Annual Report 2023

North Ryde Community Finance Limited

Community Bank
North Ryde

ABN 74 112 673 506

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Chairman's Report

Dear Shareholders,

This year has been a very successful one for North Ryde Community Finance Ltd. Rising interest rates have certainly increased margins resulting in increased profitability for Community Bank North Ryde. The Branch Manager's report provides more details on the business and the continuing challenges we face in an ever changing banking environment.

It is my pleasure to report that North Ryde Community Finance Ltd (NRCF) has had an outstanding result for FY 2023. As of 30 June 2023, profit after tax was $608k ($101k in 2022 and $232k in 2021). We are pleased to announce a fully franked dividend of 30 cents per share from this financial year in recognition of this terrific result and the ongoing support of our shareholders.

This result could not be possible without our loyal and experienced front-line staff who kept NRCF functioning seamlessly. I would like to acknowledge and convey my sincere thanks to James our Branch Manager, Gina (who celebrated 20 years with the Bendigo and Adelaide Bank network in October), Alison, Anita and Narine who constantly provide a smiling face for our customers when they come into the branch. Without our dedicated staff, NRCF would not have the successful banking business it is, providing a highly valued service to the North Ryde community. Sadly, we farewelled Darryl Tutton at the end of June who has been a long serving, valuable director on the NRCF Board. We wish Darryl all the best in retirement.

While this year has been a very successful one for the business, the Board continues to look ahead at what is coming for NRCF considering ongoing challenges such as increasing use of digital banking by customers, increased competition, regulatory obligations and the NRCF business post June 2025 when our current Franchise Agreement expires.

Community banks need to grow their business to continue to be profitable into the future. With increased competition from the digital banking sector, we need to continue providing a point of difference for our customers. As James mentioned in the Branch Manager's report, "Whilst our commitment to face-to-face service and Community support may sometimes impact our ability to match every price, it is our major point of difference to our competitors, highly valued by our existing customers, and we will continue to strive to do our best on both fronts."

We continue to work with Bendigo and Adelaide Bank exploring all avenues for the business into the future, including a Franchise Agreement beyond 2025 as well as other business opportunities.

I wish to thank my fellow directors for their strong support – Bob Talbot (Deputy Chairman), Tony Wise (Treasurer), Ian Ackland (Company Secretary), Gordon McAulay, Graham McMaster, Paul Moujalli and Steve Perrin. Our directors are very experienced business and community people who fully understand their fiduciary responsibilities under corporations' law ensuring great service for our customers, return on investment for our shareholders, and meaningful community engagement.

We thank you, our shareholders, for continuing to support Community Bank North Ryde and the North Ryde community.

Michael Southan

Michael Southan

General Manager's Report

The continued climb of the RBA cash rate across the financial year has maintained the beneficial flow-on to Branch revenue, mainly through deposits. The rising interest rates however have continued to keep competitive pressure on for new business, the market maintaining its price sensitivity for both Lending and Deposits. On the Lending side, retention has become a constant theme, with a noticeable demand for repricing and consequent administrative activities. Although our retention rate for Term Deposits is good, the loss later in the calendar year of some larger deposits from our business customers due to their own cashflow requirements has impacted our book.

Branch Performance

After modest declines at the start of the year, the Community Bank North Ryde Term Deposit book continued to show positive growth in the last few months of the financial year, in response to the Bendigo Bank Term Deposit campaigns. Call deposits showed more variance, however the book balance is broadly constant at a little over $61m. Residential lending continues to make up the bulk of the Loan book, and the increasing pressure from rising interest rates and market competition from both Tier 1 and Tier 2 competitors has made it challenging to retain business. This has been reflected in the proportion of Fixed to Variable rate residential loans decreasing to 54%, and total size of the Loan book reducing to $43.97m. This continues to create pressure both on retention and new business, and Bendigo Bank has recently responded with loan pricing initiatives to address both areas. Positively, average monthly over-the-counter transaction numbers increased almost 10% over the year, and interestingly and perhaps contrary to industry norms, the proportion of cash transactions in that growth has remained constant.

Gross revenue reflects the healthy increase in Margin Income, predominantly from Deposit products, although this rate of growth will naturally slow with more stability of the RBA cash rate. Operating costs remain constant and essentially comparable with last year, including Employment expenses (our major expense item) with the reduction in Administrative and General costs (including Community grants) being attributed to expense timing. This is reflected in the healthy net profit figures.

