Annual Report 2023

Geographe Bay Community Enterprises Limited

Community Bank
Busselton and Dunsborough

ABN 40 146 993 982

Contents

Chairman's report

For year ending 30 June 2023

Dear Shareholders, Community Members, and Friends of Geographe Bay Community Enterprises Limited,

It is my privilege to present the Chairman's Report for the year ending 30 June 2023, representing the dedicated efforts of our lean yet committed board of directors and the entire Geographe Bay Community Enterprises Limited family.

In the face of economic fluctuations and unprecedented challenges, our organisation has continued to thrive under the control of an extremely lean board, comprising just four directors. We are proud to have maintained our commitment to sensible governance and efficient decision-making, ensuring that our operations remain agile and responsive.

I am delighted to announce that, Geographe Bay Community Enterprises Limited has achieved a profit. Additionally, for the first time since our inception, we have periodically operated in the black and successfully cleared our overdraft. However, it is important to note that we will still require this overdraft to sustain our operations through FY 23/24.

While we have celebrated our financial successes, it's important to acknowledge the challenges that continue to persist. Even though we have seen rising interest rates, the persistent challenge impacting our the business are the margins which is limiting our capacity to generate substantial profits. We remain vigilant in our efforts to navigate this evolving financial landscape.

As with many businesses, we have encountered staffing challenges throughout the year. We have responded by initiating a comprehensive restructuring and recruitment drive, aimed at supporting our team with sustainability and redundancy in mind. This investment in our human capital is vital to our long-term success.

Our board remains persistent in its commitment to shaping the future of our Community Bank. We are dedicated to identifying and implementing the most efficient strategies for distributing dividends to our valued shareholders. Your support has been instrumental in our journey, and we continue to work diligently to maximise returns on your investment.

The end of this financial year marked a significant transition, as the Marketing Development Fund (MDF), which had been a cornerstone of our community contributions, came to an end. As a result, the board has allocated a smaller budget for community contributions in the FY24 budget. We remain unwavering in our dedication to supporting our community, exploring alternative avenues to continue making a positive impact.

In closing, I extend my heartfelt gratitude to our volunteer board of directors, our diligent staff, and all of you in our community who support our branches. Your unwavering commitment allows us to invest in and uplift our community. I encourage you to spread the word about our mission to your family, friends, and colleagues. Together, we can strengthen our financial position and ensure a brighter future for our Community Bank.

Thank you for your trust and support throughout the past year, and I eagerly anticipate working alongside you in the challenges and opportunities that await us in 2023/2024.

Josh Hardy
Chairperson

Branch Manager’s report

The 2022/2023 Financial Year has been a positive period for Geographe Bay Community Enterprises Limited with team changes and significant milestones achieved.

Overall lending and deposits books remained stable for the group throughout the financial year. A considerable number of investors took advantage of large property value increases seen over the past 3 years, passing their investments onto new owners and other investors taking advantage of increased term deposit rates.

Unexpectedly, the average home loan settled reduced below $300k during the fiscal year with 71 loans written for a total volume of $20 million. A record level of personal loans was settled with 30 loans written for $685k volume plus commercial volume settled increased by 847% to $5m in loan volume.

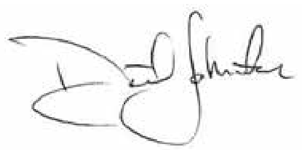
In my FY2022 report I mentioned predications of a 4% rise in the cash rate by June 2023. The actual rise of 3.75% was great news for current and new deposit holders resulting in a $16m growth in our term deposits.

These results, combined with a 66% overall book increase since January 2020, equated to the strong profit for the 2022/2023 financial year, the reduction of Geographe Bay Community Enterprises Limited overdraft with Bendigo Bank and the financial move from cardinal to ebony.

There have been a few changes to the team over the past 12 months.

- Kelly Stone has moved to a Customer Relationship Manager role
- Deb Hancock has moved to the Branch Operation Manager position
- We have welcomed new Customer Service officers, Nick Chen, Jade Lundie and Diana Toseska
- Additionally, we welcome back Luke Pearce to the group in late August 2023. Luke has accepted a Business Development role, predominantly based in the Dunsborough area.

I take this opportunity to thank our valued customers, shareholders, the Board of Directors and the Team for their hard work and support over the 22/23 Financial Year.



David Johnston
Branch Manager

Bendigo & Adelaide Bank message

Community continues to be core to who we are at Bendigo and Adelaide Bank.

With your support, we are enabling community infrastructure to be built, strengthening the arts and culturally diverse communities, improving educational outcomes, and growing healthy places for Australians to live and work. On behalf of the Bank, thank you for continuing to play a vital role in supporting your community.

As we emerge from the pandemic and navigate a shifting economic landscape, the investments our Community Banks make in the future of the communities in which they operate has never been more important.

We are proud that more Australians are choosing to do their banking with Bendigo and Adelaide Bank – and importantly trust us with their financial needs. We are Australia's most trusted bank (Roy Morgan, May 2022), an outcome that you have all contributed to and should feel proud of.

Our purpose has never been more important; we remain committed to continuing to feed into the prosperity of our customers and communities, and not off them.

Your ongoing support as a shareholder is essential to the success of your local community. Together, we will continue to grow sustainably and make a positive impact for generations to come.

Warmest regards,

Justine Minne
Bendigo and Adelaide Bank

For year ending 30 June 2023

As a shareholder in your local Community Bank, you belong to an incredible social enterprise network that to date has reinvested more than $300 million in our local communities.

And now, as we celebrate our 25th anniversary milestone, we are evolving even further by sharpening our focus on our community enterprises – separate to the banking side of the business. We are uniting our Community Bank companies through a shared vision of being the most influential network of social enterprises in Australia. This means we'll have a bigger and better story to tell about how we collectively deliver impact.

