Annual Report 2023

Lancefield & Romsey Community Financial Services Limited

Community Bank
Lancefield and Romsey

ABN 44 093 517 714

Contents

Chairman's report.

For year ending June 30 2023.

I am pleased to be reporting to you as the Chairman of our Lancefield & Romsey Community Financial Services Limited, with Community Bank branches in Lancefield and Romsey in our twenty second year.

With COVID lockdowns behind us, our Community Bank branches have enjoyed significant involvement with our communities, with many more events and activities being able to be held. This has given the community and our Community Bank branches the opportunity to bring to life some of the significant 246 ideas generated through our community forum held in February 2022.

Our net profitability, before our investment in the community, directly and through our investment in the Community Enterprise Foundation™ and tax expense, was $1,445,225 (after community investment, our net profit before tax was $307,968). This represents the largest profit ever made by Lancefield & Romsey Community Financial Services Limited. This profitability allowed us to make a significant donation to the Community Enterprise Foundation™ and investment in our community of $1,137,257. This amount allows us to invest in our communities and build a fund for future investments in our community. Revenue for the year increased to $2,641,349 (FY22 $1,668,872) largely driven by margin income generated from differentials in interest rates with operating expenses only marginally increasing. Our ongoing profitability allowed us to declare a total annual dividend of 10 cents per share.

This year, directly and through the Community Enterprise Foundation™, we have been able to make investments in the community of $304,969. Again, we were delighted to support sixteen students with scholarships and bursaries assisting them with their studies and development. During the financial year, our Community Investment Program (grants and sponsorships) contributed to many local groups including new scoreboards for both Lancefield and Romsey, RDFNL sponsorship, emergency services, Relay for Life, Romsey Region Business and Tourism Association (RRBATA), Macedon Ranges Photographic Society, the Neighborhood House and the Lancefield Tennis Club to name but a few.

It is this investment and co-contribution to our communities' wealth that is the foundation of the Community Bank model. A large proportion of our profits are invested back into the community in the form of grants and sponsorships. This allows our community to grow, having access to better services, bringing more customers to the doors of our Community Bank branches in Romsey and Lancefield to allow us to continue our contribution. The more customers who bank with Community Bank Lancefield and Romsey, the more we can invest in the community. It's a virtuous and incredibly powerful circle.

Our continued profitability and contribution to our community, demonstrates our teams' commitment to the branches, the customers and the community. Our thanks and congratulations to both of our branch teams, under the exemplary leadership of our Senior Branch Manager, Angela Dickins, for another strong year supporting our business in an ever-changing banking environment.

During the year, we were pleased to welcome Amanda Mullins as a director to the Board. Amanda is a Lancefield local and brings strong senior executive and governance experience to our board. I would like to acknowledge and thank Steve Thorogood, who served as our Treasurer and director, who retired from the board during the year.

I would like to thank our Company Secretary, Natalie Brown and our Marketing Officer, Lauren Harrison, for their outstanding contribution during their first year of service with us. Both have demonstrated their commitment not only to the company but also to the communities in which we serve.

I would like to sincerely thank all of our directors for their hard work and dedication to our Community Bank and for the enthusiast contribution they continue to make to ensure that we are feeding prosperity back into the community not feeding off it.

It all began with you, our shareholders – 22 years ago. Your faith, trust and commitment to our community allowed these Community Bank branches to begin. Thank you. With your support we will continue to grow and prosper and I very much look forward to building the wealth and prosperity of our community together.

S.M. Ewart

Suzie Ewart
Chairman

Senior Branch Manager's report.

For year ending June 30 2023.

As Senior Branch Manager, I am delighted to present my report for the 2023 financial year.

What a year it has been!

Throughout the year, we have seen significant changes within our team and community involvement, highlighting our commitment to growth, exceptional customer service and community engagement.

The end of the 2023 financial year saw our branch footings sitting at $273Mil and business overall holdings of $288Mil. The uncertainty of interest rates has seen an impact on our growth, with many people selling investment properties and paying down debt.

We have seen changes within the branches, farewelling Jodie Dobbs, Leanne Hammond and Rebecca Healey and we wish them all well in for their future endeavours. Congratulations to Amy Gauld on the arrival of little Lottie: we are looking forward to welcoming Amy back soon.

In turn we have welcomed, Jodie Schinck, Pete Klages, Chris Smith and Tanae Bannan into the team, bringing with them a wealth of unique skills and experience. Thank you to our staff who have adapted to the many changes, continuing to provide exceptional service to our customers during this period of change. We now have a team of 10 staff, full of diversity, experience, and specialised knowledge to assist our customers with the ever-changing banking scene.

I would personally like to thank the branch staff Leanne Showler, Karen Baloh, Lisa Day, Matthew Richardson, Pete Klages, Chris Smith, Tanae Bannon, Hamish Ryan & Jodie Schinck for their efforts and commitment to our customers.

With our dedicated Marketing officer, Lauren Harrison, we have seen a real shift in our community engagement. Our exciting community investment night was the highlight of the year. The Lancefield mechanics Institute was buzzing with excitement that I am sure that all who attended would agree.

