Annual Report 2024

Heyfield & District Community Financial Services Limited

Community Bank
Heyfield & District

ABN 96 094 854 949

Vision Statement

To work with our community to develop and improve the district.

Mission Statement

To develop the strength of the Community Bank and provide support to the district.

Contents

Statement of Values

We aim to work with our community, to develop and improve the district.

We value our customers, and through our strong partnership with Bendigo Bank, will ensure a banking presence remains and expands within the community.

We value our shareholders and will ensure their Investment in the company is safeguarded and rewarded.

We value our staff and will ensure they have the opportunity to develop to their full potential.

Contact Us

Community Bank • Heyfield & District
54-56 Temple Street
Heyfield VIC 3858
Phone: (03) 5148 2312

Franchisee: Heyfield & District Community Financial Services Limited
ABN 96 094 854 949
54-56 Temple Street
Heyfield VIC 3858
Phone: (03) 5148 2312

Share Registry:
Lead Advisory Group
PO Box 30, Bendigo VIC 3552
Phone: 03 5445 4200
Email: shares@rsdregistry.com.au

A Word from our Chair

Community is at the heart of what we do as a business. I am proud of the way this Board continues to strive and maintain a focus on how we can contribute to our community. We have continued to support those groups and organizations that play a key role in our everyday activities. The company finished the year with a profit after tax of $185,741. At June 30 we had an asset position of $1,489,959 and net current assets of $1,330,531.

We have expanded our community contributions this year returning over $29,000 to local schools, clubs and community groups and initiatives.

The Community Bank model was developed around 26 years ago and is continually adapting to its' banking environment. It has been a successful way of maintaining banking in areas that has not been supported by other financial institutions. We will see the Community Bank model continue to adapt and develop as customers choose different ways of banking with Bendigo Bank. We are in the business of community development and Community Bank Heyfield & District is the vehicle that enables this. Compliance and governance with all our activities is a legal requirement and our Company Secretary, Fiona Gardiner is doing a great job keeping all the Directors up to date with ongoing changes and updates as they arise.

Having a stable board of the last twelve months has been pivotal to the positive position we achieved during the year. We were able to not only pay a healthy dividend but also achieve a bonus payment mid-year. This stability is also present in our branch staff, who have continued to work together with the board to maintain a strong presence in our community. Our Branch Manager Ingrid Komen has been with our branch for 8 out of her 9-year tenure with Bendigo Bank. She is supported by our Customer Relationship Officer, Kylie Dole, also with over a decade of experience and Vanessa Cheetham who has just completed 12 months of service.

One aspect that has not changed in the last year is that interest rates continue to cause a bit of a concern. Volatility often raises a lot of uncertainty and challenges for busy local families.

I wish to extend my grateful thanks for my fellow directors for their work and commitment this year. The whole team is a great support to me, and we are very much united with our motivation to run a well performing Community Bank that can have an impact in the community in which we all live.

Thank you to you, our shareholders, for your continued backing and support to keep our Community Bank , in Heyfield, open for business.

We urge you to continue to refer, family, friends, colleagues to Community Bank Heyfield & District. The strong base that was built by previous board members gives us confidence we can continue to feed into community prosperity, not off it.

As always, we thank you for being part of the better big bank.

Mark Cox
Chairman

A word from our Manager

On behalf of the banking team at Community Bank Heyfield & District, I am pleased to present the Branch Manager's report for the financial year ending 30th June 2024.

With Bendigo Bank, we offer a real alternative to the major banks, and we value each and every one of our customers who entrust us with their banking.

Community Bank Heyfield & District continues to run a strong and viable banking operation.

Bendigo Bank continues to provide options for customers to choose the way they would like to do their banking, whether that be in person or online. For those who want to continue the tradition of coming into the branch, we are here and committed to helping you in branch with all your banking needs.

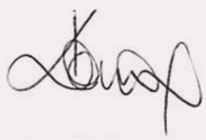
The community continues to be at the forefront of our thinking, and we are proud that Community Bank Heyfield & District supports the community through the sponsorship and grant programs.

I would like to thank our branch team and the Heyfield & District Community Financial Services Board, particularly the Executive team, who put in many tireless hours helping your Community Bank achieve all that it has.

Our success and contributions to the local community are not possible without the support of our customers, who we would like to extend a big thank you for your support and understanding towards the branch staff.

We welcome the chance to build and strengthen new and existing relationships and if you are happy with our service, please recommend us to family, friends, businesses, or community groups.

We value your ongoing support and faith you have shown in Bendigo Bank to look after your financial needs and look forward to a great year ahead.



Ingrid Komen
Branch Manager

Message from Head of Community Banking

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

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

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

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

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

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

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

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

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

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

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

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

Justine Minne
Bendigo and Adelaide Bank

Message from CBNC Chair

OUR VOICE COMMUNITY BANK NATIONAL COUNCIL

Community Bank network: celebrating 26 years of empowering communities

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

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

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

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

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

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

• Impact – a planned, deliberate approach with investments that enhance community prosperity.

• Leadership and advocacy – to ensure the long-term sustainability of our enterprises.

• Network alignment – enabling us to develop and nurture partnerships that align with our defined areas of social impact.

• Commercial prosperity – supporting the commercial success of our enterprises.

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

Warm regards

Lauren Bean
General Manager
Community Bank National Council

Heyfield & District Community Financial Services Limited

ABN: 96 094 854 949

Financial Statements

For the year ended
30 June 2024

Directors' Report

The directors present their report on Heyfield & District Community Financial Services Ltd for the financial year ended 30 June 2024.

Information on Directors

The names of each person who has been a director during the year and to the date of this report are:

Mark Cox
Chairperson

Qualifications: Trade certificate in Boilermaking/Certificate 4 in spare parts.

Experience: In excess of 20 years managing outdoor power equipment, 20 years as community Ambulance Officer. Past President and Secretary of Maffra/Sale Motorcycle club. Mark brings extensive experience with customer service and sales and local knowledge. Mark has lived in Heyfield for 35 years so is a wealth of knowledge.

Jamie Riley
Treasurer

Experience: Jamie has extensive experience as a qualified Chef with more than 20 years industry experience, managing hotels in Melbourne and Heyfield. He is the owner/operator of Cafe 3858, Heyfield. President of the Heyfield Traders & Tourism Association and extensive experience in public speaking, sales, leadership and hospitality management.

Fiona Gardiner
Company secretary and executive administration assistant

Experience: Fiona is the administrator for the Board and has previously been employed in the banking and finance industry. She currently operates a small family business in the area. She supports the role of Chair in all areas of governance and compliance for the Company.

