Annual Report 2024

Pinjarra Community Financial Services Limited

Community Bank
Pinjarra

ABN 31 097 389 547

Community Bank · Pinjarra

Contents

Chair's report

For year ending 30 June 2024

On behalf of the Pinjarra Community Financial Services Limited Board (PCFSL), it is my pleasure to present the Chair's report which outlines the performance and activities for the financial year ended 30 June 2024.

It is with immense pleasure that I announce, due to a collective effort in various areas, our financial standing as of 30 June 2024 reflects an after-tax profit of $513,373.

PCFSL has contributed $122,614.12 to community initiatives this year.

Some of the organisations which have benefitted from your Community Bank this year are:

- K9 Rescue Group
- IDEA Academy
- Pinjarra Senior High School
- Bedingfeld Park
- Yarloop Wildlife Rescue
- Yunderup Sport & Recreation Club
- Pinjarra Football & Netball Club
- North Yunderup Community Association
- North Dandalup Primary School
- Pinjarra Croquet Club
- Waroona Agricultural Society
- Shire of Murray
- Primadonna Productions
- Pinjarra Golf Club
- Friends of Edenvale

These are only some of the community organisations which we have made contributions to this financial year, showing the diversity of initiatives that have been supported.

In addition to the above mentioned community contribution, we have contributed a further $200,000 to the Bendigo Bank owned Community Enterprise Foundation.

The Community Enterprise Foundation (CEF) was established in 2005 as a Donor Advised Model for Bendigo Bank's Community Bank network and corporate organisations. It offers a tax effective gifting structure for profit distribution, donations and the capability to leverage other social capital. The CEF provide independent administration services, a formal Foundation trust structure and exceptional levels of governance and due diligence. They also provide a multi-layered review process which undertakes the right checks and balances to ensure that the future investments that we make in our community are valued and are applied for their intended purpose.

In return for providing these services, the CEF charge a one-off administration fee of 5% of the total amount of the funds contributed.

Our Community Bank continues to set the benchmark for exceptional customer service, under the capable stewardship of our Branch Manager, Natalie Myers. Her leadership is supported by a team of consummate professionals who are not only empathetic and dedicated but also excel in their roles. This year, the team's customer service achievements have been particularly impressive:

The team has successfully retained all staff for the 2024 financial year, ensuring a consistent and high-quality service experience for our customers.

They have volunteered their time beyond business hours, actively engaging in community events and strengthening our ties with the community we serve.

The team has contributed substantially to our ability to give back to our local community, enabling us to partner with various organizations to support impactful community initiatives.

They have embraced extensive system upgrades, which has significantly improved the customer experience.

Despite the technological advancements, the team has maintained the traditional "old fashioned" face-to-face service, which is a cornerstone of our customer service philosophy.

Chair's report (continued)

These achievements underscore the team's commitment to delivering unparalleled customer service and their ability to adapt to new challenges while maintaining the core values of our bank.

The Board is honoured to announce that it welcomes two new directors;

Steve Hodgkinson. Steve brings with him, 35 years of experience in the Finance sector, having sat on various Boards, Steve is well versed in governance and compliance within an organisation.

Steve looks forward to contributing to his local community.

Roger Watson. Roger brings with him years of experience in management and leadership roles.

Roger looks forward to contributing to his local community, as he has done previously through various avenues.

The Board has seen the departure of Directors Steve Lee, Laurie Galloway and Tiffany Franklin who were all valuable assets to the Board;

Steve Lee was a dedicated Board member for nine years.

Throughout Steve's time with us, he held the role of Chair, and contributed to many of our committees. We thank Steve for his contribution of service to the Board and wish him all the best.

Laurie Galloway was a dedicated Board member for 13 years.

Throughout Laurie's time with us, he contributed to many of our committees. We thank Laurie for his contribution of service to the Board and wish him all the best.

Tiffany Franklin was a dedicated Board member for nearly two years.

Throughout Tiffany's time with us, she held the position of Deputy Chair, and contributed to many of our committees. Tiffany was particularly involved with many of the community groups we supported. We thank Tiffany for her contribution of service to the Board and wish her all the best.