Branch Personnel

Once again, our amazing customer service team of Gina, Alison and Narine deserve high praise for their efforts in looking after all our loyal customers throughout the year. Their consistent dedication to achieve the best outcomes for our customers is what sets Community Bank North Ryde apart from the other big banks. It is an extremely relevant and valuable distinction and is a major factor in our continued success. Both the Board and I are very appreciative of their efforts.

The Board continues to actively support myself and the Branch in all our endeavours on a volunteer basis. Their commitment is very much appreciated and it has been a pleasure to work with them again this year. I would like to sincerely thank Michael and the Directors for their guidance and support throughout the year.

Community Engagement

Community Bank North Ryde continues to support a diverse array of community groups, sporting associations and schools. The spread of support remains balanced over community welfare and events, the arts, sports, and education, and this year we continued our support of over a dozen groups. We have been working steadily over the year on increasing our involvement in community activities and events, slowly returning to pre-Covid levels.

Our partnership approach allows the Branch to broaden its endeavours of local support in a meaningful way, while continuing to support the community favourite associations and events, support that is very much appreciated by our local community. Thanks must go to Anita who continues her commitment to excellence in managing these relationships, an engagement also appreciated by community partners.

Continued Service Commitment

Our commitment at Community Bank North Ryde is to provide our customers with a continued high level of service, and a friendly face over the counter or voice on the phone, each time, every time. Whilst our commitment to face-to-face service and Community support may sometimes impact our ability to match every price, it is our major point of difference to our competitors, highly valued by our existing customers, and we will continue to strive to do our best on both fronts. I actively encourage those shareholders that do not already bank with us to come and enjoy both the benefits of what we offer, and what we can offer the local community in return.

James Hole

Community Bank Report 2023
BEN Message
August 2023

Community and customer will always be at the heart of what we do at Bendigo and Adelaide Bank.

Together, we're setting up Community Banking for the future - growing our impact as a leading social impact movement to transform communities across Australia.

As we continue to evolve to meet the needs of our customers, we should feel proud that more Australians are choosing to do their banking with us and trust us with their financial goals. Our position as Australia's most trusted bank (Roy Morgan) reflects the esteem we are held in by our customers, and communities.

This year has been particularly significant for us. After five years apart, we had the opportunity to come together in person and connect through our State Connect program and in Bendigo at our National Conference in September. It has also been a record-breaking year for Community Bank with more than $32 million invested into local communities nationwide. This is our highest year on record and underscores our ongoing commitment to our customers and communities.

Reflecting on the 25 years since we opened our first Community Bank, I'm so grateful to the hard work of many passionate Directors (past and present). Everything we have done and continue to do is focused on our purpose to feed into the prosperity of our customers and communities, not off it.

On behalf of the Bank, thank you for continuing to play an essential role in supporting your community. I look forward to seeing us grow together and make a positive impact for generations to come.

Warmest regards,

Justine Minne
Bendigo and Adelaide Bank

North Ryde Community Finance Limited

ABN 74 112 673 506

Financial Report - 30 June 2023

North Ryde Community Finance Limited
Directors' report
30 June 2023

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

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

Name:	Michael David Southan
Title:	Non-executive director
Experience and expertise:	Michael is the CEO of Australian Olive Association. Twenty years in agricultural research, currently also running farming business. Previously CEO of GrainGrowers Ltd. PhD in Agriculture, Graduate of Australian Institute of Company Directors.
Special responsibilities:	Chair, Member of Audit and Risk Committee, Member of Franchise Agreement Committee.

Name:	Robert John Talbot
Title:	Non-executive director
Experience and expertise:	Robert is retired. Background in wool broking and livestock industry for over 30 years. Since 2000 has run own property consulting business servicing the commercial and industrial property market. Elected to the Community Bank National Council as NSW/ACT Representative December 2016, Retired June 2019 from the position.
Special responsibilities:	Deputy Chair, Member of Property Committee, Governance, Audit & Risk Committee and Franchise Agreement Committee, Chair Finance and Investment Committee.

Name:	Harold Anthony Wise
Title:	Non-executive director
Experience and expertise:	Harold is a manager. Diploma Commerce, Justice of the Peace.
Special responsibilities:	Treasurer, Audit and Risk Committee.