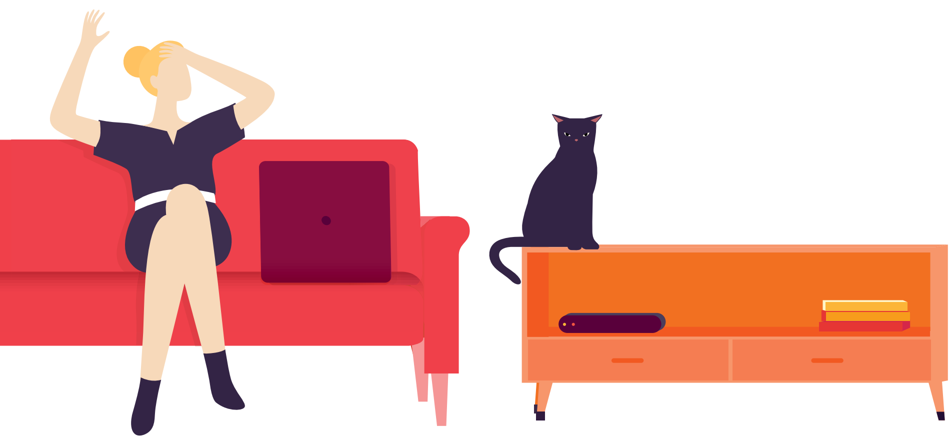
Some of the Highlights of the night include our contributions to the Lancefield & Romsey Football clubs – electronic scoreboards, Lancefield Cricket Club – veranda, Deep Creek Landcare group – showbags for the kids, Computer equipment for the Macedon Ranges photographic society and once again Scholarships for our local tertiary students to name just a few. As staff, we love seeing the outcomes of our commitment to the business and proud of the investment within the communities. I would like to thank Lauren for her work in this area, with our successful of the Community Investment information night in July this year showing how far we have come in investing in our communities.

Thank you to Suzie Ewart and the members of the board for their support to both me and the team. It is exciting to see how far we have come in the last 12 months, and this would not have been possible without their time and passion to invest in our local community and make such an impact on a local level. Also, to Natalie Brown, our company secretary, we thank her for her efforts in supporting the team.

Thanks to our customers and Shareholders for your continued support. I love being a part of the Community Bank and making an impact on a local level. Without the continued support of our shareholders and customers, we would not be able to do what we do.

Thank You

Angela Dickins
Senior Branch Manager



Directors' report.

Bendigo Bank

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

DIRECTORS

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

NAME: SUZANNE EWART

Title: Non-executive director

Experience and expertise: Non-Executive Director and Business Advisor. Bachelor of Economics, CPA and Fellow of the Australian Institute of Company Directors. Suzanne is a Company Director and business advisor with a strong background in strategy, treasury, risk management and finance for some of Australia's major ASX listed companies including NAB, BTR Nylex, Pacific Dunlop,

Fosters Group and Woodside Petroleum. She has served on several boards and has expansive corporate governance and leadership skills drawn from many year's experience in large global businesses. Her board and business experience cover a range of sectors including health, biotech, education, financial services and infrastructure. She is Chairman of Butn Led (ASX:BTN) and a director of Dexus Wholesale Funds Ltd. She was former Chair of .au Domain Administration, Peter MacCallum Cancer Institute, Cell Therapies and Box Hill Institute, a director of Treasury Corporation Victoria and TT Line Pty Ltd.

Special responsibilities: Board Chair since June 2018, member of Finance & Audit Committee, member of Governance & Risk Committee

NAME: ROBERT WILLIAM BRYANT

Title: Non-executive director

Experience and expertise: Robert was a Director on the Board of a public company from 1996 to 1999. Robert brings his extensive local community awareness and retail expertise to his Directorship, having been a local Hardware Owner/Operator since 2000.

Special responsibilities: Chair of Property Committee and member of Marketing & Community Investment Committee

NAME: BEVERLEY ANNE BEAUMONT

Title: Non-executive director

Experience and expertise: Extensive experience and exposure in a number of business management, administration, retail and human resources roles within several companies including Mobil Oil, Balgee Oil, and Ardmona Fruits. An active member / volunteer in the local community, most recently as President of Romsey Tennis Club overseeing the upgrade of facilities, member of Romsey Sporting Association and having also served as Councillor on Romsey Primary School Council.

Special responsibilities: Chair of Marketing & Community Investment Committee and member of Governance & Risk Committee

NAME: JOHN JOSEPH ROACH

Title: Non-executive director

Experience and expertise: John has previously held positions of CEO AUSVEG, the peak body for the vegetable industry in Australia; CEO of Fresh State Ltd and the Melbourne Markets Credit Service; and Executive Director of Fresh Markets Australia, the peak body for fruit and vegetable wholesalers in Australia; Industry Marketing Coordinator - Agriculture and PNG for the Pacific Labour Scheme. Experience includes over 20 years both as a Chair and a Director on both Government and Industry Councils / bodies at national and state levels. Employment skills include over a decade as a national CEO / Executive Director, very strong in stakeholder engagement; financial and organisational governance; leadership; and commercial acumen. Graduate Management Qualification (AGSM), Certificate in Agriculture.

Special responsibilities: Member of the Property Committee and Marketing & Community Investment Committee Lancefield & Romsey Community Financial Services Limited

Directors' report. (continued)

Lancefield & Romsey Community Financial Services Limited - 30 June 2023

NAME: GRAEME CHARLES KELLY

Title: Non-executive director

Experience and expertise: Graeme is an experienced executive, including 13 years CEO experience, non-executive director experience since 2000, Graduate of the Australian Institute of Company Directors and a member of the Alumnus Harvard Business School (SPNM 2010). He holds a Master Degree of Business (Organisation Dynamics) and is currently an interim CEO.

