

# Annual Report 2024

Pine Rivers Community  
Finance Limited

Community Bank  
Samford

ABN 14 098 199 476





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# Chairman's Report

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**For Year Ending 30 June 2024**

It is an honour to present the Chairman's Report for Pine Rivers Community Finance Ltd, reflecting on our progress, strategic initiatives, and financial outcomes over the past fiscal year. This year, despite a rapidly changing economic environment, resulting in pressure on the national household budget, we have remained resilient, delivering strong financial results while staying true to our core mission of serving the community.

## **Adapting to Economic Shifts**

The past year presented considerable economic challenges, including persistently high interest rates and volatile market conditions. Despite these obstacles, Pine Rivers Community Finance Ltd demonstrated strategic agility, enabling us to navigate these shifts effectively while maintaining our focus on sustainable growth. Our ability to respond and adapt to the persistently high interest rate environment has been crucial in preserving profitability and providing essential support to our customers during this period of financial uncertainty.

## **Acknowledging the Team's Commitment**

Our achievements this year are a direct result of the hard work and dedication of our exceptional team. Under the leadership of our Senior Branch Manager, Mandy Bell, our staff has consistently gone above and beyond to ensure we meet our financial and community objectives. I want to express my heartfelt thanks to Mandy, Nadine, Kylie, Courtney, Kath, Alex, Sheona, Seb, Laura, Olivia, Max and Matthew for their unwavering commitment and professionalism. Their collective efforts have been instrumental in our success, and the Board deeply appreciates their contributions.

## **Recognising Our Directors' Contributions**

The foundation of Pine Rivers Community Finance Ltd's success lies in the dedication of our volunteer Directors. These individuals, who generously give their time and expertise, play a crucial role in guiding our company. Their strategic vision and unwavering commitment have been vital in achieving our goals, and I am deeply grateful for their contributions. Working alongside such a dedicated and skilled Board has been a privilege, and I look forward to continuing our collaborative efforts.

## **Commitment to Community Impact**

As a community-focused bank, we remain deeply committed to creating positive social and economic outcomes. Our ethos of "Profit with Purpose" is more than just a guiding principle; it is reflected in our actions and our financial contributions to the community. This year, I am proud to report that we have reinvested over \$750,000 back into the local community, reinforcing our commitment to supporting the wellbeing and growth of the areas we serve.

## **Social Enterprise Certification Achievement**

At the PRCF Ltd Annual General Meeting (AGM) in November 2023, the Board presented the concept of Social Enterprise Certification to the Shareholders and sought their approval to pursue this certification. Over the past year, Community Bank Samford proudly joined 24 other community enterprises in our network to gain social enterprise certification through Social Traders. This formal recognition highlights our long-standing commitment to making a positive impact within our community and validates our position as a business that creates social impact through trade,

enhancing our brand and business alignment. It is affirmed by our mission to be a substantial, sustainable community-built business that contributes to community prosperity.

We are honoured to be recognised as a certified Social Enterprise and are enthusiastic about the positive impact this will have on our community and business operations.

### **Financial Performance Overview**

The fiscal year presented challenges, particularly in the lending sector, as the stubbornly high interest rates placed pressure on both new and existing customers. Our team's efforts to assist customers in managing their financial obligations were critical in sustaining our business performance. Despite the broader economic pressures, Pine Rivers Community Finance Ltd achieved a total revenue of \$2.084 million, resulting in a pre-tax cash profit of \$178,286. This performance underscores our ability to deliver consistent financial results even in challenging conditions.

### **Shareholder Returns**

The financial health of Pine Rivers Community Finance Ltd remains robust, allowing us to continue rewarding our shareholders. This year, we increased a fully franked dividend payout of 6.5 cents per share, up from the previous year's 4.5 cents per share. Additionally, in recognition of our strong financial performance, the Board is pleased to declare a special dividend of 3 cents per share, bringing the total full-year dividend to 9.5 cents per share. This decision reflects our commitment to delivering value to our shareholders and acknowledges their continued trust and support.

### **Conclusion**

In conclusion, the past fiscal year has been one of resilience, adaptability, and strong financial performance for Pine Rivers Community Finance Ltd. These results are a testament to the dedication of our team, the strategic oversight of our Directors, and the unwavering support of our shareholders, customers, and community. As we move forward, we remain committed to our mission of providing meaningful financial solutions while continuing to positively impact the communities we serve.

