig Hinder
Title: Non-executive director
Experience and expertise: Craig holds a Bachelor of Science (Aviation) and a Master of Business and Technology. Commencing his working career as a commercial pilot, Craig has since held several positions across the Australian Public Service, currently employed as a director in the Department of Agriculture, Fisheries and Forestry. As a local beekeeper, Craig also runs a small beekeeping business, is a member of the Goulburn Beekeeping Club and mentors several beekeepers in the region.
Special responsibilities: Bungendore Community Funding Committee

Company secretary

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

- Susanne Pluess was appointed company secretary on 1 February 2024.
- Janene Collins was appointed company secretary on 28 August 2014 and ceased on 12 June 2024.

Experience and expertise: Susi holds an engineering degree in Sustainable Traffic and Town Planning from Austria, with 10 years of experience working in the Planning Department of Zurich Public Transport. Following this, she has gained 8 years of valuable experience in various customer service, sales and bookkeeping roles in rural NSW, bringing a unique blend of economical expertise and customer-centric skills to her current position.

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 \$129,848 (30 June 2023: \$173,393).

Operations have continued to perform in line with expectations.

Directors' report (continued)

Dividends

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

	2024
	\$
Fully franked dividend of 7.5 cents per share (2023: 7.5 cents)	<u>99,032</u>

Significant changes in the state of affairs

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

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

Matters subsequent to the end of the financial year

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

Likely developments and expected results of operations

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

Environmental regulation

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

Meetings of directors

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

	Board		Finance & HR		Governance & Risk	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Garry Edward Cook	10	10	8	8	-	-
Rhyll Elizabeth Tozer	10	10	8	8	-	-
Dale Josephine Towell	10	9	-	-	4	4
Diana Mary Izzard	10	9	3	1	4	2
Alexandra Rofe	10	4	-	-	-	-
Richard Elliot	10	10	-	-	-	-
Shane Anthony Holness	10	8	8	5	-	-
Andrew Trevor Callan	10	5	-	-	4	4
Craig Hinder	10	8	-	-	-	-

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.

Directors' report (continued)

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
Garry Edward Cook	-	1,850	1,850
Rhyll Elizabeth Tozer	-	-	-
Dale Josephine Towell	-	-	-
Diana Mary Izzard	7,500	-	7,500
Alexandra Rofe	-	-	-
Richard Elliot	9,500	-	9,500
Shane Anthony Holness	2,000	-	2,000
Andrew Trevor Callan	-	-	-
Craig Hinder	-	-	-

Shares under option

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

Shares issued on the exercise of options

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

Indemnity and insurance of directors and officers

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

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

Proceedings on behalf of the company

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

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

Indemnity and insurance of auditor

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

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

Non-audit services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 28 to the accounts.

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

Directors' report (continued)

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

Auditor's independence declaration

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

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

On behalf of the directors



Garry Edward Cook
Chair

30 September 2024

Auditor's independence declaration



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

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

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 30 September 2024

A handwritten signature in black ink, appearing to read 'Jessica Ritchie'.

Jessica Ritchie
Lead Auditor

Financial statements

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

	Note	2024 \$	2023 \$
Revenue from contracts with customers	7	3,766,448	4,126,613
Other revenue		28,964	42,904
Finance revenue		29,012	11,352
Fair value gains on financial assets		6,512	11,572
Total revenue		3,830,936	4,192,441
Employee benefits expense	8	(1,265,868)	(1,238,342)
Advertising and marketing costs		(65,452)	(57,858)
Occupancy and associated costs		(65,230)	(70,452)
System costs		(37,766)	(36,049)
Depreciation and amortisation expense	8	(108,547)	(71,981)
Finance costs		(3,471)	(1,248)
General administration expenses		(362,511)	(329,164)
Total expenses before community contributions		(1,908,845)	(1,805,094)
Profit before community contributions and income tax expense		1,922,091	2,387,347
Charitable donations, sponsorships and grants expense	8	(1,751,698)	(2,156,156)
Profit before income tax expense		170,393	231,191
Income tax expense	9	(40,545)	(57,798)
Profit after income tax expense for the year		129,848	173,393
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of land and buildings, net of tax		629,601	-
Other comprehensive income for the year, net of tax		629,601	-
Total comprehensive income for the year		759,449	173,393
		Cents	Cents
Basic earnings per share	30	9.83	13.13
Diluted earnings per share	30	9.83	13.13

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

Financial statements (continued)

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

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	10	479,905	841,522
Trade and other receivables	11	403,393	477,984
Investments	12	674,878	-
Current tax assets	9	19,590	70,706
Total current assets		<u>1,577,766</u>	<u>1,390,212</u>
Non-current assets			
Financial assets	15	162,640	144,557
Investment properties	16	24,318	2,081
Property, plant and equipment	13	2,220,168	1,428,529
Right-of-use assets	14	80,525	10,056
Intangible assets	17	48,425	86,489
Total non-current assets		<u>2,536,076</u>	<u>1,671,712</u>
Total assets		<u>4,113,842</u>	<u>3,061,924</u>
Liabilities			
Current liabilities			
Trade and other payables	18	173,282	80,390
Lease liabilities	19	22,135	13,735
Employee benefits	20	172,779	172,698
Total current liabilities		<u>368,196</u>	<u>266,823</u>
Non-current liabilities			
Lease liabilities	19	84,534	-
Deferred tax liabilities	9	344,474	141,440
Employee benefits	20	15,783	13,223
Total non-current liabilities		<u>444,791</u>	<u>154,663</u>
Total liabilities		<u>812,987</u>	<u>421,486</u>
Net assets		<u>3,300,855</u>	<u>2,640,438</u>
Equity			
Issued capital	21	1,062,849	1,062,849
Revaluation reserve		1,052,751	423,150
Retained earnings		<u>1,185,255</u>	<u>1,154,439</u>
Total equity		<u>3,300,855</u>	<u>2,640,438</u>

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

Financial statements (continued)

