

Annual Report 2024

Pinewood Community Financial Services Limited

Community Bank
Pinewood

ABN 26 099 420 050



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Chairman's report

For year ending 30 June 2024



Dear Shareholders,

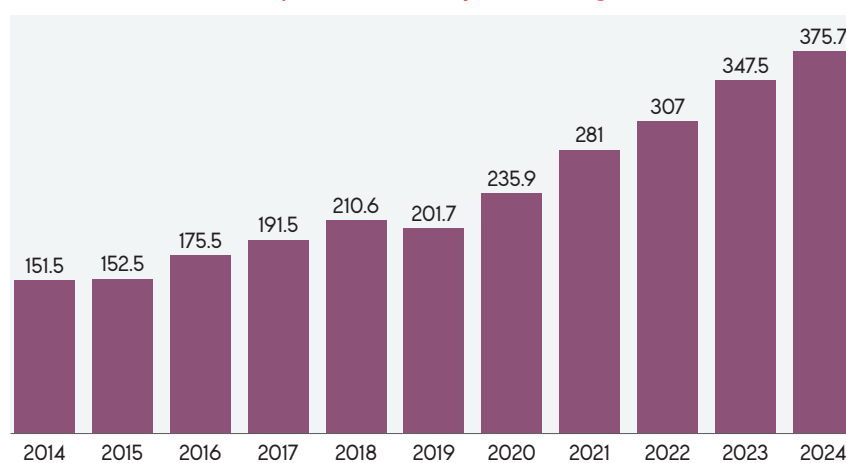
This has been a year of many challenges and changes, but we have come through it better than ever and our community continues to prosper from our business. In the FY2023/24 year, our loans and deposits increased from \$347.5 million to \$375.7 million, a growth of 8.1%. While this growth is down on the previous year's 10%+ results, growth rates have become harder to achieve as the size of the business increases. Our financial performance has delivered again this year with revenue up by 4.6%, Net Profit down by 15.4%, and Earnings per Share of \$1.06. I'm very pleased to announce that the board has declared a dividend of \$0.50 per share which is an increase of 39% over last year's \$0.36 dividend.

We have stepped up our Community Contributions this year which have increased 16.7% to \$619,732 from \$530,730 in 2022/23. With this higher level of community contributions for the past 2 years, we have commenced a community capital investment program to improve our local schools, reserves, and medical facilities. So far, these commitments have reached \$320,000 mostly with joint funding from the users of these facilities. Our Partners include Mount Waverley Secondary College, Mount Waverley Blues Football Club, The Monash Children's Hospital, Victoria SES – Monash Unit, Monash Ronald McDonald House, and Monash City Council – Pinewood Reserve Playground upgrade. We aim to continue this program as suitable projects come to the fore.

Director Peter Pan decided to retire from the board in 2023 to pursue other business opportunities. Peter was the key director who brought our business into the Chinese community and has done so effectively. I would like to wholeheartedly thank Peter for his incredible efforts. Amongst many other initiatives, this year we were the naming rights sponsor for the Glen Waverley Chinese Lantern and Lunar New Year celebration.

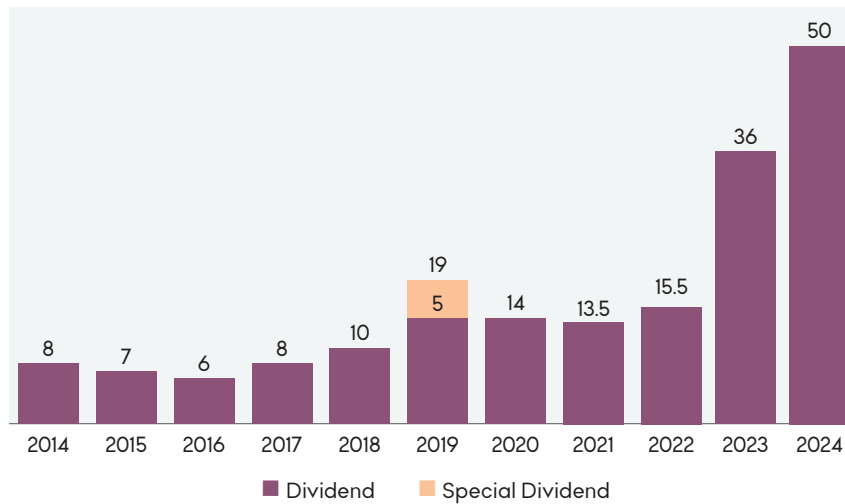
To help strengthen and build focus on new communities, Melbourne City Councillor Philip Le Liu has joined the board. Philip has extensive networks in multicultural communities, and we are very pleased with his efforts in this space already. Jenny Li also joined us in June to drive our community engagement activities with multicultural communities. I thank both Directors for their commitment and enthusiasm towards expanding our community relationships. Our team also expanded with Mandy Xu joining as Mobile Relationship Manager.

Growth in Loans and Deposits (\$million) years ending June 2014 - June 2024



Chairman's report (continued)

Dividend per share (cents) years ended June 2014 - June 2024



As always, there have been some changes to the composition of our board. After nine years as Company Secretary and Director, Sharyn Cowley retired at the end of June. Sharyn has been a champion Director, helping guide us seamlessly through many challenges and governance issues. I would like to thank Sharyn for her incredible commitment over so many years. Stephen Pewtress also retired from the board. Stephen joined us during the pandemic and has had an impact on our business with his community connections and with his forthright advice on many strategic challenges, thank you, Steve. In addition to Philip and Jenny mentioned above, Thomas Pewtress, Pavla Ford and Malwina Peacock were new arrivals to the board this year. Thomas is Chairman of the Monash Business Awards, Pavla has taken on the role of Treasurer and Malwina has replaced Sharyn as Director and Company Secretary; welcome all.

Our Branch team has continued to be well-led by Indu Dehipola. Indu has managed the branch very capably through many challenges and has provided outstanding leadership to the team. She has met all the challenges presented by the business through a long period of high customer growth rates. Louise Gracey continues to provide stellar support for the Board and leadership for our Pitch Night, an expanded Scholarship Program, sports and community group sponsorships, and very creative social media management. Also of note was Paul Tyson who celebrated his 20th year with Community Bank Pinewood.

Finally, I would like to thank all Directors for their support of the business, of our community, and of me as Chairman. Our Community Bank has continued to expand, and our marketing efforts continue to find new opportunities. Since 2015 when I became Chairman, Community Bank Pinewood has contributed over \$1.7m to our community in donations, grants, scholarships, and sponsorships. The year ahead has many challenges but I have full confidence that our Board, Branch leadership, and Branch staff will continue to build and strengthen our business and our community.

Yours sincerely

Robert Davies
Chairman

Manager's report

For year ending 30 June 2024



Dear Shareholders

With continued focus on our long-term strategy and a steadfast commitment to the right way forward, we are pleased to report another successful year for Community Bank Pinewood. Technological innovation in digital banking, adherence to prudent banking practices, customer centricity, and teamwork enabled the branch to close its footings at \$375.7 million representing a growth of 8.1% during the year. We continue to attract customers who believe we are a true alternative to the big four banks.

During our 21 years of operation, we have given over 2 million dollars to community groups within the City of Monash. A few notable contributions during the year were \$75,000 to Victoria SES – Monash Unit for a new truck and ten laptops, \$50,000 to Mount Waverley Secondary School for their Outdoor Classroom project, and \$50,000 to Waverley Blues Football Club for their digital scoreboard on Pinewood Reserve.

