

# Annual Report 2023

**Picton & District Community Enterprises  
Limited**

**Community Bank Picton & District  
ABN 73 145 546 121**

# About Community Bank Picton & Districts

Picton and Districts Community Enterprises Ltd. has entered into a franchise agreement with Bendigo and Adelaide Bank that governs the management of the Community Bank. The management by Bendigo and Adelaide includes providing the banking infrastructure, a full range of banking products, training of staff and ongoing support.

Bendigo Bank is one of Australia's oldest financial institutions, having operated since 1858.

Bendigo and Adelaide Bank and our community company share agreed portions of the profits of Community Bank Picton & Districts branch and the community company is responsible for paying the branch running costs.

When our local company begins to make a regular operating surplus from its share of the profits, after the payment of branch running costs, the remaining funds are available to be reinvested back into the community through dividends to shareholders and grants to community groups and projects.

# Annual Report

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# Picton & District Community Enterprises Ltd.

## WHAT WE WANT TO BE?

- At the forefront of people’s mind with banking and community involvement
- A profitable Community Bank and a Bank of choice
- Be invited as part of the community
- We want to be connected and engaged

## WHAT IS OUR REASON FOR BEING?

To assist and strengthen our community

We Will:	By:
Support and develop the potential and growth of directors and staff	Recognising achievements, maximising skills and staff retention
Develop a cohesive marketing strategy	Extending our reach through a multi-media marketing campaign
Improve our engagement with shareholders customers and our community	increasing our presence in the community
Be an ethical, transparent and compliant organisation	Implementing good governance practices
Grow the business	Supporting the business plan.



## About us...

Community Bank Picton & District Branch opened its doors in 2011.

Starting off as a small business, we have grown steadily each year. Ten years on we continue to provide local banking with quality customer service. We are proud to support our community with funds and involvement. To get this far is a real milestone and testament to the commitment and support of the Picton and district local community.

The branch contributes profits back to the community through its sponsorships & grants program found on page 16 of this Annual Report. The program assists local community groups with a wide range of projects, events and initiatives.

Shares are available to invest in our company and we have been working hard towards being able to provide a dividend for our shareholders.

We are pleased to be able to provide a great opportunity to be a part of a local business with a sustainable future. We employ local people and support our local community.

## Our People...

**Chair:** Tristan Triffitt



**Deputy Chairr / Secretary:**  
Evelyn Szumski



**Treasurer:** Leigh  
Christopher



**Director:** Josh Muller



**Director:** Amanda Olic



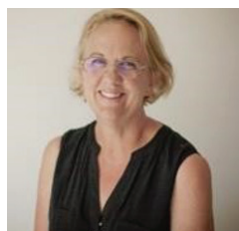
**Director:** Phil Digger



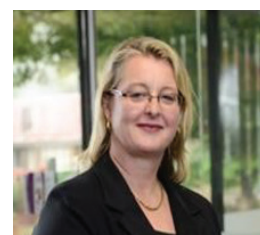
**Director:** Fern Rice



**Director:** Tia Vech



**Director:** Ally Dench



# Our Staff today...

**Branch Operations**

**Manager:**  
Amber O'Brien



**Customer Relationship**

**Officers:**  
Brendan Nasmyth &  
Kyla Hall



**Customer Service Officer:**

Sade Lobendahn



**Mobile Relationship**

**Manager:**  
Shaz Kumar



We'd like to thank the staff below for the wonderful work they did over the last year and to wish them well in their new endeavors.

Belinda Dyson



Brendan Rudd



Kim Glinkowski



## Message from the Chair...

For year ending 30 June 2023

As we look back at another year, I reflect on the progress of our vision in growing the branch and profitably.

As you may be aware from my report last year, we have been going through a rebuild phase and making sure we are equipped to move in a positive direction with long term stability.

With that said, we have had some hurdles around staffing and being able to attract the right fits for the branch. We have now been fortunate to have been joined by several high energy team members and we are excited to watch them grow in their roles and our Branch Operations Manager Belinda Dyson has now moved on from the branch to pursue other adventures and we wish her all the best for the future.

After consultation with Bendigo and Adelaide Bank, and a great deal of deliberation, the Board now believes that it will be in the best interests of the branch to implement a different management and team structure.

This means we are engaging a Branch Manager, who is also qualified to lend. While to the onlooker there is not much difference between a Branch manager and Branch Operations Manager, the additional lending capacity will ensure loans can be processed more readily in branch and other staff roles will change to also be more effective in servicing the requirements of our customers and branch. The Branch Manager will work in line with our current mobile lender, who has really gained some traction over the last few months.

I am excited to announce we have secured a very experienced Branch Manager with Amber O'Brien joining the team. Amber brings a wealth of banking experience and a very vibrant personality to the branch and I'm confident that anyone who meets her will feel the same.

We have secured a fantastic CSO with Sade Lobendahn also added to the team as the final place for our rebuild and recruitment. Another friendly face and exceptional personal skills, Sade will be a great first impression when customers enter the branch.

Over the period of the Covid pandemic we were able to pay dividends to our shareholders and were pleased to have been able to do so at a time when most other banks chose not to. Going forward we will continue to try and deliver these where we can.

I would like to also make mention of the wonderful Board, who donate their time to help make the decisions which ensure things run effectively.

This will be my final report to you as Chair. I feel it is now time for me to hand over the reins and allow others to add their knowledge and experience in the role, to help continue the growth of this amazing organisation. While I still feel very strongly about the community bank and the work that we do, I also have a very young family. I need to focus on time spent with them, as this is time I won't get back. I must say though, I have really enjoyed the experience of leading the Board as Chair and I hope I have made a positive contribution to set the Branch up now to move forward strongly as I know you will be in the best of hands moving forward.

Thank you to everyone for your support during my time on the board.