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

	Note	Issued capital \$	Revaluation Reserve \$	Retained earnings \$	Total equity \$
Balance at 1 July 2022		1,062,849	423,150	1,080,078	2,566,077
Profit after income tax expense		-	-	173,393	173,393
<i>Transactions with owners in their capacity as owners:</i>					
Dividends provided for or paid	23	-	-	(99,032)	(99,032)
Balance at 30 June 2023		<u>1,062,849</u>	<u>423,150</u>	<u>1,154,439</u>	<u>2,640,438</u>
		Issued capital \$	Revaluation reserve \$	Retained earnings \$	Total equity \$
Balance at 1 July 2023		1,062,849	423,150	1,154,439	2,640,438
Profit after income tax expense		-	-	129,848	129,848
Other comprehensive income, net of tax		-	629,601	-	629,601
Total comprehensive income		-	629,601	129,848	759,449
<i>Transactions with owners in their capacity as owners:</i>					
Dividends provided for or paid	23	-	-	(99,032)	(99,032)
Balance at 30 June 2024		<u>1,062,849</u>	<u>1,052,751</u>	<u>1,185,255</u>	<u>3,300,855</u>

Financial statements (continued)

Palerang 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)		4,127,959	4,456,622
Payments to suppliers and employees and for community contributions (inclusive of GST)		(3,733,579)	(4,462,569)
Interest received		26,488	11,352
Income taxes refunded/(paid)		3,644	(96,127)
Net cash provided by/(used in) operating activities	29	<u>424,512</u>	<u>(90,722)</u>
Cash flows from investing activities			
Redemption of/(investment in) term deposits		(674,878)	-
Payments for property, plant and equipment	13	(4,214)	(99,366)
Proceeds from disposal of property, plant and equipment		13,636	12,697
Net cash used in investing activities		<u>(665,456)</u>	<u>(86,669)</u>
Cash flows from financing activities			
Interest and other finance costs paid		(3,471)	(1,248)
Dividends paid	23	(99,032)	(99,032)
Repayment of lease liabilities		(18,170)	(18,758)
Net cash used in financing activities		<u>(120,673)</u>	<u>(119,038)</u>
Net decrease in cash and cash equivalents		(361,617)	(296,429)
Cash and cash equivalents at the beginning of the financial year		<u>841,522</u>	<u>1,137,951</u>
Cash and cash equivalents at the end of the financial year	10	<u><u>479,905</u></u>	<u><u>841,522</u></u>

Notes to the Financial Statements

30 June 2024

Note 1. Reporting entity

The financial statements cover Palerang 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 Unit 1, 19 Park Lane, Braidwood NSW.

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 30 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.

Notes to the Financial Statements (continued)

Note 3. Material accounting policy information (continued)

Impairment of financial assets

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

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

Impairment of non-financial assets

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

Timing of revenue recognition associated with trail commission

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

Allowance for expected credit losses on trade and other receivables

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

Notes to the Financial Statements (continued)

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

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

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

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.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Impairment of non-financial assets

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

Recovery of deferred tax assets

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

Lease term

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

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

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

Estimates and assumptions

Notes to the Financial Statements (continued)

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

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.

Incremental borrowing rate

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

Sublease classification

Judgement is required to determine the classification of the sublease as either an operating or a finance sublease.

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 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 June 2026.

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

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

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

The credit risk (i.e. the risk that a customer will not make repayments) is for the 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.

Notes to the Financial Statements (continued)

Note 5. Economic dependency (continued)

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

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

Note 6. Change to comparative figures

Calculation of right-of-use asset cost and accumulated depreciation

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

During the financial year the company recorded a change in accounting policy, whereby it elected to recognise the right-of-use asset net of accumulated depreciation on initial adoption of AASB 16. The change in accounting policy had no impact on the company's net profit or net asset position, however it did reduce the company's right-of-use asset cost and accumulated depreciation at 30 June 2023 by \$18,916.

Note 7. Revenue from contracts with customers

	2024	2023
	\$	\$
Margin income	3,538,549	3,882,724
Fee income	136,799	128,560
Commission income	91,100	115,329
	<u>3,766,448</u>	<u>4,126,613</u>

Accounting policy for revenue from contracts with customers

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

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

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

<u>Revenue stream</u>	<u>Includes</u>	<u>Performance obligation</u>	<u>Timing of recognition</u>
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 7. Revenue from contracts with customers (continued)

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

Revenue calculation

The franchise agreement provides that three forms of revenue may be earned by the company which are margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services. The revenue earned by the company is dependent on the business that it generates.

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

Fee income

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

Core banking products

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

Ability to change financial return

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

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

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

Note 8. Expenses

Employee benefits expense

Notes to the Financial Statements (continued)

Note 8. Expenses (continued)

	2024 \$	2023 \$
Wages and salaries	1,064,282	1,087,128
Non-cash benefits	11,840	5,107
Superannuation contributions	123,203	113,988
Expenses related to long service leave	2,981	(24,107)
Other expenses	63,562	56,226
	<u>1,265,868</u>	<u>1,238,342</u>

Depreciation and amortisation expense

	2024 \$	2023 \$
<i>Depreciation of non-current assets</i>		
Buildings	24,663	20,175
Plant and equipment	11,890	10,136
Motor vehicles	15,490	11,760
	<u>52,043</u>	<u>42,071</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	14,752	13,764
Leased investment property	3,688	3,458
	<u>18,440</u>	<u>17,222</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	38,064	12,688
	<u>108,547</u>	<u>71,981</u>

Charitable donations, sponsorships and grants expense

	2024 \$	2023 \$
Direct donation, sponsorship and grant payments	351,698	156,156
Contribution to the Community Enterprise Foundation™	1,400,000	2,000,000
	<u>1,751,698</u>	<u>2,156,156</u>

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

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

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

Notes to the Financial Statements (continued)

Note 9. Income tax

	2024 \$	2023 \$
<i>Income tax expense</i>		
Current tax	49,858	6,851
Movement in deferred tax	203,047	50,947
Under/over provision in respect to prior years	(2,480)	-
Property, plant and equipment at FVTOCI	(209,880)	-
	<u>40,545</u>	<u>57,798</u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	170,393	231,191
Tax at the statutory tax rate of 25%	42,598	57,798
Tax effect of:		
Non-deductible expenses	427	-
	<u>43,025</u>	<u>57,798</u>
Under/over provision in respect to prior years	(2,480)	-
Income tax expense	<u>40,545</u>	<u>57,798</u>
	2024 \$	2023 \$
<i>Deferred tax liabilities/(assets)</i>		
Property, plant and equipment	389,992	188,166
Financial assets at fair value through profit or loss	1,949	322
Right-of-use assets	26,211	3,035
Income accruals	631	-
Lease liabilities	(26,667)	(3,434)
Employee provisions	(47,642)	(46,649)
	<u>344,474</u>	<u>141,440</u>
Deferred tax liability	<u>344,474</u>	<u>141,440</u>
	2024 \$	2023 \$
Income tax refund due	<u>19,590</u>	<u>70,706</u>