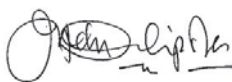
Every day we work to protect our customers' money and personal information. We're committed to helping customers bank safely online and feel protected. The Good Things Foundation is a social change charity, helping people to improve their lives through digital education. We have partnered with the Good Things Foundation to support our digital inclusion impact on our local community.

We continue to have a strong relationship with Bendigo and Adelaide Bank's Victorian state office and regional support staff. They continuously provide us with the necessary support and guidance to ensure we meet our customers' expectations.

I would like to take this opportunity to thank our loyal customers, shareholders, community groups, business partners, and other stakeholders who have partnered with us on this journey and look forward to your continued support.

I also extend my appreciation to the Chairman and Board of Directors for their continued assistance and to Louise Gracey our Marketing and Sponsorship Coordinator and Executive Officer for her dedication and commitment to the work that we do in the City of Monash.

Finally, a big thank you to my team; Paul Tyson, Paul Lai, Eraj Rajapakse, Jeremy Zhang, Angela Zhang, Rhiannon Clay, and Lou Qian for embracing the ever-evolving banking landscape and continuing the great work they do.

A handwritten signature in black ink, appearing to read 'Indu Dehipola'.

Indu Dehipola
Branch Manager

Community contributions

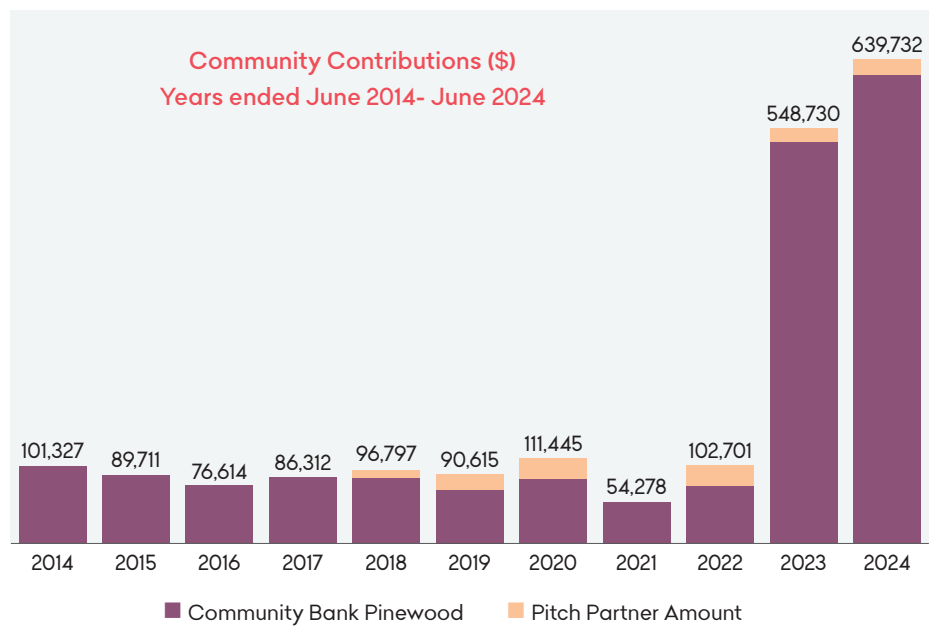
Pinewood Community Financial Services Ltd has contributed a huge \$639,732 to our local community through Sponsorships, Scholarships, Donations, and Grants in the last 12 months. This is the highest ever amount of community contributions to date.

Projects were funded across seven key sectors including Education and Research, Sport and Recreation, Community Facilities and Infrastructure, Arts, Culture and Heritage, Health and Wellbeing, Emergency Services and Support, and Environmental and Animal Welfare. These projects were funded either by application, at our 7th 'Pitch It' event, or our initiative, effort, and drive to support our community.

We supported events and festivals in our local area including the Chinese Lunar New Year Festival in Glen Waverley together with our Chinatown Office and Monash Carols by Candlelight held at Jells Park attracting thousands of locals.

Notably, we provided funding for several larger projects including a new digital scoreboard at the Pinewood Reserve to be used by Waverley Blues Football Club and Mount Waverley Cricket Club. We also contributed funding to the City of Monash Council for an upgraded playground at Pinewood Reserve. We partnered with Mount Waverley Secondary College for their Outdoor Classroom project and with Monash Children's Hospital for a new Ultrasound machine which will make a huge difference to the children there. We provided funding for the Monash Ronald McDonald House for repairs to their building which was severely affected by the storms earlier in 2024. Finally, we provided significant funding to Victoria SES – Monash Unit to purchase a new truck and laptops which will make a huge impact on their capability to process workflow and to aid residents.

The Community Engagement Committee oversees all funding opportunities and has done an excellent job these past 12 months in ensuring a broad spectrum of our community is supported and we continue to strive to do even more in the years to come.



Clockwise from top left: Branch Manager with Glen Waverley Tennis Club President, Board and staff at Community Carols, Board, staff and guests at Monash Business Awards, Pitch It 2023 recipients.

Community contributions (continued)

Pinewood Community Financial Services Limited
Financial Year 2023/2024

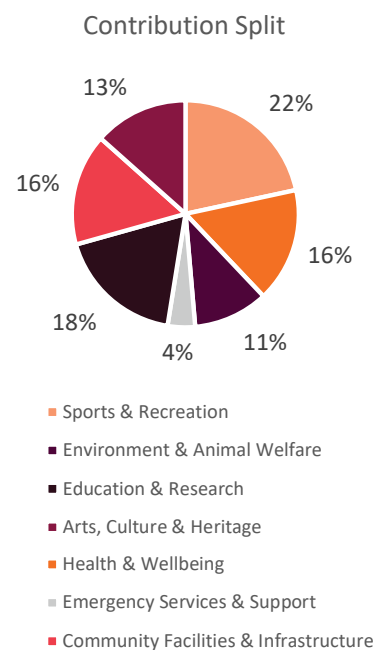
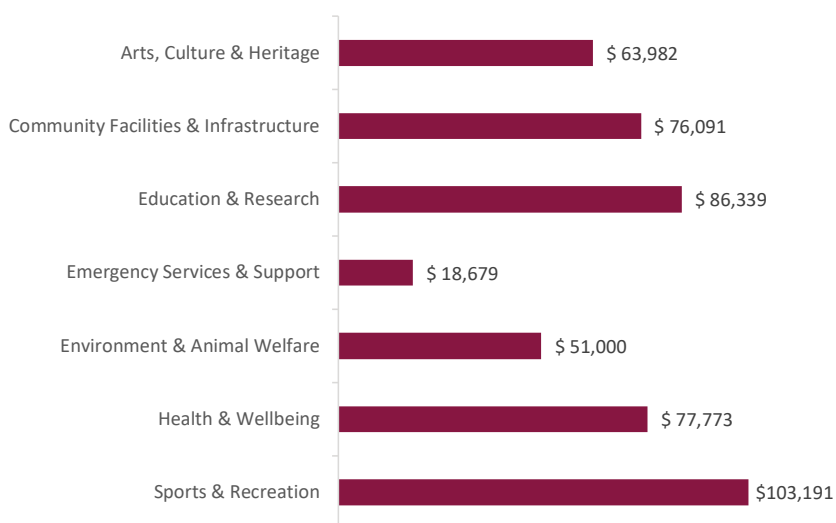
Contribution Totals by Type	
Donation	\$ 12,715
Grant	\$ 216,597
Scholarship	\$ 3,500
Sponsorship	\$ 244,242
Total	\$ 477,055

