Annual Report 2024

Bay & Basin Community Financial Services Limited

Community Bank
Sanctuary Point & Districts

ABN 62 105 756 063

Community Bank Sanctuary Point & Districts

Annual Report 2024

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Chairman's Report



INTRODUCTION

The 2023/24 financial year saw good results for Bay & Basin Community Financial Services Ltd, as you will see from the financials enclosed in this report. This year saw a more stable environment than we have seen in recent times, with interest rates remaining largely unchanged during the year margins and remained quite steady and healthy. Competition in the market, as always, keeps the margins at a minimum and at times squeezes them to reduce our revenue.

Given the results achieved in this financial year it is pleasing to advise that Bay & Basin Community Financial Services Ltd has announced a dividend of 7.5 cents per share, this represents a return of 7.5% of your original par value.

It was pleasing to see the continued growth in our overall book value to over $131 million dollars' worth of business. This shows us that the Bay & Basin community continues to support its Community Bank and the future looks solid for the branch.

CORPORATE AFFAIRS

We are again offering this year's AGM either face-to-face, along with a virtual offering for those who prefer to avail themselves of that option. If you would like to attend virtually please contact Luke at the Branch and he will organise a link for you.

I urge you all to be a part of your company's AGM and join us for what is our 21st annual meeting since formation back in 2003.

BOARD PRIORITIES AND STRATEGY

As a company we have contributed $300,000 of our profits from trade in 2023/2024 to the Community Enterprise Foundation for future projects, this is our company's largest contribution to date. These funds are tax deductible to the company in the year they are contributed and then reside in an interest-bearing account with the Foundation until we utilise the funds for community projects of our choosing.

BOARD CHANGES DURING THE YEAR

Bay & Basin Financial Services Ltd is lucky to have a stable group of volunteer directors who give freely of their time to help improve this area.

There was only the one director resignation during 2023/24. Anthony BLOOD decided to leave the Board to pursue other interests and we have a new director to replenish the numbers.

Susan O'BRIEN – Joined the Board in April 2024, bringing with her a wealth of knowledge and experience. Susan spent more than 30 years working to understand the unique needs and improving the quality of the lives of older Australians.

Since retiring, Susan has filled her time volunteering with the local Meals on Wheels service. It is the perfect intersection between her passion to improve the lives of older Australians and her love for connection with others.

SHAREHOLDER DIVIDENDS

Pleasingly this year we can announce a dividend of 7.5 cents per share.

COMMUNITY CONTRIBUTIONS

This year has seen conditions returning to what you might call more normal, and the company being able to contribute $300,000 into the foundation for use on future projects.

Apart from making this significant contribution from 2024 profits the company has been able to assist in other ways:

- 2 x $10,000 University Scholarships to local students
- $1,500 allocated to Little Athletics
- $1,000 allocated to Marine Rescue Jervis Bay
- $3,000 allocated to St Georges Basin Junior Rugby League
- $2,000 allocated to St Georges Basin Football Club
- $1,000 allocated to Cancer Council NSW
- Other sponsorships for sporting and cultural events

BRANCH MATTERS

The Branch staff this year remained quite stable under the leadership of Anthony. Anthony took on several tasks outside of what was required of him, including becoming heavily involved in the government lending schemes. This involvement resulted in lending business that the branch would otherwise not have written.

Lead well by Anthony our Branch Manager, our small team meets all the goal posts set for them by Bendigo Bank and by our Board.

We as directors thank them for their efforts over the year and look forward to the next year, continuing to be an asset to this area.

A NOTE OF THANKS

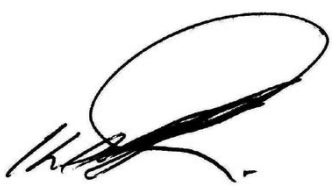
It would be remise of me not to take this opportunity to thank our directors. We have a solid team of directors who are all volunteers and share the common goal of wanting something better for the Bay & Basin area.

I would like to take this opportunity to also recognise and thank our staff at the Branch. Whilst they are employees, under Anthony's guidance they are our biggest asset. The Branch staff are the face of our company, without them the Branch could not function. Our team not only keeps the doors open but continues to attract new customers and business to our bank.