Accounting policy for income tax

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

Accounting policy for current tax

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

Accounting policy for deferred tax

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

Notes to the Financial Statements (continued)

Note 10. Cash and cash equivalents

	2024 \$	2023 \$
Cash at bank and on hand	479,905	841,522

Note 11. Trade and other receivables

	2024 \$	2023 \$
Trade receivables	331,497	368,868
Other receivables	57,368	104,359
Accrued income	2,524	-
Prepayments	12,004	4,757
	<u>71,896</u>	<u>109,116</u>
	<u>403,393</u>	<u>477,984</u>

	2024 \$	2023 \$
<i>Financial assets at amortised cost classified as trade and other receivables</i>		
Total trade and other receivables	403,393	477,984
Less GST refundable from the ATO, included in trade and other receivables	(96,167)	(104,359)
Less prepayments	<u>(12,004)</u>	<u>(4,757)</u>
	<u>295,222</u>	<u>368,868</u>

Accounting policy for trade and other receivables

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

Note 12. Investments

	2024 \$	2023 \$
<i>Current assets</i>		
Term deposits	<u>674,878</u>	<u>-</u>

Notes to the Financial Statements (continued)

Note 13. Property, plant and equipment

	2024 \$	2023 \$
Land - at fair value	692,200	418,105
Buildings - at fair value	1,490,578	962,260
Less: Accumulated depreciation	(88,164)	(100,556)
	<u>1,402,414</u>	<u>861,704</u>
Plant and equipment - at cost	320,781	316,566
Less: Accumulated depreciation	(239,015)	(227,124)
	<u>81,766</u>	<u>89,442</u>
Motor vehicles - at cost	81,283	114,964
Less: Accumulated depreciation	(37,495)	(55,686)
	<u>43,788</u>	<u>59,278</u>
	<u>2,220,168</u>	<u>1,428,529</u>

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

	Land \$	Buildings \$	Plant and equipment \$	Motor vehicles \$	Total \$
Balance at 1 July 2022	418,105	853,339	87,615	23,497	1,382,556
Additions	-	28,540	11,963	58,863	99,366
Disposals	-	-	-	(11,322)	(11,322)
Depreciation	-	(20,175)	(10,136)	(11,760)	(42,071)
Balance at 30 June 2023	418,105	861,704	89,442	59,278	1,428,529
Additions	-	-	4,214	-	4,214
Revaluation increments	274,095	565,373	-	-	839,468
Depreciation	-	(24,663)	(11,890)	(15,490)	(52,043)
Balance at 30 June 2024	<u>692,200</u>	<u>1,402,414</u>	<u>81,766</u>	<u>43,788</u>	<u>2,220,168</u>

Fair value

The fair value of property was determined by external, independent property valuers, having recognised professional qualifications and recent experience in the location and category of the property being valued. Independent valuers provide the fair value of the company's investment property portfolio every 3 to 5 years.

The company's Braidwood and Bungendore properties were independently valued effective 11 October 2023 by Opteon.

Accounting policy for property, plant and equipment

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

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

Land and buildings	6 to 80 years
Plant and equipment	5 to 40 years
Motor vehicles	4 years

Notes to the Financial Statements (continued)

Note 13. Property, plant and equipment (continued)

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

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

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

Note 14. Right-of-use assets

	2024 \$	2023 \$
Land and buildings - right-of-use	149,402	56,998
Less: Accumulated depreciation	<u>(68,877)</u>	<u>(46,942)</u>
	<u>80,525</u>	<u>10,056</u>

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

	Land and buildings \$
Balance at 1 July 2022	22,699
Remeasurement adjustments	1,121
Depreciation expense	<u>(13,764)</u>
Balance at 30 June 2023	10,056
Remeasurement adjustments	85,221
Depreciation expense	<u>(14,752)</u>
Balance at 30 June 2024	<u>80,525</u>

Accounting policy for right-of-use assets

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

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

Refer to note 19 for more information on lease arrangements.

Note 15. Financial assets

	2024 \$	2023 \$
Equity securities - at FVTPL	<u>162,640</u>	<u>144,557</u>

Accounting policy for financial assets

Financial assets are recognised at their market value. Financial assets are derecognised when the rights to receive cash flows have been transferred and the company has transferred substantially all the risks and rewards of ownership.

Notes to the Financial Statements (continued)

Note 15. Financial assets (continued)

The company classifies investments 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.

Note 16. Investment properties

	2024 \$	2023 \$
Investment property - sublease - at cost	37,351	18,609
Less: Accumulated depreciation	<u>(13,033)</u>	<u>(16,528)</u>
	<u>24,318</u>	<u>2,081</u>

Accounting policy for investment properties - sublease

The company subleases some of its property. The company initially measures the head lease in accordance with AASB16 before separately identifying the sublease portion under AASB 140: *Investment property*. The investment property is initially measured at cost under AASB 16: *leases* and subsequently measured at cost less accumulated depreciation under AASB 140: *investment properties*.