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Tristan Triffitt, Chairperson

## Directors Report...

Your directors submit the financial statements of the company for the financial year ended 30 June 2023. The names and details of the company's directors who held office during or since the end of the financial year are as follows:

### **Tristan Triffitt**

#### **Chairperson**

*Occupation:* Real Estate Agent

*Qualifications, experience and expertise:* Being heavily involved in Real Estate for over 18 years, Tristan Triffitt has achieved truly outstanding results. In his first year as an agent, he sold a record number of properties. He was recognised by the Real Estate Institute of NSW for award of excellence. Every year since, Tristan has been awarded with a Top Salesperson award from his peers in the industry, this is a record that few can match including currently being ranked in the top 10 regional agents nationally.

Today, Tristan is the Director & Licensee in Charge at Exclusive Estate Agents. Not only is he a fully licensed real estate agent, he's also a licensed auctioneer, licensed stock and station agent and even a qualified real estate trainer. Given all this, Tristan is able to offer superb service to clients wishing to sell their home. Buyers also benefit dealing with Tristan. His knowledge of the local market allows him to provide sound advice to buyers and he is quick to advise when new listings become available.

*Special responsibilities:* Chairperson and Marketing Committee

*Interest in shares:* Nil

### **Evelyn Szumski**

#### **Deputy Chairperson / Secretary**

*Occupation:* Coach and Trainer

*Qualifications, experience and expertise:* Holding key management and leadership roles within the Telstra corporation for 23 years, Evelyn was regarded as the 'go to' person on a range of corporate areas including employee coaching, mentoring, employee rights, nationwide policies, procedures and rollout of systems, demonstrating the high regard held for her by the Telstra Corporation. She also specialises in coaching business owners and company CEOs. Evelyn helps business owners identify their goals, understand and formalise them and strategize the implementation of achieving these goals in simple, easy to manage steps over allocated time frames and practices brain-based coaching being an authorised YB12 coach. Qualifications include being an accredited SEI EQ Assessor, Six Seconds Certified EQ Assessor, YB12 Coach Authorisation, Neuro leadership coaching accreditation, Executive coach Master Business accelerator, Certified Leading Dimensions Profiler, Cert IV TAE, Diploma of Management, Deakin University - Team leader development program and Diploma of Business Administration.

*Special responsibilities:* Deputy Chairperson / Secretary and Governance Committee

*Interest in shares:* Nil

### **Josephus Huibertus Muller**

#### **Non-executive Director**

*Occupation:* Retired

*Qualifications, experience and expertise:* Teaching Certificate (Wagga Wagga Teachers College 1972), Bachelor of Financial Administration (UNE 1986) and Cert IV in Human Resources 2011 Macarthur TAFE. Management Accountant and past Director of Australian Co-operatives Association and Secretary/Treasurer of Buxton Rural Fire Brigade.

*Special responsibilities:* Finance and Governance Committee

*Interest in shares:* 500

## Directors (continued)

### **Phillip Lee Digger**

#### **Non-executive Director**

*Occupation:* Small Business Owner

*Qualifications, experience and expertise:* Upholsterer, Carpet Sales and Flooring layer. Life member of Picton Rugby League Football Club. Tafe in Upholstery & Carpet Laying

*Special responsibilities:* Nil

*Interest in shares:* 2001

### **Amanda Olic**

#### **Non-executive Director** (appointed 31 July 2022)

*Occupation:* Solicitor

*Qualifications, experience and expertise:* Solicitor practising since 2011 in Sydney and surrounding areas working in commercial law, criminal law, employment law, family law, injury compensation, property law and conveyancing and wills and estate law. Amanda is also actively involved in the community including as a director of a local registered club.

*Special responsibilities:* Marketing Committee

*Interest in shares:* Nil

### **Leigh Christopher**

#### **Non-executive Director** (appointed 31 July 2022)

*Occupation:* Financial Planner

*Qualifications, experience and expertise:* 12 years experience within the Financial Services industry, Certified Financial Planning (CFP) Bachelor of Business (Applied Finance) UWS, Advanced Diploma of Financial Planning Director | Financial Adviser at Australian Finance Hub Wealth Management Specialist in Self-Managed Super Fund set up. Assisting clients with tailored personal insurance (Income Protection) and assist with claims. Wealth accumulation and management

Interests include Rugby League, golf, travelling, time with family and friends

*Special responsibilities:* Marketing and Finance Committees

*Interest in shares:* Nil

### **Fern Carol Rice**

#### **Non-executive Director** (appointed 9 November 2022, resigned 28 August 2023)

*Occupation:* Virtual Assistant

*Qualifications, experience and expertise:* Virtual Assistant specialising in Board management and support, self-employed. Previously: B2B account manager, Business Development, Systems analysis and design, direct sales positions. Involved in local women's networking groups and has been supporting the Board with secretariat work since 2018. Other former directorships: Community Links Wellbeing, Wollondilly Women in Business.

*Special responsibilities:* Assistant to the Secretary

*Interest in shares:* Nil

### **Alison Nancy Dench**

#### **Non-executive Director** (resigned 9 November 2022)

*Occupation:* Executive Director, Local Government

*Qualifications, experience and expertise:* B. Social Science & BA Hons Politics. Over 25 years experience in the human and community services sectors holding various roles in government and non-government services. Experience in direct care, service management, service delivery and policy development. Current Executive Director Local Government – Office of Local Government.

*Special responsibilities:* Governance Committee

*Interest in shares:* 1501

## Directors (continued)

### Tia Louise Veech

**Non-executive Director** (resigned 9 November 2022)

*Occupation:* Self-employed

*Qualifications, experience and expertise:* Aromatherapist currently self-employed. Market Organiser - Wollondilly Markets, Light Up the Oaks & Time Travelers World Fair. Previously: Family Day Care operator, clerical positions and various direct sales positions. Currently helping with the Dilly Drought Drive. Involved in local women's networking groups and admin on a variety of local community and networking Facebook pages.