SUMMATION

Simply put, your company has had a good year. As you will see from the attached financial reports our results are very pleasing and will see us start 2024/25 in a strong position and able to take every advantage of the current market conditions.

Thank you for your support as shareholders, some of you have been with us since we started this journey and for that we say thank you, I am glad we have been able to reward you financially this year with a solid dividend.



Keith G Robinson A.I.F.S. J.P.
Chairman

Manager's Report

as at 30 June 2024



Financial Performance

Over the last financial year, the Community Bank Sanctuary Point and Districts ("our Branch") has achieved a 4.10% increase in its book of business.

In dollar terms, this represents an increase of $5.187 million for the year and a year-end position of $131.470 million.

We had another strong financial result for 2023/24 which allowed us to contribute $300,000 to the Bendigo Community Enterprise Foundation, allowing us to provide additional financial support to the Bay and Basin Community.

In summary, as at the end of the 2024 financial year, our Branch's business is represented by:

- Total book value of $131.470 million
- Loan business of $23.585 million
- Deposit business of $106.660 million
- Total Accounts 5,354 – an increase of 209 for the year.

Our loan business grew 2.83%, taking our loan growth over the past two financial years to 13.99%. This was achieved by becoming involved in the NSW Shared Equity Scheme program to assist home buyers. We now have home loan customers across the state contributing to our income, which benefits the Bay and Basin.

Deposits also grew for the financial year, which was pleasing in a market where our term deposit rates were not as "sharp" as our competitors. This shows we were able to retain and attract term deposit customers based on our excellent customer service.

Staffing

In the last twelve months there have been some changes to staffing in our Branch – me included.

Shelly Brown left us in May and as a result we recruited Kat Powell as a new full-time Customer Service Officer. Kat joined us following a career in retail, last being a Duty Manager at Aldi Vincentia.

Amanda Beeson also left the company in July, recruitment was under way to replace her.

My departure saw a new Branch Manager appointed. Luke Nolan comes to the company after a number of years with IMB Bank, having been Assistant Manager at IMB Nowra.

Our 2024 Scholarship Recipients

This year Bay & Basin Community Financial Services Limited is proudly supporting two students to further their education by providing a $10,000 scholarship to these two bright young individuals.

This year's scholarships were awarded to Mackenzie Mitchell from St Georges Basin and Isabella Menzies from Sanctuary Point.

After a successful HSC at Vincentia High School, Mackenzie commenced a Bachelor of Communications (Journalism) degree at RMIT with long term plans to work for a newspaper or magazine or become a freelance journalist.

Isabella attended St John The Evangelist Catholic High School and is now studying at the University of Adelaide studying Natural & Physical Sciences.

Both have been active in the local community in each of their areas of interest.

Moving away from home to study is an expensive exercise and having to worry about money while trying to cope with living on your own for the first time is a lot, so we are glad we can lighten the load.

We wish Mackenzie and Isabella great success for the future and will be cheering them on from the side lines!

Working in the Community

This financial year was a difficult year for us in terms of Community Grants. We actively encouraged groups during the year to apply for funding, but with little success. So if you are involved in a community group, or know of a group that needs funding, please contact Luke at our Branch to find out how to apply.

One Grant that we funded was to the Basin View Rural Fire Brigade for the construction of their Memorial Garden, to honour members of the brigade who have passed away. The garden was unveiled at the brigade's 75th anniversary celebrations in August.



Bay & Basin Community Financial Services Limited continued to support local sport, community groups and schools through sponsorships and awards. We have, once again, provided support through sponsorship to Marine Rescue Jervis Bay for their annual Duck Derby, and also with the help of the local community, donated food to the Vinnies Shop in Sanctuary Point for those doing it tough at Christmas time.

In conclusion

2023/2024 was another strong year for our community company, strong profit, growth in loans and dividends to our shareholders.

To our directors, thank you. Thank you for giving me the opportunity to serve as Branch Manager over the past few years and for your efforts, time and dedication, it was a pleasure working with you all.

So, I leave Sanctuary Point in the safe hands of Luke. I know he will continue the Branch's strong performance into the future.