Note 17. Intangible assets

	2024 \$	2023 \$
Franchise fee	328,359	328,359
Less: Accumulated amortisation	<u>(279,934)</u>	<u>(241,870)</u>
	<u>48,425</u>	<u>86,489</u>

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

	Franchise fee \$
Balance at 1 July 2022	99,177
Amortisation expense	<u>(12,688)</u>
Balance at 30 June 2023	86,489
Amortisation expense	<u>(38,064)</u>
Balance at 30 June 2024	<u>48,425</u>

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:

<u>Asset class</u>	<u>Method</u>	<u>Useful life</u>	<u>Expiry/renewal date</u>
Franchise fee	Straight-line	Over the franchise term (5 years)	June 2026

Notes to the Financial Statements (continued)

Note 17. Intangible assets (continued)

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

Note 18. Trade and other payables

	2024 \$	2023 \$
<i>Current liabilities</i>		
Trade payables	93,507	10,416
Other payables and accruals	79,775	69,974
	<u>173,282</u>	<u>80,390</u>

Note 19. Lease liabilities

	2024 \$	2023 \$
<i>Current liabilities</i>		
Land and buildings lease liabilities	<u>22,135</u>	<u>13,735</u>
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	<u>84,534</u>	<u>-</u>
<i>Reconciliation of lease liabilities</i>		
	2024 \$	2023 \$
Opening balance	13,735	31,016
Additional lease liabilities recognised	111,039	-
Remeasurement adjustments	65	1,477
Lease interest expense	3,471	1,248
Lease payments - total cash outflow	<u>(21,641)</u>	<u>(20,006)</u>
	<u>106,669</u>	<u>13,735</u>

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Park Lane Lease	7.50%	2 years	2 x 2 years	Yes	February 2030

Accounting policy for lease liabilities

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

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

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

Notes to the Financial Statements (continued)

Note 20. Employee benefits

	2024 \$	2023 \$
<i>Current liabilities</i>		
Annual leave	70,504	70,844
Long service leave	102,275	101,854
	<u>172,779</u>	<u>172,698</u>
<i>Non-current liabilities</i>		
Long service leave	<u>15,783</u>	<u>13,223</u>

Accounting policy for short-term employee benefits

Liabilities for 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. Non-accumulating non-vesting sick leave is expensed when the leave is taken and is measured at the rates paid or payable.

Accounting policy for other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency 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 21. Issued capital

	2024 Shares	2023 Shares	2024 \$	2023 \$
Ordinary shares - fully paid	1,062,849	1,062,849	1,062,849	1,062,849
Bonus shares - fully paid (2:1)	257,570	257,570	-	-
	<u>1,320,419</u>	<u>1,320,419</u>	<u>1,062,849</u>	<u>1,062,849</u>

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.

Notes to the Financial Statements (continued)

Note 21. Issued capital (continued)

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").

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

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

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

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

Note 22. Capital management

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

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

Notes to the Financial Statements (continued)

Note 22. Capital management (continued)

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 23. 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)	99,032	99,032

Franking credits

	2024 \$	2023 \$
Franking account balance at the beginning of the financial year	646,086	582,970
Franking credits (debits) arising from income taxes paid (refunded)	(3,644)	96,126
Franking debits from the payment of franked distributions	(33,011)	(33,010)
	<u>609,431</u>	<u>646,086</u>
<i>Franking transactions that will arise subsequent to the financial year end:</i>		
Balance at the end of the financial year	609,431	646,086
Franking credits (debits) that will arise from payment (refund) of income tax	(19,590)	(70,706)
Franking credits available for future reporting periods	<u>589,841</u>	<u>575,380</u>

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

Accounting policy for dividends

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

Note 24. Financial risk management

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

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

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

Notes to the Financial Statements (continued)

Note 24. Financial risk management (continued)

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

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

	2024 \$	2023 \$
Financial assets		
Trade and other receivables (note 11)	295,222	368,868
Cash and cash equivalents (note 10)	479,905	841,522
Financial assets (note 15)	162,640	144,557
Investments (note 12)	674,878	-
	<u>1,612,645</u>	<u>1,354,947</u>
Financial liabilities		
Trade and other payables (note 18)	173,282	80,390
Lease liabilities (note 19)	106,669	13,735
	<u>279,951</u>	<u>94,125</u>

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

Accounting policy for financial instruments

Financial assets

Classification

The company measures its financial assets into the following categories:

- Amortised cost
- Fair value through profit or loss (FVTPL)

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

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

The company's financial assets measured at FVTPL comprise investments in listed entities over which the company does not have significant influence nor control.

Impairment of trade and other receivables

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

Financial liabilities

Classification

The company measures its financial liabilities at amortised cost.

Notes to the Financial Statements (continued)

Note 24. Financial risk management (continued)

The company's financial liabilities measured at amortised cost comprise trade and other payables and lease liabilities.

Derecognition

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

Market risk

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

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 \$479,905 and term deposits of \$674,878 at 30 June 2024 (2023: \$841,522 and nil).

Price risk

The primary goal of the company's investment in equity securities is to hold the investments for the long term for strategic purposes.

Equity Price risk

All of the company's listed equity investments are listed on the Australian Stock Exchange (ASX). All unlisted equity investments trade shares through a Low Volume Financial Market. Changes in equity securities value is recognised through profit or loss or other comprehensive income.

2024	% change increase	Effect on profit before tax	Effect on equity	% change decrease	Effect on profit before tax	Effect on equity
Equity securities	10%	<u>16,264</u>	<u>12,198</u>	(10%)	<u>(16,264)</u>	<u>(12,198)</u>

2023	% change increase	Effect on profit before tax	Effect on equity	% change decrease	Effect on profit before tax	Effect on equity
Equity securities	10%	<u>14,456</u>	<u>10,842</u>	(10%)	<u>(14,456)</u>	<u>(10,842)</u>

Liquidity risk

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

The following are the remaining contractual maturities of financial liabilities. The 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	173,282	-	-	173,282
Lease liabilities	22,880	91,519	15,253	129,652
Total non-derivatives	<u>196,162</u>	<u>91,519</u>	<u>15,253</u>	<u>302,934</u>

Notes to the Financial Statements (continued)

Note 24. Financial risk management (continued)

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2023				
Trade and other payables	80,390	-	-	80,390
Lease liabilities	13,735	-	-	13,735
Total non-derivatives	<u>94,125</u>	<u>-</u>	<u>-</u>	<u>94,125</u>

Note 25. Fair value measurement

Fair value hierarchy

The following tables detail the company's assets and liabilities, measured or disclosed 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: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2024				
Assets				
Equity securities	162,640	-	-	162,640
Land and buildings	-	2,055,000	-	2,055,000
Total assets	<u>162,640</u>	<u>2,055,000</u>	<u>-</u>	<u>2,217,640</u>

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2023				
Assets				
Equity securities	144,557	-	-	144,557
Land and buildings	-	1,380,365	-	1,380,365
Total assets	<u>144,557</u>	<u>1,380,365</u>	<u>-</u>	<u>1,524,922</u>

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.

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.