*Former directorships:* Our Community Pantry.

*Special responsibilities:* Marketing Committee

*Interest in shares:* 2000

Directors were in office for this entire year unless otherwise stated.

No directors have material interest in contracts or proposed contracts with the company.

### Company secretary

The company secretary is Evelyn Szumski. Evelyn was appointed to the position of secretary on 15 November 2021.

### 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 \$131,130 (30 June 2022: \$25,990).

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.

Unfranked dividend of nil cents per share (2022: 5 cents)	<b>2023</b>	<b>2022</b>
	\$	\$
	-	<u>44,225</u>

### Significant changes in the state of affairs

In the opinion of the directors there were no significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or the financial statement.

### Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

### Likely developments

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

### Environmental regulation

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

## Directors (continued)

### Meetings of directors

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

	Board Meetings Attended		Committee Meetings Attended					
			Governance & HR		Marketing		Finance	
	A	B	A	B	A	B	A	B
Tristan Triffitt	12	11	-	-	5	4	-	-
Evelyn Szumski	12	11	8	8	5	5	-	-
Josephus Huibertus Muller	12	10	8	6	-	-	4	4
Philip Lee Digger	12	6	-	-	5	3	-	-
Amanda Olic	12	8	8	2	5	4	-	-
Leigh Christopher	12	7	7	4			3	1
Fern Carol Rice	8	7	5	4	-	-	-	-
Alison Nancy Dench	5	4	2	2	-	-	-	-
Tia Louise Veech	5	1	-	-	-	-	-	-

*A – eligible to attend*

*B – number attended*

### Directors' benefits

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

### Directors' interests

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Tristan Triffitt	-	-	-
Evelyn Szumski	-	-	-
Josephus Huibertus Muller	500	-	500
Phillip Lee Digger	2,001	-	2,001
Amanda Olic	-	-	-
Leigh Christopher	-	-	-
Fern Carol Rice	-	-	-
Alison Nancy Dench	1,501	-	1,501
Tia Louise Veech	2,000	-	2,000



### **Indemnity and insurance of directors and officers**

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

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

### **Proceedings on behalf of the company**

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

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

### **Indemnity and insurance of auditor**

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

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

### **Non-audit services**

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

The board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of the 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.

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

  
\_\_\_\_\_  
Tristan Triffitt, Chairperson



# Auditor's independence declaration



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

## Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Picton & District Community Enterprises Limited

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

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

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart', written in a cursive style.

**Andrew Frewin Stewart**  
61 Bull Street, Bendigo, Vic, 3550  
Dated: 26 September 2023

A handwritten signature in black ink, appearing to read 'Joshua Griffin', written in a cursive style.

**Joshua Griffin**  
Lead Auditor



## Our Bank Branch – Strategic Plan and Structure

We have been working hard again this year on our strategic plan and refining the new structure for the business. We have also continued to implement our sound market research, promoted Bendigo Bank's products, and got the brand out there - all within a well-considered budget.

Our strategy to use several ways to get the word out about our business without it "breaking the bank" continues and following are some of the initiatives that have been implemented:

- Using our Cabanas to have a physical presence in the Community
- Taking advantage of the Community Bank marketing initiatives and templates
- Designing and promoting our social media presence
- Collaborating with other key community players
- Offering our services and product as a competition prizes
- Promoting referral marketing with the help of our Branch Manger
- Getting our name out there through radio and the print media

## Proud to sponsor our Community & Events!

In the spirit of community engagement and support, Community Bank Picton & District proudly highlights its active involvement in various sponsorships throughout the 2022-2023 financial year. As dedicated stewards of our community, the Board of Directors is delighted to have been sponsors for a wide range of clubs and events, contributing to the vibrant spirit of our locality.

### Shining Stars Foundation



**BARGO**  
FREE OUTREACH MEAL SERVICE  
**FRIDAY FORTNIGHT**  
4 - 5pm  
Outside Khan's IGA Bargo  
90 Rainside Ave, Bargo

**KHAN'S SUPA IGA**

**Bendigo Bank**  
Faster than a bank.  
Power & Energy. Community Bank. Stock.  
Phone 9077 1000

*Together we make a difference*

Shining Stars Foundation are here for our community. Supplying a outreach program, to help anyone doing it tough.




### Thirlmere Festival of Steam



**THIRLMERE FESTIVAL OF STEAM**

**MEDIA SPONSORS**  
Wollondilly C913

**HUFF N PUFF SPONSOR**  
SIMEC

**PARADE SPONSOR**  
[Logo]

**CARNIVAL SPONSOR**  
Bendigo Bank

**GENERAL SPONSOR**  
BRADCORP

**FRIENDS OF THE FESTIVAL SPONSORS**  
pestgo Live Pest Solutions  
AGNES CHALKER CULTURAL AWARDS  
mac

THANK YOU TO OUR **EVENT SPONSORS**



### Sponsoring the Picton Chamber of Commerce Golf Day



**PICTON**  
CHAMBER OF  
COMMERCE  
AND INDUSTRY INC





# Proud to sponsor our Community & Events!

## Illuminate Wollondilly



## Sponsoring our Sports Athletes across the Dilly - Wollondilly Razorbacks, & the Bargo & Wilton Netball Clubs!!



## Supporting EscabBags



♥ We are proud to be in partnership with EscabBags - Escape Bags. Their Bags are filled with the necessities that a victim of abuse and his or her children may need when escaping an abusive or dangerous situation. During EscabBags aWEARness Day 2023 we participated by 'Wearing it Yellow' in support of all those who have escaped Domestic & Family Abuse.

Thank you to all the businesses, organisations and friendship groups across Australia who participated.