Gael McGee
Member of the marketing committee

Experience: Gael is the current licenced owner of the Heyfield Railway Hotel and has spent in excess of 30 years in the hospitality industry. Gael is a big supporter of our community, holding many events and charitable events at her venue. Gael holds several other community roles and is very active in our Community and brings a wealth of knowledge, experience and insight onto our board.

Glen Synnott
Vice Chairperson

Experience: Glen is president of the Heyfield Cricket Club, regularly donates his time to auction at charity fundraisers and is a playing member at the Heyfield Golf Club. He is also a regular attendee at Wellington Shire meetings for the future of Heyfield.

Gordon Rorison
Director

Experience: Gordon brings a wealth of experience to the Board. He has previously operated a tourism based business and worked as a managing director and CEO and chief operating officer of companies.

Appointed: 2 August 2023

Directors' report (continued)

Reece Mizzi
Director

Qualifications: Certificate III in Retail

Experience: Reece is the current owner/manager of the Heyfield LPO and has been around our district most of his life. Reece has a Certificate III in retail and has experience in sales, staff management and bookkeeping. Reece brings a younger, vibrant and enthusiastic disposition to our board and will become part of our marketing team in due course.

Terry Fitzgerald
Director

Experience: Terry has previously held roles in the not-for-profit sector, government sector and private enterprise. He was the Chair of Latrobe Valley Enterprises, one of the largest disability service providers in Australia. He was also Chair of Gippsland East Local Learning and Employment Network (GELLEN). Other not-for-profit roles include the management of the Victorian Chamber of Commerce and Industry. Terry was an Executive Director of Gippsland TAFE and was responsible for engaging with both the community and industry. He spent more than a decade as an Executive Director; managing one of Germany's top 100 companies and was responsible for growth strategies in domestic and regional markets growing the business to $140 million in turnover.

He has previously held the role of President of Heyfield Lions Club.

Appointed: 28 June 2023

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

The secretary of the company at the end of the financial year was Fiona Gardiner who has been in the position since 5 May 2023.

Directors' meetings

During the financial year 10 meetings of directors (excluding committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Mark Cox	10	9
Jamie Riley	10	9
Fiona Gardiner	10	10
Gael McGee	10	4
Glen Synnott	10	10
Gordon Rorison	9	9
Reece Mizzi	10	8
Terence Fitzgerald	10	5

Principal activities

The principal activities of Heyfield & District Community Financial Services Ltd during the financial year were to provide Community Bank branch services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

No significant changes in the nature of the company's activity occurred during the financial year.

Operating results

Operating results have continued to perform in line with the expectations of the board. The profit of the company after providing for income tax amounted to $185,741 (2023: profit of $211,415).

Directors' report (continued)

Dividends paid or recommended

Fully franked dividends totalling $36,001 were paid in the year. A fully franked dividend of 5.0 cents per share was paid in December 2023, and a special fully franked dividend of 3.0 cents per share was paid in June 2024. To the date of this report no dividend has been paid or declared in respect of the year ended 30 June 2024.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the company during the year.

Events after the reporting date

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

Proceedings on behalf of company

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

Environmental issues

The company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Indemnification and insurance of officers and auditors

The company has agreed to indemnify each officer (director, secretary or employee) out of the assets of the company to the relevant extent against any liability incurred by that person arising out of the discharge of their duties, except where the liability arises out of conduct involving dishonesty, negligence, breach of duty or lack of good faith. The company has officers insurance for the benefit of the officers of the company against any liability incurred by the officer, which includes the officers' liability for legal costs arising out of the conduct of the business of the company or arising out of the discharge of the officers' duties.

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses insurance contracts as such disclosure is prohibited under the terms of the contract.

The company has not provided an indemnity or insurance for an Auditor of the Company.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 30 June 2024 has been received and can be found on page 4 of the financial report. No officer of the company is or has been a partner or director of the Auditor of the Company.

Signed in accordance with a resolution of the Board of Directors:

Mark Cox

Fiona Gardiner

Dated: 25 September 2024

Branch staff

Ingrid Komen
Branch Manager

Ingrid has been working for the branch for 7 years. Prior to this she was at the community bank Maffra & District.

Passionate and dedicated to the Heyfield community, Ingrid is involved in many community and sporting groups and has played a key role in local events over the years.

Ingrid has been an integral part of our social media presence.

Ness Leatham
Customer Service Officer

Ness joined our branch mid-2023 and has just celebrated her 1st year with the branch. Prior to this Ness was a qualified Chef, Baker and Pastry chef worked in hospitality for 18 years before changing pace and working in the retail sector.

Ness relocated to Heyfield to make it her home in 2021 and is enjoying meeting all our local customers and looks forward to engaging with the community.

Kylie Dole
Customer Relationship Officer

Kylie has been working for the branch for 9 years. Prior to this Kylie worked in management positions in retail and visual merchandising.

Kylie enjoys working for the community bank for the day-to-day interactions with all our local customers and the opportunities banking with us creates.

Auditor's independence declaration

CountPro
AUDIT

Heyfield & District Community Financial Services Ltd
ABN 96 094 854 949

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Heyfield & District Community Financial Services Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, there have been:

(i) no contraventions of the auditor independence requirements as set out in 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.

CountPro Audit Pty Ltd
....
CountPro Audit Pty Ltd

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Jason D. Hargreaves
Director

180 Eleanor Drive, Lucas

Dated: 25 September 2024

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180 Eleanor Drive, Lucas, VIC 3350 ▸ PO Box 4259, Lucas, VIC 3350 ▸ Phone (03) 5331 2333 ▸ www.countpro.com.au
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Financial statements

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	Note	2024 $	2023 $
Revenue and other income	3	**741,150**	822,261
Depreciation and amortisation expense	4	**(29,132)**	(34,947)
Employment expenses	5	**(293,703)**	(251,401)
Operating expenses	6	**(140,669)**	(140,278)
Operating profit before charitable donations and sponsorships		**277,646**	395,635
Charitable donations and sponsorships	7	**(28,804)**	(116,188)
Profit before income tax		**248,842**	279,447
Income tax expense	9(a)	**(63,101)**	(68,032)
Profit for the year		**185,741**	211,415
Other comprehensive income, net of tax			
Revaluation of land and buildings, net of tax	9(c)	**113,053**	-
Total comprehensive income for the year		**298,794**	211,415
Profit attributable to members of the company		**185,741**	211,415
Total comprehensive income attributable to members of the company		**298,794**	211,415
Earnings per share attributable to members of the company (cents per share)	20	**41.27**	46.98