National Contribution	
FY24	\$40,457,751
Projects funded	8021
\$360 million reinvested back into local communities	

Contribution Totals by Sector	
Sports & Recreation	\$ 103,191
Health & Wellbeing	\$ 77,773
Environment & Animal Welfare	\$ 51,000
Emergency Services & Support	\$ 18,679
Education & Research	\$ 86,339
Community Facilities & Infrastructure	\$ 76,091
Arts, Culture & Heritage	\$ 63,982
Total	\$ 477,055



Contribution Split by Sector



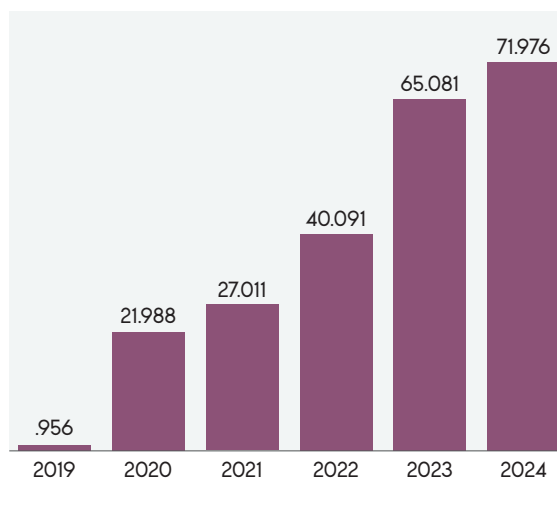
Chinatown update

Our Chinatown Appointment Only Office in Melbourne CBD made significant contributions to the local community through sponsorships and donations during the 2023/24 financial year. Notably, we continued to support and sponsor the Museum of Chinese Australian History, where we have the naming rights to the conference room. The museum plays a crucial role in preserving our Australian Heritage, and our sponsorship ensures that this resource will be available to the public for many years to come.

The Chinatown Appointment Only Office and Pinewood branch team of directors and staff actively participated in the 2024 Glen Waverley Lunar New Year and Lantern Festival where we were the naming rights sponsor. The event attracted tens of thousands of locals and the team distributed thousands of red packets to the public to celebrate the Year of the Dragon.

With new initiatives that include a revitalized grants program, a series of community events to foster deeper connections within the community, and a multicultural development program that celebrates and promotes diversity within the region, the Chinatown Appointment Only Office aims to grow and strengthen relationships with the Chinese community. The office is dedicated to serving its customers, not-for-profit groups, and social enterprises to ensure that our contributions have a meaningful impact.

Community Bank Chinatown Office
Growth in Total Loans and Deposits (\$m)
Years ended June 2019 - June 2024



Celebrating Chinese New Year.

Directors' report

For the financial year ended 30 June 2024

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

Directors

The names and details of the Company's Directors who held office during the financial year are:



Robert Davies

Director/ Board Chair/ Investment Committee Member/ Audit & Governance Committee Member/ Community Engagement Committee Member / Chinatown Community Engagement Committee Member

Robert was a Councillor in the City of Monash having been elected from the Mulgrave Ward in 2012 and 2016. He has over 20 years of executive and board experience across the commercial, public, and not-for-profit sectors with experience in the financial services/banking, telecommunications, FMCG and local government sectors. Robert is a graduate member of the Australian Institute of Company Directors (GAICD). He joined the Board in 2013 and was elected Chairman in 2015.

Appointed 28 August 2013



Sharyn Joy Cowley

Director/ Company Secretary/ Audit & Governance Committee Chair/ Investment Committee Member

Sharyn has a Bachelor of Arts, a Bachelor of Laws (Hons) and a Graduate Diploma in Applied Corporate Governance. She is a Fellow of the Governance Institute of Australia and a member of the Australian Institute of Company Directors (GAICD). Sharyn is a corporate lawyer and Company secretary with over 20 years' experience in the financial services industry.

Appointed 27 July 2015 / Resigned 30 June 2024



Annabelle Jill Lane

Director/ Human Resources Committee Chair

Anna has a Masters of Human Resource Management. She has over 26 years' experience in human resource management including running her own business servicing a broad range of organisations including in the not-for-profit, education, insurance, medical, legal, financial and building sectors.

Appointed 28 September 2015

Directors' report (continued)

Directors (continued)



Jamie Arthur Bedelis

Director/ Investment Committee Member

Jamie has a Bachelor of Laws and operates his own legal practice in the Pinewood Shopping Centre. Raised in Mount Waverley, his family has strong ties to the Pinewood Community having owned a business in the Pinewood Shopping Centre from 1960 until 2000.

Appointed 31 March 2016



Peter Yong Pan

Director/ Community Engagement Committee Member / Chinatown Community Engagement Committee Chair

Peter has worked in the property development industry for the past 17 years and also runs an import/export trading business. He has also been involved in local school parents associations. He lead our efforts to strengthen the Company's engagement with ethnic Chinese community groups and setup of our Chinatown Office.

Appointed 9 August 2017 / Resigned 29 July 2023



Bronson Justus

Director / Community Engagement Committee Chair/ Audit & Governance Committee Member

Bronson is a dedicated Monash resident with a rich background in leadership across both business and sporting domains. Bronson has over 25 years of experience in risk, governance, and insurance. As the current CEO of Baptist Insurance Services, Bronson leverages his extensive experience to guide strategic decisions and ensure robust risk management. Beyond his professional achievements, Bronson is deeply committed to his community. He is an active committee member of the Eastern Lions Soccer Club, where his leadership contribute significantly to the club's success and community engagement.

Appointed 6 January 2020



Dwayne Wathen

Director / Investment Committee Member / Community Engagement Committee Member

Dwayne has a Bachelor of Commerce and is a Chartered Accountant with over 20 years experience working with professional accounting firms, listed companies, elite national sporting bodies and most recently within the Education sector at The Knox School. In these roles he has also acted as Company Secretary and Treasurer for various Foundations and not-for-profit organisations. Dwayne is a Life Member of the Waverley Blues Football Netball Club where he's been an active member of the playing group and Committee.

Appointed 21 September 2020



Stephen Pewtress

Director/ Community Engagement Committee Member / Human Resources Committee Member

Stephen founded and controls a successful international trading company with operational locations across Australia and New Zealand with the head office based in Mulgrave. He is an active community person across the City of Monash and was a past President of the Waverley Blues Football Netball Club. Stephen has a diverse working history and carries significant commercial experience around contracting that involves people and specialised equipment globally.

Appointed 21 September 2020 / Resigned 1 October 2023

Directors' report (continued)

Directors (continued)



Debby Chiang

Director / Human Resources Committee Member / Community Engagement Committee Member

Debby holds a Bachelor of Commerce in Human Resource Management and Advertising Promotions Management. Debby has over 20 years of Community work experience in Sydney and Melbourne. She is a Treasurer of Power Neighbourhood House in Ashwood and was an active member of the Rotary Club of Monash and Monash Rotary Op shop until June 2024.

Appointed 5 May 2022



Thomas Pewtress

Director / Community Engagement Committee Member

Tom has a double degree in arts (politics) and business (business management) from Monash University. He actively participated in the community as an advocate for students at the MONSU Caulfield student union, a candidate in the City of Monash Council elections in 2020, a member of the Board of the Monash Business Awards since 2019 and Chair of the organisation since 2023. Beyond voluntary and representative appointments he has worked in policy at the Minerals Council of Australia along with sales, marketing and leasing at KOR Equipment Solutions.