## Supporting the NSW Variety Bash



We were delighted to support a local team to take part in the NSW Variety Bash. The event raised funds for Variety - the Children's Charity NSW & ACT.

It was a week-long adventure in their vehicle, exploring the dirt roads of NSW and the ACT visiting some beautiful country towns. Congratulations to the team for their fundraising efforts which will support NSW and ACT kids.



## Proud to sponsor our Community & Events!

### Supporting Tahmoor Baptist Church



Sudden Cardiac Arrest is one of the leading causes of death in Australia. Defibrillator units have the power to save lives. Having a defibrillator on-hand means anyone can step in, before paramedics arrive, when every second counts.

We were delighted to be able to provide one to the Tahmoor Baptist Church.

We hope they never have to use it. ❤️

### Heroes with Ability



In 2022-2023, Community Bank Picton and Districts is honoured to have sponsored Heroes with Ability, a registered charity committed to promoting inclusivity and wellbeing. Through our support, schools in our community have had the opportunity to partake in a program that embodies the values of health and inclusiveness, strengthening the foundations of a healthier, happier future for all.

### Continuing our commitment to Foundation 13 - West Tigers



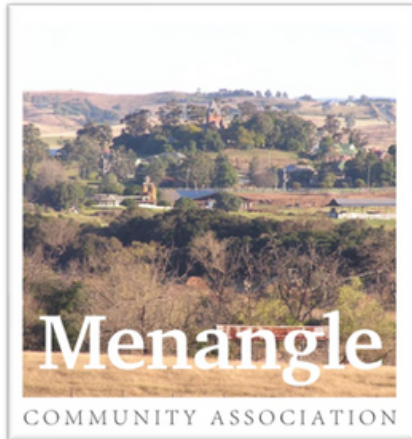
We proudly continue to support The West Tigers through their Foundation 13 program and were very excited to be a part of the Official NRL Season launch. The West Tigers Foundation 13 is whole-heartedly committed to enriching the lives of our community and harnessing the game's popularity to make a lasting difference in people's lives across the Inner, Southwest of Sydney and throughout Wollondilly and Wingecaribee.

That's our team! Go the Wests Tigers.



## Proud to sponsor our Community & Events!

### The Menangle School of Arts Project:

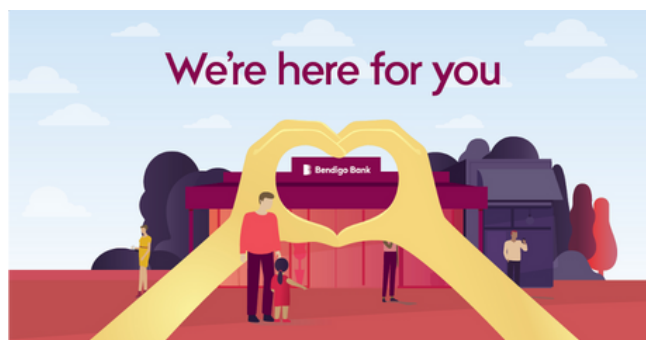


**Status:** Under Construction due to be completed in 2024

The Menangle School of Arts Hall project will build a new modern community facility in Menangle reflecting the heritage values of the former hall.

The new hall will accommodate up to 150 guests and will be fit for purpose facility for the growing community of Menangle and surrounds. The community of Menangle does not have any existing public facilities and the new hall will provide increased community connectedness and social cohesion for this vibrant community improving the overall liveability and reducing social isolation.

Community Bank Picton & District Community Enterprise's contribution of \$18,700 towards the project it will allow the fit-out of a fit-for-purpose kitchen for the new facility allowing community groups to provide light catering for gatherings and events. More broadly it will build resilience in times of need, create jobs, deliver community services and provide a space for groups to meet.



## Divident Payment History

Dividend to shareholders			
Financial Year	Amount Per Share	Franking Level*	Date Paid
2022/2023	No dividend paid		
2021/2022	0.05	Unfranked	29 June 2022
2020/2021	0.05	Unfranked	25 March 2021
2019/2020	0.05	Unfranked	25 March 2020

## Trading Shares in Picton & District Community Enterprises Ltd.

Community Bank Picton & District Branch of Bendigo Bank is operated by Picton & District Community Enterprises Limited.

Picton & District Community Enterprises Limited also operates a Special Market called a Low Volume Market (LVM), to facilitate the trading of its shares.

The AFS share registry team provide a comprehensive share register management service for Picton & District Community Enterprises Limited and offer a secure online platform to manage the share registers allowing real time access to registry information by board members and shareholders.

In 2021-22 financial year AFS took over the management of the LVM for Picton & District Community Enterprises Limited. Further information can be found at the following web link.

<https://www.afsbendigo.com.au/share-registry/>

There are no recent share trades for Picton & District Community Enterprises Limited. In order to buy or sell shares in Picton & District Community Enterprises Limited you must first register your interest formally.

The following web link will enable you register online or download the appropriate forms to complete any transactions in the LVM.

<https://www.bendigobank.com.au/branch/nsw/community-bank-picton-district/lvm-shares/>

If a registered buyer and seller agree to trade shares, the buyer must first seek approval from the Company's Board by completing the Share Purchase Form and sending to AFS.

Once approved, the registered buyer and seller must complete the Security Transfer Form and send it to AFS.

Stamp Duty may also be payable and it is wise to check with the State Revenue Office for details. If Stamp Duty applies, the buyer must comply with State Revenue Office regulations prior to submitting the Security Transfer Form to AFS.