Notes to the Financial Statements (continued)

Note 26. Key management personnel disclosures

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

Garry Edward Cook
Rhyll Elizabeth Tozer
Dale Josephine Towell
Diana Mary Izzard
Alexandra Rofe

Richard Elliot
Shane Anthony Holness
Andrew Trevor Callan
Craig Hinder

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 27. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 26.

Receivable from and payable to related parties

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

Terms and conditions of transactions with related parties

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

Transactions with related parties

The following transactions occurred with related parties:

	2024 \$	2023 \$
The company provided sponsorships to community groups where company directors are also committee members.	64,364	-

Note 28. Remuneration of auditors

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

	2024 \$	2023 \$
<i>Audit services</i>		
Audit or review of the financial statements	7,650	6,400
<i>Other services</i>		
Taxation advice and tax compliance services	700	660
General advisory services	4,613	3,195
	5,313	3,855
	<u>12,963</u>	<u>10,255</u>

Notes to the Financial Statements (continued)

Note 29. Reconciliation of profit after income tax to net cash provided by/(used in) operating activities

	2024 \$	2023 \$
Profit after income tax expense for the year	129,848	173,393
Adjustments for:		
Depreciation and amortisation	108,547	71,981
Increase in fair value of equity instruments designated at FVTPL	(6,512)	(11,572)
Net gain on disposal of non-current assets	(13,636)	(1,375)
Income reinvested in financial assets	(11,572)	(8,736)
Lease liabilities interest	3,471	1,248
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	74,591	(223,273)
Decrease/(increase) in income tax refund due	51,116	(70,706)
Increase/(decrease) in trade and other payables	92,851	(37,207)
Decrease in provision for income tax	-	(18,570)
Increase/(decrease) in deferred tax liabilities	(6,833)	50,947
Increase/(decrease) in employee benefits	2,641	(16,852)
Net cash provided by/(used in) operating activities	<u>424,512</u>	<u>(90,722)</u>

Note 30. Earnings per share

	2024 \$	2023 \$
Profit after income tax	<u>129,848</u>	<u>173,393</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,320,419</u>	<u>1,320,419</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,320,419</u>	<u>1,320,419</u>
	Cents	Cents
Basic earnings per share	9.83	13.13
Diluted earnings per share	9.83	13.13

Note 31. Commitments

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

Note 32. Contingencies

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

Note 33. 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.

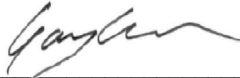
Directors' Declaration

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



Garry Edward Cook
Chair

30 September 2024

Independent Auditor's Report



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

Independent auditor's report to the Directors of Palerang Financial Services Limited

Report on the Audit of the Financial Report

Opinion

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

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

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

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

Basis for Opinion

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

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

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



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

Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's responsibilities for the Audit of the Financial Report

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

Independent Auditor's Report (continued)



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

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

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

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 30 September 2024

A handwritten signature in black ink, appearing to read 'Jessica Ritchie'.

Jessica Ritchie
Lead Auditor

Community Funding 2023/24

Funding Type	Contribution Recipient	Amount
Donation	Braidwood & District Education Foundation	\$ 15,000
Donation	Braidwood Hospital Ausiliary	\$ 658
Donation	Braidwood Life Centre	\$ 4,500
Donation	Cancer Council	\$ 4,890
Donation	Cancer Council	\$ 5,000
Donation	Cancer Council	\$ 500
Donation	First Steps Pregnancy Support Ltd	\$ 11,000
Donation	first Steps Pregnancy Support Ltd	\$ 500
Donation	Hoskingtown-Rossi Rural Fire Brigade	\$ 6,000
Donation	Mongarlowe Volunteer Bush Fire Brigade	\$ 13,520
Donation	Terry Campese Foundation	\$ 5,000
Grant	Canberra Region Community Funerals limited	\$ 50,000
Grant	Krawree RFS Brigade	\$ 16,500
Grant	The Consensus Education Foundation	\$ 18,568
Scholarship	Dewi Xanthe Putra Jaya	\$ 3,750
Scholarship	Dylan Peters	\$ 6,000
Scholarship	Emma English	\$ 5,000
Scholarship	Fergus Tooth	\$ 2,000
Scholarship	Imogen Dixon	\$ 6,000
Scholarship	Jackson Barclay	\$ 7,500
Scholarship	Jade Bunn	\$ 2,500
Scholarship	Joshua Clark	\$ 3,000
Scholarship	Michelle Guinane	\$ 5,000
Scholarship	Scarlett Bunn	\$ 5,000
Scholarship	Tom Rudd	\$ 3,500
Sponsorship	Braidwood & District Pony Club	\$ 500
Sponsorship	Braidwood Apex	\$ 1,500
Sponsorship	Braidwood Apex	\$ 3,000
Sponsorship	Braidwood Bowling Club	\$ 5,500
Sponsorship	Braidwood Central School P& C Assoc.	\$ 2,000
Sponsorship	Braidwood Golf Club	\$ 5,500
Sponsorship	Braidwood Junior Soccer Club	\$ 5,000
Sponsorship	Braidwood Motor Club	\$ 605
Sponsorship	Braidwood Polocrosse Club	\$ 5,000
Sponsorship	Braidwood Preschool	\$ 2,000
Sponsorship	Braidwood Quilters and Textiles Inc.	\$ 2,000
Sponsorship	Braidwood Redbacks Rugby Union Club	\$ 5,000
Sponsorship	Braidwood Show Society	\$ 11,000
Sponsorship	Braidwood Urban Landcare Group	\$ 11,630
Sponsorship	Bungendore Bowling and Sports Club	\$ 6,414

