Great Southern Community Financial Services Ltd.

ABN 75 089 136 121

Financial Report - 30 June 2024

Great Southern Community Financial Services Ltd.
Directors' report
30 June 2024

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

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

Name:	Daniel Barbour
Title:	Non-executive director
Experience and expertise:	Elders Branch Manager. Daniel has previously worked as a farm hand, CEO of Southern Renewable Fuels, Manager of Dalton Paper and Director of 3D Strategic Solutions. Daniel has an Executive Masters of Business Administration.
Special responsibilities:	Chairman
Name:	Andrew James Murray
Title:	Non-executive director
Experience and expertise:	Self Employed. Andrew is the owner of his business AA Contractors, Earthmoving and Freight. He is the chair of the National Future Leaders Forum for the Bendigo Bank. He is also a member of the Steering committee for Project Horizon and the WA state security working group for the Bendigo Bank. Currently Secretary/Treasurer and Captain of Frankland Town Bush Fire Brigade and Vice President of the Frankland Bowling Club. Andrew managed a corporate vineyard in Frankland for 16 and a family farm for 10 years.
Special responsibilities:	Deputy Chair
Name:	Diana Kim Taylor
Title:	Non-executive director
Experience and expertise:	Farmer. Diana holds a Bachelor Degree in Commerce and currently works as a bookkeeper at Pascoes Accounting and Advisory in Kojonup. Previously she has been a Treasurer with the Tambellup Parents and Citizens Association, Administrator and Treasurer at Tennis West Great Southern and worked as a staff member at the Tambellup Cranbrook Community Bank.
Special responsibilities:	Treasurer
Name:	Mark Peter Jefferies
Title:	Non-executive director (appointed 6 June 2024)
Experience and expertise:	Mark serves as the Secretary for Cranbrook Baptist Church and is a board member for Gillami and Mt Barker Community College School of Farms. He also holds the roles of Treasurer and Secretary for the Tenterden Fire Brigade Committee.
Special responsibilities:	Nil
Name:	Kylie Michelle Morgan
Title:	Non-executive director (appointed 6 June 2024)
Experience and expertise:	Kylie is the Secretary for the local football club and is the director of their family farm.
Special responsibilities:	Nil
Name:	Natalie Wynen
Title:	Non-executive director (resigned 12 April 2024)
Experience and expertise:	Natalie has been a Police Officer for the past 20 years, commencing in General Duties Policing before being selected for and successfully completing their Detective training in 2008. Natalie has spent many years as a Detective attached to the Child Abuse Squad before being promoted to Sergeant in 2018. Since joining WAPOL Natalie dreamed of having her "own" little country Police station once their own children had left home, which resulted in their move to Cranbook in June 2021
Special responsibilities:	Nil

Company secretary
The company secretary is Anne-Marie Lockyer. Anne-Marie was appointed to the position of company secretary on 24 November 2016.

Anne-Marrie is a Self-employed Farmer. Her experience is in the administration, human resource and financial side of small business prior to returning to the country and working as an active partner in the family farming enterprise. She has fulfilled various roles in voluntary organisations throughout the community from agri-business development through historical and heritage committees, service organisations and sporting clubs. Her interests include campaigning for rural and regional equity and community strengthening.

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 loss for the company after providing for income tax amounted to $20,448 (30 June 2023: profit of $174,622).

Operations have continued to perform in line with expectations.

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

	2024 $	2023 $
Fully franked dividend of 10 cents per share (2023: 4 cents)	29,275	11,710

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

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

Matters subsequent to the end of the financial year
Since the end of the financial year and up until the date of signing the financial report, the directors have commenced negotiations with Bendigo Bank regarding the renewal of its franchise agreement which expires in November 2024. The directors have no reason to believe the company’s franchise agreement will not be renewed on mutually acceptable terms prior to expiry in November 2024. Refer to note 2 for further information.