Anthony van Breugel
Branch Manager

Directors' Report

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:

Keith Gordon Robinson **Non-Executive Director**	*Experience and expertise:* I have been an employee of Bendigo Bank Sanctuary Point in the role of Branch Manager since the opening of the branch in February 2004, was appointed Company Secretary August 2010 and Executive Director August 2019. Prior to commencing with Bendigo Bank I spent 5 years as a licensed Real Estate agent my final position in that industry was Commercial Leasing and Sales with Elders Nowra. I commenced my working career with National Bank starting in 1979 where I spent 7 years and then moved onto The Illawarra Mutual Building Society for 13 years. My qualifications include Degree in Business, majoring in Real Estate, Associate Member of the Institute of Financial Services, Justice of the Peace, sworn in 1987, Current working with children check, St Marks Anglican Church Founding Treasurer for Parish and Warranted Scout leader. *Special responsibilities:* Chair
Veronica Jean Husted **Non-Executive Director**	*Experience and expertise:* Library Assistant, NSW Public Schools, Women's Employment Officer, NSW Public Service, Deputy Chair of Southern Cross Community Housing, President of Crossroads Rural Fire Brigade, Secretary of Sanctuary Point Community Pride Inc., President of Howlong Historical Society, Member of Howlong City Progress Association and previous involvement in many aspects of the community. Has Certificate IV in Workplace Training and Assessment and a Diploma in Labour Law. *Special responsibilities:* Chair of Community and Human Resources Committees
Paul Michael Lallensack **Non-Executive Director**	*Experience and expertise:* Chief Operating Officer and Director of Epson Australia PTY Ltd. Financial Controller of Basketball Australia. Financial Controller and Company Secretary Maritime Container Services PTY Ltd. Finance Director City of Sydney Basketball Association. Bachelor of Arts degree Business Administration (Accounting). Varied financial, administrative and managerial experience. *Special responsibilities:* Chair of Governance and Audit Committee.
Sharon Lee Goldsmith **Non-Executive Director**	*Experience and expertise:* Sharon has been managing a business for the last 38 years and is community orientated. *Special responsibilities:* Nil
Oliver Jonah Isaac Griffiths **Non-Executive Director**	*Experience and expertise:* School Captain (Vincentia High School 2020-21), Junior Observer of the Board (2020-22), Undergraduate Student at University of Wollongong (Bachelor of Laws/Economics and Finance 2022-27), 1st St. Georges Basin Cub Scout Leader, Store Assistant at Aldi Vincentia. *Special responsibilities:* Member of Community Committee
Anthony Robert Blood **Non-Executive Director** *(resigned 18 September 2023)*	*Experience and expertise:* Town Planner. *Special responsibilities:* Member of Community Committee, Chair of Marketing, Media & Management Committee.
Susan Elizabeth O'Brien **Non-Executive Director** *(appointed 22 April 2024)*	*Experience and expertise:* Retired from aged care, both residential & community. Deputy Chair North Shoalhaven Meals on Wheels Ltd. B Hlth Sc (Ger), Dip Hlth Sc. *Special responsibilities:* Member of Governance Committee.

COMPANY SECRETARY

The company secretary is Keith Gordon Robinson. Keith was appointed to the position of secretary on 25 August 2010.

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 these activities during the financial year.

REVIEW OF OPERATIONS

The profit for the company after providing for income tax amounted to $106,459 (30 June 2023: $219,895).

Operations have continued to perform in line with expectations.

DIVIDENDS

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

	2024 $
Fully franked dividend of 7.5 cents per share (2023: nil)	49,500

Subsequent to financial year-end, the following dividends were proposed by the directors. The dividends have not been provided for in the financial statements.