I extend my profound gratitude to all our Board members for their voluntary dedication of time and expertise to our company and to me in my capacity as Chair. Their commitment to the Board is deeply appreciated, and I also extend my thanks to their families, recognizing the personal and professional sacrifices made in support of our collective goals.

I would especially like to thank our Company Secretary (Michael Kidd), Branch Manager (Natalie Myers), Marketing Chair (Roger Watson) and our Administration Officer (Tessa Davies) for their support during the year.

Each Board members contribution has been instrumental in guiding the company through various initiatives and decisions. Board Directors uphold an invaluable role in the success and governance of our company. Their efforts not only drive our company forward but also ensure that we remain a pillar of support in our community.

I would also like to extend our heartfelt thanks to our shareholders, for without your unwavering support, Pinjarra Community Financial Services Ltd would not be where it is today. Your continued backing is greatly appreciated.

I am pleased to advise that we were able to pay two fully franked dividends; 7 cents, paid in February 2024, and 10 cents paid in June 2024.

Since 2013 Pinjarra Community Financial Services Limited has been able to pay a dividend to its shareholders.

Rest assured, our Board of Directors and branch staff remain committed to perpetuating the success of our esteemed brand and business, just as we have steadfastly done in the past.

We look forward to continuing to support our community through the 2025 financial year.

Shane Rowley
Chair

Manager's report

For year ending 30 June 2024

It is with great satisfaction that I announce, despite the prevailing economic adversities and the escalation of interest rates, our branch has achieved a commendable year of robust growth.

As of 30 June, 2024, the branch has realized a growth of $27.8 million. This significant accomplishment reflects our team's unwavering commitment and is a source of immense pride for us all. The primary driver of this growth has been our deposits sector, which has thrived due to the exceptionally competitive investment rates we have managed to provide.

In the past year, Pinjarra Community Financial Services Limited has generously contributed $122,614.12 to various local community organisations, to support remarkable community initiatives, as well as an additional $200,000 to our Community Enterprise Foundation, which closed with a balance of $666,047 as at 30 June 2024.

Bendigo Bank continues to embark on system enhancements aimed at refining processes and augmenting customer experience. Whilst our staff acknowledge and embrace the necessity of technological advancement to remain competitive and achieve growth, we continue to take pride in providing the exemplary "old fashioned" face-to-face service that has become our hallmark.

It is with immense pride that we present the same familiar and welcoming faces of our staff, whose tireless efforts and steadfast commitment to both the branch and the community remain unwavering.

In addition to our already amazing team, we were delighted to welcome Carly as a Customer Service Officer in November 2023. Carly joined us from the Community Bank Kwinana Branch, bringing with her a wealth of expertise in customer service, a deep understanding of our products, and a keen insight into the community bank model and its pivotal role in supporting our community. Carly's arrival was also marked by her radiant smile, which has become a cherished addition to our team.

Our team's dedication extends beyond business hours, as they generously volunteer their time to participate in numerous community events, further solidifying our bond with the community we serve.

My deepest appreciation goes to the members of the Pinjarra Community Financial Services Ltd Board. Your unwavering commitment to the community, which fuels your passion for volunteering on our Board of directors, is truly commendable. The expertise and dynamism you bring are indispensable to our institution, and it is a privilege to have you accompany us on our journey.

A profound "Thank You" is also due to our esteemed shareholders. Your ongoing support is the cornerstone of our success, and it is with your backing that our achievements are made possible.

My team and I eagerly anticipate another year of success, working alongside the Pinjarra & surrounds community.

A sincere "Thank You" to everyone involved with Community Bank Pinjarra for being an integral part of our journey.

Natalie Myers
Branch Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2024

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

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

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

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

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

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

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

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

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

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

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

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

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

Justine Minne
Bendigo and Adelaide Bank

Community Bank National Council report

For year ending 30 June 2024

Community Bank network: celebrating 26 years of empowering communities

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

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

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

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

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

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

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

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

Warm regards

Lauren Bean
General Manager
Community Bank National Council

Directors’ report

30 June 2024

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

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

Name:	Shane Robert Rowley
Title:	Non-executive director
Experience and expertise:	Local business owner and lifetime resident in the area.
Special responsibilities:	Chair, Member Marketing Committee.