Our future is together because of our extraordinary strength and aligned partnership with each other, and with our partner, Bendigo and Adelaide Bank. Our partnership with the Bank has been fashioned out of shared effort, risk and reward and it continues to serve us well.

And now even with the digital evolution upon us, the foundation of our future still relies on the guiding principles of the Community Bank model. We are community enterprises and the custodians of this incredible model that collaborates with local communities for social good. The objective of our Community Bank network remains the same. Our evolution will be evidenced by the channels that we use to connect with our customers and communities, digital by design and human where it matters.

The Community Bank network was a first mover in Australia with its unique social enterprise model. The first Community Bank opened its doors in 1998, and since then, the network has grown to 307 Community Bank branches. The network represents a diverse cross-section of Australia with 240 social enterprises, 70,000+ shareholders, 1600+ volunteer directors, 1600+ staff and 905,000 customers located in metro, regional, rural and remote locations across the country.

The Community Bank network creates impact though grants, donations and sponsorships that connect with and care for generations of Australians. Network investment ranges from sport, scholarships and school programs, through to community groups, cultural organisations and local councils. We also facilitate and attract partnerships to help support much needed community projects.

The Community Bank National Council (CBNC) is the voice of the Community Bank network. The role of the CBNC is to advocate and influence on behalf of the 240 community enterprises with its partner. It has also been the role of the CBNC to oversee the development of the Community Network Strategy which exists to ensure the ongoing sustainability of this unique collective of social enterprises.

In September this year our Community Bank network celebrates 25 years. It's a tremendous milestone and one which we're hugely proud of achieving. We have never been stronger and we look forward to continuing to serve our shareholders, customers and communities as we embrace our exciting future.

Warm regards

Sarah Franklyn
CBNC Chair

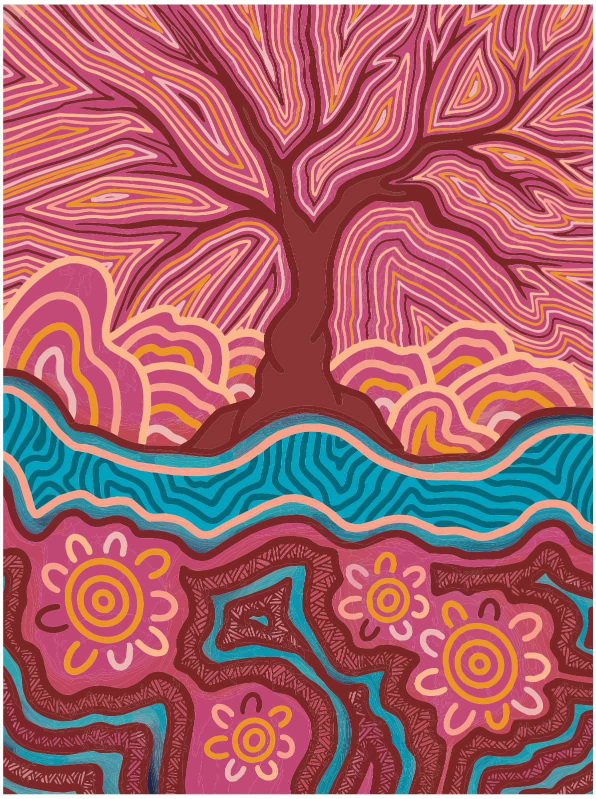
OUR VOICE COMMUNITY BANK NATIONAL COUNCIL

Reflect Reconciliation Action Plan

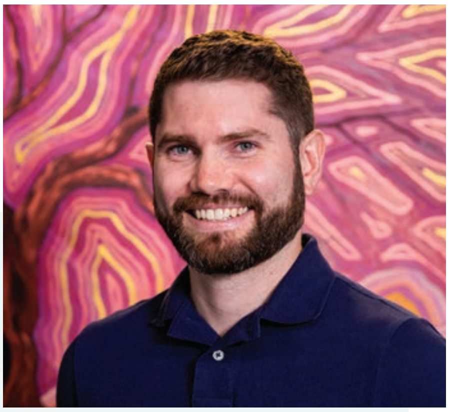
As a way to commemorate the launch of the Bendigo and Adelaide Bank's inaugural Reflect Reconciliation Action Plan 2023, they engaged with Yorta Yorta and Dja Dja Wurrung artist and educator, Troy Firebrace, to create a piece of art that symbolised the importance of and the start of the Bank's journey towards reconciliation.

This Reconciliation Action Plan will support the Bank in understanding, exploring and measuring, where and how we can have the most meaningful impact, and lay firm foundations for Reconciliation across the Group in the years to come.

Learn more about the Reconciliation Action Plan and learn more about the artwork here



Artist: Troy Firebrace
Country: Yorta Yorta and Dja Dja Wurrung
Year Created: 2023



THE ARTIST

Troy Firebrace is a proud Yorta Yorta and Dja Dja Wurrung artist and educator. Born in Shepparton, Troy was always drawn to art and painting at school, but an absence of Aboriginal history and education in his schooling lead him on a path to becoming an educator too. Troy has a Bachelor in Creative Arts, Major in Fine Arts and a Masters of Teaching Secondary. He has exhibited at Kaiela Arts Shepparton, Dudley House Bendigo and Melbourne Museum. Troy lives in Bendigo with his family.

Official artist statement

The artwork focuses on three elements of Bendigo and Adelaide Bank. Community, Impact and Journey.

As an Aboriginal person, it's my interpretation of the Bank's ambitions and commitments, and feeling the truth in their words, which has let me step forward with trust in my creation.