Appointed 1 July 2023



Phillip Le Liu

Director / Chinatown Community Engagement Committee Member

Phillip is a prominent emerging Australian leader with over 15 years of experience across multiple industries, including Government, telecommunication, energy, financial services and health insurance. As an elected Councillor in the City of Melbourne Phillip has been a key policy and decision maker over the last 7 years. He is a trusted advisor and mentor and regularly speaks on discussion panels and in the media on core issues and topics.

Appointed 1 September 2023



Pavla Ford

Director / Treasurer / Audit & Governance Committee Member / Investment Committee Chair

Pavla has a Masters of Finance and is a Chartered Accountant with over twenty years of domestic and international experience. Pavla has worked across a number of finance and non-finance disciplines in several blue-chip Australian companies. She currently leads a Victorian regional finance team at a large Australian developer. Pavla is member of the Finance and Investment Committee of UDIA.

Appointed 29 January 2024

Directors' report (continued)

Directors (continued)



Meixin Li (Jenny)

Director/ Chinatown Community Engagement Committee Chair

Jenny is a seasoned financial advisor and manager with over 10 years of experience in the finance industry. Before relocating to Australia she began her career with a prominent Fortune 500 financial group and private bank overseas. In Australia, Jenny has held executive and consulting roles with multiple financial institutions, specializing in fund management, corporate mergers and acquisitions, and community projects. Jenny's career is distinguished by her dedication to client service, meticulous approach to financial compliance, and her talent for building strong and enduring client relationships.

Appointed 21 June 2024

Principal activities

The principal activities of the Company during the course of the financial year were in providing Community Bank services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

There has been no significant changes in the nature of these activities during the year.

Review of operations

The profit of the Company for the financial year after provision for income tax was \$544,099 (2023 profit: \$628,145). The Company's result is underpinned by a 12.2% growth in core product footings, continued improvement in margin returns on deposits and strong cost control delivering savings in operational cost categories. The Company has also contributed significantly towards more Community grants and sponsorships. The sales and campaign office in Chinatown continues to grow with a current focus on increasing loan product footings.

Dividends

	Year ended 30 June 2024	
	Cents per share	\$
Final dividends declared:		
- Fully franked dividends	36.00	198,302
Dividends paid in the year:		
- Fully franked dividends as declared in the prior year report	15.50	85,448

Declaration Date: 28 August 2023

Record Date: 15 September 2023

Payment Date: 28 September 2023

Significant changes in the state of affairs

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

Events subsequent to reporting date

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

Likely developments

The Company will continue providing banking services to the Pinewood community. The Chinatown initiative will be further developed which may result in a second franchise agreement servicing this market.

Directors' report (continued)

Environmental regulations

The Company is not subject to any significant environmental regulation. However, the Board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of these environmental requirements as they apply to the Company.

Proceedings on behalf of Company

No person has applied for leave of the court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Directors benefits

Directors have been reimbursed or received payments to related entities for the following:

	Directors Benefits	\$
Robert Davies	Australian Institute of Company Directors (AICD) fees	660
Sharyn Cowley	Australian Institute of Company Directors (AICD) fees	660
Bronson Justus	Australian Institute of Company Directors (AICD) fees	660

Remuneration report

Directors are paid a fee of \$5,000 p.a., a portion of which is contingent on meeting a number of key performance criteria including attendance at Board and Committee meetings and community events. Those Directors holding the positions of Company Secretary, Treasurer, the Chair of the Human Resources Committee and the Chair of the Community Engagement Committee are paid an additional fee of \$5,000 p.a. to reflect their expertise, additional responsibility and workload. The Chairman is paid \$15,000 p.a. with an additional bonus of \$9,000 p.a. contingent on meeting performance criteria. The Chairman, in their additional roles as Managing Director, is also paid \$24,000 p.a. with an additional bonus of up to \$6,000 p.a. contingent on meeting performance criteria. Directors fees for the period are inclusive of superannuation guarantee contributions.

The names of Directors who have held office during the year ended 30 June 2024 and the Directors fees paid are:

	2024 \$	2023 \$
Robert Davies	54,000	22,000
Sharyn Cowley (resigned 30 June 2024)	10,000	8,700
Annabelle Lane	10,000	8,800
Jamie Bedelis	4,100	3,800
Peter Pan (resigned 29 July 2023)	-	4,300
Susane Cornelissen (resigned 30 June 2023)	-	4,200
Bronson Justus	10,000	5,300
Dwayne Wathen	8,333	8,700
Stephen Pewtress (resigned 1 October 2023)	1,200	7,900
Jason Dong	-	1,900
Debby Chiang	5,000	4,400
Thomas Pewtress	5,000	-
Phillip Le Liu	6,050	-
Pavla Ford	3,917	-
Meixin Li (Jenny)	350	-

Directors' report (continued)

Remuneration report (continued)

The current Branch Manager, Indu Dehipola is not considered as key management personnel as they do not plan, direct and control the activities of the Company. Accordingly, their remuneration is not required to be disclosed. These functions are carried out by the Board of Directors.

Share options granted to directors and senior management

During the 2022 financial year, a total of 50,000 share options were granted to Robert Davies subject to conditions, to purchase 50,000 shares prior to June 2025. No options have been exercised at the date of this report.

Indemnifying officers or Auditor

The Company indemnifies each Director and Officer out of the assets of the Company to the relevant extent against any liability incurred by that person arising out of the discharge of their duties, except where the liability arises out of conduct involving dishonesty, negligence, breach of duty or a lack of good faith. The Company has taken out Directors & Officers insurance cover for the benefit of Directors and Officers of the Company. The policy provides cover for all defence costs and other losses which a Director or Officer may not be indemnified by the Company and becomes legally obligated for during the policy period for a wrongful act committed, attempted or allegedly committed or attempted.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality provision of the contract of insurance. The Company has not provided any insurance for an Auditor of the Company.

Directors' meetings

The number of Directors meetings held during the year were 11. Attendances by each Director during the year were as follows:

	Board Meetings Attended		Committee Meetings Attended							
	E	A	Audit & Governance Committee		Investment Committee		Human Resources Committee		Community Engagement Committee	
			E	A	E	A	E	A	E	A
Robert Davies	11	10	2	2	2	2	-	-	11	10
Sharyn Cowley	11	10	2	2	2	2	-	-	-	-
Jamie Bedelis	11	8	-	-	2	0	-	-	-	-
Anna Lane	11	8	-	-	-	-	7	7	-	-
Bronson Justus	11	10	2	2	-	-	-	-	11	9
Stephen Pewtress	3	3	-	-	-	-	-	-	4	2
Dwayne Wathen	11	8	2	2	2	2	-	-	4	2
Debby Chiang	11	9	-	-	-	-	5	5	11	9
Thomas Pewtress	11	8	-	-	-	-	-	-	8	4
Phillip Le Liu	9	6	-	-	-	-	-	-	-	-
Pavla Ford	6	6	-	-	-	-	-	-	-	-
Meixin Li (Jenny)	6	1	-	-	-	-	-	-	-	-

E = Eligible

A = Attended

Directors' report (continued)

Company Secretary

The Company Secretary is Sharyn Cowley.

Auditor independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set at page 15 of this financial report. No officer of the Company is or has been a partner of the Auditor of the Company.

Signed in accordance with a resolution of the Board of Directors at Mount Waverley on 28th August 2024.