On behalf of the entire Board, I extend our deepest gratitude to our shareholders, customers, and employees. Together, we will continue to build on our successes and navigate the future with confidence.

Sincerely

A handwritten signature in black ink, appearing to read 'M Frizzell', with a stylized flourish at the end.

Malcolm Frizzell  
Chairman  
Pine Rivers Community Finance Ltd

# Senior Manager's Report

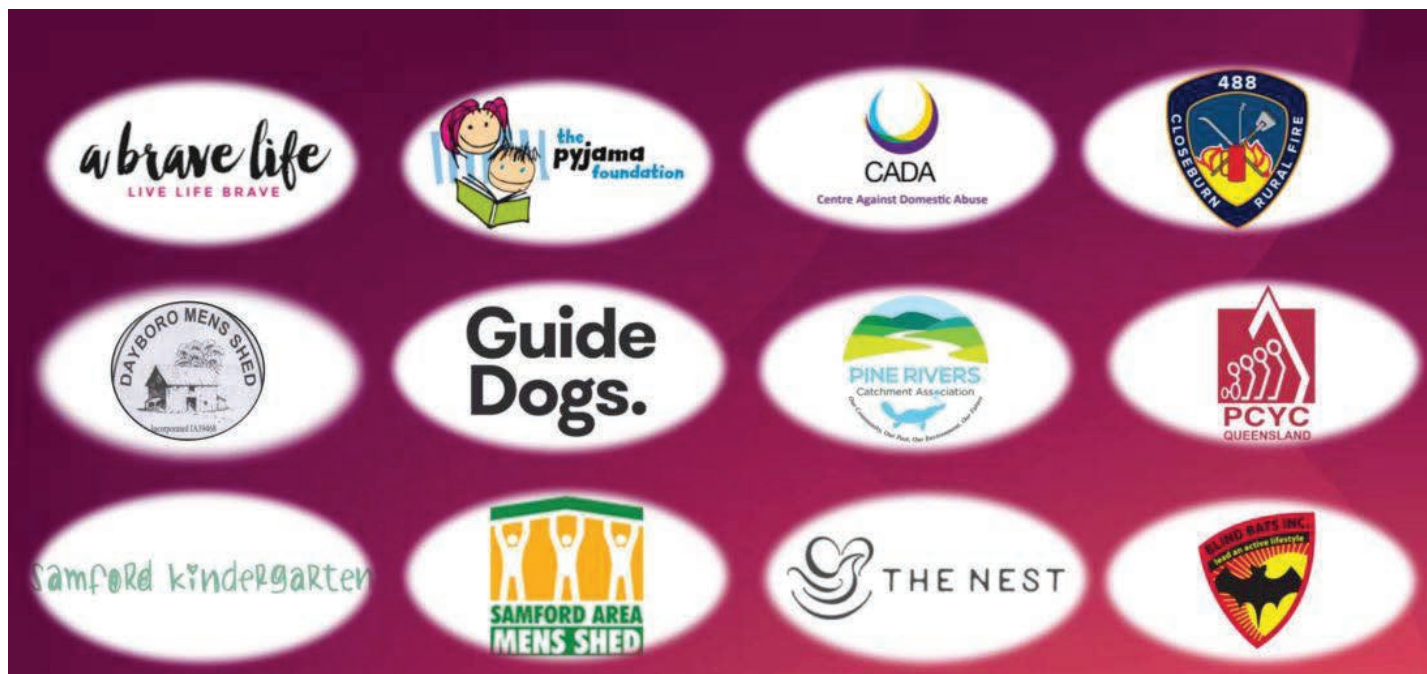
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This last financial year has been another great success for the company in terms of operating profitability and community contributions.

Interest rates have stabilised, however the cost of living has had a negative effect on our mortgage customers. Over the course of the year, we have kept in contact with our customers to help them through this tough period, ensuring they have the best products and rates. Our branch settlements were just over \$32million for the year, total business growth (lending and deposits) was just over \$25million and customer numbers increasing by 2.50%.

We were thrilled to be able to support local organisations with funding through our two regular grant rounds and an inaugural major grant program. Our grant programs aim to support projects and programs that enrich vital local communities. This year we are so proud to have financially supported 46 community organisations in the Samford, Pine Rivers and Moreton Bay regions with a funding commitment of just over \$750,000.