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

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

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

Meetings of directors
The number of directors meetings attended by each of the directors of the company during the financial year were:

	Board Eligible	Board Attended
Daniel Barbour	12	10
Andrew James Murray	12	6
Diana Kim Taylor	12	12
Natalie Wynen	12	6
Mark Peter Jefferies	1	-
Kylie Michelle Morgan	1	-

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

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

	Balance at the start of the year	Changes	Balance at the end of the year
Daniel Barbour	-	-	-
Andrew James Murray	2,000	-	2,000
Diana Kim Taylor	500	-	500
Natalie Wynen	-	-	-
Mark Peter Jefferies	-	-	-
Kylie Michelle Morgan	-	-	-

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

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

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

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

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

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

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

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

Non-audit services
The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 25 to the accounts.

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

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

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

____
Daniel Barbour
Chair

3 October 2024

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 Great Southern Community Financial Services Limited

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 3 October 2024

Lachlan Tatt
Lead Auditor

Great Southern Community Financial Services Ltd.
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	2024 $	2023 $
Revenue from contracts with customers	7	825,648	798,751
Other revenue		-	21,242
Finance revenue		19,932	9,386
Gain on disposal of assets		-	14,787
Total revenue		845,580	844,166
Employee benefits expense	8	(274,976)	(232,196)
Advertising and marketing costs		(15,923)	(8,939)
Occupancy and associated costs		(12,448)	(12,224)
System costs		(24,768)	(23,987)
Depreciation and amortisation expense	8	(38,637)	(35,775)
Loss on disposal of assets		(1,759)	-
Finance costs		(2,643)	(2,879)
General administration expenses		(106,971)	(92,196)
Total expenses before community contributions and income tax		(478,125)	(408,196)
Profit before community contributions and income tax expense		367,455	435,970
Charitable donations, sponsorships and grants expense	8	(396,960)	(202,875)
Profit/(loss) before income tax (expense)/benefit		(29,505)	233,095
Income tax (expense)/benefit	9	9,057	(58,473)
Profit/(loss) after income tax (expense)/benefit for the year		(20,448)	174,622
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(20,448)	174,622
		Cents	**Cents**
Basic earnings per share	27	(6.98)	59.65
Diluted earnings per share	27	(6.98)	59.65

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

Great Southern Community Financial Services Ltd.
Statement of financial position
As at 30 June 2024

	Note	2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	10	265,998	378,855
Trade and other receivables	11	108,241	81,280
Current tax assets	9	10,541	-
Total current assets		384,780	460,135
Non-current assets			
Property, plant and equipment	12	132,179	82,459
Right-of-use assets	13	64,377	68,236
Intangible assets	14	4,356	18,513
Deferred tax assets	9	899	-
Total non-current assets		201,811	169,208
Total assets		586,591	629,343
Liabilities			
Current liabilities			
Trade and other payables	15	8,016	26,347
Borrowings	16	13,944	-
Lease liabilities	17	8,101	5,578
Current tax liabilities	9	-	43,774
Employee benefits	18	17,326	18,744
Total current liabilities		47,387	94,443
Non-current liabilities			
Borrowings	16	65,228	-
Lease liabilities	17	64,227	72,175
Deferred tax liabilities	9	-	6,193
Employee benefits	18	11,201	8,289
Lease make good provision		694	666
Total non-current liabilities		141,350	87,323
Total liabilities		188,737	181,766
Net assets		397,854	447,577
Equity			
Issued capital	19	292,750	292,750
Retained earnings		105,104	154,827
Total equity		397,854	447,577

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

Great Southern Community Financial Services Ltd.
Statement of changes in equity
For the year ended 30 June 2024

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2022		292,750	(8,085)	284,665
Profit after income tax expense		-	174,622	174,622
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	174,622	174,622
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	21	-	(11,710)	(11,710)
Balance at 30 June 2023		292,750	154,827	447,577

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2023		292,750	154,827	447,577
Loss after income tax benefit		-	(20,448)	(20,448)
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	(20,448)	(20,448)
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	21	-	(29,275)	(29,275)
Balance at 30 June 2024		292,750	105,104	397,854

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

Great Southern Community Financial Services Ltd.
Statement of cash flows
For the year ended 30 June 2024