Community is the connection the Bank is forming by learning about community and country. Ensuring the Bank's choices align with the beliefs, ambitions and respect of the community in which the Bank embeds itself. An authentic connection.

Impact is the result of the good, honest work the Bank strives for. The importance of relationships and quality service not only creates an open dialogue with the community, but also has a positive impact on the sustainability of the places they serve. The commitment of honest change for better impact.

Journey is the path of collective learning as a whole community. There is no one side benefiting from the other. The direction of the pathway is open to the whole community and that leads to prosperity. The truest form of partnership.

The Bank's ambitions are not solely of profit or just talk of finance. They are the model in which real communities are formed; where a simple "hello" becomes "how are you?" A question of investment in someone's life, free from creed, race or status. A question grounded in country.

Geographe Bay Community Enterprises Limited
Directors' report
30 June 2023

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2023.

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:	Joshua Jonathon Hardy
Title:	Non-executive director
Experience and expertise:	Joshua is currently the Operations Manager for a mining technology and also a Business Advisor. Joshua's strengths lie in Strategic Planning, Project Management, Financial Analysis, Human Resources and Business Improvement.
Special responsibilities:	Chair, Marketing Committee, Human Resources Committee, Finance Committee, Premises Committee

Name:	Warwick William Howard
Title:	Non-executive director
Experience and expertise:	The owner of a large food manufacturing business located in the Margaret River region. Previously experience includes the General Manager of a diverse state-wide WA business specialising in Labour Management, Accommodation and Commercial Maintenance for 7 years, and Senior Manager at BDO Chartered Accountants for 9 years.
Special responsibilities:	Vice Chair, Treasurer

Name:	David Markovich
Title:	Non-executive director
Experience and expertise:	David has practiced law in Western Australia and England, in private practice and in-house. David works with Lane Buck & Higgins in Busselton, Margaret River and Perth. David engages in litigation and commercial matters including employment, construction, business, criminal, property, insolvency, consumer law and occupational health and safety. David worked previously a senior research economist in State and Federal governments.
Special responsibilities:	Nil

Name:	Josephine Charlotte Harrison-Ward
Title:	Non-executive director
Experience and expertise:	Over 25 years' experience in the WA public sector including 15 at executive levels including CEO of a large organisation reporting to a board. More than 10 years' experience as a Management Consultant advising and supporting public sector and not for profit organisations and boards on board governance, functional and structural review, strategic planning and risk management. Significant board experience over three decades. Currently Chair, Geo Bay Wildlife Rescue and Chair, Gymnastics WA Governance and Nominations Committee. Qualifications include Master of Leadership and Management, Graduate Certificate of Management, Australian Institute of Company Directors graduate, Australian Institute of Management WA Fellow, 2010 Telstra Business Woman of the Year - Community and government WA, List Inspire CEO Award (2008) and Winston Churchill Fellowship (2004).
Special responsibilities:	Governance Committee

Name:	Jennifer Enright
Title:	Non-executive director (appointed 31 August 2022, resigned 18 May 2023)
Experience and expertise:	Jennifer is a Financial Controller with a Accounting Diploma. Jennifer has experience as the Chairperson of the Cancer Council (Beaudesert branch).
Special responsibilities:	Nil

Name:	Ashton Holly Warwick
Title:	Non-executive director (resigned 28 July 2022)
Experience and expertise:	Endorsed Organisational Psychologist with a Master of Applied Psychology (Organisational) and one of the Directors of ORGsight. Over a decade of public sector experience in compliance and business integrity, as well as private and public sector consulting experience covering a range of leadership, employee experience, stakeholder engagement, strategy, change management, and organisational development projects in a range of industries including mining, construction, health, education and legal.
Special responsibilities:	Company Secretary 7/9/2021 - 27/7/2022

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

- Ashton Warrick was appointed company secretary on 7 September 2021 and resigned on 28 July 2022.
- Claire Michelle Hurst was appointed company secretary on 27 July 2022.

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 $491,773 (30 June 2022: loss of $57,162).

The company has seen a significant increase in its revenue during the financial year. This is a result of the Reserve Bank of Australia (RBA) increasing the cash rate by 3.25% during the financial year moving from 0.85% to 4.10% as at 30 June 2023. The increased cash rate has had a direct impact on the revenue received by the company, increasing the net interest margin income received under the revenue share arrangement the company has with Bendigo Bank.

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

Matters subsequent to the end of the financial year
Since the end of the financial year, on 10 August 2023, the bank overdraft was reduced by Bendigo Bank from $500,000 to $200,000.

No other matter or circumstance has arisen since 30 June 2023 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
The company will continue its policy of facilitating banking services to the community.

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 attended by each of the directors' of the company during the financial year were:

	Board	
	Eligible	Attended
Joshua Jonathon Hardy	9	8
Warwick William Howard	9	9
David Markovich	9	8
Josephine Charlotte Harrison-Ward	9	9
Jennifer Enright	6	4
Ashton Holly Warwick	-	-

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 note 23 to the financial statements.

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
Joshua Jonathon Hardy	2,000	-	2,000
Warwick William Howard	3,000	-	3,000
David Markovich	-	-	-
Josephine Charlotte Harrison-Ward	-	-	-
Jennifer Enright	-	-	-
Ashton Holly Warwick	-	-	-

Indemnity and insurance of directors and officers
The company has indemnified all directors and the manager in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or manager 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 24 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.