Robert Davies
Chairman



Pavla Ford
Director/Treasurer

Auditor's independence declaration

YOUR FUTURE
OUR BUSINESS

MVA Bennett

**PINEWOOD COMMUNITY FINANCIAL SERVICES LIMITED
(A.B.N. 26 099 420 050)**

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS
ACT 2001**

TO THE MEMBERS OF PINEWOOD COMMUNITY FINANCIAL SERVICES LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024 there have been no contraventions of:

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

MVAB Assurance

**MVAB Assurance
Chartered Accountants**

Shaun Evans

**SHAUN EVANS
Partner**

Signed: *28 August 2024*

MVAB Assurance
ABN: 13 488 640 554

Liability limited by a scheme approved under
Professionals Standards Legislation

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Financial statements

Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue			
Revenue	2	2,895,742	2,746,639
Expenses			
Administration costs		374,165	355,665
IT expenses		42,299	41,053
Occupancy costs		67,742	41,273
Employee benefits expense	3	927,551	782,186
Depreciation and amortisation expense	3	120,942	169,379
Finance costs	3	20,580	(5,606)
Other expenses		5,325	5,463
Operating profit before charitable donations & sponsorships		1,337,138	1,357,226
Charitable donations and sponsorships		619,732	530,730
Profit before income tax expense		717,406	826,496
Income tax expense	4	173,307	198,351
Net Profit for the year		544,099	628,145
Other comprehensive income		-	-
Total comprehensive income		544,099	628,145
Profit attributable to members of the entity		544,099	628,145
Total comprehensive income attributable to members of the entity		544,099	628,145
Earnings per share (cents per share)			
- basic for profit for the year	21	108.82	114.03
- diluted for profit for the year	21	108.82	114.03

The accompanying notes form part of these financial statements

Financial statements (continued)

Statement of Changes in Equity For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Issued capital			
Balance at start of year		569,315	569,315
Issue of share capital		-	-
Share buy-back		(152,520)	-
Share issue costs		-	-
Balance at end of year		416,795	569,315
Retained earnings			
Balance at start of year		797,636	254,939
Net profit for the year		544,099	628,145
Dividends paid	22	(198,302)	(85,448)
Balance at end of year		1,143,432	797,636

The accompanying notes form part of these financial statements

Financial statements (continued)

Statement of Financial Position As at 30 June 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	6	1,280,422	1,076,427
Trade and other receivables	7	269,529	262,345
Current tax assets	4	-	-
Other assets	8	357,018	324,642
Total current assets		1,906,969	1,663,414
Non-current assets			
Property, plant and equipment	9	132,827	125,130
Right-of-use assets	10	315,825	409,318
Intangible assets	11	40,543	53,692
Deferred tax asset	4	91,569	83,893
Total non-current assets		580,764	672,033
Total assets		2,487,733	2,335,447
Liabilities			
Current liabilities			
Trade and other payables	12	454,968	267,930
Current tax liabilities	4	14,762	166,073
Lease liabilities	13	61,035	69,728
Employee benefits	14	91,123	70,151
Total current liabilities		621,887	573,882
Non current liabilities			
Trade and other payables	12	26,298	39,447
Lease liabilities	13	279,321	355,167
Deferred income tax	4	-	-
Total non current liabilities		305,619	394,614
Total liabilities		927,506	968,496
Net assets / (liabilities)		1,560,227	1,366,951
Equity			
Issued capital	15	416,795	569,315
Retained earnings		1,143,432	797,636
Total equity		1,560,227	1,366,951

The accompanying notes form part of these financial statements

Financial statements (continued)

Statement of Cash Flow For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers		3,174,460	2,869,956
Payments to suppliers and employees		(2,380,851)	(1,989,043)
Interest received		35,297	4,396
Interest paid		-	(155)
Other income received		34,403	32,731
Lease Finance		(99,565)	160,643
Lease payments (interest component)		(15,025)	(18,406)
Income tax refunded (paid)		(205,398)	(56,399)
Net cash flows from operating activities	16b	543,320	1,003,723
Cash flows used in investing activities			
Purchase of property, plant & equipment		(22,095)	(83,522)
Investments in listed securities		(37,031)	(119,120)
Payments for intangible assets		-	(65,745)
Net cash flows used in investing activities		(59,126)	(268,387)
Cash flows used in financing activities			
Dividends paid as declared in the prior year report		(198,302)	(85,380)
Lease payments (principle component)		(81,897)	(155,127)
Net cash flows used in financing activities		(280,199)	(240,507)
Net increase in cash held		203,995	494,829
Cash and cash equivalents at start of year		1,076,427	581,598
Cash and cash equivalents at end of year	16a	1,280,422	1,076,427

The accompanying notes form part of these financial statements

Notes to the financial statements

For the year ended 30 June 2024

1. Summary of material accounting policies

(a) Basis of preparation

Pinewood Community Financial Services Limited (Company) is domiciled in Australia. The financial statements for the year ending 30 June 2024 are presented in Australian dollars. The Company was incorporated in Australia and the principal operations involve providing community bank services.

The financial statements are general purpose financial statements, that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the *Corporations Act 2001*. The Company is a for profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS).

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

(b) Income tax

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income 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 income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled.

(c) Property, plant and equipment

Property, plant and equipment are brought to account at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated using the diminishing value method for furniture and fittings and the prime cost method for leasehold improvements, over the estimated useful life of the asset, as follows:

Class of asset	Depreciation rate
Leasehold improvements	5 - 10%
Furniture & fittings	3.75 - 50%

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

Notes to the financial statements (continued)

1. Summary of material accounting policies

(c) Property, plant and equipment (continued)

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(d) Impairment of assets

At each reporting date, the Company assesses whether there is any indication that an asset is impaired. Where an indicator of impairment exists, the Company makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

(e) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows on a gross basis.

The GST components of investing and financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

(f) Employee benefits

The provision for employee benefits to wages, salaries and annual leave represents the amount which the Company has a present obligation to pay resulting from employees' services provided up to the reporting date. The provision has been calculated on undiscounted amounts based on wage and salary rates expected to be paid and includes related on-costs.

The Company contributes to a defined contribution plan. Contributions to employee superannuation funds are charged against income as incurred.

(g) Intangibles

Establishment costs have been initially recorded at cost and amortised on a straight line basis at a rate of 20% per annum. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the Statement of Comprehensive Income.

(h) Cash

Cash on hand and in banks are stated at nominal value.

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

(i) Revenue

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

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

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

Notes to the financial statements (continued)

1. Summary of material accounting policies

(i) Revenue (continued)

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

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

Revenue calculation

The franchise agreement provides that three forms of revenue may be earned by the Company – margin, commission and fee income.

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

Core banking products

Bendigo and Adelaide Bank Limited has identified some Bendigo and Adelaide Bank Group 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 and Adelaide Bank branded home loans, term deposits and at call deposits.

Margin

Margin is arrived at through the following calculation:

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

Commission

Commission is a fee paid for products and services sold. It may be paid on the initial sale or on an ongoing basis. Commission is payable on the sale of an insurance product such as home contents. Examples of products and services on which ongoing commissions are paid include leasing and Sandhurst Trustees Limited products.

Fee income

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

Ability to change financial return

Under the franchise agreement, Bendigo and Adelaide Bank Limited may change the form and amount of financial return that the Company receives. A change may occur as a result of changes in industry or economic conditions or the way Bendigo and Adelaide Bank Limited earns revenue.

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

If Bendigo and Adelaide Bank Limited makes a change to the margin or commission on core banking products and services, it must not reduce the margin and commission the Company receives on core banking products and services Bendigo and Adelaide Bank Limited attributes to the Company to less than 50% (on an aggregate basis) of Bendigo and Adelaide Bank Limited's margin at that time. For other products and services, there is no restriction on the changes that Bendigo and Adelaide Bank Limited may make.