Special responsibilities: Chair of Governance & Risk Committee

NAME: GRAEME JOHN BRUCE

Title: Non-executive director

Experience and expertise: Graeme brings both business and Board experience from previous roles with major international consulting firms and NFP boards. A former lecturer in accounting, qualified Financial Planner and Company Secretary, he has extensive experience, both in Australia and in global roles particularly with major international firm Deloitte Consulting as their Regional Director of Operations. Strong accountancy and management background, particularly in process improvement, benchmarking and operations management. Now a full-time farmer, he is focused on improving returns from older cows and sheep.

Special responsibilities: Member Finance & Audit Committee

NAME: AMANDA MARIE MULLINS

Title: Non-executive director (appointed 6 February 2023)

Experience and expertise: Amanda holds a Bachelor of Health Science (Nursing), Graduate Diploma in Critical Care Nursing and a Master of Business Administration. Amanda is the CEO and Company Secretary of Nexus Primary Health (2020-Current). Amanda is also a current Member of the Australian Institute of Company Directors, completing her Company Directors Course in 2020.

Special responsibilities: Nil

NAME: STEPHEN BRUCE THOROGOOD

Title: Non-executive director (resigned 15 February 2023)

Experience and expertise: Stephen is the Business Manager for Romsey and Lancefield Medical Centres. Previously he was the National Australian Manager for Mainfreight International and spent 36 years in the International logistics Industry before taking on the General Manager role at Danihers Facility Management. He has previously been the President of the Romsey Lancefield Junior Football Club for 8 years as well as a director of the World Air Cargo Organization (headquartered in the UK) from 2011 to 2015. Stephen is also a 20 year member of the Australian Institute of Management and a Licensed Customs Broker.

Special responsibilities: Member of Marketing & Community Investment Committee and Finance & Audit Committee.

Company secretary

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

- Natalie Belinda Brown was appointed company secretary on 4 July 2022
- Graeme John Bruce was appointed as interim company secretary on 13 May 2022 and ceased on 7 July 2022

Experience and expertise: Prior to joining Lancefield & Romsey Community Financial Services Ltd, Natalie Brown was Managing Director of her family's business, Quick Set Concrete & Construction, for over ten years providing organisational, management and administration expertise to the business. Natalie also has a Diploma of Children's Services and has worked as an Assistant Director with a Child Care Centre.

Principal activity

The principal activity of the company during the financial year was facilitating Community Bank services under management rights of Bendigo and Adelaide Bank Limited (Bendigo Bank).

There have been no significant changes in the nature of this activity during the financial year.

Review of operations

The profit for the company after providing for income tax amounted to $230,370 (30 June 2022: $152,870).

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

Dividends

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

2023	Cents per share	Total amount $
Fully franked dividend of 10 cents per share (2022: 7 cents)	**7.00**	**101,070**

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments

The company will continue its policy of facilitating banking services to the community.

Environmental regulation

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

Meetings of directors

The number of directors meetings (including meetings of committees of directors) attended by each of the directors of the company during the financial year were:

	Board meetings attended		Committee Meetings Attended							
			Finance and audit		Governance & Risk		Marketing & Community Investment		Property	
Director	E	A	E	A	E	A	E	A	E	A
Suzanne Ewart	12	11	6	6	4	4	-	-	1	1
Robert William Bryant	12	11	-	-	-	-	3	2	1	1
Beverley Anne Beaumont	12	11	-	-	4	4	7	7	-	-
John Joseph Roach	12	12	-	-	-	-	7	7	1	1
Graeme Charles Kelly	12	11	6	5	4	4	-	-	-	-
Graeme John Bruce	12	11	6	6	-	-	-	-	-	-
Stephen Bruce Thorogood	5	4	3	3	-	-	3	3	-	-
Amanda Marie Mullins	4	4	-	-	2	1	-	-	-	-

E Eligible **A** Attended

Directors' benefits

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

Directors' interests

The interest in company shareholdings for each director are:

	Fully paid ordinary shares		
	Balance at start of year	Changes during the year	Balance at end of year
Suzanne Ewart	-	-	-
Robert William Bryant	3,750	-	3,750
Beverley Anne Beaumont	-	-	-
John Joseph Roach	-	-	-
Graeme Charles Kelly	-	-	-
Graeme John Bruce	-	-	-
Stephen Bruce Thorogood	-	-	-
Amanda Marie Mullins	-	-	-

Indemnity and insurance of directors and officers

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

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

Proceedings on behalf of the company

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

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

Indemnity and insurance of auditor

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

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

Non-audit services

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

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

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

Auditor's independence declaration

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

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

On behalf of the directors

S.M. Ewart

Suzanne Ewart, Chair

Dated this 4th September 2023

Auditor's independence declaration.

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

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

As lead auditor for the audit of Lancefield & Romsey Community Financial Services Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 4 September 2023

Joshua Griffin
Lead Auditor

afsbendigo.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

Financial statements.

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023.