Geographe Bay Community Enterprises Limited
Directors' report
30 June 2023

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

Joshua Jonathon Hardy
Chair

11 October 2023

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 Geographe Bay Community Enterprises Limited

As lead auditor for the audit of Geographe Bay Community Enterprises Limited for the year ended 30 June 2023, 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: 11 October 2023

Joshua Griffin
Lead Auditor

Geographe Bay Community Enterprises Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	2023 $	2022 $
Revenue from contracts with customers	6	1,628,238	891,240
Other revenue	7	52,162	62,654
Total revenue		1,680,400	953,894
Employee benefits expense	8	(570,750)	(631,467)
Charitable donations, sponsorship, advertising and promotion		(49,886)	(44,540)
Occupancy and associated costs		(23,020)	(30,108)
System costs		(37,902)	(45,268)
Depreciation and amortisation expense	8	(127,130)	(115,080)
Finance costs	8	(26,131)	(23,664)
General administration expenses		(187,865)	(138,317)
Total expenses before community contributions and income tax expense		(1,022,684)	(1,028,444)
Profit/(loss) before income tax (expense)/benefit		657,716	(74,550)
Income tax (expense)/benefit	9	(165,943)	17,388
Profit/(loss) after income tax (expense)/benefit for the year	19	491,773	(57,162)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		491,773	(57,162)
		Cents	**Cents**
Basic earnings per share	26	26.08	(3.03)
Diluted earnings per share	26	26.08	(3.03)

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

Geographe Bay Community Enterprises Limited
Statement of financial position
As at 30 June 2023

	Note	2023 $	2022 $
Assets			
Current assets			
Trade and other receivables	10	153,610	103,143
Total current assets		153,610	103,143
Non-current assets			
Property, plant and equipment	11	72,027	94,600
Right-of-use assets	12	210,976	271,980
Intangible assets	13	87,459	113,713
Deferred tax assets	9	417,528	583,471
Total non-current assets		787,990	1,063,764
Total assets		941,600	1,166,907
Liabilities			
Current liabilities			
Trade and other payables	14	74,169	83,607
Borrowings	15	14,842	591,856
Lease liabilities	16	67,856	64,612
Employee benefits	17	12,684	31,646
Total current liabilities		169,551	771,721
Non-current liabilities			
Trade and other payables	14	61,308	122,617
Lease liabilities	16	165,700	222,105
Employee benefits	17	6,289	3,839
Lease make good provision		10,207	9,853
Total non-current liabilities		243,504	358,414
Total liabilities		413,055	1,130,135
Net assets		528,545	36,772
Equity			
Issued capital	18	1,837,157	1,837,157
Accumulated losses	19	(1,308,612)	(1,800,385)
Total equity		528,545	36,772

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

Geographe Bay Community Enterprises Limited
Statement of changes in equity
For the year ended 30 June 2023

	Note	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 July 2021		1,837,157	(1,743,223)	93,934
Loss after income tax benefit		-	(57,162)	(57,162)
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	(57,162)	(57,162)
Balance at 30 June 2022		1,837,157	(1,800,385)	36,772

	Note	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 July 2022		1,837,157	(1,800,385)	36,772
Profit after income tax expense		-	491,773	491,773
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	491,773	491,773
Balance at 30 June 2023		1,837,157	(1,308,612)	528,545

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

Geographe Bay Community Enterprises Limited
Statement of cash flows
For the year ended 30 June 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,800,597	1,027,733
Payments to suppliers and employees (inclusive of GST)		(1,071,330)	(966,922)
Interest and other finance costs paid		(15,898)	(13,116)
Net cash provided by operating activities	25	713,369	47,695
Cash flows from investing activities			
Payments for property, plant and equipment		(3,012)	(4,940)
Payments for intangible assets		(55,735)	-
Net cash used in investing activities		(58,747)	(4,940)
Cash flows from financing activities			
Repayment of lease liabilities	16	(77,326)	(60,395)
Net cash used in financing activities		(77,326)	(60,395)
Net increase/(decrease) in cash and cash equivalents		577,296	(17,640)
Cash and cash equivalents at the beginning of the financial year		(591,045)	(573,405)
Cash and cash equivalents at the end of the financial year	15	(13,749)	(591,045)

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

Note 1. Reporting entity

The financial statements cover Geographe Bay Community Enterprises 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 50-54 Queen Street, Busselton WA.

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 financial statements were authorised for issue, in accordance with a resolution of directors, on 11 October 2023. The directors have the power to amend and reissue the financial statements.

Going concern
The financial statements for the financial year end 30 June 2023 have been prepared on the basis that the company is a going concern and it would continue its operations for a foreseeable future.

The company’s business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors’ Report. As disclosed in the financial statements, the company's financial position is as follows:

	2023 $	2022 $	Change $	Change %
Current assets	153,610	103,143	50,467	49%
Current liabilities	(169,551)	(771,721)	602,170	(78%)
Working capital (deficiency)	(15,941)	(668,578)	652,637	(98%)

	2023 $	2022 $	Change $	Change %
Total assets	941,600	1,166,907	(225,307)	(19%)
Total liabilities	(413,055)	(1,130,135)	717,080	(63%)
Net assets/(liabilities)	528,545	36,772	491,773	1337%
Accumulated losses	(1,308,612)	(1,800,385)	491,773	(27%)
Profit/(loss) before tax	657,716	(74,550)	732,266	(982%)
Profit/(loss) after tax	491,773	(57,162)	548,935	(960%)
Total comprehensive income	491,773	(57,162)	548,935	(960%)
Operating cash inflows (outflows)	713,369	47,695	665,674	1396%

The company meets its day to day working capital requirements through an overdraft facility that is due for renewal on 30 September 2023. The overdraft has an approved limit of $500,000 and was drawn to $13,749 as at 30 June 2023. On 10 August 2023 the overdraft limit was reduced from $500,000 to $200,000.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current overdraft facility.