Bendigo and Adelaide Bank Limited must give the Company 30 days' notice before it changes the products and services on which margin, commission or fee income is paid, the method of calculation of margin and the amount of margin, commission or fee income.

Notes to the financial statements (continued)

1. Summary of material accounting policies

(i) Revenue (continued)

Monitoring and changing financial return

Bendigo and Adelaide Bank Limited monitors the distribution of financial return between community bank companies and Bendigo and Adelaide Bank Limited on an ongoing basis.

Overall, Bendigo and Adelaide Bank Limited has made it clear that the community bank model is based on the principle of shared reward for shared effort. In particular, in relation to core banking products and services, the aim is to achieve an equal share of Bendigo and Adelaide Bank Limited's margin.

(j) Receivables and payables

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days. Receivables expected to be collected within 12 months at the end of the reporting period are classified as current assets. Receivables are recognised and carried at original invoice amount less a provision for any uncollected debts. Liabilities for trade creditors and other amounts are carried at cost that is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

(k) Application of new and amended accounting policies

The board has approved a capitalisation threshold policy of \$1,000 for any new asset purchases. As part of this capitalisation policy any low value assets have been written off to ensure the fixed assets of the company remain of material balances.

The impact of the adoption of this Standard and the respective accounting policies is disclosed below.

Asset write-off

Any existing assets with a cost under \$1,000 or a written down value under \$100 have been expensed to an asset write-off expense.

Impact on comparatives

The Company has applied the asset write-off using the modified retrospective approach. Accordingly, the comparative information has not been restated.

(l) Loans and borrowings

All loans are measured at the principal amount. Interest is recognised as an expense as it accrues.

(m) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which is probable that the outflow of economic benefits will result and the outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

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

(n) Share capital

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

(o) Comparative figures

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

(p) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company. Estimates and judgements are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The estimates and judgements that have a significant risk of causing material adjustments to the carrying values of assets and liabilities are as follows:

Notes to the financial statements (continued)

1. Summary of material accounting policies

(p) Critical accounting estimates and judgements (continued)

Estimation of useful lives of assets

The Company determines the estimated useful lives and related depreciation and amortisation changes for its property, plant and equipment and intangible assets. The depreciation and amortisation charge will increase where useful lives are less than previously estimated lives.

Income tax

The Company is subject to income tax. Significant judgement is required in determining the provision for income tax.

Impairment

The Company assesses impairment at the end of each reporting period by calculating conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value in use calculations which incorporate various key assumptions.

(q) Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through profit or loss, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

(i) Financial liabilities

Financial liabilities include borrowings, trade and other payables and non-derivative financial liabilities (excluding financial guarantees). They are subsequently measured at amortised cost using the effective interest rate method.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

(ii) Financial Assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income (FVOCI); or
- fair value through profit and loss (FVTPL).

A financial asset is subsequently measured at amortised cost if it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principle amount outstanding on specified dates.

The Company's trade and most other receivables are measured at amortised cost as well as deposits that were previously classified as held-to-maturity under AASB 139.

A financial asset is subsequently measured at FVOCI if it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principle amount outstanding on specified dates; and
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and FVOCI's measurement condition are subsequently measured at FVTPL.

The Company's investments in equity instruments are measured at FVTPL unless the Company irrevocably elects at inception to measure at FVOCI.

Notes to the financial statements (continued)

1. Summary of material accounting policies

(q) Financial instruments (continued)

Derecognition

(i) Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(ii) Derecognition of financial assets

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

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Impairment

The Company recognises a loss allowance for expected credit losses on:

- financial assets that are measured at fair value through other comprehensive income;
- lease receivables;
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.
- financial assets measured at fair value through profit of loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Company uses the simplified approach to impairment, as applicable under AASB 9. The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables that result from transactions that are within the scope of AASB 15, that contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss, (i.e. diversity of its customer base, appropriate groupings of its historical loss experience etc.).

2024	2023
\$	\$

2. Revenue and other income

Revenue		
- services commissions	2,826,140	2,706,907
	2,826,140	2,706,907

Notes to the financial statements (continued)

	2024 \$	2023 \$
2. Revenue and other income (continued)		
Other revenue		
- dividends and other investment income	27,637	22,202
- interest received	35,297	4,396
- other income	6,766	13,134
- Profit/(Loss) on Disposal of NCA	(98)	-
	69,602	39,732
Total revenue	2,895,742	2,746,639
3. Expenses		
Employee benefits expense		
- wages and salaries	747,843	674,128
- superannuation costs	85,307	71,385
- workers' compensation costs	3,024	2,022
- payroll tax expense	12,561	4,596
- other costs	78,816	30,055
	927,551	782,186
Depreciation of non-current assets:		
- furniture & fittings	3,218	3,732
- leasehold improvements	5,475	20,008
- right-of-use assets	93,493	132,342
- plant & equipment	5,607	1,244
Amortisation of non-current assets:		
- intangible assets	13,149	12,053
	120,942	169,379
Finance costs:		
- interest expense	-	155
- lease interest expense	15,025	18,406
- make good asset interest expense	-	(24,167)
- unrealised investment loss	5,555	-
	20,580	(5,606)
Bad debts	787	4,211

Notes to the financial statements (continued)

	2024 \$	2023 \$
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4. Income tax expense

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on profit before income tax at 25%	179,352	206,624
Add / (Less) tax effect of:		
- Non-deductible expenses	76,388	78,486
- Taxable Capital Gains	347	1,682
- Grossed up dividend	2,812	1,379
- Non-assessable income	(1,736)	(2,333)
- Other deductible expenses	(64,930)	(76,050)
Current income tax expense	192,233	209,788
The applicable weighted average effective tax rate is		
	27%	25%
Current income tax expense	192,233	209,788
Origination and reversal of temporary differences	(7,676)	(5,922)
Net benefit of franking credits on dividends received	(11,249)	(5,515)
Income tax expense	173,307	198,351

Tax Balances

Current tax liability / (asset)	14,762	166,073
Deferred tax asset	91,569	83,893

5. Auditors' remuneration

Remuneration of the auditor for:		
- Audit or review of the financial report	6,800	6,550

6. Cash and cash equivalents

Cash at bank and on hand	253,665	661,456
Short term bank deposits	1,026,757	414,971
	1,280,422	1,076,427

The effective interest rate on short term bank deposits was 3.5% (2023: 1.5%)

7. Trade and other receivables

Current		
Trade debtors	243,118	259,195
Accrued interest	26,033	3,150
	269,151	262,345

Notes to the financial statements (continued)

	2024 \$	2023 \$
8. Other Assets		
Investments in listed securities	345,775	314,298
Prepayments	11,243	10,344
	357,018	324,642
9. Property, plant and equipment		
<i>Leasehold improvements</i>		
At cost	279,818	279,818
Less accumulated depreciation	(199,877)	(194,401)
	79,941	85,417
<i>Furniture & Fittings</i>		
At cost	150,719	151,860
Less accumulated depreciation	(117,922)	(115,748)
	32,797	36,112
<i>Plant & Equipment</i>		
At cost	27,607	5,512
Less accumulated depreciation	(7,518)	(1,911)
	20,089	3,601
Total written down amount	132,827	125,130
Movements in carrying amounts		
<i>Leasehold improvements</i>		
Carrying amount at beginning of year	85,417	28,072
Additions	-	77,353
Depreciation expense	(5,475)	(20,008)
Carrying amount at end of year	79,942	85,417
<i>Furniture & fittings</i>		
Carrying amount at beginning of year	36,112	35,444
Additions	-	4,400
Disposals	(98)	-
Depreciation expense	(3,218)	(3,732)
Carrying amount at end of year	32,796	36,112
<i>Plant & Equipment</i>		
Carrying amount at beginning of year	3,601	3,076
Additions	22,095	1,769
Depreciation expense	(5,607)	(1,244)
Carrying amount at end of year	20,089	3,601