	Note	2023 $	2022 $
Revenue from contracts with customers	6	2,641,399	1,668,872
Other revenue		10,000	43,643
Finance revenue		28,781	2,078
Total revenue		2,680,180	1,714,593
Employee benefits expense	7	(871,133)	(836,205)
Advertising and marketing costs		(20,234)	(23,414)
Occupancy and associated costs		(62,037)	(66,835)
System costs		(55,064)	(62,067)
Depreciation and amortisation expense	7	(78,945)	(86,359)
Finance costs		(8,678)	(9,119)
General administration expenses		(137,647)	(121,092)
Loss on disposal of assets		(1,217)	-
Total expenses before community contributions and income tax expense		**(1,234,955)**	**(1,205,091)**
Profit before community contributions and income tax expense		**1,445,225**	**509,502**
Charitable donations, sponsorships and grants expense	7	(1,137,257)	(304,969)
Profit before income tax expense		**307,968**	**204,533**
Income tax expense	8	(77,598)	(51,663)
Profit after income tax expense for the year	**18**	**230,370**	**152,870**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**230,370**	**152,870**
		¢	**¢**
Basic earnings per share	27	22.79	15.13
Diluted earnings per share	27	22.79	15.13

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

Financial statements. (continued)

Statement of Financial Position
for the year ended 30 June 2023.

	Note	2023 $	2022 $
Assets			
Current assets			
Cash and cash equivalents	9	897,280	860,242
Trade and other receivables	10	294,727	169,583
Current tax assets	8	-	25,800
Total current assets		**1,192,007**	**1,055,625**
Non-current assets			
Property, plant and equipment	11	1,582,906	1,557,657
Right-of-use assets	12	106,673	109,661
Intangible assets	13	54,645	80,587
Total non-current assets		**1,744,224**	**1,747,905**
Total assets		**2,936,231**	**2,803,530**
Liabilities			
Current liabilities			
Trade and other payables	14	37,048	74,826
Lease liabilities	15	15,553	13,890
Current tax liabilities	8	46,464	-
Employee benefits	16	76,325	82,622
Total current liabilities		**175,390**	**171,338**
Non-current liabilities			
Lease liabilities	15	135,778	142,632
Deferred tax liabilities	8	33,520	20,386
Employee benefits	16	3,481	10,753
Lease make good provision		6,504	6,163
Total non-current liabilities		179,283	179,934
Total liabilities		**354,673**	**351,272**
Net assets		**2,581,558**	**2,452,258**
Equity			
Issued capital	17	667,869	667,869
Retained earnings	18	1,913,689	1,784,389
Total equity		**2,581,558**	**2,452,258**

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

Bendigo Bank

Statement of changes in equity
for the year ended 30 June 2023.

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2021		**667,869**	**1,702,268**	**2,370,137**
Profit after income tax expense		-	152,870	152,870
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		**-**	**152,870**	**152,870**

Transactions with owners in their capacity as owners:

Dividends provided for	20	-	(70,749)	(70,749)
Balance at 30 June 2022		**667,869**	**1,784,389**	**2,452,258**

Balance at 1 July 2022		**667,869**	**1,784,389**	**2,452,258**
Profit after income tax expense		-	230,370	230,370
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		**-**	**230,370**	**230,370**

Transactions with owners in their capacity as owners:

Dividends provided for	20	-	(101,070)	(101,070)
Balance at 30 June 2023		**667,869**	**1,913,689**	**2,581,558**

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

Statement of cash flows for the year ended 30 June 2023.

	Note	2023 $	2022 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,802,068	1,864,882
Payments to suppliers and employees (inclusive of GST)		(2,574,310)	(1,616,374)
Interest received		14,617	2,078
Income taxes paid		(14,257)	(102,793)
Net cash provided by operating activities	**26**	**228,118**	**147,793**
Cash flows from investing activities			
Payments for property, plant and equipment	11	(67,240)	(1,120)
Net cash used in investing activities		**(67,240)**	**(1,120)**
Cash flows from financing activities			
Dividends paid	20	(101,070)	(70,749)
Repayment of lease liabilities	15	(22,770)	(21,920)
Net cash used in financing activities		(123,840)	(92,669)
Net increase in cash and cash equivalents		37,038	54,004
Cash and cash equivalents at the beginning of the financial year		860,242	806,238
Cash and cash equivalents at the end of the financial year	**9**	**897,280**	**860,242**

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

Notes to the financial statements.

For the year ending 30 June 2023.

NOTE 1. REPORTING ENTITY

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Registered office	Principal place of business
20A High Street, Lancefield VIC 3435	*20A High Street, Lancefield VIC 3435*
	105 Main Street, Romsey VIC 3434

A description of the nature of the company's operations and its principal activity is included in the directors' report, which is not part of the financial statements.

NOTE 2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB). The financial statements have been prepared on an accrual and historical cost basis, and are presented in Australian dollars, which is the company's functional and presentation currency.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 4 September 2023. The directors have the power to amend and reissue the financial statements.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

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

Changes in accounting policies, standards and interpretations

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

Current and non-current classification

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

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

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

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

Impairment

Non-derivative financial assets

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

Notes to the financial statements. (continued)

For the year ending 30 June 2023.
Note 3. Significant accounting policies (continued)

The company's trade receivables are limited to the monthly profit share distribution from Bendigo Bank, which is received 10

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

Non-financial assets

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

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

Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

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

NOTE 4. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets,

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

Fair value measurement hierarchy

The company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- **Level 1:** inputs are based on the quoted market price at the close of business at the end of the reporting period
- **Level 2:** inputs are based on a valuation performed by a third party qualified valuer using quoted prices for similar assets in an active market
- **Level 3:** unobservable inputs for the asset or liability.

Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets

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

Impairment of non-financial assets

The company assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined as the higher of its fair value less costs of disposal or value-in-use, each of which incorporate a number of key estimates and assumptions.