Name:	Phillip Warren Perrin ("Steve")
Title:	Non-executive director
Experience and expertise:	Phillip is a retired Developer/Company Director. Local resident for 32 years. Lifetime experience in the building and construction industry. Past President of Sigatoka Fiji, North Ryde Rotary Club, Eastern Region Chairman NSW ROMAC and Ryde Citizen of the year 2002. Volunteer North Ryde Community Aid.
Special responsibilities:	Marketing Committee.

Name:	Thomas Gordon MacAulay
Title:	Non-executive director
Experience and expertise:	Gordon is retired and has an interest in farming. Experience on Boards, Councils, and a Statutory Authority. Senior Lecturer, University of New England and Professor, University of Sydney; Chief Research Economist, Australian Bureau of Agricultural Economics; President of Greening Australia (NSW) Ltd; Member of the Council of Research Institute for Asia and the Pacific, University of Sydney; deputy Chair of the Wheat Export Authority; Acting Chair of the Academic Forum, University of Sydney; Head of department of Agricultural Economics, University of Sydney; principal Economist, BRI Australia and Grain Growers and Emeritus Professor of Agricultural Economics, University of Sydney; dairy and beef cattle farmer. University degrees: BAgricSc, MAgricSc (Melb) and PhD (Guelph)
Special responsibilities:	Audit and Risk Committee and Franchise Agreement Committee

Name:	Paul Moujalli
Title:	Non-executive director
Experience and expertise:	Paul is a retired Banking & Finance professional of 40 years' experience, mainly tier 1 banking and last 10 years with tier 2. He is a Director at Australian Wheelchair Rugby League and Ryde Eastwood Leagues Club, part of the Risk & Governance Committee. Hon Treasurer of Ryde Sports Foundation Inc. He has been a Community Representative Member at Ryde City Council's Economic Development Advisory Committee and also the Sport & Recreation, Wheel Sports Advisory Committee. He ia also an Associate Member of FINSIA (Financial Services Institute of Australasia). He holds an Advance Diploma of Management and Advance Diploma of Marketing.
Special responsibilities:	Chair of Marketing Committee.

Name:	Ian Ross Ackland
Title:	Non-executive director
Experience and expertise:	Ian is a Management Systems Consultant. BE DipEnvEng MBA FIEAust CPEng NER APAC Engineer IntPE (Aus) FEIANZ CEnvP MAIHS MNSCA. Ian is a sole trader Management Systems Consultant, with qualifications in chemical and environmental engineering, an MBA and a Fellow of Engineers Australia (EA) and a Fellow of the Environmental Institute of Australia and New Zealand (EIANZ). Employment has included Senior Investigation Officer in NSW EPA; Audit and Investigations Officer in NSW Rail Infrastructure Corporation; contract management systems work with Energy Australia, UGL and Railcorp, and management systems auditor with NCSI and BSI. Ian served over 10 years on EA Sydney Division Committee and was President in 2010; 14 years up until 2018 as Board member and Treasurer of the Board for Certification of Environmental Practitioners; over 32 years as a Lions Club member and in this time undertaken all Board roles and is currently Secretary of City of Ryde Lions Club, and with more than 35 years of experience in amateur theatre is now Property Manager on the Pymble Players Committee of Management.
Special responsibilities:	Nil.

Name:	Graham John McMaster
Title:	Non-executive director
Experience and expertise:	Graham is retired. Broad experience as a Company Director, Research Management, International Marketing. Knowledge of Grain & Food Industries, Hospitality, Farming and Grazing. Fellow of the Australian Institute of Company Directors, Fellow of the Academy of Technological Sciences and Engineering. Former Chairman of North Ryde Community Finance Limited.
Special responsibilities:	Marketing Committee.

Name:	Darryl Geoffrey Tutton (resigned 14 February 2023)
Title:	Non-executive director
Experience and expertise:	Darryl is retired. Insurance Officer for many years with 2 companies. Licensed Real Estate agent in Family Business for 20 years. NSW Justice of the Peace since 1970. Life Member of the North Sydney Bowling Club and was a committee member for 15 years and President for 3 years. Volunteer work at Monte Fiore Jewish Home and Hunters Hill Public School.
Special responsibilities:	Marketing Committee and Property Committee.