	Note	2024 $	2023 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		913,020	870,778
Payments to suppliers and employees (inclusive of GST)		(943,975)	(643,092)
Interest received		18,798	6,143
Income taxes paid		(52,350)	-
Net cash provided by/(used in) operating activities	26	(64,507)	233,829
Cash flows from investing activities			
Payments for property, plant and equipment		(24,275)	(50,601)
Payments for intangible assets		(13,581)	(13,581)
Proceeds from disposal of property, plant and equipment		29,091	29,091
Net cash used in investing activities		(8,765)	(35,091)
Cash flows from financing activities			
Repayment of borrowings		(2,070)	(18,419)
Interest and other finance costs paid		(2,619)	(2,856)
Dividends paid	21	(29,275)	(11,710)
Repayment of lease liabilities		(5,621)	(5,384)
Net cash used in financing activities		(39,585)	(38,369)
Net increase/(decrease) in cash and cash equivalents		(112,857)	160,369
Cash and cash equivalents at the beginning of the financial year		378,855	218,486
Cash and cash equivalents at the end of the financial year	10	265,998	378,855

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

Note 1. Reporting entity

The financial statements cover Great Southern Community Financial Services Ltd. (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 36 Norrish Street, Tambellup, WA, 6320.

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.

As described in note 5, the company is economically dependent on its franchise agreement with Bendigo Bank, which expires in November 2024. Since balance date the directors have commenced negotiations in relation to renewing its franchise agreement with Bendigo Bank, concluding that they have no reason to believe a new franchise agreement under mutually acceptable terms will not be forthcoming following expiry of the current agreement in November 2024.

Accordingly, the directors have a reasonable expectation that the company has adequate resources to pay its debts as and when they fall due for the foreseeable future. For these reasons, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 3 October 2024. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

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

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

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

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

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

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

Note 3. Material accounting policy information (continued)

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

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

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

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

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

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

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

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

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

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

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

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

Estimates and assumptions

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

Incremental borrowing rate
Where the interest rate implicit in a lease cannot be readily determined, 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.

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

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

Note 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank, which expires in November 2024. Since balance date the directors have commenced negotiations in relation to renewing its franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in November 2024.

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

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

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

The credit risk (i.e. the risk that a customer will not make repayments) is for the Bendigo Bank to bear as long as the company has complied with the appropriate procedures and relevant obligations and has not exercised a discretion in granting or extending credit.

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

Note 6. Change to comparative figures

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

During the financial year the company recorded a change in accounting policy, whereby it elected to recognise the right-of-use asset net of accumulated depreciation on initial adoption of AASB 16. The change in accounting policy had no impact on the company’s net profit or net asset position, however it did reduce the company’s right-of-use asset cost and accumulated depreciation at 30 June 2023 by $27,581.

Note 6. Change to comparative figures (continued)

Reclassification of gain on disposal of assets
The company identified a prior period classification error in relation to the Statement of profit or loss and other comprehensive income, whereby the company incorrectly classified a $14,787 gain on disposal of property, plant and equipment within general administration expenses instead of other income for the year ended 30 June 2023. Despite being immaterial, the directors elected to restate comparative figures to correct this classification error. The restatement had no impact on the company's net assets at 30 June 2023 or net profit after income tax expense for the year then ended.

Note 7. Revenue from contracts with customers

	2024 $	2023 $
Margin income	656,253	605,031
Fee income	15,427	14,515
Commission income	153,968	179,205
	825,648	798,751

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

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

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

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

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

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

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

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

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

Note 7. Revenue from contracts with customers (continued)

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

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

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

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

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

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

Note 8. Expenses

Employee benefits expense

	2024 $	2023 $
Wages and salaries	224,843	191,887
Non-cash benefits	8,889	2,272
Superannuation contributions	24,798	19,137
Expenses related to long service leave	2,912	5,230
Other expenses	13,534	13,670
	274,976	232,196

Note 8. Expenses (continued)