Recovery of deferred tax assets

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

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations, comparison of terms and conditions to prevailing market rates, incurrence of significant penalties, existence of significant leasehold improvements and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

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

Employee benefits provision

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

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

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

Lease make good provision

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

NOTE 5. ECONOMIC DEPENDENCY

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in August 2025.

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

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

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

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

Bendigo Bank provides significant assistance in establishing and maintaining the Community Bank franchise operations. It also continues to provide ongoing management and operational support and other assistance and guidance in relation to all aspects of the franchise operation, including advice and assistance in relation to:

- the design, layout and fit out of the Community Bank premises
- training for the branch manager and other employees in banking, management systems and interface protocol
- methods and procedures for the sale of products and provision of services
- security and cash logistic controls
- calculation of company revenue and payment of many operating and administrative expenses
- the formulation and implementation of advertising and promotional programs
- sales techniques and proper customer relations
- providing payroll services.

NOTE 6. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2023 $	2022 $
Margin income	2,429,265	1,459,752
Fee income	110,661	108,656
Commission income	101,473	100,464
	2,641,399	**1,668,872**

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

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

Bendigo Bank

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

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

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

Revenue calculation

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

Margin income

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

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

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

Commission income

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

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

Fee income

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

Core banking products

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

Ability to change financial return

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

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

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

Notes to the financial statements. (continued)

For the year ending 30 June 2023.

NOTE 7. EXPENSES

Employee benefits expense

	2023 $	2022 $
Wages and salaries	745,670	687,473
Non-cash benefits	(6,613)	-
Superannuation contributions	76,994	66,584
Expenses related to long service leave	(13,883)	(19,211)
Other expenses	68,965	101,359
	871,133	**836,205**

Depreciation and amortisation expense

Employee benefits expense	2023 $	2022 $
Depreciation of non-current assets		
Buildings	20,803	20,808
Leasehold improvements	3,019	11,121
Plant and equipment	15,578	16,354
Motor vehicles	1,374	-
	40,774	**48,283**

Depreciation of right-of-use assets	2023 $	2022 $
Leased land and buildings	12,229	12,133

Amortisation of intangible assets	2023 $	2022 $
Franchise fee	4,324	4,324
Franchise renewal fee	21,618	21,619
	25,942	**25,943**
	78,945	**86,359**

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

Leases recognition exemption

Depreciation of right-of-use assets	2023 $	2022 $
Expenses relating to low-value leases	20,594	28,741

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

Charitable donations, sponsorships and grants expense

	2023 $	2022 $
Direct donation, sponsorship and grant payments	46,348	41,811
Contribution to the Community Enterprise Foundation™ (CEF)	1,090,909	263,158
	1,137,257	**304,969**

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

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

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

NOTE 8. INCOME TAX

Income tax expense	2023 $	2022 $
Current tax	64,464	55,058
Movement in deferred tax	13,134	(3,395)
Aggregate income tax expense	77,598	51,663

Prima facie income tax reconciliation

Profit before income tax expense	307,968	204,533
Tax at the statutory tax rate of 25%	76,992	51,133

Tax effect of:

Non-deductible expenses	606	530
Income tax expense	**77,598**	**51,663**

Deferred tax liabilities/(assets)	2023 $	2022 $
Property, plant and equipment	63,676	57,691
Income accruals	3,711	170
Right-of-use assets	26,668	27,415
Lease liabilities	(37,833)	(39,130)
Employee benefits	(19,952)	(23,344)
Provision for lease make good	(1,626)	(1,541)
Accrued expenses	(1,124)	(875)
Deferred tax liability	**33,520**	**20,386**

Notes to the financial statements. (continued)

For the year ending 30 June 2023.
Note 8. Income tax (continued)

	2023 $	2022 $
Income tax refund due	-	25,800

Provision for income tax	46,464	-

Accounting policy for income tax

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

Accounting policy for current tax

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

Accounting policy for deferred tax

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

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

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

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

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

NOTE 9. CASH AND CASH EQUIVALENTS

	2023 $	2022 $
Cash at bank and on hand	188,552	357,688
Term deposits	708,728	502,554
	897,280	**860,242**

Accounting policy for cash and cash equivalents

For the purposes of the Statement of Financial Position and Statement of Cash Flows, cash and cash equivalents comprise cash on hand and deposits held with banks.

NOTE 10. TRADE AND OTHER RECEIVABLES

	2023 $	2022 $
Trade receivables	266,001	155,629
Other receivables and accruals	13,884	13,276
Accrued income	14,842	678
	28,726	**13,954**
	294,727	**169,583**

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

NOTE 11. PROPERTY, PLANT AND EQUIPMENT

	2023 $	2022 $
Land - at fair value	918,120	918,120
Buildings - at fair value	481,880	481,880
Less: Accumulated depreciation	(74,270)	(53,467)
	407,610	**428,413**
Leasehold improvements - at cost	215,958	215,958
Less: Accumulated depreciation	(118,876)	(115,857)
	97,082	**100,101**
Plant and equipment - at cost	204,705	226,236
Less: Accumulated depreciation	(132,732)	(147,079)
	71,973	**79,157**
Motor vehicles - at cost	43,237	-
Less: Accumulated depreciation	(1,374)	-
	41,863	**-**
Capital works in progress - at cost	46,258	31,866
	1,582,906	**1,557,657**

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

Notes to the financial statements. (continued)

For the year ending 30 June 2023.
Note 11. Property, plant and equipment (continued).