Name:	Helen Patricia Perrin
Title:	Non-executive director (resigned 1 July 2022)
Experience and expertise:	Helen is a retired Health Care Professional Management. Board member of New Horizons Enterprises for 14 years, North Ryde Community Aid for 11 years and Holy Spirit Church Board member. Board member of North Ryde Rotary Club for 23 years and have held positions of Club President, Assistant District Governor and Community Service Director for the past 10 years. Strong involvement in local community associations including North Ryde Rotary Club.
Special responsibilities:	Nil.

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

- Ian Ross Ackland was appointed as company secretary on 1 July 2022.
- Ian John Greentree was appointed as company secretary on 29 November 2018 and ceased on 9 February 2023.

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 $608,972 (30 June 2022: $101,881).

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 $
Fully franked dividend of 17 cents per share (2022: 16 cents)	179,989

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
Apart from the dividend declared and disclosed in note 24, no other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may 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.

North Ryde Community Finance Limited
Directors' report
30 June 2023

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

	Board	
	Eligible	Attended
Michael David Southan	9	9
Robert John Talbot	9	9
Harold Anthony Wise	9	7
Phillip Warren Perrin ("Steve")	9	5
Thomas Gordon MacAulay	9	9
Paul Moujalli	9	8
Ian Ross Ackland	9	9
Graham John McMaster	9	7
Darryl Geoffrey Tutton	4	4
Helen Patricia Perrin	-	-

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

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

	Balance at the start of the year	Changes	Balance at the end of the year
Michael David Southan	1,000	-	1,000
Robert John Talbot	26,000	1,000	27,000
Harold Anthony Wise	8,000	-	8,000
Phillip Warren Perrin ("Steve")	48,752	-	48,752
Thomas Gordon MacAulay	1,000	-	1,000
Paul Moujalli	500	-	500
Ian Ross Ackland	1,500	500	2,000
Graham John McMaster	74,502	-	74,502
Darryl Geoffrey Tutton	25,000	-	25,000
Helen Patricia Perrin	48,752	-	48,752

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 29 to the accounts.

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

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

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

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

On behalf of the directors

Michael Southan

Michael David Southan
Chair

6 October 2023

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

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of North Ryde Community Finance Limited

As lead auditor for the audit of North Ryde Community Finance 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: 6 October 2023

Joshua Griffin
Lead Auditor

North Ryde Community Finance Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	2023 $	2022 $
Revenue from contracts with customers	6	1,334,574	800,156
Other revenue	7	32,965	34,674
Finance revenue		26,341	14,405
Fair value gains/(losses) on financial assets	8	15,661	(41,795)
Total revenue		1,409,541	807,440
Employee benefits expense	9	(371,704)	(374,969)
Advertising and marketing costs		(7,103)	(11,583)
Occupancy and associated costs		(13,948)	(17,622)
System costs		(15,588)	(16,500)
Depreciation and amortisation expense	9	(92,686)	(94,713)
Finance costs	9	(19,629)	(22,070)
General administration expenses		(52,938)	(100,483)
Total expenses before community contributions and income tax expense		(573,596)	(637,940)
Profit before community contributions and income tax expense		835,945	169,500
Charitable donations, sponsorships and grants expense		(34,694)	(47,572)
Profit before income tax expense		801,251	121,928
Income tax expense	10	(192,279)	(20,047)
Profit after income tax expense for the year	22	608,972	101,881
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		608,972	101,881
		Cents	**Cents**
Basic earnings per share	31	57.52	9.62
Diluted earnings per share	31	57.52	9.62

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

North Ryde Community Finance Limited
Statement of financial position
As at 30 June 2023

	Note	2023 $	2022 $
Assets			
Current assets			
Cash and cash equivalents	11	1,984,355	1,429,274
Trade and other receivables	12	148,216	86,690
Total current assets		2,132,571	1,515,964
Non-current assets			
Financial assets	13	491,143	475,482
Property, plant and equipment	14	81,250	93,519
Right-of-use assets	15	456,576	508,743
Intangible assets	16	22,473	36,423
Deferred tax assets	10	2,427	6,102
Total non-current assets		1,053,869	1,120,269
Total assets		3,186,440	2,636,233
Liabilities			
Current liabilities			
Trade and other payables	17	59,769	38,705
Lease liabilities	18	60,343	55,250
Current tax liabilities	10	138,323	2,618
Employee benefits	19	27,609	21,802
Total current liabilities		286,044	118,375
Non-current liabilities			
Lease liabilities	18	446,246	494,842
Employee benefits	19	1,803	829
Lease make good provision	20	31,323	30,146
Total non-current liabilities		479,372	525,817
Total liabilities		765,416	644,192
Net assets		2,421,024	1,992,041
Equity			
Issued capital	21	1,012,038	1,012,038
Retained earnings	22	1,408,986	980,003
Total equity		2,421,024	1,992,041