Community Funding 2023/24

Funding Type	Contribution Recipient	Amount
Sponsorship	Bungendore Campdraft Club Inc	\$ 5,000
Sponsorship	Bungendore Netball Club	\$ 5,000
Sponsorship	Bungendore PA & H Society Show	\$ 15,000
Sponsorship	Bungendore Preschool	\$ 7,150
Sponsorship	Bungendore Rugby Football Club (Mudchooks)	\$ 5,000
Sponsorship	Bungendore Rugby Football Club Inc	\$ 2,354
Sponsorship	Bungendore Tigers Junior Rugby League Football Club Inc.	\$ 5,000
Sponsorship	Bungendore United Football Club	\$ 5,000
Sponsorship	Canberra & District Historic Engine Club	\$ 1,000
Sponsorship	Captains Flat Public School P&C Association	\$ 5,000
Sponsorship	Captains Flat Public School P&C Association	\$ 750
Sponsorship	First Thursday Community Lunch Group	\$ 5,500
Sponsorship	Goulburn Motorcycle Grand Prix Association Inc	\$ 5,000
Sponsorship	Lake George's Men's Shed	\$ 2,582
Sponsorship	Lions Club of Braidwood	\$ 1,000
Sponsorship	Lions Club of Braidwood Inc	\$ 5,000
Sponsorship	Lions Club of Bungendore	\$ 950
Sponsorship	Lions Club of Bungendore	\$ 2,000
Sponsorship	Majors Creek Volunteer Bush Fire Brigade	\$ 1,559
Sponsorship	Quick Shear Incorporated	\$ 1,000
Sponsorship	Rotary Club of Bungendore	\$ 1,000
Sponsorship	Rotary Club of Bungendore	\$ 1,500
Sponsorship	Rotary Club of Bungendore	\$ 1,500
Sponsorship	Rotary Club of Bungendore	\$ 5,000
Sponsorship	Rotary Club of Bungendore	\$ 4,000
Sponsorship	Rotary Club of Bungendore	\$ 10,000
Sponsorship	Rotary Club of Bungendore	\$ 1,000
Sponsorship	Rotary Club of Bungendore	\$ 2,240
Sponsorship	St Bedes Primary School Braidwood	\$ 550
Sponsorship	Tarago Show Society	\$ 5,000
Sponsorship	Two Fires Festival of Arts & Activism	\$ 1,200
Sponsorship	Wamboin Community Association Inc	\$ 10,020
Sponsorship	War Memorial Committee	\$ 550
Total		\$ 391,940

Our Community Impact 2023-24



We aim to develop long-term prosperity by supporting programs that help empower local individuals and groups within the local community. We are committed to investing in the growth of a strong, connected and vibrant community.



\$6.7m

provided to empower the local community to date

\$2.9m

invested for future local community funding

62

Organisations supported in 2023-24

21

years providing a community banking service



Goulburn's 100th Anniversary Motorcycle Grand Prix Sponsorship

The Community Bank Bungendore provided a \$5,000 sponsorship to the Goulburn Motorcycle Grand Prix Association for the 100th anniversary celebration of the 1924 Motorcycle Grand Prix. This three-day event commemorated the historic race and was organised by a committee including Mulwaree Council, Goulburn Chamber of Commerce, and local motorcycle clubs. Proceeds from the event supported Goulburn's motorcycle clubs, which provide rider training and make donations to local charities.

Generously supported by our Community Bank the ride was unlike the first in that it mirrored the difference of our time, but was identical of heart, and our opportunity to recognise those young riders of 1924.

Tom Rudd 2024 Community Bank Bungendore Scholarship Recipient



Tom Rudd, a passionate student of Rural Science, was recently awarded a merit-based scholarship of \$3,500 by the Community Bank Bungendore. Tom has embarked on his journey at the University of New England, pursuing a degree in Agriculture, Environment, and Related Studies. His dedication to learning about the sustainable future of our rural landscapes impressed us, and we're proud to support his academic journey. This scholarship will help ease the financial burden of his studies, allowing him to focus on making a positive impact in the field of rural science. We wish Tom every success in his studies and look forward to seeing the difference he will make in the future of agriculture.

The education sponsorship from the Bendigo Community Bank was instrumental in advancing my academic journey whilst living away from home. It not only eased the financial burden of my studies but also motivated me to excel and give back to my community that supported me. I appreciate this opportunity.



Lions Club of Bungendore High School Breakfast Club Sponsorship



The Community Bank Bungendore is pleased to sponsor the Lions Club of Bungendore with \$2,000 for their High School Breakfast Club, which provides nutritious breakfasts to students at Bungendore High School on Tuesday and Thursday mornings. This initiative aligns with the NSW Department of Education's efforts to encourage regular school attendance and punctuality. Providing breakfast has proven health and educational benefits, especially for students who may travel to school or lack breakfast at home. Attendance is growing daily, demonstrating the program's positive impact on our community's youth.



Hoskingtown-Rossi Community Donation

The Community Bank Bungendore has donated \$6,000 to the Hoskingtown-Rossi Community for the purchase of a Ride-on mower. This mower will help volunteers maintain the grounds of the fire station, as well as nearby St. Mark's Anglican Church and the War Memorial Hall. By supporting this initiative, the bank is helping to ease the workload of the volunteers who dedicate their time to keeping these important community spaces in great condition.

The donation from the Community Bank has been a tremendous benefit to the community. No longer will volunteers have to lug their ground maintenance equipment to various locations, now that we have one, very capable resource.



Braidwood & District Education Foundation (BDEF) Donation



Community Bank Braidwood donated \$15,000 to support the Braidwood & District Education Foundation (BDEF) for the Class of 2024-25 Grants. BDEF provides grants to local students aged 16-25, assisting them with further education after high school.

These grants help cover expenses like textbooks, accommodation, and travel, reducing the financial burden for students, especially those living away from home. In 2024, BDEF awarded \$71,000 to 24 students pursuing diverse fields such as Nursing, Engineering, Social Work, and Apprenticeships.

Thanks to the generous grant, BDEF can now assist even more young students to reach their educational goals. Without the bank's support, we would not have the capacity to help as many students as we do.

Rotary Club of Bungendore Monopoly Bungendore Edition Sponsorship



Community Bank Bungendore proudly sponsored \$10,000 towards the Rotary Club's ambitious Monopoly Bungendore Edition project. This unique initiative not only highlights local businesses and organisations but also puts Bungendore on the global Monopoly map. The game was launched through an online auction, giving businesses the chance to secure a spot on this limited-edition board. With strong community support and the final details submitted, the game is set to be available by the end of the year, bringing both fun and tourism opportunities to the village.

What about Monopoly he said! Think, discuss, consider, make a decision - Why not Monopoly! And that is how it started. Our strong relationship with the Community Bank

Bungendore allows us to have good discussions and debates about opportunities and projects and so we embarked on a project to immortalise our Bungendore businesses on the worldwide Monopoly stage. With great support and encouragement from all we 'rolled the dice' and 'took a chance' and in November this year Bungendore will have its very own Monopoly game. The proceeds will go to community projects to help entice visitors to come and stay and enjoy what Bungendore has to offer to the benefit of many. Without the support of the Community Bank Bungendore this would never have happened. Thank you.