	2024 $
Fully franked dividend of 7.5 cents per share	49,500

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

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

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

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

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

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

ENVIRONMENTAL REGULATION

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

Directors' Report
continued

MEETINGS OF DIRECTORS

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Board Meetings Attended		Committee Meetings Attended							
			Community		Human Resources		Governanace & Audit		Finance	
	E	A	E	A	E	A	E	A	E	A
Keith Gordon Robinson	11	10	4	4	4	4	-	-	1	1
Veronica Jean Husted	11	10	4	4	4	4	-	-	-	-
Paul Michael Lallensack	11	10	-	-	-	-	5	5	1	1
Sharon Lee Goldsmith	11	10	-	-	-	-	-	-	-	-
Oliver Jonah Isaac Griffiths	11	10	-	-	-	-	-	-	-	-
Anthony Robert Blood	3	1	-	-	-	-	-	-	-	-
Susan Elizabeth O'Brien	3	3	-	-	-	-	-	-	-	-

E - Eligible to attend, A - Number attended

DIRECTORS' BENEFITS

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

DIRECTORS' INTERESTS

The interest in company shareholdings for each director are:

	Balance at start of the year	Changes during the year	Balance at end of the year
Keith Gordon Robinson	-	-	-
Veronica Jean Husted	500	-	500
Paul Michael Lallensack	-	-	-
Sharon Lee Goldsmith	-	-	-
Oliver Jonah Isaac Griffiths	-	-	-
Anthony Robert Blood	-	-	-
Susan Elizabeth O'Brien	-	-	-

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 25 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:

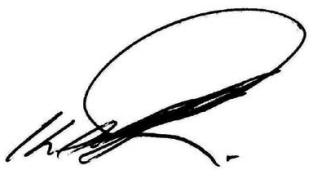
- all non-audit services have been reviewed by the Board to ensure they do not impact on the impartiality, integrity and objectivity of the auditor
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional 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.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' 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.



Keith Gordon Robinson,
Chair
18 September 2024

auditor's independence declaration

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

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

As lead auditor for the audit of Bay & Basin 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: 18 September 2024

Joshua Griffin
Lead Auditor

Liability limited by a scheme approved under Professional Standards Legislation.

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	941,054	1,032,025
Other revenue	8	89,869	140,563
Finance revenue		27,142	9,995
Total revenue		1,058,065	1,182,583
Employee benefits expense	9	(316,744)	(353,059)
Advertising and marketing costs		(31,035)	(9,916)
Occupancy and associated costs		(8,519)	(21,002)
System costs		(17,184)	(15,244)
Depreciation and amortisation expense	9	(52,227)	(51,721)
Finance costs	9	(8,569)	(3,791)
General adminstration expenses		(184,102)	(159,799)
Total expenses before community contributions and income tax expense		(618,380)	(614,532)
Profit before community contributions and income tax expense		439,685	568,051
Charitable donations, sponsorships and grants expense	9	(298,505)	(274,803)
Profit before income tax expense		141,180	293,248
Income tax expense	10	(34,721)	(73,353)
Profit after income tax expense for the year		106,459	219,895
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		106,459	219,895
		¢	¢
Basic earnings per share	27	16.13	33.32
Diluted earnings per share	27	16.13	33.32

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

statement of financial position

as at 30 June 2024

	Note	2024 $	2023 $
ASSETS			
Current Assets			
Cash and cash equivalents	11	662,481	646,723
Trade and other receivables	12	110,449	104,251
Total current assets		772,930	750,974
Non-Current Assets			
Property, plant and equipment	13	86,227	52,968
Right-of-use assets	14	298,237	17,274
Intangible assets	15	66,792	9,747
Deferred tax assets	10	9,964	8,770
Total non-current assets		461,220	88,759
Total Assets		1,234,150	839,733
LIABILITIES			
Current Liabilities			
Trade and other payables	16	33,990	13,322
Lease liabilities	17	34,684	26,035
Current tax liabilities	10	22,335	29,085
Employee benefits	18	11,978	9,299
Total current liabilities		102,987	77,741
Non-Current Liabilities			
Trade and other payables	16	46,402	-
Lease liabilities	17	290,268	-
Employee benefits	18	1,007	656
Lease make good provision		13,786	38,595
Total non-current liabilities		351,463	39,251
Total Liabilities		454,450	116,992
Net Assets		779,700	722,741
Equity			
Issued capital	19	624,056	624,056
Retained earnings	20	155,644	98,685
Total Equity		779,700	722,741