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

North Ryde Community Finance Limited
Statement of changes in equity
For the year ended 30 June 2023

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2021		1,012,038	1,047,523	2,059,561
Profit after income tax expense		-	101,881	101,881
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	101,881	101,881
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	24	-	(169,401)	(169,401)
Balance at 30 June 2022		1,012,038	980,003	1,992,041

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2022		1,012,038	980,003	1,992,041
Profit after income tax expense		-	608,972	608,972
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	608,972	608,972
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	24	-	(179,989)	(179,989)
Balance at 30 June 2023		1,012,038	1,408,986	2,421,024

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

North Ryde Community Finance Limited
Statement of cash flows
For the year ended 30 June 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,411,481	845,029
Payments to suppliers and employees (inclusive of GST)		(582,574)	(625,984)
Dividends received		28,379	34,674
Interest received		6,936	13,316
Income taxes paid		(52,899)	(47,944)
Net cash provided by operating activities	30	811,323	219,091
Cash flows from investing activities			
Payments for financial assets		-	(10,744)
Payments for property, plant and equipment		(2,279)	-
Payments for intangible assets		-	(65,340)
Net cash used in investing activities		(2,279)	(76,084)
Cash flows from financing activities			
Dividends paid	24	(179,989)	(169,401)
Repayment of lease liabilities	18	(73,974)	(72,174)
Net cash used in financing activities		(253,963)	(241,575)
Net increase/(decrease) in cash and cash equivalents		555,081	(98,568)
Cash and cash equivalents at the beginning of the financial year		1,429,274	1,527,842
Cash and cash equivalents at the end of the financial year	11	1,984,355	1,429,274

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

Note 1. Reporting entity

The financial statements cover North Ryde Community Finance 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 Shop 14/203-213 Coxs Road, North Ryde NSW 2113.

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 6 October 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.

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 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.

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 sets that have been abandoned or sold will be written off or written down.

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

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 June 2025.

Note 5. Economic dependency (continued)

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	1,252,578	715,444
Fee income	48,579	47,898
Commission income	33,417	36,814
	1,334,574	800,156

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

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

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

Note 6. Revenue from contracts with customers (continued)

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

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

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

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

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

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

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.

Note 7. Other revenue

	2023 $	2022 $
Market development fund	4,586	-
Dividend and distribution income	28,379	34,674
Other revenue	32,965	34,674

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

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

All revenue is stated net of the amount of GST.

Note 8. Fair value gains/(losses) on financial assets

	2023 $	2022 $
Fair value gains/(losses) on financial assets	15,661	(41,795)

These amounts relate to the increase/(decrease) in the market value of financial assets held by the company.

Note 9. Expenses

Employee benefits expense

	2023 $	2022 $
Wages and salaries	306,772	315,635
Non-cash benefits	288	-
Superannuation contributions	34,468	29,066
Expenses related to long service leave	1,908	(11,074)
Other expenses	28,268	41,342
	371,704	374,969

Leases recognition exemption

	2023 $	2022 $
Expenses relating to low-value leases	5,316	6,277

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

Note 9. Expenses (continued)

Depreciation and amortisation expense

	2023 $	2022 $
Depreciation of non-current assets		
Leasehold improvements	11,019	10,974
Plant and equipment	3,529	3,540
	14,548	14,514
Depreciation of right-of-use assets		
Leased land and buildings	64,188	66,249
Amortisation of intangible assets		
Franchise fee	2,325	2,325
Franchise renewal fee	11,625	11,625
	13,950	13,950
	92,686	94,713

Finance costs

	2023 $	2022 $
Lease interest expense	18,541	21,023
Unwinding of make-good provision	1,088	1,047
	19,629	22,070

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

Note 10. Income tax

	2023 $	2022 $
Income tax expense		
Current tax	199,317	47,863
Movement in deferred tax	3,675	(13,110)
Net benefit of franking credits on dividends received	(10,713)	(14,706)
Aggregate income tax expense	192,279	20,047
Prima facie income tax reconciliation		
Profit before income tax expense	801,251	121,928
Tax at the statutory tax rate of 25%	200,313	30,482
Tax effect of:		
Non-deductible expenses	-	594
Other assessable income	2,679	3,677
Net benefit of franking credits on dividends received	(10,713)	(14,706)
Income tax expense	192,279	20,047