The accompanying notes form part of these financial statements

Statement of Financial Position

As at June 30 2024

	Note	2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	10	**681,129**	382,505
Trade and other receivables	11	**64,498**	77,248
Financial assets	12	**158,426**	302,310
Total current assets		**904,053**	762,063
Non-current assets			
Property, plant and equipment	13	**559,186**	418,835
Intangible assets	14	**26,720**	40,999
Total non-current assets		**585,906**	459,834
Total assets		**1,489,959**	1,221,897
Liabilities			
Current liabilities			
Current tax liabilities	15(a)	**11,017**	56,105
Trade and other payables	16	**52,822**	45,621
Employee benefits	17	**27,330**	13,763
Total current liabilities		**91,169**	115,489
Non-current liabilities			
Deferred tax liabilities	15(b)	**67,861**	34,130
Employee benefits	17	**398**	4,540
Total non-current liabilities		**68,259**	38,670
Total liabilities		**159,428**	154,159
Net assets		**1,330,531**	1,067,738
Equity			
Issued capital	18	**450,009**	450,009
Retained earnings		**625,438**	475,698
Asset revaluation reserve		**255,084**	142,031
Total equity		**1,330,531**	1,067,738

The accompanying notes form part of these financial statements

Financial statements (continued)

Statement of Changes in Equity

For the year ended 30 June 2024

2024

	Note	Issued capital $	Retained earnings $	Asset revaluation reserve $	Total $
Balance at 1 July 2023		**450,009**	**475,698**	**142,031**	**1,067,738**
Profit attributable to members of the company		**-**	**185,741**	**-**	**185,741**
Other comprehensive income attributable to members of the company		**-**	**-**	**113,053**	**113,053**
Dividends paid or provided for	19	**-**	**(36,001)**	**-**	**(36,001)**
Balance at 30 June 2024		**450,009**	**625,438**	**255,084**	**1,330,531**

2023

	Note	Issued capital $	Retained earnings $	Asset revaluation reserve $	Total $
Balance at 1 July 2022		450,009	282,283	142,031	874,323
Profit attributable to members of the company		-	211,415	-	211,415
Dividends paid or provided for	19	-	(18,000)	-	(18,000)
Balance at 30 June 2023		450,009	475,698	142,031	1,067,738

The accompanying notes form part of these financial statements

Financial statements (continued)

Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 $	2023 $
Cash flows from operating activities:			
Receipts from customers		**730,359**	787,872
Payments to suppliers and employees		**(446,996)**	(503,639)
Interest received		**23,541**	8,225
Income taxes paid		**(112,142)**	(16,254)
Net cash provided by operating activities	24	**194,762**	276,204
Cash flows from investing activities:			
Proceeds from financial assets		**143,883**	-
Purchase of property, plant and equipment		**(4,863)**	(2,281)
Purchase of financial assets		**-**	(302,310)
Net cash provided by/(used in) investing activities		**139,020**	(304,591)
Cash flows from financing activities:			
Dividends paid		**(35,158)**	(16,790)
Net cash used in financing activities		**(35,158)**	(16,790)
Net increase/(decrease) in cash and cash equivalents held		**298,624**	(45,177)
Cash and cash equivalents at beginning of year		**382,505**	427,682
Cash and cash equivalents at end of financial year	10	**681,129**	382,505

The accompanying notes form part of these financial statements

Notes to the financial statements

For the year ended 30 June 2024

The financial report covers Heyfield & District Community Financial Services Ltd as an individual entity. Heyfield & District Community Financial Services Ltd is a public company limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of Heyfield & District Community Financial Services Ltd is Australian dollars.

The financial report was authorised for issue by the Directors on 25 September 2024.

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

The company has no controlled entities and, therefore, is not required by Australian Accounting Standards to prepare consolidated financial statements. As a result, section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

1 Summary of material accounting policies

(a) Economic dependence

Heyfield & District Community Financial Services Ltd is dependent on the Bendigo and Adelaide Bank Limited for the majority of its revenue used to operate the business.

The company has a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management and operations of the Community Bank branch at Heyfield. The branch operates as a franchise of Bendigo and Adelaide Bank Limited, using the name 'Bendigo Bank', the logo, and systems of operation of Bendigo and Adelaide Bank Limited. The Company manages the Community Bank branch on behalf of Bendigo and Adelaide Bank Limited, however, all transactions with customers conducted through the Community Bank branch are effectively conducted between the customers and Bendigo and Adelaide Bank Limited.

All deposits are made with Bendigo and Adelaide Bank Limited, and all personal and investment products provided are products of Bendigo and Adelaide Bank Limited, with the company facilitating the provision of those products to the customer. 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 debt, or increasing or changing the terms of an existing debt owed to Bendigo and Adelaide Bank Limited, must be approved by Bendigo and Adelaide Bank Limited. All credit transactions are made with Bendigo and Adelaide Bank Limited and all credit products provided to customers are products of Bendigo and Adelaide Bank Limited.

Bendigo and Adelaide Bank Limited provides significant assistance in maintaining the Community Bank branch franchise operations. It also provides ongoing management and operational support, and other assistance and guidance in relation to all aspects of the franchise operation, including assistance and advice in relation to:
- design, layout and fit out of the Community Bank branch;
- training for Branch Managers 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 logistics control;

1 Summary of material accounting policies (continued)

(a) Economic dependence (continued)

- calculation of company revenue and payment of many operating and administrative expenses;
- the formulation and implementation of advertising and promotional programs; and
- sales techniques and proper customer relations.

At the date of this report the directors have no reason to believe the Bendigo and Adelaide Bank Limited will not continue to support Heyfield & District Community Financial Services Ltd.

(b) Revenue and other income

Revenue is recognised under AASB 15 on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer.
2. Identify the performance obligations.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations.
5. Recognise revenue as and when control of the performance obligations is transferred.

All revenue is stated net of the amount of goods and services tax (GST).

Revenue from contracts with customers

The company has in place a franchise agreement with Bendigo & Adelaide Bank Limited. The company delivers banking and financial services of Bendigo & Adelaide Bank Limited to the community. The franchise agreement provides for a share of interest, fee and commission revenue earned under the agreement. Interest margin 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 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*, revenue recognition for the company's revenue streams is as follows:

Revenue	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 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.