All LVM interest and transactions should be posted to:

Share Registry Team, AFS & Associates Pty Ltd  
Picton & District Community Enterprises Limited  
PO Box 454 Bendigo VIC 3552  
[shareregistry@afsbendigo.com.au](mailto:shareregistry@afsbendigo.com.au)

A full list of the interested traders as at 30 June 2023 (including number of shares and desired trading price) is provided as follows:



## Buyers

Parcel	Min Sale Price (Per Share)	ID	Interest Lodged
500	\$ 0.80	25	04/05/2021

## Sellers

Parcel	Min Sale Price (Per Share)	ID	Interest Lodged
500	\$ 1.00	20	17/01/2023
5,000	\$ 1.00	23	02/02/2022
50,000	\$ 0.50	24	28/1/2022
1,000	\$ 1.00	26	9/3/2022
6,000	\$ 0.80	27	16/5/2022
500	\$ 0.99	28	23/6/2022
2,000	\$ 1.00	29	19/1/2023
10,000	\$ 1.00	30	29/5/2023

## Special Market Condition Notices - Low Volume Market (LVM)

Picton & District Community Enterprises Limited does not hold a license to operate a financial market and is not subject to market obligations, in particular the obligation to ensure that the market is fair, transparent and orderly.

The market is covered by an exemption under section 791C of the Corporations Act. Picton & District Community Enterprises Limited does not provide a settlement service for trading in the market – it is the responsibility of the parties to a transaction to arrange payment between themselves.

Shares in Picton & District Community Enterprises Limited have characteristics that may differ from mainstream securities.

### Special characteristics of Community Bank companies

- ‘One shareholder one vote’ constitutions rather than ‘one share one vote’.
- Shareholder limit of 10% of issued capital for individuals and related entities.
- There is a limit on profits that can be distributed to shareholders, including through dividends. By way of overview, the limit is the higher of: (a) 20% of the profits of the Company otherwise available for distribution to shareholders in the financial year, and (b) the relevant rate of return (being the weighted average interest rate on 90 day bank bills over the 12 month period plus 5%) multiplied by the average level of share capital over the 12 month period.
- Persons who do not possess a “close connection” with the community served by Picton & District Community Enterprises Limited can be prohibited from acquiring shares in the Company.
- Share transfers which result in the number of shareholders in Picton & District Community Enterprises Limited falling below a fixed “Base Number” will be prohibited.
- These restrictions are intended to embed the community nature of Picton & District Community Enterprises Limited.
- Directors of Picton & District Community Enterprises Limited have the right to refuse to register any transfer of shares in their unlimited discretion.
- Full details of the restrictions on holding shares and Directors’ powers to refuse to register a transfer of shares are set out in the Company’s constitution. A copy of the constitution is available on request from the Company Secretary
- Stamp duty may apply in your State/Territory. Please refer to the State Revenue Office in your State for details.

## Investor relations...

### Shareholders - Contact Us

#### Company Details:

Picton & District Community Enterprises Ltd  
ABN - 73 145 546 12  
PO Box 660  
Picton NSW 2571

Shop T20 Picton Mall,  
9-13 Margaret St Picton NSW 2571

#### Secretary Details:

Evelyn Szumski  
c/- PO Box 660 PICTON NSW 2571  
Phone: 0428553900

#### Share Registry and LVM management Details:

AFS & Associates Pty Ltd  
61-65 Bull Street  
Bendigo VIC 3550

Postal Address  
PO Box 454  
Bendigo VIC 3552

Phone: 03 5443 0344  
Fax: 03 5443 5304

Email: [shareregistry@afsbendigo.com.au](mailto:shareregistry@afsbendigo.com.au)

Web: [www.afsbendigo.com.au](http://www.afsbendigo.com.au)

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# Picton & District Community Enterprises Limited

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ABN: 73 145 546 121

## **Financial Report**

For the year ended

30 June 2023

The directors present the financial statements of the company for the financial year ended 30 June 20223.

**Picton & District Community Enterprises Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2023**

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
Revenue from contracts with customers	6	799,724	588,128
Other revenue		22,548	21,272
Finance revenue		2,277	778
<b>Total revenue</b>		<u>824,549</u>	<u>610,178</u>
Employee benefits expense	7	(408,674)	(364,060)
Advertising and marketing costs		(2,151)	(5,128)
Occupancy and associated costs		(17,935)	(13,983)
System costs		(15,300)	(17,724)
Depreciation and amortisation expense	7	(62,087)	(61,459)
Finance costs	7	(8,503)	(10,029)
General administration expenses		(80,921)	(72,812)
<b>Total expenses before community contributions and income tax</b>		<u>(595,571)</u>	<u>(545,195)</u>
<b>Profit before community contributions and income tax</b>		228,978	64,983
Charitable donations and sponsorships expense	7	(54,012)	(30,135)
<b>Profit before income tax expense</b>		174,966	34,848
Income tax expense	8	(43,836)	(8,858)
<b>Profit after income tax expense for the year</b>	19	131,130	25,990
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<u>131,130</u>	<u>25,990</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	27	14.83	2.94
Diluted earnings per share	27	14.83	2.94

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

**Picton & District Community Enterprises Limited**  
**Statement of financial position**  
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	510,165	333,105
Trade and other receivables	10	70,132	63,041
<b>Total current assets</b>		580,297	396,146
<b>Non-current assets</b>			
Property, plant and equipment	11	49,342	64,896
Right-of-use assets	12	100,319	133,725
Intangible assets	13	42,663	55,790
Deferred tax assets	8	34,282	78,118
<b>Total non-current assets</b>		226,606	332,529
<b>Total assets</b>		806,903	728,675
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	14	56,436	52,302
Lease liabilities	15	45,359	39,520
Employee benefits	16	19,852	13,078
<b>Total current liabilities</b>		121,647	104,900
<b>Non-current liabilities</b>			
Trade and other payables	14	30,170	60,340
Lease liabilities	15	89,144	130,620
Employee benefits	16	939	155
Lease make good provision	17	25,993	24,780
<b>Total non-current liabilities</b>		146,246	215,895
<b>Total liabilities</b>		267,893	320,795
<b>Net assets</b>		539,010	407,880
<b>Equity</b>			
Issued capital	18	848,252	848,252
Accumulated losses	19	(309,242)	(440,372)
<b>Total equity</b>		539,010	407,880