	Land $	Buildings $	Leasehold improvements $	Plant and equipment $	Motor vehicle $	Capital works in progress $	Total $
Balance at 1 July 2021	918,120	449,221	111,222	95,511	-	30,746	1,604,820
Additions	-	-	-	-	-	1,120	1,120
Depreciation	**-**	**(20,808)**	**(11,121)**	**(16,354)**	**-**	**-**	**(48,283)**
Balance at 30 June 2022	918,120	428,413	100,101	79,157	-	31,866	1,557,657
Additions	-	-	-	9,611	43,237	14,392	67,240
Disposals	-	-	-	(1,217)	-	-	(1,217)
Depreciation	**-**	**(20,803)**	**(3,019)**	**(15,578)**	**(1,374)**	**-**	**(40,774)**
Balance at 30 June 2023	**918,120**	**407,610**	**97,082**	**71,973**	**41,863**	**46,258**	**1,582,906**

Accounting policy for property, plant and equipment

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

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Land is not depreciated.

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

- Building 5 to 40 years
- Leasehold improvements 4 to 40 years
- Plant and Equipment 2 to 40 years
- Motor vehicles 5 years

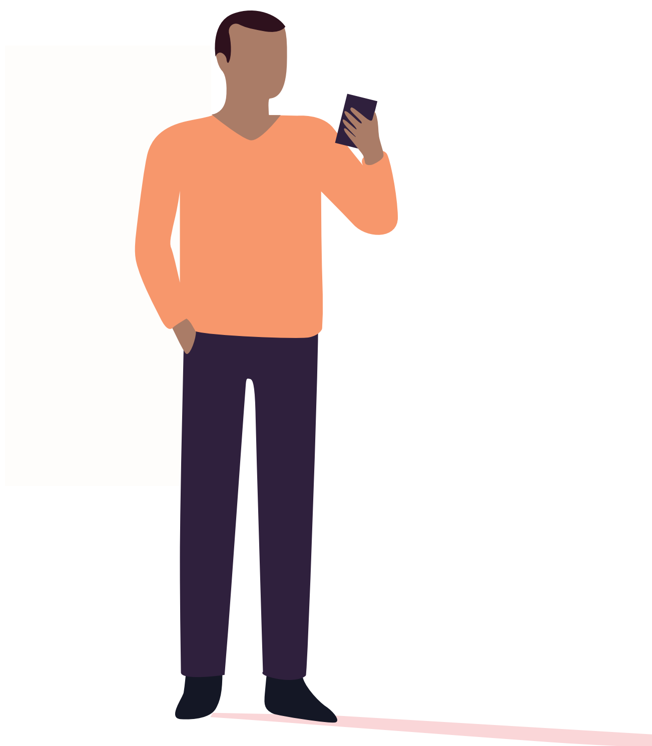
The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

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

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

Change in estimates

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



NOTE 12. RIGHT-OF-USE ASSETS

	2023 $	2022 $
Land and buildings - right-of-use	247,281	237,414
Less: Accumulated depreciation	(140,608)	(127,753)
	106,673	**109,661**

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

	Land and buildings $
Balance at 1 July 2021	115,621
Remeasurement adjustments	6,173
Depreciation expense	(12,133)
Balance at 30 June 2022	109,661
Remeasurement adjustments	9,241
Depreciation expense	(12,229)
Balance at 30 June 2023	**106,673**

Accounting policy for right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Refer to note 15 for more information on lease arrangements.

NOTE 13. INTANGIBLE ASSETS

	2023 $	2022 $
Franchise fee	172,908	172,908
Less: Accumulated amortisation	(163,801)	(159,477)
	9,107	**13,431**
Franchise renewal fee	296,121	296,121
Less: Accumulated amortisation	(250,583)	(228,965)
	45,538	**67,156**
	54,645	**80,587**

Notes to the financial statements. (continued)

For the year ending 30 June 2023.

Note 13. Intangible assets (continued)

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

	Franchise fee $	Franchise renewal fee $	Total $
Balance at 1 July 2021	17,755	88,775	106,530
Amortisation expense	(4,324)	(21,619)	(25,943)
Balance at 30 June 2022	13,431	67,156	80,587
Amortisation expense	(4,324)	(21,618)	(25,942)
Balance at 30 June 2023	**9,107**	**45,538**	**54,645**

Accounting policy for intangible assets

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

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

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

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

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	August 2025
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	August 2025

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

Change in estimates

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

NOTE 14. TRADE AND OTHER PAYABLES

Current liabilities	2023 $	2022 $
Trade payables	7,215	10,217
Other payables and accruals	29,833	64,609
	37,048	**74,826**

Accounting policy for trade and other payables

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

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

NOTE 15. LEASE LIABILITIES

Current liabilities	2023 $	2022 $
Land and buildings lease liabilities	23,329	21,987
Unexpired interest	(7,776)	(8,097)
	15,553	**13,890**

Non-current liabilities		
Land and buildings lease liabilities	163,300	175,900
Unexpired interest	(27,522)	(33,268)
	135,778	**142,632**

Reconciliation of lease liabilities	2023 $	2022 $
Opening balance	156,522	163,473
Remeasurement adjustments	9,241	6,173
Lease interest expense	8,338	8,796
Lease payments - total cash outflow	(22,770)	(21,920)
	151,331	**156,522**

Maturity analysis	2023 $	2022 $
Not later than 12 months	23,329	21,987
Between 12 months and 5 years	93,314	87,950
Greater than 5 years	69,986	87,950
	186,629	**197,887**

Accounting policy for lease liabilities

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

Lease payments included in the measurement of the lease liability comprise variable lease payments that depend on an index or rate and lease payments in a renewal option if the company is reasonably certain to exercise that option. For leases of property the company has elected to separate lease and non-lease components when calculating the lease liability.