Revenue calculation

The franchise agreement provides that three forms of revenue may be earned by the company - margin, commission and fee income. Bendigo & Adelaide Bank Limited decides the form of revenue the company earns on different types of products and services.

Notes to the Financial statements (continued)

For the year ended 30 June 2024

1 Summary of material accounting policies (continued)

(b) Revenue and other income (continued)

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

Margin

Margin is arrived at through the following calculation:
- interest paid by customers on loans less interest paid to customers on deposits,
- plus any deposit returns i.e. interest return applied by Bendigo & Adelaide Bank Limited,
- minus any costs of funds i.e. interest applied to fund a loan.

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

Commission

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

The company receives upfront and trailing commission for products and services sold. The upfront commission is recognised when the performance obligation has been met. Ongoing trailing commissions 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 & Adelaide Bank Limited including fees for loan applications and account transactions.

Core banking products

Bendigo & Adelaide Bank Limited 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 & Adelaide Bank Limited branded home loans, term deposits and at call deposits.

Ability to change financial return

Under the franchise agreement, Bendigo & Adelaide Bank Limited may change the form and amount of financial return that the company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo & Adelaide Bank Limited earns its revenues.

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

Notes to the Financial statements (continued)

For the year ended 30 June 2024

1 Summary of material accounting policies (continued)

(b) Revenue and other income (continued)

Bendigo & Adelaide Bank Limited 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 & Adelaide Bank Limited's margin at that time. For other products and services there is no restriction on the change Bendigo & Adelaide Bank Limited may make.

Other income

The company's activities include 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	Revenue recognition policy
Dividend and distribution income	Dividend and distribution income is recognised when the right to receive the payment is established.
Other income	All other revenues that did not contain contracts with customers are recognised as the goods and services are provided.

(c) Income tax

The income tax expense recognised in the statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

Current income tax is the amount of income taxes payable in respect of the taxable profit for the year and is measured at the amount expected to be paid to the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities are measured at the amounts expected to be paid to the relevant taxation authority.

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

Deferred tax is not provided for the following:
- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable income.
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(d) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Notes to the Financial statements (continued)

For the year ended 30 June 2024

1 Summary of material accounting policies (continued)

(e) Leases

On entering into a contract the company assesses whether a lease exists i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:
- The contract involves the use of an identified asset - this may be explicit or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The company has a right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and what purpose the asset is used.

Right-of-use asset

At the lease commencement, the company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Lessee accounting

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured where there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the company's assessment of the lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use has been reduced to zero.

(f) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority.

Receivables and payable are stated inclusive of GST. 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.

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

Notes to the Financial statements (continued)

For the year ended 30 June 2024

1 Summary of material accounting policies (continued)

(g) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Land and buildings

Land and buildings are measured using the fair value model based on periodic, but at least triennial, valuations undertaken by independent and qualified valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on the revaluation of land and buildings are brought to account as comprehensive income and credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are recognised against the previously recorded revaluation reserve. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

The carrying amount of land and buildings is reviewed annually by the directors to ensure that it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's use and subsequent disposal.

Plant and equipment

Plant and equipment (including furniture, fixtures, fittings and motor vehicles) are measured using the cost model and are recorded at cost less accumulated depreciation and any impairment losses. In the event that the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by the directors to ensure that it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's use and subsequent disposal, discounted to their present values.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on either a straight-line (SL) or diminishing value (DV) basis over the assets useful life to the company, commencing when the asset is ready for use.

1 Summary of material accounting policies (continued)

(g) Property, plant and equipment (continued)

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	**Depreciation rate**
Buildings	2.5% SL
Plant and Equipment	10% SL
Furniture, Fixtures and Fittings	10% SL
Motor Vehicles	25% DV

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(h) Fair value of assets and liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis depending on the requirements of the applicable Accounting Standards.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair value of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is obtained from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

(i) Financial instruments

Classification

On initial recognition the company classifies its financial assets, according to the basis on which they are measured, at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:
- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principle and

Notes to the Financial statements (continued)

For the year ended 30 June 2024

1 Summary of material accounting policies (continued)

(i) Financial instruments (continued)

The company's financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents and term deposits in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:
- financial assets measured at amortised cost.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the company's historical experience and informed credit assessment and including forward looking information.

The company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The company uses the presumption that a financial asset is in default when:
- the other party is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The company has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expenses. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Notes to the Financial statements (continued)

For the year ended 30 June 2024

1 Summary of material accounting policies (continued)

(i) Financial instruments (continued)

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

(j) Impairment of non-financial assets

At the end of each reporting period the company determines whether there is an evidence of an impairment indicator for non-financial assets. Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated. Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated. The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(k) Intangible assets

Franchise fees (including renewal fees) are initially recorded at cost and amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of the intangible assets, from the date that they are available for use. Franchise fees are amortised at a rate of 20% per annum.

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

(l) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, deposits available on demand and short-term investments (with original maturities of three months or less) which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(m) Trade and other receivables

Trade and other receivables are recognised initially at fair value and are subsequently measured at amortised cost, less any provision for doubtful debts. Trade and other receivables are due for settlement usually no more than 30 days from the date of recognition.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for expected credit losses is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the assets carrying amount and the present value of estimated cash flows, discounted at the effective interest rate. The amount of the provision is recognised through profit or loss.

Notes to the Financial statements (continued)

For the year ended 30 June 2024

1 Summary of material accounting policies (continued)

(n) Employee benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The liability for annual leave is recognised in the provision for employee benefits. All other short term employee benefit obligations are presented as payables. Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurement for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(o) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of the recognition of the liability.

(p) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares which vest immediately are recognised as a deduction from equity, net of any tax effects.

(q) Dividends

Provision is made for the amount of any dividends declared that have been appropriately authorised and are no longer at the discretion of the company, on or before the end of the financial year but that have not been paid at that date.

(r) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to members of the company by the weighted average number of ordinary shares outstanding during the year.

Notes to the Financial statements (continued)

For the year ended 30 June 2024

1 Summary of material accounting policies (continued)

(s) Comparative figures

Comparatives are consistent with prior years, unless otherwise stated. When required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

2 Critical accounting estimates and judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - estimated useful life and impairment of assets

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

The company assesses impairment of assets at the end of each reporting period by evaluating the conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value in use calculations which incorporate assumptions of the economic benefits expected to be received through the use of the assets.

Key estimates - property, plant and equipment held at fair value

The company undertakes an assessment of the fair value of property, plant and equipment each year.