Name:	Michael Frank Kidd
Title:	Non-executive director
Experience and expertise:	40 years experience in senior Financial Management roles in England, Papua New Guinea and Australia in the private sector and Local and State Government.
Special responsibilities:	Treasurer, Company Secretary, Chairman Finance Committee, Member HR Committee.

Name:	Mervyn Hart Williams
Title:	Non-executive director
Experience and expertise:	Commenced training as a Chartered Accountant in 1969 and qualified in 1979. Since that time Mervyn worked in various roles in the accounting profession and commercial organisations. The last 27 years he spent as Chief Financial Officer for Rocky Bay, a Not for Profit Organisation in the disability services sector. Mervyn has been involved in various roles within a number of sporting organisations and is currently president of the Rotary Club of Pinjarra.
Special responsibilities:	Member Finance Committee.

Name:	Stephen Ranald Hodgkinson
Title:	Non-executive director (appointed 6 December 2023)
Experience and expertise:	Stephen has over 35 years experience in the financial sector including accounting, mortgage broking, financial planning and stock broking. Stephen holds a Bachelor of Business from Curtin Univeristy as well as a Masters in Financial Planning from Griffith University. Stephen operates a Tax Agents practice encompassing Pinjarra and the surrounding area.
Special responsibilities:	Member Finance and Marketing Committee

Name:	Roger Paul Watson
Title:	Non-executive director (appointed 11 December 2023)
Experience and expertise:	Roger is a retired Offshore Installation Manager for INPEX/Woodside, where he was also involved in Project Management/Team Leadership and Performance.
Special responsibilities:	Chair of the CEF and Marketing Committees

Name:	Sheree Chapman
Title:	Non-executive director (appointed 24 August 2024)
Experience and expertise:	Sheree has recently begun her journey as a sole business owner. Previously, she held roles such as President, Vice President, and Secretary in various community groups and sporting associations. Sheree has expertise in a range of specialised integrated software essential for her role as a conveyancer. As a business owner, she also has experience with accounting software. Sheree’s strengths lie in her administration and management skills.
Special responsibilities:	Member Marketing Committee

Name:	Ernest Albert Hiddlestone
Title:	Non-executive director (resigned 26 July 2023)
Experience and expertise:	Previously a primary school teacher for 37 years including Deputy Principal for 15 years. Has also been a self employed lawn mowing contractor. Treasurer for the Rotary Club of Kenwick (five years).
Special responsibilities:	Member Marketing Committee and Finance Committee.

Name:	Laurence Ian Galloway
Title:	Non-executive director (resigned 30 November 2023)
Experience and expertise:	Business owner for over 40 years and a Rotary member for 27 years. Director of Pinjarra Auto Group and Galloway Engine Reconditioning.
Special responsibilities:	Member HR committee.

Name:	Stephen Donald Lee
Title:	Non-executive director (resigned 13 February 2024)
Experience and expertise:	Shire of Murray Councillor since 2013. Former Deputy Shire President. Retired Manager Administration and Finance, Education Department of Western Australia. Treasurer Friends of Edenvale Inc. Chairperson Ravenswood Community Group Inc. Councillor Rivers Regional Council. Member and former Treasurer Lions Club of Pinjarra.
Special responsibilities:	Chair, Member Finance committee, HR Committee and Marketing Committee.

Name:	Tiffany Gaye Franklin
Title:	Non-executive director (resigned 15 May 2024)
Experience and expertise:	Business experience of over 33 years, 20 years in the financial services sector and 13 years in hospitality, small business and not for profit sector within the local community. Currently the General manager of the Pinjarra Golf Club Inc. Heavily involved in supporting local business in the Peel/Pinjarra Region.
Special responsibilities:	Deputy Chair, Member Marketing Committee, Member Finance Committee.

No directors have material interest in contracts or proposed contracts with the company.

Company secretary
The company secretary is Michael Frank Kidd. Michael was appointed to the position of secretary on 1 April 2015.

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 $513,373 (30 June 2023: $375,290).

Operations have continued to perform in line with expectations.

Dividends
During the financial year, the following dividends were declared.

	2024 $	2023 $
Fully franked dividend of 17 cents per share (2023: 6 cents)	67,007	23,650

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 margin earned on these products. The decline in margin has been offset by an increase in footings during the financial year.