Note 2. Basis of preparation and statement of compliance (continued)

The current economic environment has improved with the RBA increasing the cash rate by 3.25% during the period, positively effecting revenue from margin income. The company has reported a net profit of $491,773 for the year, however, the company was reliant on the overdraft facility and accumulated losses remain high at $1,308,612. Furthermore, the company had a working capital deficiency as its current liabilities exceeded its current assets by $15,941. Based on this the directors have concluded that whilst the financial position of the company is improving, there is still uncertainty in future financial results that creates some doubt upon the companies ability to continue as a going concern.

Nevertheless, after making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the unforeseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Note 3. Significant accounting policies

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

Changes in accounting policies, standards and interpretations
There are a number of amendments to accounting standards issued by the AASB that became mandatorily effective for accounting periods beginning on or after 1 July 2022, and are therefore relevant for the current financial year. The amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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

An asset is classified as current when, it is expected to be realised or intended to be sold or consumed in the company's normal operating cycle, it is held primarily for the purpose of trading, it is expected to be realised within 12 months after the reporting period or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when, it is either expected to be settled in the company's normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within 12 months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Impairment
Non-derivative financial assets
Expected credit losses (ECL) are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received. At each reporting date, the entity recognises the movement in the ECL (if any) as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The company's trade receivables are limited to the monthly profit share distribution from Bendigo Bank, which is received 10 business days post month end. Due to the reliance on Bendigo Bank the company has reviewed credit ratings provided by Standard & Poors, Moody's and Fitch Ratings to determine the level of credit exposure to the company. The company also performed a historical assessment of receivables from Bendigo Bank and found no instances of default. As a result no ECL has been made in relation to trade receivables as at 30 June 2023.

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.

Note 3. Significant accounting policies (continued)

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.

Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST, except when the amount of GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue or expense item.

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

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Note 4. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. 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.

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.

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.

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)

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.

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 and operates as a franchise of Bendigo Bank, using the name “Bendigo Bank” and the logo and system of operations of Bendigo Bank. It is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank.

Bendigo Bank retains ownership of all customers and clients of the Community Bank and all transactions with customers conducted through the Community Bank are effectively conducted between the customers and Bendigo Bank, therefore:

- All deposits are made with Bendigo Bank, and all personal and investment products are products of Bendigo Bank.
- All credit transactions are made with Bendigo Bank, and all credit products are products of Bendigo Bank.

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 have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in November 2026.

Note 6. Revenue from contracts with customers

	2023 $	2022 $
Margin income	1,501,354	748,566
Fee income	56,920	57,732
Commission income	69,964	84,942
	1,628,238	891,240

Note 6. Revenue from contracts with customers (continued)

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

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

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

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

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 in the form of commission generated for products and services sold. This commission is recognised at a point in time which reflects when the company has fulfilled its performance obligation.

The company receives trailing commission for products and services sold. Ongoing trailing commission payments are recognised on receipt as there is insufficient detail readily available to estimate the most likely amount of income without a high probability of significant reversal in a subsequent reporting period. The receipt of ongoing trailing commission income is outside the control of the company, and is a significant judgement area.

Fee income
Fee income is a share of what is commonly referred to as 'bank fees and charges' charged to customers by Bendigo Bank 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.

Note 6. Revenue from contracts with customers (continued)

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 7. Other revenue

	2023 $	2022 $
Market development fund	52,162	62,654

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

Revenue stream	Revenue recognition policy
Discretionary financial contributions (also "Market development fund" or "MDF" income)	MDF income is recognised when the right to receive the payment is established. MDF income is discretionary and provided and receivable at month-end and paid within 14 days after month-end.

All revenue is stated net of the amount of GST.

Discretionary financial contributions
The franchisor made MDF payments to the company 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 and is for the board to decide how to use. The payments are discretionary and the company retains control over the funds, and the funds are not refundable to Bendigo Bank.

These payments ceased 30th June 2023 as part of a Franchisor policy change.

Note 8. Expenses

Employee benefits expense

	2023 $	2022 $
Wages and salaries	478,706	549,297
Superannuation contributions	48,174	52,070
Expenses related to long service leave	(117)	3,170
Other expenses	43,987	26,930
	570,750	631,467

Note 8. Expenses (continued)

Depreciation and amortisation expense

	2023 $	2022 $
Depreciation of non-current assets		
Leasehold improvements	22,907	22,906
Plant and equipment	1,984	2,343
Motor vehicles	694	2,690
	25,585	27,939
Depreciation of right-of-use assets		
Leased land and buildings	54,284	50,737
Leased motor vehicles	21,007	9,894
	75,291	60,631
Amortisation of intangible assets		
Franchise fee	4,376	4,463
Franchise renewal fee	21,878	22,047
	26,254	26,510
	127,130	115,080

Finance costs

	2023 $	2022 $
Bank overdraft interest paid or accrued	15,898	13,116
Lease interest expense	9,879	10,206
Unwinding of make-good provision	354	342
	26,131	23,664

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

Leases recognition exemption

	2023 $	2022 $
Expenses relating to low-value leases	13,631	19,320

The company pays for the right to use information technology equipment. The underlying assets have been assessed as low value and exempted from recognition under *AASB 16 Leases*. Expenses relating to low-value exempt leases are included in system costs expenses.