Note 10. Income tax (continued)

	2023 $	2022 $
Deferred tax asset/(liability) attributable to:		
Expense accruals	825	1,643
Employee provisions	7,353	6,169
Make-good provision	7,831	7,537
Lease liabilities	126,647	137,523
Income accruals	(5,323)	(474)
Fair value of investments	(19,590)	(15,672)
Property, plant and equipment	(1,172)	(3,438)
Right-of-use assets	(114,144)	(127,186)
Deferred tax asset	2,427	6,102

	2023 $	2022 $
Provision for income tax	138,323	2,618

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 11. Cash and cash equivalents

	2023 $	2022 $
Cash at bank and on hand	975,907	427,762
Term deposits	1,008,448	1,001,512
	1,984,355	1,429,274

Note 11. Cash and cash equivalents (continued)

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 12. Trade and other receivables

	2023 $	2022 $
Trade receivables	123,232	71,558
Other receivables and accruals	3,693	750
Accrued income	21,291	1,886
Prepayments	-	12,496
	24,984	15,132
	148,216	86,690

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 13. Financial assets

	2023 $	2022 $
Non-current assets		
Equity securities - designated at fair value through profit or loss	491,143	475,482

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

	2023 $	2022 $
Opening fair value	475,482	506,533
Additions	-	10,744
Revaluation increments	15,661	-
Revaluation decrements	-	(41,795)
Closing fair value	491,143	475,482

The company classifies financial assets as a current asset when it expects to realise the asset, or intends to sell or consume it, no more than 12 months after the reporting period. All other investments are classified as non-current.

Accounting policy for financial assets at fair value through other comprehensive income
Financial assets are recognised at fair value. The company has made an irrevocable election to recognise fair value movements of its investment class through other comprehensive income. The company designated the equity securities shown below as at fair value through other comprehensive income because these equity securities represent financial assets that the company intends to hold for the long term for strategic purposes.

Note 14. Property, plant and equipment

	2023 $	2022 $
Leasehold improvements - at cost	187,124	187,124
Less: Accumulated depreciation	(117,796)	(106,777)
	69,328	80,347
Plant and equipment - at cost	99,200	96,919
Less: Accumulated depreciation	(87,278)	(83,747)
	11,922	13,172
	81,250	93,519

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

	Leasehold improvements $	Plant and equipment $	Total $
Balance at 1 July 2021	91,321	16,712	108,033
Depreciation	(10,974)	(3,540)	(14,514)
Balance at 30 June 2022	80,347	13,172	93,519
Additions	-	2,279	2,279
Depreciation	(11,019)	(3,529)	(14,548)
Balance at 30 June 2023	69,328	11,922	81,250

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

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

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

Leasehold improvements	7 to 20 years
Plant and equipment	5 to 40 years

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

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

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

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

Note 15. Right-of-use assets

	2023 $	2022 $
Land and buildings - right-of-use	740,998	728,977
Less: Accumulated depreciation	(284,422)	(220,234)
	456,576	508,743

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	592,330
Remeasurement adjustments	(17,338)
Depreciation expense	(66,249)
Balance at 30 June 2022	508,743
Remeasurement adjustments	12,021
Depreciation expense	(64,188)
Balance at 30 June 2023	456,576

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 18 for more information on lease arrangements.

Note 16. Intangible assets

	2023 $	2022 $
Franchise fee	93,858	93,858
Less: Accumulated amortisation	(90,112)	(87,787)
	3,746	6,071
Franchise renewal fee	169,289	169,289
Less: Accumulated amortisation	(150,562)	(138,937)
	18,727	30,352
	22,473	36,423

Note 16. 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	8,396	41,977	50,373
Amortisation expense	(2,325)	(11,625)	(13,950)
Balance at 30 June 2022	6,071	30,352	36,423
Amortisation expense	(2,325)	(11,625)	(13,950)
Balance at 30 June 2023	3,746	18,727	22,473

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)	June 2025
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	June 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 17. Trade and other payables

	2023 **$**	**2022** **$**
Current liabilities		
Trade payables	180	137
Other payables and accruals	59,589	38,568
	59,769	38,705