An independent valuation of properties (land and buildings) carried at fair value was obtained on 24 November 2023. The directors have reviewed this valuation and updated it based on valuation indexes for the area in which the property is located. The valuation is an estimation which would only be realised if the property is sold.

Note 22 provides information on inputs and techniques to determine valuation.

Key estimates - employee benefits provisions

The company uses estimates to determine the current value of future obligations for employee benefits. The estimates are based on assumptions of future wage growth and consumer price index movements. The likelihood of employees reaching a period of service resulting in the employee benefits becoming unconditional and when an employee benefit obligation is likely to be settled are also estimated.

Key judgements - revenue recognition

The company exercises judgement in determining the amounts and timing of revenue to be recognised in the reporting period in accordance with the accounting policies.

2 Critical accounting estimates and judgments (continued)

Key judgements - leases

The company exercises judgement in determining;
- whether a contract is or contains a lease;
- whether the company has a right to direct use of the identified asset;
- whether the company obtains substantially all the economic benefit from the use of the asset;
- whether the company is reasonably certain to exercise extension options; and
- the discount rate, where the implicit rate cannot be readily determined.

Key judgements - income tax

The company is subject to income tax and significant judgement is required in determining the recognition of deferred tax assets. Deferred tax assets are only recognised which it is considered sufficient future profits will be generated to make use of the deferred tax asset. The estimates of future profits is based on the company's assessment of expected future cash flows.

Notes to the Financial statements (continued)

For the year ended 30 June 2024

	2024 $	2023 $
3 Revenue and other income		
Revenue from contracts with customers		
Margin income	**615,525**	691,511
Fee income	**38,521**	40,677
Commission income	**63,563**	60,598
	717,609	792,786
Other income		
Interest received	**23,541**	8,225
Market development fund income	**-**	21,250
	23,541	29,475
	741,150	822,261
4 Depreciation and amortisation		
Depreciation		
Buildings	**8,948**	8,772
Plant and equipment	**2,324**	5,718
Furniture, fixtures and fittings	**2,034**	4,018
Motor vehicles	**1,547**	2,064
	14,853	20,572
Amortisation		
Licenses and franchises	**14,279**	14,375
	14,279	14,375
	29,132	34,947
5 Employment expenses		
Wages and salaries	**244,692**	216,335
Superannuation contributions	**26,960**	22,516
Fringe benefits tax	**3,473**	3,546
Movement in provision for employee entitlements	**9,425**	434
Other employment expenses	**9,153**	8,570
	293,703	251,401

Notes to the Financial statements (continued)

For the year ended 30 June 2024

		2024	2023
		$	$
6	**Operating expenses**		
	Accounting fees	**29,350**	22,630
	Advertising and marketing	**4,431**	3,332
	Automatic teller machine expenses	**9,204**	8,074
	Auditors remuneration	**6,500**	6,100
	Bank charges	**116**	179
	Delivery costs	**5,125**	4,168
	Entertainment	**3,560**	1,587
	Filing fees	**1,671**	1,346
	Information technology expenses	**26,950**	26,695
	Insurance	**13,178**	12,693
	Loss on disposal of assets	**397**	-
	Motor vehicle expenses	**3,489**	3,974
	Occupancy expenses	**12,160**	14,918
	Office expenses	**8,865**	9,690
	Share registry services	**6,573**	4,488
	Subscriptions	**826**	720
	Other operating expenses	**8,274**	19,684
		140,669	140,278

Notes to the Financial statements (continued)

For the year ended 30 June 2024

	2024 $	2023 $
7 Charitable donations and sponsorships		
Community donations and sponsorship		
Bendigo Bank Community Sponsorship	**-**	121
Coongulla Reserve Committee of Management	**500**	500
Cowwarr Primary School	**2,562**	-
Cowwarr Football Netball Club	**-**	5,000
Gippsland Woodcraft Group	**2,500**	-
Ducks Cup	**63**	-
Heyfield Anglican Church	**2,000**	-
Heyfield Bowls Club Inc	**-**	5,000
Heyfield Childrens Charity	**200**	182
Heyfield Cricket Club	**-**	5,000
Heyfield & District Vintage Machinery	**-**	3,350
Heyfield Food & Wine Festival	**-**	184
Heyfield Football Netball Club	**3,992**	400
Heyfield Golf Club	**273**	273
Heyfield Hospital	**5,070**	-
Heyfield Primary School	**4,909**	-
Heyfield Resource Centre	**-**	1,037
Heyfield Tennis Club	**-**	500
Heyfield Timber Festival	**3,125**	-
Latrobe Regional Health Better Care Appeal	**3,000**	-
Rally for Remy	**500**	-
St Michaels Primary School	**-**	400
Volunteer week	**110**	-
	28,804	21,947
Other charitable donations		
Bendigo Community Enterprise Foundation	**-**	94,241
	-	94,241
	28,804	116,188

	2024	2023
	$	$

8 Auditors' remuneration

	2024 $	2023 $
Remuneration of the auditor, CountPro Audit Pty Ltd, for:		
Audit and review of financial statements	**6,500**	6,100
	6,500	6,100
Remuneration of related entity, CountPro Pty Ltd, for:		
Accounting and other non-assurance services	**29,350**	22,630
	29,350	22,630
	35,850	28,730

Accounting and other non-assurance services include financial statement preparation and a range of accounting and taxation services. Phillip Brown, Director of CountPro Pty Ltd, is engaged to provide these services. No person involved in the provision of audit services is involved in the provision of non-assurance services to the company.

9 Income tax expense

(a) The major components of tax expense comprise:

	2024 $	2023 $
Current tax expense	**67,054**	70,488
Deferred tax benefit	**(3,953)**	(2,456)
Income tax expense	**63,101**	68,032

(b) Reconciliation of income tax to accounting profit:

	2024 $	2023 $
Prima facie tax on profit before income tax at 25% (2023: 25%)	**62,211**	69,862
Add/(less) tax effect of:		
- non deductible expenses	**890**	397
- technology boost tax concession	**-**	(2,227)
Income tax expense	**63,101**	68,032
Weighted average effective tax rate	**25.35%**	24.35%

(c) Income tax relating to each component of other comprehensive income:

	2024			2023		
	Before-tax amount	**Tax expense**	**Net-of-tax amount**	Before-tax amount	Tax expense	Net-of-tax amount
	$	**$**	**$**	$	$	$
Net gain on revaluation of land and buildings	**150,738**	**(37,685)**	**113,053**	-	-	-
	150,738	**(37,685)**	**113,053**	-	-	-

		2024 $	2023 $
10	**Cash and cash equivalents**		
	Current		
	Cash on hand	**50**	50
	Bank balances	**263,649**	172,411
	Short term deposits	**417,430**	210,044
		681,129	382,505
11	**Trade and other receivables**		
	Current		
	Trade receivables	**63,152**	75,941
	Accrued income	**1,346**	1,307
		64,498	77,248

The majority of the trade debtors owing to the Company are from the Bendigo and Adelaide Bank Limited, which is the source of the majority of the Company's income. The Company monitors whether its trade debtors are 'past due'. Amounts are considered to be 'past due' when the debt has not been settled within the terms and upon the conditions agreed between the Company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment based on an expected credit loss basis. At the reporting date none of the receivables of the Company were 'past due' (2023: none past due).