Note 9. Income tax

	2023 $	2022 $
Income tax expense/(benefit)		
Movement in deferred tax	2,336	(4,286)
Recoupment of prior year tax losses	163,607	-
Future income tax benefit attributable to losses	-	(13,102)
Aggregate income tax expense/(benefit)	165,943	(17,388)
Prima facie income tax reconciliation		
Profit/(loss) before income tax (expense)/benefit	657,716	(74,550)
Tax at the statutory tax rate of 25%	164,429	(18,638)
Tax effect of:		
Write off equity raising costs	-	(259)
Non-deductible expenses	1,514	1,248
Other assessable income	-	4,547
Movement in deferred tax	-	(4,286)
Income tax expense/(benefit)	165,943	(17,388)

	2023 $	2022 $
Deferred tax assets/(liabilities)		
Equity raising costs	-	261
Employee benefits	4,826	8,951
Provision for lease make good	2,552	2,463
Carried-forward tax losses	404,505	568,112
Lease liabilities	58,389	71,679
Right-of-use assets	(52,744)	(67,995)
Deferred tax asset	417,528	583,471

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

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

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

Note 9. Income tax (continued)

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

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

Note 10. Trade and other receivables

	2023 $	2022 $
Trade receivables	134,544	91,919
Accrued income	210	210
Prepayments	18,856	11,014
	19,066	11,224
	153,610	103,143

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. Trade receivables are generally due for settlement within 30 days.

Note 11. Property, plant and equipment

	2023 $	2022 $
Leasehold improvements - at cost	305,417	303,237
Less: Accumulated depreciation	(238,620)	(215,713)
	66,797	87,524
Plant and equipment - at cost	28,956	28,124
Less: Accumulated depreciation	(23,742)	(21,758)
	5,214	6,366
Motor vehicles - at cost	3,995	3,995
Less: Accumulated depreciation	(3,979)	(3,285)
	16	710
	72,027	94,600

Note 11. Property, plant and equipment (continued)

Reconciliations of the 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 2021	97,771	5,314	1,855	104,940
Additions	12,659	3,395	1,545	17,599
Depreciation	(22,906)	(2,343)	(2,690)	(27,939)
Balance at 30 June 2022	87,524	6,366	710	94,600
Additions	2,180	832	-	3,012
Depreciation	(22,907)	(1,984)	(694)	(25,585)
Balance at 30 June 2023	66,797	5,214	16	72,027

Accounting policy for property, plant and equipment
Items of property, plant and equipment are measured at cost or fair value as applicable, less accumulated depreciation. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing value and 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	1 to 8 years
Plant and equipment	2.5 to 5 years
Motor vehicles	5 to 8 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.

Changes in estimates
During the financial year, the company assessed estimates used for property, plant and equipment including useful lives, residual values, and depreciation methods. There were no changes in estimates for the current reporting period.

Note 12. Right-of-use assets

	2023 $	**2022 $**
Land and buildings - right-of-use	423,429	409,142
Less: Accumulated depreciation	(241,994)	(187,709)
	181,435	221,433
Motor vehicles - right-of-use	69,210	69,210
Less: Accumulated depreciation	(39,669)	(18,663)
	29,541	50,547
	210,976	271,980

Note 12. Right-of-use assets (continued)

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

	Land and buildings $	Motor vehicle $	Total $
Balance at 1 July 2021	270,982	15,990	286,972
Additions	-	44,451	44,451
Remeasurement adjustments	1,188	-	1,188
Depreciation expense	(50,737)	(9,894)	(60,631)
Balance at 30 June 2022	221,433	50,547	271,980
Remeasurement adjustments	14,287	-	14,287
Depreciation expense	(54,284)	(21,007)	(75,291)
Balance at 30 June 2023	181,436	29,540	210,976

Accounting policy for right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is 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 or the estimated useful life of the asset, whichever is the shorter. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Refer to note 16 for more information on lease arrangements.

Note 13. Intangible assets

	2023 $	**2022 $**
Franchise fee	62,997	62,997
Less: Accumulated amortisation	(48,466)	(44,091)
	14,531	18,906
Franchise renewal fee	221,314	221,314
Less: Accumulated amortisation	(148,386)	(126,507)
	72,928	94,807
	87,459	113,713

Note 13. Intangible assets (continued)

Reconciliations of the 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 2021	1,491	7,462	8,953
Additions	21,878	109,392	131,270
Amortisation expense	(4,463)	(22,047)	(26,510)
Balance at 30 June 2022	18,906	94,807	113,713
Amortisation expense	(4,376)	(21,878)	(26,254)
Balance at 30 June 2023	14,530	72,929	87,459

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)	November 2026
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	November 2026

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 14. Trade and other payables

	2023 $	**2022 $**
Current liabilities		
Trade payables	4,340	22,772
Other payables and accruals	69,829	60,835
	74,169	83,607
Non-current liabilities		
Other payables and accruals	61,308	122,617

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 14. Trade and other payables (continued)

Where the company is liable to settle the amount within 12 months of the reporting date, the liability is classified as current. All other obligations are classified as non-current.

Note 15. Borrowings

	2023 $	2022 $
Current liabilities		
Bank overdraft	13,749	591,045
Funds held in trust liability	1,093	811
	14,842	591,856

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	2023 $	2022 $
Total facilities		
Bank overdraft	500,000	900,000
Used at the reporting date		
Bank overdraft	13,749	591,045
Unused at the reporting date		
Bank overdraft	486,251	308,955

Bank overdraft
The bank overdraft is repayable on demand and used for cash management purposes. The bank overdraft has a rolling renewal date and is reviewed annually by the lender, Bendigo Bank. It is secured by a floating charge over the company's assets. On 10th August 2023 the Overdraft was reduced by Bendigo Bank from $500,000 to $200,000.