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

**Picton & District Community Enterprises Limited**  
**Statement of changes in equity**  
**For the year ended 30 June 2023**

	Note	Issued capital \$	Accumulated losses \$	Total equity \$
<b>Balance at 1 July 2021</b>		848,252	(422,137)	426,115
Profit after income tax expense		-	25,990	25,990
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	25,990	25,990
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for	21	-	(44,225)	(44,225)
<b>Balance at 30 June 2022</b>		<u>848,252</u>	<u>(440,372)</u>	<u>407,880</u>
<b>Balance at 1 July 2022</b>		848,252	(440,372)	407,880
Profit after income tax expense		-	131,130	131,130
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	131,130	131,130
<b>Balance at 30 June 2023</b>		<u>848,252</u>	<u>(309,242)</u>	<u>539,010</u>

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

**Picton & District Community Enterprises Limited**  
**Statement of cash flows**  
**For the year ended 30 June 2023**

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		896,330	664,535
Payments to suppliers and employees (inclusive of GST)		(651,193)	(584,031)
Interest received		2,277	778
		<u>247,414</u>	<u>81,282</u>
Net cash provided by operating activities	26		
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		-	(2,282)
Payments for intangible assets		(27,427)	-
		<u>(27,427)</u>	<u>(2,282)</u>
Net cash used in investing activities			
<b>Cash flows from financing activities</b>			
Dividends paid	21	-	(44,225)
Repayment of lease liabilities	15	(42,927)	(45,592)
		<u>(42,927)</u>	<u>(89,817)</u>
Net cash used in financing activities			
Net increase/(decrease) in cash and cash equivalents		177,060	(10,817)
Cash and cash equivalents at the beginning of the financial year		333,105	343,922
		<u>510,165</u>	<u>333,105</u>
Cash and cash equivalents at the end of the financial year	9		

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



# Picton & District Community Enterprises Limited

## Notes to the financial statements

### For the year ended 30 June 2023

#### **Note 1. Reporting entity**

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Shop T20 Picton Mall, 9 Margaret Street, Picton NSW 2571.

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 26 September 2023. The directors have the power to amend and reissue the financial statements.

#### **Note 3. Significant accounting policies**

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

##### **Changes in accounting policies, standards and interpretations**

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

##### **Current and non-current classification**

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

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

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

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

##### **Impairment**

###### *Non-derivative financial assets*

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

**Picton & District Community Enterprises Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2023**

**Note 3. Significant accounting policies (continued)**

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

*Non-financial assets*

At each reporting date, the company reviews the carrying amounts of its tangible assets and intangible assets 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.

*Estimation of useful lives of assets*

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

*Impairment of non-financial assets other than goodwill and other indefinite life intangible assets*

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

*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.

**Picton & District Community Enterprises Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2023**

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

*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 October 2026.

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.

**Picton & District Community Enterprises Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2023**

**Note 5. Economic dependency (continued)**

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	748,926	534,325
Fee income	25,869	27,000
Commission income	24,929	26,803
	799,724	588,128

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:

<u>Revenue stream</u>	<u>Includes</u>	<u>Performance obligation</u>	<u>Timing of recognition</u>
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.

**Picton & District Community Enterprises Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2023**

**Note 6. Revenue from contracts with customers (continued)**

*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. Expenses**

**Employee benefits expense**

	<b>2023</b>	<b>2022</b>
	\$	\$
Wages and salaries	348,809	321,314
Superannuation contributions	35,581	29,030
Expenses related to long service leave	784	(23,673)
Other expenses	23,500	37,389
	408,674	364,060
	408,674	364,060

**Picton & District Community Enterprises Limited**  
**Notes to the financial statements**  
For the year ended 30 June 2023

**Note 7. Expenses (continued)**

**Depreciation and amortisation expense**

	<b>2023</b>	<b>2022</b>
	\$	\$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	13,289	13,408
Plant and equipment	2,265	2,290
	15,554	15,698
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	33,406	32,182
<i>Amortisation of intangible assets</i>		
Franchise fee	2,188	2,263
Franchise renewal fee	10,939	11,316
	13,127	13,579
	62,087	61,459

**Finance costs**

	<b>2023</b>	<b>2022</b>
	\$	\$
Lease interest expense	7,290	8,872
Unwinding of make-good provision	1,213	1,157
	8,503	10,029
	8,503	10,029

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

**Leases recognition exemption**

	<b>2023</b>	<b>2022</b>
	\$	\$
Expenses relating to low-value leases	5,484	7,481
	5,484	7,481

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.



**Picton & District Community Enterprises Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2023**

**Note 8. Income tax**

	<b>2023</b>	<b>2022</b>
	\$	\$
<i>Income tax expense</i>		
Movement in deferred tax	(5,207)	7,302
Recoupment of prior year tax losses	49,043	1,556
	<u>43,836</u>	<u>8,858</u>
<i>Aggregate income tax expense</i>		
	<u>43,836</u>	<u>8,858</u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	174,966	34,848
Tax at the statutory tax rate of 25%	43,742	8,712
Tax effect of:		
Non-deductible expenses	94	146
Income tax expense	<u>43,836</u>	<u>8,858</u>
	<b>2023</b>	<b>2022</b>
	\$	\$
<i>Deferred tax assets/(liabilities)</i>		
Tax losses	10,543	59,586
Property, plant and equipment	2,447	(875)
Employee benefits	5,198	3,308
Lease liabilities	33,626	42,535
Provision for lease make good	6,498	6,195
Accrued expenses	1,050	800
Right-of-use assets	(25,080)	(33,431)
Deferred tax asset	<u>34,282</u>	<u>78,118</u>

*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.