Notes to the financial statements (continued)

10. Right-of-use assets

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

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

	2024 \$	2023 \$
<i>Leased buildings</i>		
At cost	560,973	560,973
Less accumulated depreciation	(245,148)	(151,655)
	315,825	409,318
Total written down amount	315,825	409,318
Movements in carrying amounts		
<i>Leased buildings</i>		
Carrying amount at beginning	409,318	77,595
Additional	-	464,065
Depreciation	(93,493)	(132,342)
Carrying amount at end	315,825	409,318

11. Intangible assets

<i>Franchise fee</i>		
At cost	120,838	120,838
Less accumulated amortisation	(80,295)	(67,146)
	40,543	53,692

12. Trade and other payables

Current		
Other payables	156,676	63,223
Accrued expenses	274,620	187,493
Liability to Bendigo (Franchise & Training Fee)	13,149	13,149
Unpaid Dividends	10,523	4,065
	454,968	267,930
Non-Current		
Liability to Bendigo (Franchise & Training Fee)	26,298	39,447
	26,298	39,447

Notes to the financial statements (continued)

13. Lease Liabilities

The Company's lease portfolio include its branch premises. The lease term is as below:

- a non-cancellable term of 5 years plus an option of 5 years.

The option to extend is contained in the clauses of lease agreement. This clause provide the Company with opportunity to manage lease in order to align with its strategies. The extension option is only exercisable by the Company.

Lease liability was measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate on the adoption date. The discount rate used was 3.77%.

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

The Company has estimated remaining lease terms excluding the effect of renewal option as it's not expected to be exercised.

	Note	2024 \$	2023 \$
Current:			
Lease Liability		73,104	84,752
Unexpired interest		(12,069)	(15,024)
		61,035	69,728
Non-current			
Lease Liability		296,587	384,503
Unexpired interest		(17,266)	(29,336)
		279,321	355,167
Impact on the current reporting period:			
<i>Lease liabilities</i>			
Initial recognition on adoption		424,895	72,861
Additional		-	474,000
Interest expense		15,025	18,406
Payments		(89,565)	(140,372)
Lease liabilities as at 30 June 2024		350,355	424,895
<i>Maturity analysis</i>			
- not later than 12 months		61,035	69,728
- between 12 months and 5 years		279,321	355,167
		340,356	424,895

14. Employee Benefits

Current			
Annual leave	14 (b)	45,194	54,400
Long service leave	14 (b)	45,929	15,751
		91,123	70,151
Number of employees at year end		11	9

Notes to the financial statements (continued)

	2024 \$	2023 \$
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14. Employee Benefits (continued)

(a) Movement in employee benefits		
Opening balance	70,151	86,794
Additional provisions recognised	74,632	20,303
Amounts utilised during the year	(53,660)	(36,946)
Closing balance	91,123	70,151

(b) Provision for employee benefits

Provision for employee benefits represents amounts provided for annual leave and long service leave. The current portion for this provision includes the total amount provided for annual leave entitlements and the amounts provided for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience the Company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

15. Share capital

	2024		2023	
	Number	\$	Number	\$
Ordinary Shares-fully paid	550,840	569,315	550,840	575,840
Less: Share issue costs	-	-	-	(6,525)
Less: Share buy-back	(50,840)	(152,520)		
	500,000	416,795	550,840	569,315

Movements in share capital

A share buy back occurred during the 2024 financial year. On the 24th of November 2023, 50,840 shares were cancelled and a buy back occurred bringing total shares held to 500,000.

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the shareholders' meetings each shareholder is entitled to one vote when a poll is called, or on a show of hands.

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the Company's residual assets.

	2024 \$	2023 \$
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16. Statement of cash flows

(a) Cash and cash equivalents balances as shown in the statement of financial position can be reconciled to that shown in the statement of cash flows as follows

Cash at bank and on hand	1,280,422	1,076,427
As per the statement of cash flow	1,280,422	1,076,427

Notes to the financial statements (continued)

	2024 \$	2023 \$
16. Statement of cash flows (continued)		
(b) Reconciliation of profit after tax to net cash provided from operating activities		
Profit after income tax	544,099	628,145
Non cash items		
- Depreciation	107,793	157,326
- Amortisation	13,149	12,053
- Unpaid Dividends	(301)	(2,767)
- Unrealised investment loss / (income)	(5,555)	(2,605)
- Make good asset provision	-	(24,167)
Changes in assets and liabilities		
- (Increase) decrease in prepayments	(899)	(2,621)
- (Increase) decrease in receivables	16,077	(112,640)
- (Increase) decrease in deferred tax asset	(7,676)	(5,922)
- Increase (decrease) in income tax	(151,312)	141,559
- Increase (decrease) in payables	173,889	185,776
- Increase (decrease) in employee benefits	20,972	(16,643)
- Increase (decrease) in other assets/liabilities	(166,915)	46,228
Net cash flows from operating activities	543,320	1,003,722

17. Director and related party transactions

The names of Directors who have held office during the financial year are:

Robert Davies	Sharyn Cowley (resigned 30 June 2024)
Annabelle Lane	Jamie Bedelis
Peter Pan (resigned 29 July 2023)	Bronson Justus
Dwayne Wathen	Stephen Pewtress (resigned 1 October 2023)
Debby Chiang	Thomas Pewtress
Phillip Le Liu	Pavla Ford
Meixin Li (Jenny)	

Fees paid to Directors are disclosed in the Remuneration Report.

Share options granted to directors and senior management

During the 2022 financial year, a total of 50,000 share options were granted to Directors and other key management personnel as follows. Robert Davies has an option, subject to conditions, to purchase 50,000 shares prior to June 2025.

The Company's main related parties are as follows:

(a) Key management personnel

Any persons having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any Director (whether executive or otherwise) of that Company is considered key management personnel.

(b) Other related parties

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

Notes to the financial statements (continued)

17. Director and related party transactions (continued)

(c) Transactions with key management personnel and related parties

Other than detailed below, no key management personnel or related party has entered into any contracts with the Company.

(d) Key management personnel shareholdings

The number of ordinary shares in Pinewood Community Financial Services Limited held by each key management personnel of the Company during the financial year are as follows:

	2024	2023
Directors' shareholdings		
Robert Davies (Associated interests)	45,700	45,700
Peter Pan (resigned 29 July 2023)	20,500	20,500
Jamie Bedelis (Associated interests)	10,000	10,000

18. Contingent liabilities and assets

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

19. Operating segments

The Company operates in the financial services sector where it provides banking services to its clients. The Company operates in the City of Monash & Melbourne CBD, Victoria. The Company has a franchise agreement in place with Bendigo and Adelaide Bank Limited who account for 100% of the revenue (2023: 100%).

20. Company details

The registered office & principal place of business is: 65 Centreway, Mount Waverley, Victoria.