Depreciation and amortisation expense

	2024 $	2023 $
Depreciation of non-current assets		
Buildings	3,565	3,565
Leasehold improvements	816	815
Plant and equipment	2,608	3,875
Motor vehicles	11,355	8,518
	18,344	16,773
Depreciation of right-of-use assets		
Leased land and buildings	6,136	5,933
Amortisation of intangible assets		
Franchise fee	2,360	2,179
Franchise renewal fee	11,797	10,890
	14,157	13,069
	38,637	35,775

Charitable donations, sponsorships and grants

	2024 $	2023 $
Direct donation, sponsorship and grant payments	54,960	23,928
Contribution to the Community Enterprise Foundation™	342,000	178,947
	396,960	202,875

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

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

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

Note 9. Income tax

	2024 $	2023 $
Income tax expense/(benefit)		
Current tax	-	43,774
Movement in deferred tax	(3,193)	1,469
Under/over adjustment	(1,965)	-
Recoupment of prior year tax losses	-	13,230
Future income tax benefit attributable to losses	(3,899)	-
Aggregate income tax expense/(benefit)	(9,057)	58,473
Prima facie income tax reconciliation		
Profit/(loss) before income tax (expense)/benefit	(29,505)	233,095
Tax at the statutory tax rate of 25%	(7,376)	58,274
Tax effect of:		
Non-deductible expenses	284	199
	(7,092)	58,473
Under/over adjustment	(1,965)	-
Income tax expense/(benefit)	(9,057)	58,473

	2024 $	2023 $
Deferred tax assets/(liabilities)		
Carried-forward tax losses	3,899	-
Property, plant and equipment	(12,135)	(15,422)
Employee benefits	7,395	6,846
Lease liabilities	18,082	19,438
Provision for lease make good	173	167
Accrued expenses	1,025	1,000
Income accruals	(1,446)	(1,163)
Right-of-use assets	(16,094)	(17,059)
Deferred tax asset/(liability)	899	(6,193)

	2024 $	2023 $
Income tax refund due	10,541	-

	2024 $	2023 $
Provision for income tax	-	43,774

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.

Note 9. Income tax (continued)

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

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

Note 10. Cash and cash equivalents

	2024 $	2023 $
Cash at bank and on hand	265,998	378,855

Note 11. Trade and other receivables

	2024 $	2023 $
Trade receivables	70,086	70,506
Amounts Receivable from ATO	24,366	-
Accrued income	5,782	4,649
Prepayments	8,007	6,125
	38,155	10,774
	108,241	81,280

	2024 $	2023 $
Financial Assets at amortised cost classified as trade and other recivables		
Total trade and other receivables	100,234	75,155
Less: amounts receivable from ATO	(24,366)	-
	75,868	75,155

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

Note 12. Property, plant and equipment

	2024 $	2023 $
Buildings - at cost	121,002	121,002
Less: Accumulated depreciation	(94,850)	(91,285)
	26,152	29,717
Leasehold improvements - at cost	154,431	154,431
Less: Accumulated depreciation	(149,479)	(148,663)
	4,952	5,768
Plant and equipment - at cost	100,134	75,859
Less: Accumulated depreciation	(71,303)	(68,695)
	28,831	7,164
Motor vehicles - at cost	74,639	44,162
Less: Accumulated depreciation	(2,395)	(4,352)
	72,244	39,810
	132,179	82,459

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

	Buildings $	Leasehold improvements $	Plant and equipment $	Motor Vehicle $	Total $
Balance at 1 July 2022	33,282	6,583	4,600	19,900	64,365
Additions	-	-	6,439	44,162	50,601
Disposals	-	-	-	(15,734)	(15,734)
Depreciation	(3,565)	(815)	(3,875)	(8,518)	(16,773)
Balance at 30 June 2023	29,717	5,768	7,164	39,810	82,459
Additions	-	-	24,275	74,639	98,914
Disposals	-	-	-	(30,850)	(30,850)
Depreciation	(3,565)	(816)	(2,608)	(11,355)	(18,344)
Balance at 30 June 2024	26,152	4,952	28,831	72,244	132,179

Assets held as security over borrowings
The company's motor vehicle is held as security over the corresponding borrowings.

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

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.