		2024 $	2023 $
12	**Other financial assets**		
	Current		
	Term deposits	**158,426**	302,310
		158,426	302,310

Notes to the Financial statements (continued)

For the year ended 30 June 2024

		2024	2023
		$	$
13	**Property, plant and equipment**		
	Land and buildings		
	Freehold land		
	At fair value (i)	**175,000**	69,121
		175,000	69,121
	Buildings		
	At fair value (i)	**365,000**	350,879
	Accumulated depreciation	**(4,526)**	(26,316)
		360,474	324,563
		535,474	393,684
	Plant and equipment		
	Plant and equipment		
	At cost	**99,528**	99,592
	Accumulated depreciation	**(84,605)**	(86,073)
		14,923	13,519
	Furniture, fixtures and fittings		
	At cost	**194,969**	194,231
	Accumulated depreciation	**(190,820)**	(188,786)
		4,149	5,445
	Motor vehicles		
	At cost	**27,897**	27,897
	Accumulated depreciation	**(23,257)**	(21,710)
		4,640	6,187
		23,712	25,151
		559,186	418,835

(i) The Directors value land and buildings annually based on periodic, but ordinarily triennial, independent valuations by an appropriately qualified property valuer. The fair value model is applied to all land and buildings held by the company. The value of land and buildings comprises two properties which have been valued at $540,000 by the market approach method, based on independent valuations carried out on 24 November 2023 by Gippsland Property Valuations, and were initially adopted by the Directors as at 31 December 2023.

The Directors have assessed that the carrying value of each of the properties at 30 June 2024 are not materially different to the fair value of the land and buildings.

Notes to the Financial statements (continued)

For the year ended 30 June 2024

13 Property, plant and equipment (continued)

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

2024

	Freehold land	Buildings	Plant and equipment	Furniture, fixtures and fittings	Motor vehicles	Total
	$	$	$	$	$	$
Balance at the beginning of year	**69,121**	**324,563**	**13,519**	**5,445**	**6,187**	**418,835**
Additions	**-**	**-**	**4,125**	**738**	**-**	**4,863**
Disposals at written down value	**-**	**-**	**(397)**	**-**	**-**	**(397)**
Depreciation expense	**-**	**(8,948)**	**(2,324)**	**(2,034)**	**(1,547)**	**(14,853)**
Revaluation increment	**105,879**	**44,859**	**-**	**-**	**-**	**150,738**
Balance at the end of the year	**175,000**	**360,474**	**14,923**	**4,149**	**4,640**	**559,186**

2023

	Freehold land	Buildings	Plant and equipment	Furniture, fixtures and fittings	Motor vehicles	Total
	$	$	$	$	$	$
Balance at the beginning of year	69,121	333,335	16,956	9,463	8,251	437,126
Additions	-	-	2,281	-	-	2,281
Depreciation expense	-	(8,772)	(5,718)	(4,018)	(2,064)	(20,572)
Balance at the end of the year	69,121	324,563	13,519	5,445	6,187	418,835

Notes to the Financial statements (continued)

For the year ended 30 June 2024

	2024 $	2023 $
14 Intangible assets		
Non-current		
Licenses and franchises		
At cost	**73,384**	73,384
Accumulated amortisation and impairment	**(46,664)**	(32,385)
	26,720	40,999

(a) Movements in carrying amounts of intangible assets

	2024 $	2023 $
Licenses and franchises		
Balance at the beginning of the year	**40,999**	55,374
Amortisation	**(14,279)**	(14,375)
Balance at the end of the year	**26,720**	40,999

15 Tax assets and liabilities

(a) Current tax liability

	2024 $	2023 $
Income tax payable	**11,017**	56,105
	11,017	56,105

(b) Deferred tax liability

	2024 $	2023 $
Net deferred tax liabilities/(assets) relate to the following:		
Revaluations of land and buildings	**69,871**	32,858
Depreciation timing differences	**5,929**	6,288
Employee provisions	**(6,932)**	(4,575)
Expenses not deductible until paid	**(1,343)**	(1,233)
Other items	**336**	792
	67,861	34,130

Deferred tax expense included in income tax expense at note 9(a) comprises the increases and decreases in net deferred tax liabilities excluding the deferred tax expense included in other comprehensive income.

Notes to the Financial statements (continued)

For the year ended 30 June 2024

16 Trade and other payables

	$	$
Current		
Accrued expenses	**12,974**	10,848
Dividends payable	**7,105**	6,262
Trade payables	**9,297**	8,107
GST payable	**18,594**	16,355
Other payables	**4,852**	4,049
	52,822	45,621

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

17 Employee benefits

	$	$
Current		
Annual leave	**8,978**	4,789
Long service leave	**18,352**	8,974
	27,330	13,763
Non-current		
Long service leave	**398**	4,540
	398	4,540
	27,728	18,303

Notes to the Financial statements (continued)

For the year ended 30 June 2024

		2024 $	2023 $
18	**Issued capital**		
	450,009 (2023: 450,009) ordinary shares	**450,009**	450,009
		450,009	450,009

		2024 No.	2023 No.
(a)	**Ordinary shares**		
	At the beginning of the reporting period	**450,009**	450,009
	At the end of the reporting period	**450,009**	450,009

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At a shareholders meeting each shareholder is entitled to one vote when a poll is called or on a show of hands.

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

(b) Capital management

The key objectives of the company when managing capital is to maintain a strong capital base in order to ensure the future operations of the Company. The company defines capital as its total equity as recorded in the Statement of Financial Position.

In accordance with the franchise agreement and subject to the amount permitted to be distributed under the *Corporations Act 2001*, the funds able to be distributed to shareholders in any 12 month period must not exceed the 'Dividend & Other Distribution' clause limit.