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

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

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

Where the company is a lessee for the premises to conduct its business, extension options are included in the lease term except when the company is reasonably certain not to exercise the extension option. This is due to the significant disruption of relocating premises and the loss on disposal of leasehold improvements fitted out in the leased premises.

Notes to the financial statements. (continued)

For the year ending 30 June 2023.

Note 15. Lease liabilities (continued)

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

The company's lease portfolio includes:

	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Lancefield Branch	5.39%	5 years	1 x 5 years	Yes	June 2031

NOTE 16. EMPLOYEE BENEFITS

Current liabilities	2023 $	2022 $
Annual leave	44,482	43,978
Long service leave	31,843	38,644
	76,325	**82,622**

Non-current liabilities		
Long service leave	3,481	10,753

Accounting policy for employee benefits

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

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

Superannuation contributions

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

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

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

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

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

NOTE 17. ISSUED CAPITAL

	2023 Shares	2022 Shares	2023 $	2022 $
Ordinary shares - fully paid	1,010,700	1,010,700	970,700	970,700
Less: return of capital	-	-	(252,675)	(252,675)
Less: Equity raising costs	-	-	(50,156)	(50,156)
	1,010,700	**1,010,700**	**667,869**	**667,869**

Accounting policy for issued capital

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

Rights attached to issued capital

Ordinary shares

Voting rights

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

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

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

Dividends

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

Transfer

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

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

Prohibited shareholding interest

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company
- predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is equal to 75% of the number of shareholders in the company immediately after the shares in the company were allotted and issued.

Notes to the financial statements. (continued)

For the year ending 30 June 2023.
Note 17. Issued capital (continued)

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

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

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

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

NOTE 18. RETAINED EARNINGS

	2023 $	2022 $
Retained earnings at the beginning of the financial year	1,784,389	1,702,268
Profit after income tax expense for the year	230,370	152,870
Dividends paid (note 20)	(101,070)	(70,749)
Retained earnings at the end of the financial year	**1,913,689**	**1,784,389**

Retained earnings consists of cumulative profits generated by the company since the incorporation of the company.

NOTE 19. CAPITAL MANAGEMENT

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

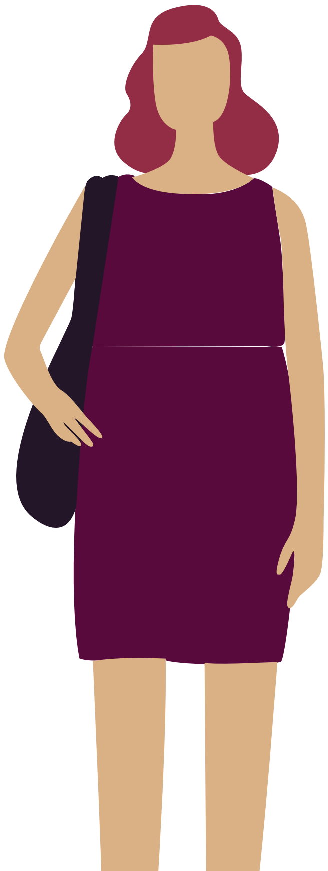
In accordance with the franchise agreement, in any 12 month period the funds distributed to shareholders shall not exceed the distribution limit.

The distribution limit is the greater of:

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

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

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



NOTE 20. DIVIDENDS

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

	2023 $	2022 $
Fully franked dividend of 10 cents per share (2022: 7 cents)	101,070	70,749

Franking credits

	2023 $	2022 $
Franking account balance at the beginning of the financial year	894,848	815,638
Franking debits from the payment of franked distributions	14,258	(23,583)
Franking credits from the payment of income tax instalments during the financial year	(33,690)	102,793
	875,416	**894,848**

Franking transactions that will arise subsequent to the financial year end:

Balance at the end of the financial year	875,416	894,848
Franking credits (debits) that will arise from payment (refund) of income tax	46,464	(3,743)
Franking credits available for future reporting periods	**921,880**	**891,105**

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

Accounting policy for dividends

Dividends are recognised in the financial year they are declared.

NOTE 21. FINANCIAL INSTRUMENTS

Financial assets	2023 $	2022 $
Trade and other receivables	294,727	169,583
Cash and cash equivalents	188,552	357,688
Term Deposits	708,728	502,554
	1,192,007	**1,029,825**

Financial liabilities

Trade and other payables	37,048	74,826
Lease liabilities	151,331	156,522
	188,379	**231,348**

Notes to the financial statements. (continued)

For the year ending 30 June 2023.
Note 21. Financial instruments (continued)

Accounting policy for financial instruments

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

Trade receivables are initially recognised at the transaction price when they originated. All other financial assets and financial

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

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the rights are transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and rewards associated with the asset.

Financial liabilities are derecognised when its contractual obligations are discharged, cancelled, or expire. Any gain or loss on derecognition is recognised in profit or loss.

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

Financial risk management

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

Market risk

Market risk is the risk that changes in market prices - e.g. foreign exchange rates, interest rates, and equity prices - will affect the company's income or the value of its holdings in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The company has no exposure to any transactions denominated in a currency other than Australian dollars.