First Thursday Community Lunch Group Sponsorship

Community Bank Braidwood provided a \$5,000 sponsorship to support the Community Lunch Project. Held monthly, on the first Thursday, at the Braidwood Servicemen's Club, the initiative offers a \$10 lunch to anyone in the community helping to alleviate social isolation. With additional support from the club and Pine Garden Restaurant, the funding is primarily used for entertainment, which has proven to attract more attendees. This project fosters social connection and provides a wholesome meal for those who may be financially struggling, making it a valuable and affordable outing for the broader Braidwood community.



An average of 70 Braidwood citizens have gathered at the Braidwood Services Club on the First Thursday, of each month, for 2 years. Why? To chat, to share a meal, make new friends and renew past friendships - perhaps listen to a gifted musician, be thrilled by a tango dancer, or step back in time with our own Patsy (Pixie) Kline! Thanks to Bendigo Bank's extremely generous donation of \$5,000, we will be able to continue into the future, fostering friendships, supporting local talent, building community.

It is fantastic to receive this grant, as it enables our committee to continue providing entertainment and special event celebrations, such as Christmas and Easter. For many, community lunches are one of only a few opportunities to socialise and connect with the community. In the words of an older member: It meets a lovely need in the community to know someone and feel a local acceptance.



Imogen Dixon 2024 Community Bank Braidwood Scholarship Recipient

Imogen was awarded a \$6,000 scholarship from the Community Bank Braidwood to support her Bachelor of Nursing studies at Charles Sturt University in Wagga. Her passion for healthcare and desire to work in a regional community after graduation makes her a perfect recipient of this award. A special moment unfolded when Imogen visited the branch to thank the bank and take a photo – her grandmother, Maureen Faviell, one of the founding board members of Braidwood Community Bank, happened to be walking by and joined the photo. With deep community ties and a commitment to making a difference, we are excited to support Imogen as she embarks on her journey to becoming a nurse. We wish her the best of luck with her studies and future career.

This sponsorship has helped me so much, as I have been able to put all of my effort on studying at University, which I'm very appreciative for.

Tarago Show Society 2024 Tarago Show Sponsorship



The Community Bank Bungendore proudly sponsored the 2024 Tarago Show, held on Saturday, 2 March. The show celebrated the best of the Tarago community, with locals showcasing their home-grown vegetables, flowers, handicrafts, preserves, and artworks. On Sunday, 3 March, the event attracted around 1,144 visitors who enjoyed a range of activities including a magician, face painting, an animal nursery, jousting knights, horse rides, and performances from talented local singers. The event was a fantastic opportunity for the community to come together, enjoy great entertainment, and catch up with friends. Thanks to the dedication of the show society committee and volunteers, the showground was in perfect condition for the event. Our sponsorship played a vital role in making the day a success, and we were pleased to help support this vibrant community event.



Braidwood Swimming Club Towels Sponsorship

The Community Bank Braidwood provided \$3,000 to the Braidwood Swimming Club to purchase embroidered towels for their members, proudly featuring the bank's logo. A chilly sea mist rolled in during the presentation of the new towels but despite the cold, the swimmers were excited, and the parents expressed their appreciation for the bank's support. This partnership is another great example of how we work together with local groups to benefit our community.

The Community Bank grant allowed the Braidwood Swim Club to purchase quality club logo towels that were distributed to swimmers, volunteers and committee members. The Braidwood Swim Club is grateful for the ongoing support of the Community Bank not only for the Braidwood Swim Club but also for all the other organisations in the Braidwood area and surrounds. The word 'community' definitely belongs in the Bank's title.

Bungendore Park Tennis Club Replacement of Tennis Clubhouse Grant



The Bungendore Park Tennis Club is excited to share that they are currently building a new, accessible clubhouse, thanks to an \$80,000 sponsorship from the Community Bank Bungendore! This new space will feature on-site toilets, showers, and a welcoming common area, making it easier for everyone—especially women, girls, and seniors—to enjoy tennis. The upgraded clubhouse will also serve as a fantastic venue for local groups to hold meetings. This project is all about bringing the community together and enhancing our tennis club as a vibrant place to play and connect!

The grant from the Community Bank will go towards the construction of a new clubhouse to be completed in time for the 2024/25 Summer of Tennis. The new clubhouse will complete the Club's vision to provide a safe, relaxed and comfortable environment for the community to enjoy tennis and pickleball. The new facility will also provide a much needed, convenient place for Bungendore sporting and other not-for-profit clubs and groups to meet.



Two Fires Festival of Arts & Activism Sponsorship

Community Bank Braidwood supported the Voices for Reconciliation 2024 project with a \$1,000 sponsorship. This initiative, part of National Reconciliation Week, invited communities to record choirs singing the Warumpi Band's song "Blackfella, Whitefella." Local groups including the Braidwood Folk Club, Braidwood Cantors, BYPAA Choir, and Total Fire Band led the community choir event. The funding helped cover audio-visual and editing equipment, enabling the creation of a high-quality video that was shared on the Reconciliation Australia website. Scan the QR code to view the final video.

The Terry Campese Foundation Donation



The Community Bank proudly donated \$5,000 to support The Terry Campese Foundation, founded by Terry Campese and Pamela Slocum in 2012. The foundation's Youth Mentor Program has positively impacted many lives, including taking five young people to Kokoda in 2019 after a 20-week mentorship. The results were life changing. In 2024, the fourth group from Braidwood embarked on this program, culminating in a nine-day hike around Uluru and on the Larapinta Trail. Terry, having worked in Braidwood as a Recovery Officer, identified the need to expand the program to regional areas, helping even more youth grow and thrive.



Bungendore Rotary Defensive Driver Training Course



The Community Bank Bungendore has proudly contributed \$1,500 to support Bungendore Rotary's Defensive Driver Training, which recently completed its 7th course. Over the years, over 110 students have attended the program free of charge, thanks to the support of the bank and other local businesses. This initiative is a great example of the community coming together to support its youth and promote safer driving.