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

statement of changes in equity

for the financial year ended 30 June 2024

	Note	Issued capital	Retained Earnings	Total equity
		$	$	$
Balance at 1 July 2022		624,056	(121,210)	502,846
Profit after income tax expense		-	219,895	219,895
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	219,895	219,895
Balance at 30 June 2023		624,056	98,685	722,741
Balance at 1 July 2023		624,056	98,685	722,741
Profit after income tax expense		-	106,459	106,459
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	106,459	106,459
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	21	-	(49,500)	(49,500)
Balance at 30 June 2024		624,056	155,644	779,700

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

statement of cashflows

for the financial year ended 30 June 2024

	Note	2024 $	2023 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,150,121	1,237,609
Payments to suppliers and employees (inclusive of GST)		(971,566)	(976,216)
Interest received		27,142	9,995
Income taxes paid		(42,665)	-
Net cash provided by operating activities	26	163,032	271,388
Cash flows from investing activities			
Payments for property, plant and equipment	13	(53,407)	(13,645)
Payments for intangible assets		(11,718)	(13,514)
Net cash used in investing activities		(65,125)	(27,159)
Cash flows from financing activities			
Interest and other finance costs paid		(6,962)	(1,996)
Dividends paid	21	(49,500)	-
Repayment of lease liabilities		(25,687)	(31,518)
Net cash used in financing activities		(82,149)	(33,514)
Net increase in cash and cash equivalents		15,758	210,715
Cash and cash equivalents at the beginning of the financial year		646,723	436,008
Cash and cash equivalents at the end of the financial year	11	662,481	646,723

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

notes to the financial statements

for the financial year ended 30 June 2024

NOTE 1. REPORTING ENTITY

The financial statements cover Bay & Basin 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 1/200 Kerry Street, Sanctuary Point NSW 2540.

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 18 September 2024. The directors have the power to amend and reissue the financial statements.

NOTE 3. MATERIAL ACCOUNTING POLICY INFORMATION

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

Adoption of new and revised accounting standards

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

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

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

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

Accounting standards issued but not yet effective

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

Current and non-current classification

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

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.

NOTE 3. MATERIAL ACCOUNTING POLICY INFORMATION

Impairment of non-financial assets (continued)

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

NOTE 4. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

Judgements

Timing of revenue recognition associated with trail commission

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

Allowance for expected credit losses on trade and other receivables

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

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.

Impairment of non-financial assets

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

Recovery of deferred tax assets

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

Lease term

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

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

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

Estimates and assumptions

Estimation of useful lives of assets

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

Incremental borrowing rate

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

Employee benefits provision

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

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

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

Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

NOTE 5. ECONOMIC DEPENDENCY

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in April 2029.

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.

notes to the financial statements

continued for the financial year ended 30 June 2024

NOTE 5. ECONOMIC DEPENDENCY (continued)

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

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

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 $269,673.

NOTE 7. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2024 $	2023 $
Margin income	864,916	955,981
Fee income	47,924	50,950
Commission income	28,214	25,094
	941,054	1,032,025

Accounting policy for revenue from contracts with customers

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

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

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

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 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.

notes to the financial statements

continued for the financial year ended 30 June 2024

NOTE 8. OTHER REVENUE

	2024 $	2023 $
Insurance recoveries	8,206	61,161
Community Newsletter	81,663	69,402
Market development fund	-	10,000
	89,869	140,563

Community newsletter

This income relates to amounts received from various organisations within the community who advertise within the monthly newsletter.

Accounting policy for market development fund

In previous years Bendigo Bank made market development fund (MDF) payments to the company, which has been based on the volume of business attributed to a branch. The purpose of the discretionary payments is to assist with local market development activities, including community sponsorships and grants. It is for the board to decide how to use the MDF. The payments from Bendigo Bank are discretionary and may change the amount or stop making them at any time. Bendigo Bank ceased the MDF during the previous year and therefore the company did not receive any contributions during the current financial year.

Insurance recoveries

Income related to insurances received during the period.