21. Earnings per share

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

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

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

	2024 \$	2023 \$
Profit after income tax expense	544,099	628,145
Weighted average number of ordinary shares for basic earnings per share	500,000	550,840
Weighted average number of ordinary shares for diluted earnings per share	500,000	550,840

Notes to the financial statements (continued)

	2024 \$	2023 \$
22. Dividends paid or provided for on ordinary shares		
(a) Dividends proposed and not recognised as a liability		
Franked dividends - 36 cents per share	198,302	85,448
(b) Dividends paid during the year		
Prior year proposed final		
Franked dividends - 36 cents per share	198,302	85,448
	198,302	85,448
(c) Franking credit balance		
The amount of franking credits available for the subsequent financial year are:		
Franking account balance as at the beginning of the financial year	243,009	237,131
- Franking credits that arose from the payment of current year PAYG income tax instalments	39,325	31,885
- Franking credits that arose from the payment of income tax payable as at the end of the last financial year	24,514	-
- Franking debits that arose from the refund of income tax refundable as at the end of the last financial year	-	(6,734)
- Franking debits that arose from the payment of final dividends proposed as at the end of the last financial year	(29,714)	(24,788)
- Franking credits attached to franked dividends received	11,249	5,515
Franking account balance as at the end of the financial year	288,383	243,009
- Franking credits that will arise from the payment of income tax payable as at the end of the current financial year	166,073.00	24,514.00
- Franking debits that will arise from the payment of proposed dividends as at the end of the financial year	(63,939)	(29,714)
	390,517	237,809

The tax rate at which dividends have been franked is 25%

Dividend proposed will be franked at a rate of 25%

23. Financial risk management

The Company's financial instruments consist mainly of deposits with banks, account receivables, investments in listed shares and payables, bank overdraft and loans. The totals for each category of financial instruments measured in accordance with AASB 9 as detailed in the accounting policies are as follows:

	Note	2024 \$	2023 \$
Financial assets			
Cash & cash equivalents	6	1,280,422	1,076,427
Trade and other receivables	7	269,151	262,345
Investments	8	345,775	314,298
Total financial assets		1,895,348	1,653,070
Financial liabilities			
Trade and other payables	12	481,266	307,377
Total financial liabilities		481,266	307,377

Notes to the financial statements (continued)

23. Financial risk management (continued)

Financial risk management policies:

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

Specific financial risk exposure and management:

The Company has exposure to credit risk, liquidity risk and market risk from their use of financial instruments. There have been no substantive changes in the types of risks the Company is exposed to, how the risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. For the Company it arises from receivables and cash assets.

The maximum exposure to credit risk at reporting date to recognised financial assets is the carrying amount of those assets as disclosed in the Statement of Financial Position and notes to the financial statements. The Company's maximum exposure to credit risk at reporting date was:

	Carrying amount	
	2024 \$	2023 \$
Cash and cash equivalents	1,280,422	1,076,427
Trade and other receivables	269,151	262,345
Investments	345,775	314,298
	1,895,348	1,653,070

The Company's exposure to credit risk is limited to Australia by geographic area. The majority of receivables are due from Bendigo and Adelaide Bank Limited.

None of the assets of the Company are past due (2023: nil past due) and based on historic default rates, the Company believes that no impairment allowance is necessary in respect of assets not past due.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures it will have enough liquidity to meet its liabilities when due under both normal and stressed conditions. Liquidity management is carried out within the guidelines set by the Board.

Typically, the Company maintains sufficient cash on hand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Financial liability and financial asset maturity analysis:

	Note	Total \$	Within 1 year \$	1 to 5 years \$	Over 5 years \$
30 June 2024					
<i>Financial liabilities due</i>					
Trade and other payables	12	481,266	454,968	26,298	-
Total expected outflows		481,266	454,968	26,298	-
<i>Financial assets - realisable</i>					
Cash & cash equivalents	6	1,280,422	1,280,422	-	-
Trade and other receivables	7	269,151	269,151	-	-
Other assets - security investments	8	345,775	345,775	-	-
Total anticipated inflows		1,895,348	1,895,348	-	-
Net (outflow)/inflow		1,414,082	1,440,380	(26,298)	-

Notes to the financial statements (continued)

23. Financial risk management (continued)

(b) Liquidity risk (continued)

	Note	Total \$	Within 1 year \$	1 to 5 years \$	Over 5 years \$
30 June 2023					
<i>Financial liabilities due</i>					
Trade and other payables	11	307,377	267,930	39,447	-
Total expected outflows		307,377	267,930	39,447	-
<i>Financial Assets - realisable</i>					
Cash & cash equivalents	6	1,076,427	1,076,427	-	-
Trade and other receivables	7	262,345	262,345	-	-
Other assets - security investments	8	314,298	314,298	-	-
Total anticipated inflows		1,653,070	1,653,070	-	-
Net (Outflow)/Inflow		1,345,693	1,385,140	(39,447)	-

Financial assets pledged as collateral

There are no material amounts of collateral held as security as at 30 June 2024 and 30 June 2023.

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company reviews the exposure to interest rate risk as part of the regular Board meetings.

Sensitivity analysis

The following table illustrates sensitivities to the Company exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit \$	Equity \$
Year ended 30 June 2024		
+/- 1% in interest rates	+/- 12,658	+/- 12,658
Year ended 30 June 2023		
+/- 1% in interest rates	+/- 1,018	+/- 718

No sensitivity analysis has been performed on foreign exchange risk as the Company has no material exposure to currency risk. There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

(d) Price risk

The Company is not exposed to any material price risk.

Fair values

The fair values of financial assets and liabilities approximate the carrying values as disclosed in the Statement of Financial Position. Fair value is the amount at which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction. The Company does not have any unrecognised financial instruments at year end.

Notes to the financial statements (continued)

23. Financial risk management (continued)

(d) Price risk (continued)

Capital management

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

Under the Franchise Agreement with Bendigo and Adelaide Bank Limited, there is a limit on the profits that can be distributed to shareholders. In overview, the limit is the higher of:

- (a) 20% of the profits of the Company otherwise available for distribution to shareholders (after adding back community contributions during the year) and
- (b) the weighted average interest rate on 90 day bank bills plus 5% during the year, multiplied by the value of the share capital on issue at the end of the financial year.

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the Company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2024 can be seen in the Statement of Profit or Loss and Comprehensive Income.

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

Directors' declaration

For the financial year ended 30 June 2024

In accordance with a resolution of the Directors of Pinewood Community Financial Services Limited, the Directors of the Company declare that:

- 1 the financial statements and notes of the Company are in accordance with the *Corporations Act 2001* and:
 - (i) comply with Australian Accounting Standards, which as stated in accounting policy Note 1(a) to the financial statements constitutes compliance with International Financial Reporting Standards (IFRS); and
 - (ii) give a true and fair view of the Company's financial position as at 30 June 2024 and of the performance for the year ended on that date;
- 2 in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This resolution is made in accordance with a resolution of the Board of Directors.



Robert Davies
Chairman



Pavla Ford
Director/Treasurer

Signed at Mount Waverley on 28th August 2024

Independent audit report

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PINEWOOD COMMUNITY FINANCIAL SERVICES LIMITED
(A.B.N. 26 099 420 050)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PINEWOOD COMMUNITY FINANCIAL SERVICES LIMITED

Opinion

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

In our opinion,

- a. the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

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

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

MVAB Assurance
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PINEWOOD COMMUNITY FINANCIAL SERVICES LIMITED
(A.B.N. 26 099 420 050)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PINEWOOD COMMUNITY FINANCIAL SERVICES LIMITED

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. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

Further information about our responsibilities can be found at http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

MVAB Assurance

MVAB ASSURANCE
Chartered Accountants

Signed: *28 August 2024*



SHAUN EVANS
Partner

MVAB Assurance
ABN: 13 488 640 554

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