Braidwood Life Centre Christmas Hampers and Community Gathering Donation



The Community Bank donated \$4,500 to support the annual Christmas Hampers Lunch and Community Gathering, hosted by the Braidwood Life Centre and the Vinnies Conference in Braidwood. This heartfelt event invited local community members facing hardship to a morning tea and lunch on 15 December 2023, where they received Christmas hampers and vouchers for the local butcher or general store. Around 65 people attended, with volunteers from both organisations working hard to make the day special. This event brings joy to those in need and strengthens community bonds during the festive season.

These hampers are given to people who are in financial and other crises and there are many people in our community requiring regular support. This event is beautiful. A nourishing, lovely lunch is prepared by volunteers and shared. People are welcomed around 10.30am, offered morning tea, lunch, and laughter and conversation occur. A local school collects items of food and gifts for children and the day comes to a close around 3pm. It is a happy, joyful day. So thankful this can occur, thanks to all and thank you Braidwood Community Bank for support of this event.



"We Are Wamboin" Booklet Sponsorship

Community Bank Bungendore provided a \$10,020 sponsorship to the Wamboin Community Association (WCA) to produce a booklet titled "We Are Wamboin – Building a Resilient Community." Celebrating over 50 years of Wamboin, the booklet highlights the community's growth, vibrant neighbourhood, and strong connections. The funds will support the printing of 1,000 high-quality A5 booklets, featuring stories, historical insights, and community achievements. The booklet's launch is scheduled for early 2025 at a Wamboin market. The content includes segments on the community's history, natural habitat, key infrastructure developments, and profiles of local groups and individuals. The project aims to celebrate Wamboin's unique identity and showcases the strength of its community despite the absence of a central town.

The story booklet celebrates 50 years of strong community action in the Wamboin area and will be a great resource for new residents, current households and also serve as a good model for other small communities to showcase and further develop their own vibrant communities



Mongarlowe RFS Kitchen Renovation Donation

In October 2023, the Community Bank Braidwood provided a \$13,520 grant to the Mongarlowe Rural Fire Service to help renovate their kitchen. Previously too small to be used during the 2019/2020 bushfires, the new kitchen will now be able to support both volunteers and the local community. Volunteers proudly presented the Bank with a certificate of appreciation.



Bungendore United Football Club Sponsorship

Since its establishment in 2014, Bungendore United Football Club has grown rapidly, becoming one of the fastest-growing volunteer-run junior clubs in the district. Starting with just 60 players, the club now boasts more than 300 players in its tenth season. With a focus on inclusivity and promoting a healthy lifestyle, the club offers both community soccer and competitive league options through Capital Football. The annual presentation day was a highlight, bringing families together to celebrate the season. Community Bank Bungendore is proud to support this thriving club and has fostered a strong partnership with the club.



First Steps Pregnancy Support Donation

Community Bank Bungendore has donated \$10,000 to First Steps Pregnancy Support (FSPS), a not-for-profit organisation based in Queanbeyan, NSW. FSPS provides tailored support to vulnerable expectant and parenting women, particularly those facing crisis or challenging circumstances, such as teenage mums, First Nations women, and those without Medicare or strong support networks. The donation funded a Technology Package, including a handheld ultrasound device, large iPad, a TV for workshops, a new fridge/freezer, and a printer/scanner. These tools enhance FSPS's ability to offer comprehensive care, workshops, and essential services to women in need.

FSPS has been so encouraged by the team at the Community Bank Braidwood and Bungendore. Not only have they provided a very generous financial donation, but they continue to demonstrate their overwhelming interest and support for our work. This has been through initiation of media opportunities on our behalf, raising awareness in the local community about what we are doing, practical assistance with organising fundraising events, attending our Grand Opening as well as personal support, with one of the Board Members providing us with a steady supply of exquisite quilts she has made that go straight to the women we care for. The financial support provided has enabled us to upgrade technology that is vital to our service and we have made the donation go a long way with multiple items purchased. A few of the most notable items we have been able to buy include a new ultrasound machine and viewing screen that enables new Mums to see their unborn baby at each visit; a large Frame TV that displays beautiful art for the wall, enables seamless transition to presentation mode for teaching at classes and workshops, as well as interactive singing and dancing presentations for playgroup. Another essential item we have been able to buy is a large Fridge/Freezer that is essential for storing the many home cooked meals that pass through our doors, lovingly made by local women in the community to bless the families we serve. The Community Bank really do live out their mission to support and empower community groups and we are so grateful to the team for all they have done for us in this past year.



2024-25

Community Impact Strategy



Capacity Development

Investing in people, leadership and resilience



Opportunity & Innovation

Encouraging innovation and creation



Wellbeing

Nurturing our community's wellbeing and resilience



Collaborate & Connect

Working to establish, maintain and support partnerships



Liveability

Improving and sustaining our region

Palerang Financial Services Limited Community Bank branches (Braidwood, Bungendore and Crookwell) have contributed more than \$9.6 million to local community projects and initiatives over the last 21 years. Behind the numbers are real stories and real branches, making a real difference for real people.



Community Bank - Braidwood
93-95 Wallace Street,
Braidwood NSW 2622
Phone: 4842 1700 Fax: 4842 1711
Email: BraidwoodMailbox@bendigoadelaide.com.au
Web: bendigobank.com.au/braidwood

Community Bank - Bungendore
1/33 Ellendon Street,
Bungendore NSW 2621
Phone: 6238 0547 Fax: 6238 0587
Email: BungendoreMailbox@bendigoadelaide.com.au
Web: bendigobank.com.au/bungendore

Crookwell Agency
139 Goulburn Street,
Crookwell NSW 2583
Phone: 4832 2151 Fax: 4832 2151
Web: bendigobank.com.au/agency/nsw/mcgeechn-farm-supplies

Franchisee: Palerang Financial Services Limited
ABN: 83 097 801 100
Unit 1 / 2 Park Lane, Braidwood NSW 2622
Phone: 4842 1118
Email: admin@pfsl.com.au Web: <https://pfsl.com.au/>

Share Registry:
RSD Share Registry
PO Box 30, Bendigo VIC 3552
Phone: 03 5445 4222.
Email: shares@rsdregistry.com.au

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[/communitybankbungendore](https://www.facebook.com/communitybankbungendore)

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