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
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		Marketing Committee		Finance Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Shane Robert Rowley	11	10	3	3	3	2
Michael Frank Kidd	11	7	-	-	3	3
Mervyn Hart Williams	11	8	-	-	3	3
Stephen Ranald Hodgkinson	6	6	2	2	2	1
Roger Paul Watson	6	5	2	2	-	-
Sheree Chapman	-	-	-	-	-	-
Ernest Albert Hiddlestone	1	1	-	-	-	-
Laurence Ian Galloway	6	4	-	-	-	-
Stephen Donald Lee	6	3	1	1	1	1
Tiffany Gaye Franklin	9	7	2	2	3	2

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

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

	Balance at the start of the year	Changes	Balance at the end of the year
Shane Robert Rowley	2,000	-	2,000
Michael Frank Kidd	-	-	-
Mervyn Hart Williams	2,667	-	2,667
Stephen Ranald Hodgkinson	5,700	-	5,700
Roger Paul Watson	-	-	-
Sheree Chapman	-	-	-
Ernest Albert Hiddlestone	300	-	300
Laurence Ian Galloway	2,000	-	2,000
Stephen Donald Lee	1,000	-	1,000
Tiffany Gaye Franklin	-	-	-

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

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

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

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

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

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

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

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

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

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

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

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

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

On behalf of the directors

Shane Robert Rowley
Chair

28 August 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 Pinjarra Community Financial Services Limited

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 28 August 2024

Lachlan Tatt
Lead Auditor

Financial statements

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

	Note	2024 $	2023 $
Revenue from contracts with customers	7	1,825,592	1,794,309
Other revenue	8	61,562	27,387
Finance revenue		53,673	37,175
Increase in fair value of financial assets	14	65,369	-
Total revenue		2,006,196	1,858,871
Employee benefits expense	9	(638,401)	(505,326)
Advertising and marketing costs		(33,516)	(20,152)
Occupancy and associated costs		(72,480)	(31,543)
System costs		(30,503)	(24,807)
Depreciation and amortisation expense	9	(66,438)	(63,902)
Loss on disposal of assets		(960)	-
Finance costs	9	(25,120)	(31,107)
General administration expenses		(138,927)	(144,875)
Decrease in fair vaue of financial assets	14	-	(19,769)
Total expenses before community contributions and income tax		(1,006,345)	(841,481)
Profit before community contributions and income tax expense		999,851	1,017,390
Charitable donations, sponsorships and grants expense	9	(322,614)	(519,881)
Profit before income tax expense		677,237	497,509
Income tax expense	10	(163,864)	(122,219)
Profit after income tax expense for the year		513,373	375,290
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		513,373	375,290
		Cents	**Cents**
Basic earnings per share	28	130.24	95.21
Diluted earnings per share	28	130.24	95.21

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

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

	Note	2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	11	339,579	119,285
Trade and other receivables	12	175,822	186,315
Investments	13	1,102,379	740,741
Total current assets		1,617,780	1,046,341
Non-current assets			
Financial assets	14	258,996	193,627
Investment properties		6,775	17,545
Property, plant and equipment	15	70,439	77,793
Right-of-use assets	16	337,712	353,450
Intangible assets	17	31,732	44,860
Deferred tax assets	10	91,730	103,119
Total non-current assets		797,384	790,394
Total assets		2,415,164	1,836,735
Liabilities			
Current liabilities			
Trade and other payables	18	168,577	64,770
Lease liabilities	19	47,197	20,810
Current tax liabilities	10	148,950	103,128
Employee benefits		44,290	40,747
Total current liabilities		409,014	229,455
Non-current liabilities			
Trade and other payables	18	14,927	29,854
Lease liabilities	19	473,770	516,194
Employee benefits		24,646	15,302
Lease make good provision		9,027	8,516
Total non-current liabilities		522,370	569,866
Total liabilities		931,384	799,321
Net assets		1,483,780	1,037,414
Equity			
Issued capital	20	385,805	385,805
Retained earnings		1,097,975	651,609
Total equity		1,483,780	1,037,414