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of $897,280 at 30 June 2023 (2022: $860,242).

Price risk

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

Credit risk

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

The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo Bank. The company monitors credit worthiness through review of credit ratings, Bendigo Bank is rated BBB+ on Standard & Poor's credit ratings.

Liquidity risk

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

Exposure to liquidity risk

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

2023A	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	37,048	-	-	37,048
Lease liabilities	23,329	93,314	69,986	186,629
Total non-derivatives	**60,377**	**93,314**	**69,986**	**223,677**

2022	1 year or less $	Between 1 and 5 years $	Between 1 and 5 years $	Remaining contractual maturities $
Trade and other payables	74,826	-	-	74,826
Lease liabilities	21,987	87,950	87,950	197,887
Total non-derivatives	**96,813**	**87,950**	**87,950**	**272,713**

NOTE 22. FAIR VALUE MEASUREMENT

Fair value hierarchy

2023	Level 1	Level 2	Level 3	Total
Assets				
Land	-	918,120	-	918,120
Buildings	-	481,880	-	481,880
Total assets	**-**	**1,400,000**	**-**	**1,400,000**

2022	Level 1	Level 2	Level 3	Total
Assets				
Land	-	918,120	-	918,120
Buildings	-	481,880	-	481,880
Total assets	**-**	**1,400,000**	**-**	**1,400,000**

There were no transfers between levels during the financial year.

Valuation techniques for fair value measurements categorised within level 2 and level 3

The basis of the valuation of land and buildings is fair value. The land and buildings were last revalued on 5 December 2019 based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of land and buildings being valued. The directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition.

Accounting policy for fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Notes to the financial statements. (continued)

For the year ending 30 June 2023.

Note 22. Fair value measurement (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

NOTE 23. KEY MANAGEMENT PERSONNEL DISCLOSURES

The following persons were directors of Lancefield & Romsey Community Financial Services Limited during the financial year:

- Suzanne Ewart
- Robert William Bryant
- Beverley Anne Beaumont
- John Joseph Roach
- Graeme Charles Kelly
- Graeme John Bruce
- Stephen Bruce Thorogood
- Amanda Marie Mullins

No director of the company receives remuneration for services as a company director or committee member.
There are no executives within the company whose remuneration is required to be disclosed.

NOTE 24. RELATED PARTY TRANSACTIONS

The following transactions occurred with related parties:	2023 $	2022 $
A director temporarily provided marketing serves whilst the company was seeking a new incumbent for the part time Marketing Officer role.	1,920	8,640
The company purchased hardware supplies from a business owned by a director.	313	260
A director's partner is President of the Romsey Bowling Club. During the year Romsey Bowling Club received sponsorship funding of.	1,700	-

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

NOTE 25. REMUNERATION OF AUDITORS

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

Audit services	2023 $	2022 $
Audit or review of the financial statements	6,400	6,000

Other services		
Taxation advice and tax compliance services	660	600
General advisory services	3,305	2,450
Share registry services	6,251	6,062
	10,216	**9,112**
	16,616	**15,112**

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

	2023 $	2022 $
Profit after income tax expense for the year	230,370	152,870
Adjustments for:		
Depreciation and amortisation	78,945	86,359
Net loss on disposal of non-current assets	1,217	-
Lease liability interest	8,338	8,796
Change in operating assets and liabilities:		
Increase in trade and other receivables	(125,144)	(20,401)
Decrease/(increase) in income tax refund due	25,800	(25,800)
Decrease in trade and other payables	(37,778)	(4,876)
Increase/(decrease) in provision for income tax	46,464	(25,002)
Increase/(decrease) in deferred tax liabilities	13,134	(3,395)
Decrease in employee benefits	(13,569)	(21,081)
Increase in other provisions	341	323
Net cash provided by operating activities	**228,118**	**147,793**

NOTE 27. EARNINGS PER SHARE

	2023 $	2022 $
Profit after income tax	230,370	152,870

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	1,010,700	1,010,700
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,010,700	1,010,700

	Cents	Cents
Basic earnings per share	22.79	15.13
Diluted earnings per share	22.79	15.13

Accounting policy for earnings per share

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

Notes to the financial statements. (continued)

For the year ending 30 June 2023.

NOTE 28. COMMITMENTS

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

NOTE 29. CONTINGENCIES

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

NOTE 30. EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

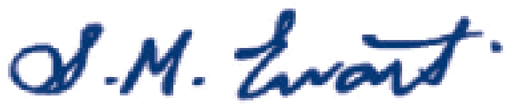
Director's decloration.

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Suzanne Ewart
Chair/Director
Dated this 4th of September 2023

Independent audit report.

Independent auditor's report to the members of Lancefield & Romsey Community Financial Services Limited

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

Independent auditor's report to the Directors of Lancefield & Romsey Community Financial Services Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Lancefield & Romsey Community Financial Services Limited (the company), which comprises:

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

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

i. giving a true and fair view of the company's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

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

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

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

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

Our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If we identify that a material inconsistency appears to exist when we read the annual report (or become aware that the other information appears to be materially misstated), we will discuss the matter with the directors and where we believe that a material misstatement of the other information exists, we will request management to correct the other information. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

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

Auditor's responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists.

Independent audit report. (continued)

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Misstatement can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 4 September 2023

Joshua Griffin
Lead Auditor

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/CommunityBankLancefieldRomsey

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Bendigo Bank