Note 12. Property, plant and equipment (continued)

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

Building	20 years
Leasehold improvements	5 to 20 years
Plant and equipment	2.5 to 10 years
Motor vehicles	5 years

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

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

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

Note 13. Right-of-use assets

	2024 $	**2023 $**
Land and buildings - right-of-use	95,036	92,734
Less: Accumulated depreciation	(30,659)	(24,498)
	64,377	68,236

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

	Land and buildings $
Balance at 1 July 2022	74,169
Depreciation expense	(5,933)
Balance at 30 June 2023	68,236
Remeasurement adjustments	2,277
Depreciation expense	(6,136)
Balance at 30 June 2024	64,377

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

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

Refer to note 17 for more information on lease arrangements.

Note 14. Intangible assets

	2024 $	2023 $
Franchise fee	52,233	52,233
Less: Accumulated amortisation	(51,507)	(49,147)
	726	3,086
Franchise renewal fee	111,163	111,163
Less: Accumulated amortisation	(107,533)	(95,736)
	3,630	15,427
	4,356	18,513

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

	Franchise fee $	Franchise renewal fee $	Total $
Balance at 1 July 2022	5,265	26,317	31,582
Amortisation expense	(2,179)	(10,890)	(13,069)
Balance at 30 June 2023	3,086	15,427	18,513
Amortisation expense	(2,360)	(11,797)	(14,157)
Balance at 30 June 2024	726	3,630	4,356

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 2024
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	November 2024

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 15. Trade and other payables

	2024 $	2023 $
Current liabilities		
Trade payables	-	2,114
Other payables and accruals	8,016	24,233
	8,016	26,347

	2024 $	2023 $
Financial liabilities at amortised cost classified as trade and other payables		
Total trade and other payables	8,016	26,347
Less: other payables and accruals (net GST payable to the ATO)	-	(1,514)
	8,016	24,833

Note 16. Borrowings

	2024 $	2023 $
Current liabilities		
Chattel mortgage	13,944	-
Non-current liabilities		
Chattel mortgage	65,228	-

Chattel mortgage
The company's motor vehicle is financed through a chattel mortgage with a fixed interest rate of 7.40% over a term of 5 years. The security interest registered against the vehicle will be released upon the final payment.

Note 17. Lease liabilities

	2024 $	2023 $
Current liabilities		
Land and buildings lease liabilities	8,101	5,578
Non-current liabilities		
Land and buildings lease liabilities	64,227	72,175

Reconciliation of lease liabilities

	2024 $	2023 $
Opening balance	77,753	83,137
Remeasurement adjustments	196	-
Lease interest expense	2,619	2,856
Lease payments - total cash outflow	(8,240)	(8,240)
	72,328	77,753

Note 17. Lease liabilities (continued)

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

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

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

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end
Tambellup branch	3.54%	5 years	2 x 5 years	Yes	December 2034

Note 18. Employee benefits

	2024 $	2023 $
Current liabilities		
Annual leave	17,326	18,744
Non-current liabilities		
Long service leave	11,201	8,289

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

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

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

Note 19. Issued capital

	2024 Shares	2023 Shares	2024 $	2023 $
Ordinary shares - fully paid	292,750	292,750	292,750	292,750

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.

Note 19. Issued capital (continued)

Rights attached to issued capital

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 20. Capital management

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

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

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

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

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

Note 21. Dividends

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

	2024 $	2023 $
Fully franked dividend of 10 cents per share (2023: 4 cents)	29,275	11,710

Franking credits

	2024 $	2023 $
Franking account balance at the beginning of the financial year	72,333	76,236
Franking credits (debits) arising from income taxes paid (refunded)	52,350	-
Franking debits from the payment of franked distributions	(9,758)	(3,903)
	114,925	72,333
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	114,925	72,333
Franking credits (debits) that will arise from payment (refund) of income tax	(10,541)	43,774
Franking credits available for future reporting periods	104,384	116,107

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

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

Note 22. Financial risk management

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

Note 22. Financial risk management (continued)

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

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

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

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

	2024 $	2023 $
Financial assets at amortised cost		
Trade and other receivables (note 11)	75,868	75,155
Cash and cash equivalents (note 10)	265,998	378,855
	341,866	454,010
Financial liabilities at amortised cost		
Trade and other payables (note 15)	8,016	24,833
Lease liabilities (note 17)	72,328	77,753
Borrowings (note 16)	79,172	-
	159,516	102,586

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

Accounting policy for financial instruments

Financial assets

Classification

The company classifies its financial assets at amortised cost.