Primarily focused on initiatives that support families, youth, health, education, environment, and the arts, with the announcement of our major grant round, Community Bank Samford reached the incredible milestone of \$2,000,000 of financial support to our local community.





We entered a new partnership with Bray Park High School. This partnership reinforces our commitment to provide opportunities to support education and lifelong learning. Our UniSC Moreton Bay and Tafe Qld Scholarships support full-time and part-time students and our work with East Coast Apprenticeships helps promote trades and apprenticeships for the next generation.



There's a new B&B in the area but not as we traditionally know it. Planting Seeds is a not-for-profit sustainability program with a mission to help threatened pollinators and plants by creating local B&B Highways: Bed and Breakfasts for Birds, Bees and Biodiversity. Through a Community Bank Samford grant, the program has blossomed in the Samford and Pine Rivers Region, through partnerships with local schools.

Lunchtimes have turned legendary at Dayboro State School, with the P&C Association receiving two Community Bank Samford grants to upgrade kitchen equipment. Last year saw the installation of a new grill and two new ovens to improve the school's tuckshop facilities. Dayboro P&C Grants Officer, Elise Strange, said the school's tuckshop convenor is delighted with the new equipment, which has been much needed for some time. The new ovens have also made a significant impact in terms of additional space now available in the kitchen and improving cooking efficiency.



Community Bank Samford hit a bull's eye with local sports club Samford Valley Target Archers, providing a grant to encourage Samford State School students to take part in this all-abilities activity. This is the second year the archery club has run the 10-week long program, teaching a set of unique skills to a group of Year 6 students from the local primary school. The target archery training sessions were held on Friday afternoons as part of the school's sports program.



With increased business growth and community engagement, our team has grown over the last 12 months. Matt, Alex, Kylie, Olivia & Cassie have joined the team. We have also had some promotions with Courtney becoming our Business Development Manager and Seb promoted to our lending team. Our staff are our top priority in any planning we do for the future, to ensure we provide them with the resources they need to grow and develop.

I am grateful to our volunteer board of directors for their continuous dedication and assistance in helping our team this year. They have supported me in my role as the Senior Branch Manager, which enabled me to guide my team to success.

Mandy Bell  
Senior Manager  
Community Bank Samford



# Pine Rivers Community Finance Limited

ABN 14 098 199 476

Financial Report - 30 June 2024

## Pine Rivers Community Finance Limited

### Directors' report

#### 30 June 2024

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

#### Directors

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

Name:	Malcolm Frizzell
Title:	Chairman
Experience and expertise:	Grad Dip in Business, Grad Cert in Governance & Risk Management from GIA, Grad Cert in Commerce from Securities Institute of Australia. Malcolm Frizzell's banking career spans 35 years, with the last 15 years working in community banking with community enterprise boards in over 50 Communities across Australia. Malcolm has strong risk management skills, strong Governance and Corporate Act knowledge encompassing Boardroom activities. Board member since October 2020.
Special responsibilities:	Member of Strategic Directions Committee

Name:	Terence Hogan (Terry)
Title:	Non-executive director
Qualifications:	Bachelors of Arts (Hons) from the University of New England.
Experience and expertise:	Terry Hogan has lengthy executive experience in government, higher education and the community sector. He was Chair of the Steering Committee that established the Samford Community Bank Branch of Bendigo Bank and chaired Pine Rivers Community Finance Limited's Finance and Audit Committee. He has been a member of the Board of Pine Rivers Community Finance since 2009. His professional career in the public sector included positions as Director General, Chief Executive and other senior roles in Local, State and Federal Government agencies. He is an Adjunct Professor in the School of Government and International Relations at Griffith University and was Principal Policy Adviser to the Vice-Chancellor. He was a member of the Sustainability Advisory Panel for the 2018 Commonwealth Games, and is a member of a national advisory panel making recommendations in the field of medical research.
Special responsibilities:	Member of Community, Engagement & Brand Committee