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

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

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2022		385,805	299,969	685,774
Profit after income tax expense		-	375,290	375,290
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	375,290	375,290
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	22	-	(23,650)	(23,650)
Balance at 30 June 2023		385,805	651,609	1,037,414

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2023		385,805	651,609	1,037,414
Profit after income tax expense		-	513,373	513,373
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	513,373	513,373
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	22	-	(67,007)	(67,007)
Balance at 30 June 2024		385,805	1,097,975	1,483,780

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

Pinjarra Community Financial Services Limited
Statement of cash flows
For the year ended 30 June 2024

	Note	2024 $	2023 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,072,703	1,889,380
Payments to suppliers and employees (inclusive of GST)		(1,307,684)	(1,412,353)
Dividends received		13,975	8,686
Interest received		50,928	35,922
Interest and other finance costs paid		-	(4,687)
Income taxes paid		(106,653)	(35,124)
Net cash provided by operating activities	27	723,269	481,824
Cash flows from investing activities			
Redemption of/(investment) in term deposits	13	(361,638)	(310,527)
Payments for property, plant and equipment	15	(14,842)	(57,432)
Payments for intangible assets		(13,569)	(13,569)
Proceeds from disposal of property, plant and equipment		-	16,360
Net cash used in investing activities		(390,049)	(365,168)
Cash flows from financing activities			
Repayment of borrowings		-	(73,072)
Interest and other finance costs paid		(24,709)	(26,025)
Dividends paid	22	(67,007)	(23,650)
Repayment of lease liabilities		(21,210)	(17,710)
Net cash used in financing activities		(112,926)	(140,457)
Net increase/(decrease) in cash and cash equivalents		220,294	(23,801)
Cash and cash equivalents at the beginning of the financial year		119,285	143,086
Cash and cash equivalents at the end of the financial year	11	339,579	119,285

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

Notes to the financial statements

30 June 2024

Note 1. Reporting entity

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 35 George Street, Pinjarra WA 6208.

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 28 August 2024. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

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

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

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

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

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

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

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

Note 3. Material accounting policy information (continued)

Investments
Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the company has the positive intention and ability to hold the financial asset to maturity. Investments are carried at either amortised cost or fair value, depending on the
classification of the financial asset. Assets measured at amortised cost use the effective interest rate method. Investments measured at fair value comprise investments in listed entities over which the company does not have significant influence nor control.

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.

The loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

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

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

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

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

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

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 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.

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

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

Estimates and assumptions

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

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

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 December 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 Bendigo Bank to bear as long as the company has complied with the appropriate procedures and relevant obligations and has not exercised a discretion in granting or extending credit.

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

Note 6. Change to comparative figures

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

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

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

- Cash and cash equivalents decreased and investments increased by $740,741 at 30 June 2023 as reported in the Statement of financial position.
- Opening and closing cash balances were reduced to exclude term deposits with initial investment periods greater than three months as reported in the Statement of cash flows.
- Investments in and redemptions of term deposits with initial investment periods greater than three months are now classified within investment activities as reported in the Statement of cash flows.

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

Calculation of right-of-use asset cost and accumulated depreciation
On adoption of AASB 16 Leases on 1 July 2019, the company 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 $125,420. For more information on the company's right-of-use asset please refer to note 16.

Note 7. Revenue from contracts with customers

	2024 $	2023 $
Margin income	1,654,753	1,623,788
Fee income	73,054	72,206
Commission income	97,785	98,315
	1,825,592	1,794,309

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.

Note 7. Revenue from contracts with customers (continued)

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

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

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

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

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

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

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

Commission income
Commission 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 and Adelaide 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. Other revenue

	2024 $	2023 $
Net gain on disposal of property, plant and equipment	-	5,217
Insurance recoveries	34,131	-
Dividend and distribution income	13,975	8,686
Rental income	13,456	12,815
Other income	-	669
	61,562	27,387

Note 9. Expenses

Employee benefits expense

	2024 $	2023 $
Wages and salaries	535,168	431,885
Non-cash benefits	9,764	9,767
Superannuation contributions	58,716	44,510
Expenses related to long service leave	11,584	7,735
Other expenses	23,169	11,429
	638,401	505,326