NOTE 9. EXPENSES

	2024 $	2023 $
Employee benefits expense		
Wages and salaries	276,945	328,939
Superannuation contributions	28,226	22,862
Expenses related to long service leave	351	(12,230)
Other expenses	11,222	13,488
	316,744	353,059

	2024 $	2023 $
Depreciation and amortisation expense		
Depreciation of non-current assets:		
Leasehold improvements	13,331	12,181
Plant and equipment	6,212	5,345
	19,543	17,526
Depreciation of right-of-use assets		
Leased land and buildings	19,421	21,011
Amortisation of intangible assets:		
Franchise fee	2,273	2,197
Franchise renewal fee	10,990	10,987
	13,263	13,184
	52,227	51,721

	2024 $	2023 $
Finance costs		
Lease interest expense	6,962	1,996
Unwinding of make-good provision	1,607	1,795
	8,569	3,791

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

	2024 $	2023 $
Leases recognition exemption		
Expenses relating to low-value leases	5,907	5,384

	2024 $	2023 $
Charitable donations, sponsorships and grants expense		
Direct donation, sponsorship and grant payments	13,505	11,645
Contribution to the Community Enterprise Foundation™	285,000	263,158
	298,505	274,803

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

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

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

notes to the financial statements

continued for the financial year ended 30 June 2024

NOTE 10. INCOME TAX

	2024 $	2023 $
Income tax expense		
Current tax	36,948	61,913
Movement in deferred tax	(1,194)	6,075
Under/over adjustment	(1,033)	-
Recoupment of prior year tax losses	-	5,365
Aggregate income tax expense	34,721	73,353
Prima facie income tax reconciliation		
Profit before income tax expense	141,180	293,248
Tax at the statutory tax rate of 25%	35,295	73,312
Tax effect of:		
Non-deductible expenses	459	41
	35,754	73,353
Under/over adjustment	(1,033)	-
Income tax expense	34,721	73,353
Deferrred tax assets/(liabilities)		
Property, plant and equipment	(4,508)	(6,558)
Employee benefits	3,246	2,489
Provision for lease make good	3,447	9,649
Accrued expenses	1,100	1,000
Lease liabilities	81,238	6,509
Right-of-use assets	(74,559)	(4,319)
Deferred tax asset	9,964	8,770
Provision for income tax	22,335	29,085

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	662,481	646,723

NOTE 12. TRADE AND OTHER RECEIVABLES

	2024 $	2023 $
Trade receivables	80,958	96,450
Other receivables and accruals	18,990	450
Prepayments	10,501	7,351
	29,491	7,801
	110,449	104,251

	2024 $	2023 $
Financial assets at amortised cost classified as trade and other payables		
Total trade and other receivables	110,449	104,251
less other receivables and accruals (net GST receivable from the ATO)	(18,540)	-
	91,909	104,251

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.

notes to the financial statements

continued for the financial year ended 30 June 2024

NOTE 13. PROPERTY, PLANT AND EQUIPMENT

	2024 $	2023 $
Leasehold improvements - at cost	122,874	78,165
Less: Accumulated depreciation	(71,324)	(57,993)
	51,550	20,172
Plant and equipment - at cost	133,196	153,490
Less: Accumulated depreciation	(98,519)	(120,694)
	34,677	32,796
	86,227	52,968

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 $	Total $
Balance as at 1 July 2022	32,353	24,496	56,849
Additions	-	13,645	13,645
Depreciation	(12,181)	(5,345)	(17,526)
Balance at 30 June 2023	20,172	32,796	52,968
Additions	44,709	8,698	53,407
Disposals	-	(605)	(605)
Depreciation	(13,331)	(6,212)	(19,543)
Balance at 30 June 2024	51,550	34,677	86,227

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 15 years
Plant and equipment	1 to 40 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 14. RIGHT-OF-USE ASSETS

	2024 $	2023 $
Land and buildings – right-of-use	392,781	92,397
Less: Accumulated depreciation	(94,544)	(75,123)
	298,237	17,274

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	35,115
Remeasurement adjustments	3,170
Depreciation expense	(21,011)
Balance at 30 June 2023	17,274
Additions	300,927
Remeasurement adjustments	(543)
Depreciation expense	(19,421)
Balance at 30 June 2024	298,237

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 17 for more information on lease arrangements.