Interest is recognised using the effective interest rate method, currently 6.35% (2022: 3.81%)

Accounting policy for borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 16. Lease liabilities

	2023 $	2022 $
Current liabilities		
Land and buildings lease liabilities	62,002	58,001
Unexpired interest	(5,970)	(7,438)
Motor vehicle lease liabilities	26,958	16,059
Unexpired interest	(15,134)	(2,010)
	67,856	64,612
Non-current liabilities		
Land and buildings lease liabilities	145,188	195,095
Unexpired interest	(6,555)	(11,880)
Motor vehicle lease liabilities	27,860	41,102
Unexpired interest	(793)	(2,212)
	165,700	222,105

Reconciliation of lease liabilities

	2023 $	2022 $
Opening balance	286,717	291,266
Additional lease liabilities recognised	-	44,451
Remeasurement adjustments	14,286	1,189
Lease interest expense	9,879	10,206
Lease payments - total cash outflow	(77,326)	(60,395)
	233,556	286,717

Maturity analysis

	2023 $	2022 $
Not later than 12 months	88,960	74,060
Between 12 months and 5 years	173,048	226,112
Greater than 5 years	-	10,085
	262,008	310,257

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Busselton Branch	3.54%	5 years	1 x 5 years	No	June 2026
Dunsborough Branch	3.50%	5 years	1 x 5 years	Yes	June 2028
Motor Vehicle (2019 Mitsubishi Triton)	4.15%	4 years	N/A	N/A	N/A
Motor Vehicle (2021 Mitsubishi Triton)	4.35%	3 years	N/A	N/A	N/A

Accounting policy for lease liabilities
Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate.

Note 16. Lease liabilities (continued)

Lease payments included in the measurement of the lease liability comprise variable lease payments that depend on an index and lease payments in a renewal option if the company is reasonably certain to exercise that option. For leases of property the company has elected not to separate lease and non-lease components when calculating the lease liability.

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

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the company changes its assessment of whether it will exercise an extension option, or if there is a revised in-substance fixed lease payment.

The company assesses at the lease commencement date whether it is reasonably certain to exercise extension options. The company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Where the company is a lessee for the premises to conduct its business, extension options are included in the lease term except when the company is reasonably certain not to 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.

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

Note 17. Employee benefits

	2023 $	2022 $
Current liabilities		
Annual leave	9,272	20,516
Long service leave	3,412	11,130
	12,684	31,646
Non-current liabilities		
Long service leave	6,289	3,839

Accounting policy for employee benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognised for salary and wages where the employee has provided the service but payment has not yet occurred at the reporting date. They are measured at amounts expected to be paid, plus related on-costs. Non-accumulating sick leave is expensed when the leave is taken and measured at the rates paid or payable.

An annual leave liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated. The company's obligations for short-term employee benefits such as salaries and wages are recognised as part of current trade and other payables in the statement of financial position. The company's obligations for employees' annual leave and long service leave entitlements are recognised in employee benefits in the statement of financial position.

Superannuation contributions
Contributions to superannuation plans are expensed in the period in which they are incurred.

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, 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.

Note 17. Employee benefits (continued)

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

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

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

Note 18. Issued capital

	2023 Shares	2022 Shares	2023 $	2022 $
Ordinary shares - fully paid	1,585,609	1,585,609	1,585,609	1,585,609
Preference shares - fully paid	300,000	300,000	300,000	300,000
Less: Equity raising costs	-	-	(48,452)	(48,452)
	1,885,609	1,885,609	1,837,157	1,837,157

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*.

Note 18. Issued capital (continued)

Preference shares
Voting rights
A preference share does not entitle the holder to vote on any resolutions proposed at a general meeting of the holders of ordinary shares in the capital of the company except in the following circumstances:
(i) if at the time of the commencement of the meeting a dividend, or part of a dividend, on the preference shares is in arrears;
(ii) on a proposal to reduce the company's share capital;
(iii) on a resolution to approve the terms of a buy-back agreement;
(iv) on a proposal that affects rights attaching to a preference share;
(v) on a proposal to wind up the company;
(vi) on a proposal for the disposal of the whole of the company's property, business and undertaking; or
(vii) during the winding up of a company.

In respect to the 10% limit, the company constitution was amended following the successful completion of the debt for equity swap. The amendment states a person other than Bendigo & Adelaide Bank Limited must not have a prohibited shareholding interest. Bendigo & Adelaide Bank Limited own the 300,000 preference shares.

A preference share does entitle the holder to vote on any resolutions proposed at a meeting of preference shareholders only on the basis of one vote per preference share.

Dividends
A preference share has full dividend rights, identical to those of ordinary shares, and except on a winding up of the company such dividend rights will not be in priority to but will be equal to the rights of holders of ordinary shares.

Transfer
Preference shares are non-transferrable or saleable except with the prior written approval of the board and the holder must not sell or transfer interest in, or grants options over, the preference shares except with the prior written approval of the directors.

Rights on winding up
Upon winding up of the company, each preference share confers upon its holder the right to payment in cash, from any surplus assets or profits of the company, of the capital then paid up on that preference share, and any dividends or income due to it in connection with that preference share in priority to any other class of shares in the company, but otherwise has no right to participate in the surplus profits or assets of the company.

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 303. As at the date of this report, the company had 335 shareholders (2022: 334 shareholders).

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.

Note 18. 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 19. Accumulated losses

	2023 $	2022 $
Accumulated losses at the beginning of the financial year	(1,800,385)	(1,743,223)
Profit/(loss) after income tax (expense)/benefit for the year	491,773	(57,162)
Accumulated losses at the end of the financial year	(1,308,612)	(1,800,385)

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. Financial instruments

	2023 $	2022 $
Financial assets		
Trade and other receivables	134,754	92,129
Financial liabilities		
Trade and other payables	135,477	206,224
Lease liabilities	233,556	286,717
Bank overdrafts	13,749	591,045
	382,782	1,083,986

Accounting policy for financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The company's financial instruments include trade debtors and creditors, cash and cash equivalents, borrowings and lease liabilities.

Trade receivables are initially recognised at the transaction price when they originated. All other financial assets and financial liabilities are initially measured at fair value plus transaction costs (where applicable), when the company becomes a party to the contractual provisions of the instrument. These assets and liabilities are subsequently measured at amortised cost using the effective interest method.