The 'Dividend & Other Distribution' clause limits any dividends to the greater of:
i) 20% of the total of the profit for the year plus accumulated profits from prior years plus community contributions made in the year.
ii) The average 90 day bank bill swap rate over the financial year plus 5% multiplied by the paid up share capital at the end of the financial year.

The directors manage the capital of the company and make funding decisions based on the prevailing economic environment and have a number of tools available to manage capital. These include access to debt, the ability to adjust the size and timing of dividends paid to shareholders, the management of the amounts paid in community contributions and sponsorships and the issue of new shares.

There has been no change to capital management policies during the year. There are no other externally imposed capital requirements.

	2024 $	2023 $
19 Dividends		
Fully franked ordinary dividends totalling 8.0 cents per share were declared and paid (2023: 4.0 cents per share)	**36,001**	18,000
	36,001	18,000

Franked dividends declared or paid during the year were franked at the tax rate of 25% (2023: 25%).

20 Earnings per share

	2024 Cents	2023 Cents
Basic earnings per share (cents)	**41.27**	46.98

	2024 $	2023 $
Earnings used to calculate overall earnings per share (dollars)	**185,741**	211,415

	2024 No.	2023 No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic earnings per share	**450,009**	450,009

21 Financial risk management

The company is exposed to a variety of financial risks through its use of financial instruments.

The company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets. The company does not speculate in financial assets. The board has established an audit committee which reports regularly to the board.

The most significant financial risks to which the company is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk

There have been no substantial changes in the types of risks the company is exposed to, how the risks arise, or the board's objectives, policies and processes for managing or measuring the risks since the previous period.

Notes to the Financial statements (continued)

For the year ended 30 June 2024

21 Financial risk management (continued)

Financial instruments

The principal categories of financial instrument used by the company are:
- Trade receivables
- Cash at bank
- Deposits with banks
- Trade and other payables

The totals of each category of financial instrument measured in accordance with AASB 9 *Financial Instruments* are as follows:

	2024 $	2023 $
Financial assets		
Cash and cash equivalents	**681,129**	382,505
Trade and other receivables	**64,498**	77,248
Other financial assets	**158,426**	302,310
	904,053	762,063
Financial liabilities		
Trade and other payables	**52,822**	45,621
	52,822	45,621

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the company.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

The company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The company has a concentration of credit risk as a result the financial dependency on Bendigo and Adelaide Bank Limited with virtually all of the company's bank deposits, trade receivables and financial assets being with Bendigo and Adelaide Bank Limited. The company's exposure to credit risk is limited to Australia by geographic area.

The company does not have any financial assets that are past due (2023: nil past due) and, based on historic performance, the company believes that no impairment charge is necessary in respect of financial assets.

The credit risk for trade receivables, liquid funds and other short-term financial assets is considered negligible, since the counterparty, Bendigo and Adelaide Bank Limited, are a reputable bank with high quality external credit ratings.

21 Financial risk management (continued)

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The company ordinarily holds relatively short term fixed term investments which it retains to maturity resulting in minimal exposure to market risk on these investments.

(c) Interest rate risk

The company is exposed to interest rate risk as funds are borrowed and invested at floating and fixed rates. Borrowings and investments issued at fixed rates expose the company to fair value interest rate risk.

The company's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At the reporting date, the company is exposed to changes in market interest rates through its bank borrowings, which are subject to variable interest rates.

(d) Liquidity risk

Liquidity risk arises from the company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the company will encounter difficulty in meeting its financial obligations as they fall due.

The company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The company maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

At the reporting date, these reports indicate that the company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

The company's financial assets and liabilities have maturities which are summarised below:

	Weighted average effective interest rate		**Within 1 year**		**Total**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
	%	**%**	**$**	**$**	**$**	**$**
Financial assets						
Cash and cash equivalents	**4.56**	3.10	**681,129**	382,505	**681,129**	382,505
Trade and other receivables	**-**	-	**64,498**	77,248	**64,498**	77,248
Other financial assets	**4.70**	3.80	**158,426**	302,310	**158,426**	302,310
			904,053	762,063	**904,053**	762,063
Financial liabilities						
Trade and other payables	**-**	-	**52,822**	45,621	**52,822**	45,621
			52,822	45,621	**52,822**	45,621

Notes to the Financial statements (continued)

For the year ended 30 June 2024

21 Financial risk management (continued)

(e) Fair value estimates

The directors estimates of the fair value of financial assets and liabilities are presented in the following table and compared to their carrying amounts as presented in the Statement of Financial Position. Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied to the market since their initial recognition by the company.

	2024		2023	
	Carrying amount $	Fair value $	Carrying amount $	Fair value $
Financial assets				
Cash and cash equivalents (i)	681,129	681,129	382,505	382,505
Trade and other receivables (i)	64,498	64,498	77,248	77,248
Other financial assets	158,426	158,426	302,310	302,310
	904,053	904,053	762,063	762,063
Financial liabilities				
Trade and other payables (i)	52,822	52,822	45,621	45,621
	52,822	52,822	45,621	45,621

(i) Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values.

22 Fair value measurement

The company measures the following assets and liabilities at fair value on a recurring basis:

- Freehold land and buildings

(a) Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

Notes to the Financial statements (continued)

For the year ended 30 June 2024

22 Fair value measurement (continued)

(a) Fair value hierarchy (continued)

The table below shows the assigned level for each asset and liability held at fair value by the company:

30 June 2024	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements				
Freehold land and buildings	**-**	**535,474**	**-**	**535,474**

30 June 2023	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements				
Freehold land and buildings	-	393,684	-	393,684

Level 2 measurements

The revaluation of freehold land and buildings to their fair value is determined by the Directors each year based on independent valuations undertaken by an independent qualified valuer at least every three years and taking into consideration current market conditions and recent observable market data.

Transfers between levels of the hierarchy

There were no transfers between levels of the fair value hierarchy.

Highest and best use

The current use of each asset measured at fair value is considered to be its highest and best use.

22 Fair value measurement (continued)

(b) Valuation techniques

The company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the company are consistent with one or more of the following valuation approaches:

- *Market approach*: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach*: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach*: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available are developed using the best information available about such assumptions and are considered unobservable.

Valuation techniques and inputs used to measure Level 2 fair values

Description	Fair value at 30 June 2024 $	Description of valuation techniques	Inputs used
Freehold land and buildings	535,474	Market approach	Independent valuation every three years

The fair value of freehold land and buildings is determined at least every three years based on valuations by an appropriately qualified and independent valuer. At the end of each intervening period, the directors review the carrying value and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data and discounted cash flow methodologies.