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 18. Lease liabilities

	2023 $	2022 $
Current liabilities		
Land and buildings lease liabilities	77,303	73,833
Unexpired interest	(16,960)	(18,583)
	60,343	55,250
Non-current liabilities		
Land and buildings lease liabilities	496,443	560,431
Unexpired interest	(50,197)	(65,589)
	446,246	494,842

Reconciliation of lease liabilities

	2023 $	2022 $
Opening balance	550,092	618,581
Remeasurement adjustments	11,930	(17,338)
Lease interest expense	18,541	21,023
Lease payments - total cash outflow	(73,974)	(72,174)
	506,589	550,092

Maturity analysis

	2023 $	2022 $
Not later than 12 months	77,303	73,833
Between 12 months and 5 years	327,898	312,946
Greater than 5 years	168,545	247,485
	573,746	634,264

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 and lease payments in a renewal option if the company is reasonably certain to exercise that option. For leases of property the company has elected not to separate lease and non-lease components when calculating the lease liability.

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

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

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

Note 18. Lease liabilities (continued)

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 demised leased premises.

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

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
North Ryde Branch	3.54%	5 years	1 x 5 years	Yes	June 2030

Note 19. Employee benefits

	2023 $	2022 $
Current liabilities		
Annual leave	17,874	13,508
Long service leave	9,735	8,294
	27,609	21,802
Non-current liabilities		
Long service leave	1,803	829

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.

Bendigo Bank seconds some of the employees to work for the company. Bendigo Bank charges the cost of these employees through the monthly profit share arrangement. The company recognises these expenses when recording the monthly invoice. No annual leave or long service leave liabilities are recognised for the company as these are Bendigo Bank employees.

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.

Note 19. Employee benefits (continued)

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 20. Lease make good provision

	2023 $	2022 $
Lease make good provision	31,323	30,146

Lease make good provision
In accordance with the branch lease agreement, the company must restore the leased premises to the original condition before the expiry of the lease term. The company has estimated the provision to be $40,000 for the North Ryde Branch lease, based on experience and consideration of the expected future costs to remove all fittings and the ATM as well as the cost to remedy any damages caused during the removal process. The lease is due to expire June 2030 at which time it is expected the face-value costs to restore the premises will fall due.

Accounting policy for provisions
Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. The provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Note 21. Issued capital

	2023 Shares	2022 Shares	2023 $	2022 $
Ordinary shares - fully paid	1,058,759	1,058,759	1,058,759	1,058,759
Less: Equity raising costs	-	-	(46,721)	(46,721)
	1,058,759	1,058,759	1,012,038	1,012,038

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.

Note 21. Issued capital (continued)

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

Dividends

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

Transfer

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

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

Prohibited shareholding interest

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

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

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

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

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

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

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

Note 22. Retained earnings

	2023 $	2022 $
Retained earnings at the beginning of the financial year	980,003	1,047,523
Profit after income tax expense for the year	608,972	101,881
Dividends paid (note 24)	(179,989)	(169,401)
Retained earnings at the end of the financial year	1,408,986	980,003

Note 23. 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 24. 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 17 cents per share (2022: 16 cents)	179,989	169,401

Dividends proposed but not recognised at balance date
Since the end of the financial year, the board of directors has proposed to pay a fully franked dividend of 30 cents per share, to be paid on 11 December 2023. The financial impact of the dividend, amounting to $317,628, has not been recognised in the financial statements for the financial year ended 30 June 2023, and will be recognised in the subsequent financial statements.

	2024 $
Fully franked dividend of 30 cents per share	317,628

Note 24. Dividends (continued)

Franking credits

	2023 $	2022 $
Franking account balance at the beginning of the financial year	515,459	509,275
Franking credits (debits) arising from the payment of income tax instalments during the financial year	52,899	41,128
Franking credits/(debits) from the payment/(refund) of income tax following the lodgement of income tax return	(14,166)	6,817
Franking debits from the payment of franked distributions	(59,996)	(56,467)
Franking credits from franked distributions received	10,713	14,706
	504,909	515,459
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	504,909	515,459
Franking credits (debits) that will arise from payment (refund) of income tax	138,323	2,618
Franking credits available for future reporting periods	643,232	518,077

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 25. Financial instruments

	2023 $	2022 $
Financial assets		
Trade and other receivables	148,216	38,705
Cash and cash equivalents	1,984,355	1,429,274
Financial assets	491,143	475,482
	2,623,714	1,943,461
Financial liabilities		
Trade and other payables	59,769	38,705
Lease liabilities	506,589	550,092
	566,358	588,797

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, lease liabilities and equity securities.