Name:	Kriton Panagiotopoulos (Kris)
Title:	Company Secretary
Qualifications:	Degree in Agriculture Science, Masters of Business Administration.
Experience and expertise:	Kris Panagiotopoulos has 20 years of experience in portfolio/program/project management within an infrastructure environment across Government. Kris' previous experience includes industry development in agriculture and agribusiness. He holds a degree in Agriculture Science and a Masters of Business Administration. Kris has previously been involved in the Samford Community Kindergarten committee and the Samford Scouts. He is the A/g Executive Director for the Queensland Department of Transport and Main Roads overseeing a diverse portfolio agenda of road, busway, rail, cycling and marine projects. Board member since March 2021.
Special responsibilities:	Secretary

Name:	MaryAnne Morgan
Title:	Non-executive director, Chair Community, Engagement & Brand Committee
Qualifications:	QUT Post Grad Cert in Business majoring in Philanthropy and Non-profit studies (ACPNS)
Experience and expertise:	MaryAnne Morgan has been involved in the non-profit sector for more than 30 years. With a background in fundraising, advertising and media, MaryAnne's extensive experience encompasses oversight, management and implementation of stakeholder engagement, strategic fundraising, marketing/communications and business development. MaryAnne is passionate about supporting the business and community sectors to work together for mutually beneficial outcomes. Her current role is Editor of Samford's community newspaper, The Village Pump. Board member since February 2021.
Special responsibilities:	Member of the Community, Engagement & Brand Committee

**Pine Rivers Community Finance Limited**  
**Directors' report**  
**30 June 2024**

Name:	Darren Grimwade
Title:	Non-executive director
Qualifications:	Graduate Australian Institute of Company Directors (GAICD)
Experience and expertise:	Darren Grimwade has extensive experience in both private and public sectors. Darren has previously held roles in economic and taxation fields working as a director for a leading Australian taxation firm and has run multiple successful family run small businesses including currently being a Company Director in his family run property business. Darren was elected to the Queensland Parliament in March 2012 and served on the Transport, Housing & Local Government Committee and was elected as a Councillor to the City of Moreton Bay Council in 2016 where he has been appointed to the Audit Committee and is the Portfolio Councillor for Infrastructure & Transport. Darren is a Graduate of the Australian Institute of Company Directors (GAICD), is currently completing a Grad Cert Business Administration and was named the Qld Young Entrepreneur of the Year in 2008. Darren is very active in the local community and is a patron and life member at a number of community organisations.
Special responsibilities:	Member of the Community, Engagement & Brand Committee and Strategic Directions Committees

Name:	William Rayment (Bill)
Title:	Treasurer
Qualifications:	Degree in Accounting (London School of Economics), Member of the Institute of Chartered Accountants England and Wales.
Experience and expertise:	Bill Rayment is a Chartered Accountant with almost 40 years of practical financial management and leadership experience. He is currently the Chief Financial Officer of a Brisbane based international steel fabrication and construction business. Bill gained an accounting degree from the London School of Economics and went on to qualify with Deloitte in London. Joining the Rentokil Initial Group, Bill held a number of senior roles in financial management and internal audit across this business, operating in more than 40 countries. Bill brings to the board a keen desire to demystify financial information in order to facilitate informed decision making and enable a better understanding of the business. Board member since May 2022.
Special responsibilities:	Treasurer

Name:	Megan Avarð
Title:	Non-executive director (retired 7 June 2024)
Qualifications:	Bachelor of Business, Bachelor of Education, Diploma of Education
Experience and expertise:	Megan Avarð is an Australian business executive. Megan started her career as a secondary school teacher in business and law, working for 11 years across all sectors of education in both regional and metropolitan Queensland. Over the next three decades, she held senior management positions in project management, construction, marketing and technology in both the corporate and not-for-profit sectors. In 2017 Megan launched her technology company, of which she was Founder, CEO and Board Director. The outstanding success of this company was recognised when Megan was awarded QLD Entrepreneur of the Year in 2019, also receiving multiple APAC and other national awards. Significant partnerships were developed with global corporates such as Microsoft, before Megan finally exited the company in December 2022. Megan has been recognised at state, national and international levels for her achievements throughout her career in the areas of innovation and technology excellence.
Special responsibilities:	Member of Strategic Directions Committee