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the rights are transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and rewards associated with the asset. Financial liabilities are derecognised when its contractual obligations are discharged, cancelled, or expire. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company currently has a legally enforceable right to set off the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Financial risk management
The company has exposure to credit, liquidity and market risk arising from financial instruments. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company does not use derivative instruments. Risk management is carried out directly by the board.

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. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The company has no exposure to any transactions denominated in a currency other than Australian dollars.

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest-rate risk.

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.

Note 21. Financial instruments (continued)

As at the reporting date, the company had the following variable rate borrowings outstanding:

	2023		2022	
	Nominal interest rate %	Balance $	Nominal interest rate %	Balance $
Bank overdraft	6.35%	13,749	3.81%	591,045
Net exposure to cash flow interest rate risk		13,749		591,045

An analysis by remaining contractual maturities is shown in 'liquidity risk' below.

Credit risk
Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

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.

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.

Financing arrangements
Unused borrowing facilities at the reporting date:

	2023 $	2022 $
Bank overdraft	486,251	308,955

Exposure to liquidity risk
The following are the remaining contractual maturities of financial liabilities. The contractual cash flow amounts are gross and undiscounted and therefore may differ from their carrying amount in the statement of financial position.

2023	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Bank overdraft	13,749	-	-	13,749
Trade and other payables	74,169	61,308	-	135,477
Lease liabilities	88,960	173,048	-	262,008
Total non-derivatives	176,878	234,356	-	411,234

Note 21. Financial instruments (continued)

2022	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Bank overdraft	591,045	-	-	591,045
Trade and other payables	83,607	122,617	-	206,224
Lease liabilities	74,060	226,112	10,085	310,257
Total non-derivatives	748,712	348,729	10,085	1,107,526

The bank overdraft is repayable on demand and used for cash management purposes. It is reviewed annual by the lender, Bendigo Bank. As at balance date, the lender does not intend to reduce or end the overdraft facility within the next 12 months

Note 22. Key management personnel disclosures

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

Joshua Jonathon Hardy
Warwick William Howard
David Markovich
Josephine Charlotte Harrison-Ward
Jennifer Enright
Ashton Holly Warwick

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 23. Related party transactions

The following transactions occurred with related parties:

	2023 $	**2022 $**
Two directors provided management consulting services to the company.	30,000	-
The company secretary has provided the company with secretarial and board support services.	6,500	1,100

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

Note 24. 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:

	2023 $	2022 $
Audit services		
Audit or review of the financial statements	6,400	6,200
Other services		
Taxation advice and tax compliance services	660	600
General advisory services	4,740	3,280
	5,400	3,880
	11,800	10,080

Note 25. Reconciliation of profit/(loss) after income tax to net cash provided by operating activities

	2023 $	2022 $
Profit/(loss) after income tax (expense)/benefit for the year	491,773	(57,162)
Adjustments for:		
Depreciation and amortisation	127,130	115,080
Lease liabilities interest	9,879	10,206
Change in operating assets and liabilities:		
Increase in trade and other receivables	(50,467)	(19,572)
Decrease/(increase) in deferred tax assets	165,943	(17,387)
Increase/(decrease) in trade and other payables	(14,731)	8,886
Increase/(decrease) in employee benefits	(16,512)	7,302
Increase in other provisions	354	342
Net cash provided by operating activities	713,369	47,695

Note 26. Earnings per share

	2023 $	2022 $
Profit/(loss) after income tax	491,773	(57,162)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	1,885,609	1,885,609
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,885,609	1,885,609
	Cents	**Cents**
Basic earnings per share	26.08	(3.03)
Diluted earnings per share	26.08	(3.03)

Note 26. Earnings per share (continued)

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

Note 27. Commitments

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

Note 28. Contingencies

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

Note 29. Events after the reporting period

Since the end of the financial year, on 10 August 2023, the bank overdraft was reduced by Bendigo Bank from $500,000 to $200,000.

No other matter or circumstance has arisen since 30 June 2023 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.

Geographe Bay Community Enterprises Limited
Directors' declaration
30 June 2023

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 2023 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Joshua Jonathon Hardy
Chair

11 October 2023

Andrew Frewin Stewart
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Independent auditor's report to the Directors of Geographe Bay Community Enterprises Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Geographe Bay Community Enterprises Limited (the company), which comprises:

- Statement of financial position as at 30 June 2023
- Statement of profit or loss and other comprehensive income
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements, including a summary of significant accounting policies
- The directors' declaration of the company.

In our opinion, the accompanying financial report of Geographe Bay Community Enterprises 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 2023 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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Material Uncertainty Related to Going Concern

Without further modifying our opinion, we draw attention to Note 2 in the financial report, which indicates the company has reported a net profit of $491,773 for the year, however the company was reliant on the overdraft facility and accumulated losses remain high at $1,308,612. Furthermore, the company had a working capital deficiency as its current liabilities exceeded its current assets by $15,941. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast doubt over the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Other Information

The other information comprises the information included in the company's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon. The annual report may also include "other information" on the company's operations and financial results and financial position as set out in the financial report, typically in a Chairman's report and Manager's report, and reports covering governance and shareholder matters.

The directors are responsible for the other information. The annual report is expected to be made available to us after the date of this auditor's report.

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

Our responsibility is to read the other information identified above when it becomes available 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 we identify that a material inconsistency appears to exist when we read the annual report (or become aware that the other information appears to be materially misstated), we will discuss the matter with the directors and where we believe that a material misstatement of the other information exists, we will request management to correct the other information. 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.

The directors are responsible for overseeing the company's financial reporting process.

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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.

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.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 11 October 2023

Joshua Griffin
Lead Auditor

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