**Picton & District Community Enterprises Limited**  
**Notes to the financial statements**  
For the year ended 30 June 2023

**Note 8. Income tax (continued)**

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

**Note 9. Cash and cash equivalents**

	<b>2023</b>	<b>2022</b>
	\$	\$
Cash at bank and on hand	357,438	181,410
Term deposits	152,727	151,695
	510,165	333,105
	510,165	333,105

*Accounting policy for cash and cash equivalents*

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

**Note 10. Trade and other receivables**

	<b>2023</b>	<b>2022</b>
	\$	\$
Trade receivables	64,909	56,742
Other receivables and accruals	125	125
Prepayments	5,098	6,174
	5,223	6,299
	70,132	63,041

*Accounting policy for trade and other receivables*

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

**Note 11. Property, plant and equipment**

	<b>2023</b>	<b>2022</b>
	\$	\$
Leasehold improvements - at cost	116,688	116,688
Less: Accumulated depreciation	(75,783)	(62,494)
	40,905	54,194
Plant and equipment - at cost	70,466	70,466
Less: Accumulated depreciation	(62,029)	(59,764)
	8,437	10,702
	49,342	64,896



**Picton & District Community Enterprises Limited**  
**Notes to the financial statements**  
For the year ended 30 June 2023

**Note 11. Property, plant and equipment (continued)**

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	67,602	10,710	78,312
Additions	-	2,282	2,282
Depreciation	(13,408)	(2,290)	(15,698)
Balance at 30 June 2022	54,194	10,702	64,896
Depreciation	(13,289)	(2,265)	(15,554)
Balance at 30 June 2023	<u>40,905</u>	<u>8,437</u>	<u>49,342</u>

*Accounting policy for property, plant and equipment*

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

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

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

Leasehold improvements	5 to 7 years
Plant and equipment	3 to 6 years

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

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

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

*Changes in estimates*

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

**Note 12. Right-of-use assets**

	2023 \$	2022 \$
Land and buildings - right-of-use	435,501	435,501
Less: Accumulated depreciation	(335,182)	(301,776)
	<u>100,319</u>	<u>133,725</u>

**Picton & District Community Enterprises Limited**  
**Notes to the financial statements**  
For the year ended 30 June 2023

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

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	160,909
Additions	4,998
Depreciation expense	<u>(32,182)</u>
Balance at 30 June 2022	133,725
Depreciation expense	<u>(33,406)</u>
Balance at 30 June 2023	<u><u>100,319</u></u>

*Accounting policy for right-of-use assets*

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

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

Refer to note 15 for more information on lease arrangements.

**Note 13. Intangible assets**

	2023 \$	2022 \$
Franchise fee	32,131	32,131
Less: Accumulated amortisation	<u>(25,021)</u>	<u>(22,833)</u>
	7,110	9,298
Franchise renewal fee	110,657	110,657
Less: Accumulated amortisation	<u>(75,104)</u>	<u>(64,165)</u>
	35,553	46,492
	<u><u>42,663</u></u>	<u><u>55,790</u></u>

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	621	3,113	3,734
Additions	10,939	54,696	65,635
Amortisation expense	<u>(2,263)</u>	<u>(11,316)</u>	<u>(13,579)</u>
Balance at 30 June 2022	9,297	46,493	55,790
Amortisation expense	<u>(2,188)</u>	<u>(10,939)</u>	<u>(13,127)</u>
Balance at 30 June 2023	<u><u>7,109</u></u>	<u><u>35,554</u></u>	<u><u>42,663</u></u>

**Picton & District Community Enterprises Limited**  
**Notes to the financial statements**  
For the year ended 30 June 2023

**Note 13. Intangible assets (continued)**

*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:

<u>Asset class</u>	<u>Method</u>	<u>Useful life</u>	<u>Expiry/renewal date</u>
Franchise fee	Straight-line	Over the franchise term (5 years)	October 2026
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	October 2026

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

*Change in estimates*

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

**Note 14. Trade and other payables**

	<b>2023</b>	<b>2022</b>
	\$	\$
<i>Current liabilities</i>		
Trade payables	176	4,169
Other payables and accruals	56,260	48,133
	<u>56,436</u>	<u>52,302</u>
<i>Non-current liabilities</i>		
Other payables and accruals	<u>30,170</u>	<u>60,340</u>

*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.

**Picton & District Community Enterprises Limited**  
**Notes to the financial statements**  
For the year ended 30 June 2023

**Note 15. Lease liabilities**

	<b>2023</b>	<b>2022</b>
	\$	\$
<i>Current liabilities</i>		
Land and buildings lease liabilities	50,733	46,830
Unexpired interest	(5,374)	(7,310)
	<u>45,359</u>	<u>39,520</u>
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	93,660	140,490
Unexpired interest	(4,516)	(9,870)
	<u>89,144</u>	<u>130,620</u>
<i>Reconciliation of lease liabilities</i>		
	<b>2023</b>	<b>2022</b>
	\$	\$
Opening balance	170,140	201,862
Remeasurement adjustments	-	4,998
Lease interest expense	7,290	8,872
Lease payments - total cash outflow	(42,927)	(45,592)
	<u>134,503</u>	<u>170,140</u>
<i>Maturity analysis</i>		
	<b>2023</b>	<b>2022</b>
	\$	\$
Not later than 12 months	50,733	46,830
Between 12 months and 5 years	93,660	140,490
	<u>144,393</u>	<u>187,320</u>

*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 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.