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, except for the equity securities which remain at fair value through profit or loss (FVTPL).

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.

Note 25. Financial instruments (continued)

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 subject to movements in market interest rates. The company held cash and cash equivalents of $1,984,355 at 30 June 2023 (2022: $1,429,274).

Equity Price risk
All of the company's listed equity investments are listed on the Australian Stock Exchange (ASX). Changes in equity securities value is recognised through profit or loss or other comprehensive income.

2023	% change increase	Effect on profit before tax	Effect on equity	% change decrease	Effect on profit before tax	Effect on equity
Equity securities	10%	49,114	36,834	(10%)	(49,114)	(36,834)

2022	% change increase	Effect on profit before tax	Effect on equity	% change decrease	Effect on profit before tax	Effect on equity
Equity securities	10%	47,548	35,661	(10%)	(47,548)	(35,661)

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.

Note 25. Financial instruments (continued)

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

2023	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	59,769	-	-	59,769
Lease liabilities	77,303	327,898	168,545	573,746
Total non-derivatives	137,072	327,898	168,545	633,515

2022	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	38,705	-	-	38,705
Lease liabilities	73,833	312,946	247,485	634,264
Total non-derivatives	112,538	312,946	247,485	672,969

Note 26. Fair value measurement

2023	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Equity securities	491,143	-	-	491,143
Total assets	491,143	-	-	491,143

2022	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Equity securities	475,482	-	-	475,482
Total assets	475,482	-	-	475,482

There were no transfers between levels during the financial year.

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.

Note 27. Key management personnel disclosures

The following persons were directors of North Ryde Community Finance Limited during the financial year and/or up to the date of signing of these Financial Statements.

Michael David Southan
Robert John Talbot
Harold Anthony Wise
Phillip Warren Perrin ("Steve")
Thomas Gordon MacAulay

Paul Moujalli
Ian Ross Ackland
Graham John McMaster
Darryl Geoffrey Tutton
Helen Patricia Perrin

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

Note 27. Key management personnel disclosures (continued)

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

Note 28. Related party transactions

There were no transactions with related parties during the current and previous financial year.

Note 29. Remuneration of auditors

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

	2023 $	2022 $
Audit services		
Audit or review of the financial statements	5,600	5,200
Other services		
Taxation advice and tax compliance services	660	600
General advisory services	4,600	4,230
Share registry services	5,200	4,735
	10,460	9,565
	16,060	14,765

Note 30. Reconciliation of profit after income tax to net cash provided by operating activities

	2023 $	2022 $
Profit after income tax expense for the year	608,972	101,881
Adjustments for:		
Depreciation and amortisation	92,686	94,713
Net fair value of equity instruments designated through FVTPL	(15,661)	41,795
Lease liabilities interest	18,541	21,023
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(61,526)	17,863
Decrease/(increase) in deferred tax assets	3,675	(6,102)
Increase/(decrease) in trade and other payables	20,973	(823)
Increase/(decrease) in provision for income tax	135,705	(14,787)
Decrease in deferred tax liabilities	-	(7,008)
Increase/(decrease) in employee benefits	6,781	(30,511)
Increase in other provisions	1,177	1,047
Net cash provided by operating activities	811,323	219,091

Note 31. Earnings per share

	2023 $	2022 $
Profit after income tax	608,972	101,881

Note 31. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	1,058,759	1,058,759
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,058,759	1,058,759

	Cents	Cents
Basic earnings per share	57.52	9.62
Diluted earnings per share	57.52	9.62

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

Note 32. Commitments

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

Note 33. Contingencies

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

Note 34. Events after the reporting period

Apart from the dividend declared and disclosed in note 24, no other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

North Ryde Community Finance Limited
Directors' declaration
30 June 2023

In the directors' opinion:

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

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

- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and

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

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

On behalf of the directors

Michael Southan

Michael David Southan
Chair

6 October 2023

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
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Independent auditor's report to the Directors of North Ryde Community Finance Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of North Ryde Community Finance 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 North Ryde Community Finance 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
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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.

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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: 6 October 2023

Joshua Griffin
Lead Auditor

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Bendigo Bank