NOTE 15. INTANGIBLE ASSETS

	2024 $	2023 $
Franchise Fee	105,635	93,917
Less: Accumulated amortisation	(94,503)	(92,231)
	11,132	1,686
Franchise renewal fee	228,166	169,577
Less: Accumulated amortisation	(172,506)	(161,516)
	55,660	8,061
	66,792	9,747

Reconciliations of the written down 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	3,883	19,048	22,931
Amortisation expense	(2,197)	(10,987)	(13,184)
Balance at 30 June 2023	1,686	8,061	9,747
Additions	11,719	58,589	70,308
Amortisation expense	(2,273)	(10,990)	(13,263)
Balance at 30 June 2024	11,132	55,660	66,792

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)	April 2029
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	April 2029

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

Change in estimates

During the financial year, the company assessed estimates used for intangible assets including useful lives, residual values, and amortisation methods. There were no changes in estimates for the current reporting period.

NOTE 16. TRADE AND OTHER PAYABLES

	2024 $	2023 $
Current liabilities		
Trade payables	5,431	1,714
Other payables and accruals	28,559	11,608
	33,990	13,322
Non-current liabilities		
Other payables and accruals	46,402	-
Financial liabilities at amortised cost classified as trade and other payables		
Total trade and other payables	80,392	13,322
less other payables and accruals (net GST payable to the ATO)	-	(3,529)
	80,392	9,793

NOTE 17. LEASE LIABILITIES

	2024 $	2023 $
Current liabilities		
Land and buildings lease liabilities	34,684	26,035
Non-current liabilities		
Land and buildings lease liabilities	290,268	-
Reconcilliation of lease liabilities		
Opening balance	26,035	54,383
Remeasurement adjustments	324,604	3,170
Lease interest expense	6,962	1,996
Lease payments - total cash outflow	(32,649)	(33,514)
	324,952	26,035

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.

notes to the financial statements

continued for the financial year ended 30 June 2024

NOTE 17. LEASE LIABILITIES (continued)

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
Sanctuary Point Branch	7.5%	5 years	2 x 5 years	Yes	March 2039

NOTE 18. EMPLOYEE BENEFITS

	2024 $	2023 $
Current liabilities		
Annual leave	11,978	9,299
Non-current liabilities		
Long service leave	1,007	656

Accounting policy for short-term employee benefits

Liabilities for annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating non-vesting sick leave is expected when the leave is taken and is measured at the rates paid or payable.

Accounting policy for other long-term employee benefits

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

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

NOTE 19. ISSUED CAPITAL

	2024 Shares	2023 Shares	2024 $	2023 $
Ordinary shares - fully paid	660,000	660,000	660,000	660,000
Less: Equity raising costs	-	-	(35,944)	(35,944)
	660,000	660,000	624,056	624,056

Accounting policy for issued capital

Ordinary shares are recognised at the fair value of the consideration received by the company being $1 per share. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Rights attached to issued capital

Ordinary shares

Voting rights

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

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

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

Dividends

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

Transfer

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

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

Prohibited shareholding interest

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").

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.

notes to the financial statements

continued for the financial year ended 30 June 2024

NOTE 19. ISSUED CAPITAL (continued)

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

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

NOTE 20. 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 21. DIVIDENDS

The following dividends were provided for and paid to shareholders during the financial year as presented in the Statement of changes in equity and Statement of cash flows.

	2024 $	2023 $
Fully franked dividend of 7.5 cents per share (2023: nil)	49,500	-

Dividends proposed but not recognised at balance date

Since the end of the financial year, the board of directors has proposed to pay a fully franked dividend of 7.5 cents per share. The financial impact of the dividend, amounting to $49,500, has not been recognised in the financial statements for the financial year ended 30 June 2024, and will be recognised in the subsequent financial statements.

	2024 $	2023 $
Franking Credits		
Franking account balance at the beginning of the financial year	57,765	57,765
Franking credits (debits) arising from income taxes paid (refunded)	42,665	-
Franking debits from the payment of franked distributions	(16,500)	-
	83,930	57,765
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	83,930	57,765
Franking credits (debits) that will arise from payment (refund) of income tax	22,335	29,085
Franking credits available for future reporting periods	106,265	86,850

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.

notes to the financial statements

continued for the financial year ended 30 June 2024

NOTE 22. FINANCIAL RISK MANAGEMENT

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

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

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

- 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 A- 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.