**Picton & District Community Enterprises Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2023**

**Note 15. 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 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
Picton branch	4.79%	5 years	N/A	N/A	June 2026

**Note 16. Employee benefits**

	2023 \$	2022 \$
<i>Current liabilities</i>		
Annual leave	<u>19,852</u>	<u>13,078</u>
<i>Non-current liabilities</i>		
Long service leave	<u>939</u>	<u>155</u>

*Accounting policy for employee benefits*

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

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

*Superannuation contributions*

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

*Short-term employee benefits*

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

*Other long-term employee benefits*

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

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

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

**Picton & District Community Enterprises Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2023**

**Note 17. Lease make good provision**

	<b>2023</b>	<b>2022</b>
	\$	\$
Lease make good	25,993	24,780

*Lease make good*

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 \$30,000 for the Picton 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 on 30 June 2026 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 18. Issued capital**

	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	Shares	Shares	\$	\$
Ordinary shares - fully paid	884,509	884,509	884,509	884,509
Less: Equity raising costs	-	-	(36,257)	(36,257)
	884,509	884,509	848,252	848,252

*Accounting policy for issued capital*

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

***Rights attached to issued capital***

*Ordinary shares*

Voting rights

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

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

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

**Picton & District Community Enterprises Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2023**

**Note 18. Issued capital (continued)**

Dividends

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

Transfer

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

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

*Prohibited shareholding interest*

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 192. As at the date of this report, the company had 209 shareholders (2022: 209 shareholders).

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

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

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

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

**Note 19. Accumulated losses**

	2023	2022
	\$	\$
Accumulated losses at the beginning of the financial year	(440,372)	(422,137)
Profit after income tax expense for the year	131,130	25,990
Dividends paid (note 21)	-	(44,225)
	(309,242)	(440,372)
Accumulated losses at the end of the financial year	(309,242)	(440,372)



**Picton & District Community Enterprises Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2023**

**Note 20. Capital management**

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

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

The distribution limit is the greater of:

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

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

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

**Note 21. Dividends**

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

	<b>2023</b>	<b>2022</b>
	\$	\$
Unfranked dividend of nil cents per share (2022: 5 cents)	-	44,225
	-	44,225

*Accounting policy for dividends*

Dividends are recognised in the financial year they are declared.

**Note 22. Financial instruments**

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>Financial assets</b>		
Trade and other receivables	65,034	56,867
Cash and cash equivalents	510,165	333,105
	575,199	389,972
<b>Financial liabilities</b>		
Trade and other payables	86,606	112,642
Lease liabilities	134,503	170,140
	221,109	282,782

*Accounting policy for financial instruments*

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

**Picton & District Community Enterprises Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2023**

**Note 22. Financial instruments (continued)**

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

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

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

***Financial risk management***

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

***Market risk***

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of \$510,165 at 30 June 2023 (2022: \$333,105).

***Price risk***

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

***Credit risk***

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

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

***Liquidity risk***

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

**Picton & District Community Enterprises Limited**  
**Notes to the financial statements**  
For the year ended 30 June 2023

**Note 22. 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.

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>2023</b>				
Trade and other payables	56,436	30,170	-	86,606
Lease liabilities	50,733	93,660	-	144,393
Total non-derivatives	<u>107,169</u>	<u>123,830</u>	<u>-</u>	<u>230,999</u>
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>2022</b>				
Trade and other payables	52,302	60,340	-	112,642
Lease liabilities	46,830	140,490	-	187,320
Total non-derivatives	<u>99,132</u>	<u>200,830</u>	<u>-</u>	<u>299,962</u>

**Note 23. Key management personnel disclosures**

The following persons were directors of Picton & District Community Enterprises Limited during the financial year and/or up to the date of signing of these Financial Statements

Tristan Triffitt	Leigh Christopher
Evelyn Szumski	Fern Carol Rice
Josephus Huibertus Muller	Alison Nancy Dench
Phillip Lee Digger	Tia Louise Veech
Amanda Olic	

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

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

**Note 24. Related party transactions**

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

**Picton & District Community Enterprises Limited**  
**Notes to the financial statements**  
For the year ended 30 June 2023

**Note 25. Remuneration of auditors**

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

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Audit services</i>		
Audit or review of the financial statements	5,400	5,200
<i>Other services</i>		
Taxation advice and tax compliance services	660	600
General advisory services	2,820	2,476
Share registry services	4,771	3,120
	<u>8,251</u>	<u>6,196</u>
	<u>13,651</u>	<u>11,396</u>

**Note 26. Reconciliation of profit after income tax to net cash provided by operating activities**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Profit after income tax expense for the year	131,130	25,990
Adjustments for:		
Depreciation and amortisation	62,087	61,459
Lease liabilities interest	7,290	8,872
Change in operating assets and liabilities:		
Increase in trade and other receivables	(7,091)	(4,401)
Decrease in deferred tax assets	43,836	8,858
Increase in trade and other payables	1,391	16,524
Increase/(decrease) in employee benefits	7,558	(37,177)
Increase in other provisions	1,213	1,157
Net cash provided by operating activities	<u>247,414</u>	<u>81,282</u>

**Note 27. Earnings per share**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Profit after income tax	<u>131,130</u>	<u>25,990</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>884,509</u>	<u>884,509</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>884,509</u>	<u>884,509</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	14.83	2.94
Diluted earnings per share	14.83	2.94

**Picton & District Community Enterprises Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2023**

**Note 27. Earnings per share (continued)**

*Accounting policy for earnings per share*

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

**Note 28. Commitments**

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

**Note 29. Contingencies**

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

**Note 30. Events after the reporting period**

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

# Directors' Declaration.

**Picton & District Community Enterprises Limited**  
**Directors' declaration**  
**30 June 2023**

In the directors' opinion:

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

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

On behalf of the directors



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Tristan Triffitt  
Chairperson

26 September 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 report to the Directors of Picton & District Community Enterprises Limited

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of Picton & District Community Enterprises Limited (the company), which comprises:

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

In our opinion, the accompanying financial report of Picton & District Community Enterprises Limited, is in accordance with the *Corporations Act 2001*, including:

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

### Basis for Opinion

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

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

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





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## 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: 26 September 2023

**Joshua Griffin**  
Lead Auditor







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