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

The company’s financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents.

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

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

Note 22. Financial risk management (continued)

Financial liabilities

Classification
The company classifies its financial liabilities at amortised cost.

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

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of $265,998 at 30 June 2024 (2023: $378,855).

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

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

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

2024	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Borrowings	19,369	77,934	-	97,303
Trade and other payables	8,016	-	-	8,016
Lease liabilities	8,240	32,960	45,077	86,277
Total non-derivatives	35,625	110,894	45,077	191,596

2023	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	24,833	-	-	24,833
Lease liabilities	8,240	32,961	53,561	94,762
Total non-derivatives	33,073	32,961	53,561	119,595

Note 23. Key management personnel disclosures

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

Daniel Barbour
Andrew James Murray
Diana Kim Taylor
Natalie Wynen
Mark Peter Jefferies
Kylie Michelle Morgan

Note 23. Key management personnel disclosures (continued)

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

Note 24. Related party transactions

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

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

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

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

	2024 $	2023 $
The company had transactions with entities where a director was also a board member of that entity during the period. These related to sponsorships and marketing expenses and totalled:	1,438	1,677

Note 25. Remuneration of auditors

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

	2024 $	2023 $
Audit services		
Audit or review of the financial statements	7,840	6,800
Other services		
Taxation advice and tax compliance services	1,514	1,433
General advisory services	1,545	3,430
Share registry services	4,863	4,121
	7,922	8,984
	15,762	15,784

Note 26. Reconciliation of profit/(loss) after income tax to net cash provided by/(used in) operating activities

	2024 $	2023 $
Profit/(loss) after income tax (expense)/benefit for the year	(20,448)	174,622
Adjustments for:		
Depreciation and amortisation	38,637	35,775
Net loss/(gain) on disposal of assets	1,759	(14,421)
Lease liabilities interest	2,619	2,856
Change in operating assets and liabilities:		
Increase in trade and other receivables	(26,961)	(34,394)
Increase in income tax refund due	(10,541)	-
Decrease/(increase) in deferred tax assets	(899)	8,506
Decrease in trade and other payables	(310)	(5,602)
Increase/(decrease) in provision for income tax	(43,774)	43,774
Increase/(decrease) in deferred tax liabilities	(6,193)	6,193
Increase in employee benefits	1,494	16,497
Increase in other provisions	110	23
Net cash provided by/(used in) operating activities	(64,507)	233,829

Note 27. Earnings per share

	2024 $	2023 $
Profit/(loss) after income tax	(20,448)	174,622
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	292,750	292,750
Weighted average number of ordinary shares used in calculating diluted earnings per share	292,750	292,750
	Cents	**Cents**
Basic earnings per share	(6.98)	59.65
Diluted earnings per share	(6.98)	59.65

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

Note 28. Commitments

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

Note 29. Contingencies

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

Note 30. Events after the reporting period

Since the end of the financial year and up until the date of signing the financial report, the directors have commenced negotiations with Bendigo Bank regarding the renewal of its franchise agreement which expires in November 2024. The directors have no reason to believe the company’s franchise agreement will not be renewed on mutually acceptable terms prior to expiry in November 2024. Refer to note 2 for further information.

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

Great Southern Community Financial Services Ltd.
Directors' declaration
30 June 2024

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;

- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;

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

- the company does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, a consolidated entity disclosure statement has not been included as section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

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

On behalf of the directors

____
Daniel Barbour
Chair

3 October 2024

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
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03 5443 0344

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

Report on the Audit of the Financial Report

Opinion

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

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

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

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

Basis for Opinion

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

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

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

Andrew Frewin Stewart
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Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 3 October 2024

Lachlan Tatt
Lead Auditor