	Note	2024 $	2023 $
Financial assets			
Trade and other receivables	12	91,909	96,900
Cash and cash equivalents	11	662,481	646,723
		754,390	743,623
Financial liabilities			
Trade and other payables	16	80,392	9,793
Lease liabilities	17	324,952	26,035
		405,344	35,828

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

Accounting policy for financial instruments

Financial assets

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.

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 when it is extinguished, cancelled or expires.

Market risk

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of $662,481 at 30 June 2024 (2023: $646,723).

Price risk

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

Liquidity risk

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

The following are the 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	33,990	46,402	-	80,392
Lease liabilities	36,000	144,000	348,000	528,000
Total non-derivatives	69,990	190,402	348,000	608,392
2023				
Trade and other payables	13,322	-	-	13,322
Lease liabilities	23,607	-	-	23,607
Total non-derivatives	36,929	-	-	36,929

notes to the financial statements

continued for the financial year ended 30 June 2024

NOTE 23. KEY MANAGEMENT PERSONNEL DISCLOSURES

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

Keith Gordon Robinson
Veronica Jean Husted
Paul Michael Lallensack
Susan Elizabeth O'Brien
Sharon Lee Goldsmith
Oliver Jonah Isaac Griffiths
Anthony Robert Blood

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

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

NOTE 24. RELATED PARTY TRANSACTIONS

Key management personnel

Disclosures relating to key management personnel are set out in note 23.

Receivable from and payable to related parties

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

Terms and conditions of transactions with related parties

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

Transactions with related parties

The following transactions occurred with related parties:

	2024 $	2023 $
During the year the company made a donation to Sanctuary Point Community Pride, of which a director is the Secretary. The total benefit received was:	1,500	-

NOTE 25. 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	6,450	5,400
Other services		
Taxation advice and tax compliance services	700	660
General advisory services	4,014	3,305
Share registry services	5,193	3,560
	9,907	7,525
	16,357	12,925

NOTE 26. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2024 $	2023 $
Profit after income tax expense for the year	106,459	219,895
Adjustments for:		
Depreciation and amortisation	52,227	51,721
Net loss on disposal of non-current assets	605	-
Lease liabilities interest	6,962	1,996
Change in operating assets and liabilities:		
Increase in trade and other receivables	(6,198)	(44,115)
Decrease in income tax refund due	-	33,035
Decrease/(increase) in deferred tax assets	(1,194)	11,233
Increase/(decrease) in trade and other payables	6,285	(14,276)
Increase/(decrease) in provision for income tax	(6,750)	29,085
Increase/(decrease) in employee benefits	3,030	(18,981)
Increase in other provisions	1,606	1,795
Net cash provided by operating activities	163,032	271,388

notes to the financial statements

continued for the financial year ended 30 June 2024

NOTE 27. EARNINGS PER SHARE

	2024 $	2023 $
Profit after income tax	106,459	219,895
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	660,000	660,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	660,000	660,000
	Cents	**Cents**
Basic earnings per share	16.13	33.32
Diluted earnings per share	16.13	33.32

Accounting policy for earnings per share

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

NOTE 28. COMMITMENTS

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

NOTE 29. CONTINGENCIES

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

NOTE 30. 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.

director's declaration

30 June 2024

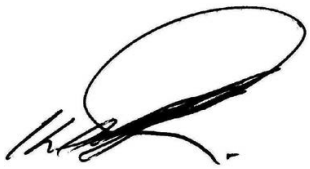
Bay & Basin Community Financial Services Limited

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



Keith Gordon Robinson
Chair

18 September 2024

independent auditor's report

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

Independent auditor's report to the Directors of Bay & Basin Community Financial Services Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Bay & Basin 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 Bay & Basin 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.

Liability limited by a scheme approved under Professional Standards Legislation.

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
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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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independent auditor's report
continued

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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: 18 September 2024

Joshua Griffin
Lead Auditor

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Share Registry:
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Bendigo Bank

Bendigo and Adelaide Bank Limited ABN 11 068 049 178, AFSL/Australian Credit Licence 237879 A1429506 OUT_2900996