Depreciation and amortisation expense

	2024 $	2023 $
Depreciation of non-current assets		
Leasehold improvements	5,578	7,614
Plant and equipment	7,208	5,830
Motor vehicles	8,901	6,196
	21,687	19,640
Depreciation of right-of-use assets		
Leased land and buildings	31,623	31,132
Amortisation of intangible assets		
Franchise fee	2,188	2,188
Franchise renewal fee	10,940	10,942
	13,128	13,130
	66,438	63,902

Leases recognition exemption

	2024 $	2023 $
Expenses relating to low-value leases	11,337	9,215

Note 9. Expenses (continued)

Finance costs

	2024 $	2023 $
Bank loan interest paid or accrued	-	4,687
Lease interest expense	24,709	26,025
Unwinding of make-good provision	411	395
	25,120	31,107

Charitable donations, sponsorships and grants expense

	2024 $	2023 $
Direct donation, sponsorship and grant payments	122,614	69,881
Contribution to the Community Enterprise Foundation™	200,000	450,000
	322,614	519,881

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

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

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

Note 10. Income tax

	2024 $	2023 $
Income tax expense		
Current tax	160,268	129,984
Movement in deferred tax	11,389	(4,042)
Under/over adjustment	(1,804)	-
Net benefit of franking credits on dividends received	(5,989)	(3,723)
Aggregate income tax expense	163,864	122,219
Prima facie income tax reconciliation		
Profit before income tax expense	677,237	497,509
Tax at the statutory tax rate of 25%	169,309	124,377
Tax effect of:		
Non-deductible expenses	850	634
Other assessable income	1,498	931
Net benefit of franking credits on dividends received	(5,989)	(3,723)
	165,668	122,219
Under/over adjustment	(1,804)	-
Income tax expense	163,864	122,219

Note 10. Income tax (continued)

	2024 $	2023 $
Deferred tax assets/(liabilities)		
Property, plant and equipment	42,516	42,536
Employee benefits	17,234	14,012
Lease liabilities	130,242	134,251
Provision for lease make good	2,257	2,129
Income accruals	(1,134)	(448)
Right-of-use assets	(86,122)	(92,749)
Financial assets at fair value through profit or loss	(9,802)	6,541
Prepayments	(3,461)	(3,153)
Deferred tax asset	91,730	103,119

	2024 $	2023 $
Provision for income tax	148,950	103,128

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

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

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

Note 11. Cash and cash equivalents

	2024 $	2023 $
Cash at bank and on hand	339,579	119,285

Note 12. Trade and other receivables

	2024 $	2023 $
Trade receivables	157,440	171,911
Accrued income	4,537	1,792
Prepayments	13,845	12,612
	18,382	14,404
	175,822	186,315

Note 12. Trade and other receivables (continued)

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 13. Investments

	2024 $	2023 $
Current assets		
Term deposits	1,102,379	740,741

Note 14. Financial assets

	2024 $	2023 $
Equity securities - designated at fair value through profit or loss	258,996	193,627

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

	2024 $	2023 $
Opening carrying amount	193,627	73,567
Additions	-	139,829
Increase in fair value	65,369	-
Decrease in fair value	-	(19,769)
Closing carrying amount	258,996	193,627

Accounting policy for financial assets
Financial assets are measured at fair value through profit or loss. 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.

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

Note 15. Property, plant and equipment

	2024 $	2023 $
Leasehold improvements - at cost	325,961	326,045
Less: Accumulated depreciation	(313,957)	(308,960)
	12,004	17,085
Plant and equipment - at cost	102,515	102,873
Less: Accumulated depreciation	(76,516)	(83,502)
	25,999	19,371
Motor vehicles - at cost	44,507	44,507
Less: Accumulated depreciation	(12,071)	(3,170)
	32,436	41,337
	70,439	77,793

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

	Leasehold improvements $	Plant and equipment $	Motor vehicles $	Total $
Balance at 1 July 2022	19,954	18,392	12,798	51,144
Additions	4,745	8,180	44,507	57,432
Disposals	-	(1,371)	(9,772)	(11,143)
Depreciation	(7,614)	(5,830)	(6,196)	(19,640)
Balance at 30 June 2023	17,085	19,371	41,337	77,793
Additions	497	14,345	-	14,842
Disposals	-	(509)	-	(509)
Depreciation	(5,578)	(7,208)	(8,901)	(21,687)
Balance at 30 June 2024	12,004	25,999	32,436	70,439