There were no changes during the period in the valuation techniques used by the company to determine Level 2 fair values.

23 Key management personnel and other related parties

Any person having authority or responsibility for planning, directing or controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) are considered to be Key Management Personnel.

Other related parties include close family members of Key Management Personnel and entities that are controlled or jointly controlled by those Key Management Personnel, individually or collectively with their close family members.

(a) 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.

During the year the company purchased goods and services and made grants to community groups with related party relationships as follows:

(i) During the year sponsorships totalling $3,992 (2023: $400) was paid to Heyfield Football and Netball Club. The sponsorship requests were received and approved in accordance with the normal process for sponsorship approval. One of the directors of the company is a member of the Heyfield Football and Netball Club.

(ii) During the year sponsorship of $300 (2023: $300) was paid to Heyfield Golf Club. The sponsorship requests were received and approved in accordance with the normal process for sponsorship approval. One of the directors of the company is a member of the Heyfield Golf Club.

(iii) During the year $80 of membership (2023: $80) was paid to Heyfield Traders & Tourism Association. The membership requests were received and approved in accordance with the normal process for sponsorship approval. One of the directors of the company is president of Heyfield Traders & Tourism Association.

(iv) During the year $196 (2023: nil) were paid to Top Pub for hospitality provided. The services were provided under normal commercial terms. Top Pub is owned and operated by a current director of the company.

(v) During the year $746 (2023: $1,256) was paid to Heyfield LPO for postage, printing and stationery. The products and services were provided under normal commercial terms. Heyfield LPO is owned and operated by a current director of the company.

(vi) During the year $306 (2023: nil) was paid to Cafe 3858 for hospitality provided. The services were provided under normal commercial terms. Cafe 3858 is owned and operated by a current director of the company.

(vii) During the year one of the directors was also employed as company secretary. The director received gross salary, in accordance with their contract of employment, totalling $28,310 and superannuation guarantee contributions of $3,269 (2023: gross salary of $5,110 and super guarantee contributions of $536). The wages and superannuation paid have been included in the total employment expenses for the year.

(viii) During the year no amounts of sponsorship (2023: $5,000) were paid to Heyfield Cricket Club. The sponsorship requests were received and approved in accordance with the normal process for sponsorship approval. One of the directors of the company is a member of the Heyfield Cricket Club.

(ix) During the year no amounts (2023: $19,855) were paid to Top Squad Pty Ltd for secretarial and administrative services provided. The services were provided under normal commercial terms. Top Squad Pty Ltd is owned and operated by a retired director of the company.

Notes to the Financial statements (continued)

For the year ended 30 June 2024

23 Key management personnel and other related parties (continued)

(b) Key management personnel shareholdings

The key management personnel (and their related parties) held the following numbers of shares in Heyfield & District Community Financial Services Limited during the financial year:

	2024 No.	2023 No.
Mark Cox	**-**	-
Jamie Riley	**-**	-
Fiona Gardiner	**-**	-
Gael McGee	**500**	500
Glen Synnott	**-**	-
Gordon Rorison	**10,500**	10,500
Reece Mizzi	**-**	-
Terence Fitzgerald	**-**	-

There have been no changes in shareholdings of key management personnel during the year. Each share held has a paid up value of $1.00 and is fully paid.

(c) Community Bank Directors' Privileges Package

The board has adopted the Community Bank Directors' Privileges Package. The package is available to all directors, who can elect to receive the benefits based on their personal banking with the Community Bank branch at Heyfield. There is no requirement to own Bendigo and Adelaide Bank Limited shares and there is no qualification period to qualify to utilise the benefits. The package mirrors the benefits currently available to Bendigo and Adelaide Bank Limited shareholders. The total benefits received by the directors from the Directors' Privilege Package are nil for the year ended 30 June 2024 (2023: nil).

(d) Key management personnel compensation

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.

Notes to the Financial statements (continued)

For the year ended 30 June 2024

		2024 $	2023 $
24	**Cash flow information**		
	Reconciliation of net income to net cash provided by operating activities:		
	Profit for the year	**185,741**	211,415
	Non-cash flows in profit:		
	- amortisation	**14,279**	14,375
	- depreciation	**14,853**	20,572
	- net loss on disposal of plant and equipment	**397**	-
	Changes in assets and liabilities:		
	- (increase)/decrease in trade and other receivables	**12,750**	(26,164)
	- (increase)/decrease in deferred tax liabilities	**33,731**	(2,456)
	- increase/(decrease) in trade and other payables	**6,358**	3,793
	- increase/(decrease) in income taxes payable	**(82,772)**	54,234
	- increase/(decrease) in provisions	**9,425**	435
	Cashflows from operations	**194,762**	276,204

25 Contingencies

In the opinion of the directors, the company did not have any contingent assets or liabilities at 30 June 2024 (2023: nil).

26 Events occurring after the reporting date

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

27 Statutory information

The registered office of and principal place of business of the company is:

Heyfield & District Community Financial Services Ltd
54-56 Temple Street
Heyfield VIC 3858

Consolidated Entity Disclosure Statement

For the Year Ended 30 June 2024

The company has no controlled entities and, therefore, is not required by Australian Accounting Standards to prepare consolidated financial statements. As a result, section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

Directors' declaration

The directors of the company declare that:

1. the financial statements and notes for the year ended 30 June 2024, as set out on pages 5 to 39, are in accordance with the *Corporations Act 2001* and:

    a. comply with Accounting Standards, which, as stated in the basis of preparation note to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

    b. give a true and fair view of the financial position as at 30 June 2024 and performance of the company for the year ended on that date;

2. In the directors' opinion, the consolidated entity disclosure statement is true and correct.

3. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director .... Mark Cox

Director .... Fiona Gardiner

Dated: 25 September 2024

Independent audit report

Heyfield & District Community Financial Services Ltd

Independent Audit Report to the members of Heyfield & District Community Financial Services Ltd

Opinion

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

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year ended; 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* (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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free from 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 to 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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Heyfield & District Community Financial Services Ltd

Independent Audit Report to the members of Heyfield & District Community Financial Services Ltd

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, related safeguards.

CountPro Audit Pty Ltd
....
CountPro Audit Pty Ltd

....
Jason D. Hargreaves
Director

180 Eleanor Drive, Lucas

Dated: 26 September 2024

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Bendigo Bank