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:

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

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

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 16. Right-of-use assets

	2024 $	2023 $
Land and buildings - right-of-use	428,746	406,004
Less: Accumulated depreciation	(91,034)	(52,554)
	337,712	353,450

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

	Land and buildings $
Balance at 1 July 2022	375,460
Depreciation expense	(22,010)
Balance at 30 June 2023	353,450
Remeasurement adjustments	8,525
Depreciation expense	(24,263)
Balance at 30 June 2024	337,712

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 17. Intangible assets

	2024 $	2023 $
Franchise fee	216,903	216,903
Less: Accumulated amortisation	(211,614)	(209,426)
	5,289	7,477
Franchise renewal fee	54,708	54,708
Less: Accumulated amortisation	(28,265)	(17,325)
	26,443	37,383
	31,732	44,860

Note 17. Intangible assets (continued)

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

	Franchise fee $	Franchise renewal fee $	Total $
Balance at 1 July 2022	9,665	48,325	57,990
Amortisation expense	(2,188)	(10,942)	(13,130)
Balance at 30 June 2023	7,477	37,383	44,860
Amortisation expense	(2,188)	(10,940)	(13,128)
Balance at 30 June 2024	5,289	26,443	31,732

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

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

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

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

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

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 $
Current liabilities		
Trade payables	89,989	737
Other payables and accruals	78,588	64,033
	168,577	64,770
Non-current liabilities		
Other payables and accruals	14,927	29,854

	2024 $	2023 $
Financial liabilities at amortised cost classified as trade and other payables		
Total trade and other payables	183,504	94,624
Less: other payables and accruals (net GST payable to the ATO)	(15,389)	(4,837)
	168,115	89,787

Note 19. Lease liabilities

	2024 $	2023 $
Current liabilities		
Land and buildings lease liabilities	47,197	20,810
Non-current liabilities		
Land and buildings lease liabilities	473,770	516,194

Reconciliation of lease liabilities

	2024 $	2023 $
Opening balance	537,004	554,714
Remeasurement adjustments	5,173	-
Lease interest expense	24,709	26,025
Lease payments - total cash outflow	(45,919)	(43,735)
	520,967	537,004

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

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

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

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Pinjarra Branch	4.76%	5 years	1 x 10 years	Yes	June 2035

Note 20. Issued capital

	2024 Shares	2023 Shares	2024 $	2023 $
Ordinary shares - fully paid	394,160	394,160	394,160	394,160
Less: Equity raising costs	-	-	(8,355)	(8,355)
	394,160	394,160	385,805	385,805

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

Note 20. Issued capital (continued)

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

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

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

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

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

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

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 243. As at the date of this report, the company had 238 shareholders (2023: 250 shareholders). The company plans to propose a revised constitution lowering the base number at the 2024 Annual General Meeting.

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.

Note 20. Issued capital (continued)

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 21. Capital management

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

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

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

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

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

Note 22. Dividends

The following dividends were declared 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 17 cents per share (2023: 6 cents)	67,007	23,650

Franking credits

	2024 $	2023 $
Franking account balance at the beginning of the financial year	277,774	246,810
Franking credits (debits) arising from income taxes paid (refunded)	106,653	35,124
Franking debits from the payment of franked distributions	(22,336)	(7,883)
Franking credits from franked distributions received	5,989	3,723
	368,080	277,774
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	368,080	277,774
Franking credits (debits) that will arise from payment (refund) of income tax	148,950	103,128
Franking credits available for future reporting periods	517,030	380,902

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

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

Note 23. Financial risk management

The company's financial instruments include trade receivables and payables, cash and cash equivalents, investments, financial assets 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:

- 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 12)	161,977	173,703
Cash and cash equivalents (note 11)	339,579	119,285
Financial assets (note 14)	258,996	193,627
Investments (note 13)	1,102,379	740,741
	1,862,931	1,227,356
Financial liabilities		
Trade and other payables (note 18)	168,115	89,787
Lease liabilities (note 19)	520,967	537,004
	689,082	626,791

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

Accounting policy for financial instruments

Financial assets

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

- Amortised cost
- Fair value through 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.

Note 23. Financial risk management (continued)

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

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

Financial liabilities

Classification
The company classifies its financial liabilities at amortised cost.

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

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of $339,579 and term deposits of $1,102,379 at 30 June 2024 (2023: $119,285 and $740,741).

Equity Price risk
All of the company's listed equity investments are listed on the Australian Stock Exchange (ASX). Changes in equity securities value is recognised through profit or loss.

2024	% change increase	Effect on profit before tax	Effect on equity	% change decrease	Effect on profit before tax	Effect on equity
Equity securities	10%	25,900	19,425	(10%)	(25,900)	(19,425)

2023	% change increase	Effect on profit before tax	Effect on equity	% change decrease	Effect on profit before tax	Effect on equity
Equity securities	10%	19,363	14,522	(10%)	(19,363)	(14,522)

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.

Note 23. Financial risk management (continued)

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

2024	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	168,577	14,927	-	183,504
Lease liabilities	48,217	218,215	411,740	678,172
Total non-derivatives	216,794	233,142	411,740	861,676

2023	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	64,770	29,854	-	94,624
Lease liabilities	45,921	207,823	470,348	724,092
Total non-derivatives	110,691	237,677	470,348	818,716

Note 24. Key management personnel disclosures

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

Shane Robert Rowley
Michael Frank Kidd
Mervyn Hart Williams
Stephen Ranald Hodgkinson
Roger Paul Watson
Sheree Chapman
Ernest Albert Hiddlestone
Laurence Ian Galloway
Stephen Donald Lee
Tiffany Gaye Franklin

Compensation
Key management personnel compensation comprised the following.

	2024 $	**2023 $**
Short-term employee benefits	-	1,816

Compensation of the company's key management personnel in the previous financial year includes honorariums. No director of the company received remuneration for services as a company director or committee member during the financial year.

Note 25. Related party transactions

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

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

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

Note 25. Related party transactions (continued)

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

	2024 $	2023 $
Shane Crowley owns and operates Keysbrook Produce which the company leased signage space from.	500	-
Shane Crowley owns and operates Keysbrook Produce which the company purchased items from to donate to the ACNC registered charity K9 Rescue Group.	116	-
Bedingfeld Park Inc received sponsorship and charitable donations during the period. Mervyn Hart Williams is a board member.	11,300	-

Note 26. Remuneration of auditors

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

	2024 $	2023 $
Audit services		
Audit or review of the financial statements	7,035	5,400
Other services		
Taxation advice and tax compliance services	884	1,433
General advisory services	3,695	2,810
Share registry services	5,186	3,475
	9,765	7,718
	16,800	13,118

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

	2024 $	2023 $
Profit after income tax expense for the year	513,373	375,290
Adjustments for:		
Depreciation and amortisation	66,438	63,902
Net loss/(gain) on disposal of non-current assets	960	(5,217)
Increase/(decrease) in fair value of equity instruments designated at FVTPL	(65,369)	19,769
Lease liabilities interest	24,709	26,025
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	10,493	(91,971)
Decrease/(increase) in deferred tax assets	11,389	(4,042)
Increase/(decrease) in trade and other payables	102,156	(11,263)
Increase in current tax liabilities	45,822	91,137
Increase in employee benefits	12,887	17,799
Increase in lease make good provisions	411	395
Net cash provided by operating activities	723,269	481,824

Note 28. Earnings per share

	2024 $	2023 $
Profit after income tax	513,373	375,290
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	394,160	394,160
Weighted average number of ordinary shares used in calculating diluted earnings per share	394,160	394,160
	Cents	**Cents**
Basic earnings per share	130.24	95.21
Diluted earnings per share	130.24	95.21

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

Note 29. Commitments

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

Note 30. Contingencies

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

Note 31. Events after the reporting period

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

Directors' declaration

30 June 2024

In the directors' opinion:

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

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

On behalf of the directors

Shane Robert Rowley
Chair

28 August 2024

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
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03 5443 0344

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Pinjarra Community 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 Pinjarra Community 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.

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Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 28 August 2024

Lachlan Tatt
Lead Auditor

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Bendigo Bank