**Pine Rivers Community Finance Limited**  
**Directors' report**  
**30 June 2024**

**Name:** Ruth Lennon  
**Title:** Non-executive director (retired 2 May 2024)  
**Qualifications:** Masters of Applied Taxation, Graduate Diploma in Accounting, Bachelor of Business, Member of Institute of Chartered Accountants Australia  
**Experience and expertise:** Ruth Lennon is a Chartered Accountant and Registered Tax Agent who has over 20 years of accounting and taxation experience. Ruth is the Principal and owner of two accounting and professional services practices in the Samford Valley area. Ruth holds a Bachelor of Business (majoring in Accounting and Business Law) and a Master of Applied Taxation. Ruth's previous board experience includes roles as the Treasurer and board member for QLD Artworkers' Alliance. Board member since May 2019.  
**Special responsibilities:** Nil

**Name:** Abigail Senior (Abby)  
**Title:** Non-executive director (retired 22 July 2023)  
**Qualifications:** Phd, MSc Strategy & Resource Management, BA (hons) Business Management  
**Experience and expertise:** Professor of Work and Organisation and Director of QUT's Academy of Learning and Teaching, Abby is an international accreditor and Principal of the Higher Education Academy (UK) and has wide leadership experience working with Higher Education providers globally, Abby was president of the Samford & District Playgroup for 4 years.  
**Special responsibilities:** Nil

**Company secretary**

The company secretary is Kriton Panagiotopoulos (Kris). Kris was appointed to the position of company secretary in March 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 \$132,754 (30 June 2023: \$157,850).

Operations have continued to perform in line with expectations.

**Dividends**

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

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Fully franked dividend of 9 cents per share (2023: nil)	99,181	-

In the prior financial year, the following dividends were paid.

	<b>2023</b>
	<b>\$</b>
Fully franked dividend of 4.5 cents per share	49,590

Subsequent to financial year-end, the following dividends were proposed by the directors. The dividends have not been provided for in the financial statements.



**Pine Rivers Community Finance Limited**  
**Directors' report**  
**30 June 2024**

	<b>2024</b> <b>\$</b>
Fully franked dividend of 6.5 cents per share	71,631
Fully franked interim dividend of 3 cents per share	33,060
	<u>104,691</u>

**Significant changes in the state of affairs**

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

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

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

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

**Environmental regulation**

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

**Meetings of directors**

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

	Board		CEB Committee		Strategic Directions Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Malcolm Frizzell	11	11	-	-	2	2
Terence Hogan (Terry)	11	10	7	7	-	-
Kriton Panagiotopoulos (Kris)	11	11	-	1	-	-
MaryAnne Morgan	11	10	7	7	-	-
Darren Grimwade	11	9	7	6	2	2
William Rayment (Bill)	11	9	-	-	-	-
Megan Avarð	11	10	-	-	2	2
Ruth Lennon	9	7	-	-	-	-
Abigail Senior (Abby)	-	-	-	-	-	-

Eligible: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

**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 except as disclosed in note 22 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

**Pine Rivers Community Finance Limited**  
**Directors' report**  
**30 June 2024**

**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
Malcolm Frizzell	2,400	-	2,400
Terence Hogan (Terry)	500	-	500
Kriton Panagiotopoulos (Kris)	-	-	-
MaryAnne Morgan	-	5,000	5,000
Darren Grimwade	-	16,301	16,301
William Rayment (Bill)	-	-	-
Megan Avarð	-	-	-
Ruth Lennon	-	-	-
Abigail Senior (Abby)	500	-	500

**Shares under option**

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

**Shares issued on the exercise of options**

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

**Indemnity and insurance of directors and officers**

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

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

**Proceedings on behalf of the company**

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

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

**Indemnity and insurance of auditor**

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

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

**Non-audit services**

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 23 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:

**Pine Rivers Community Finance Limited**  
**Directors' report**  
**30 June 2024**

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

**Auditor's independence declaration**

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

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

On behalf of the directors



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Malcolm Frizzell  
Chair

25 September 2024



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

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

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

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

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

**Andrew Frewin Stewart**  
61 Bull Street, Bendigo, Vic, 3550  
Dated: 25 September 2024

A handwritten signature in black ink, appearing to read 'Joshua Griffin'.

**Joshua Griffin**  
**Lead Auditor**



**Pine Rivers Community Finance Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2024**

	<b>Note</b>	<b>2024 \$</b>	<b>2023 \$</b>
Revenue from contracts with customers	6	2,026,383	2,119,680
Other revenue		40,716	4,340
Finance revenue		24,778	3,655
Total revenue		<u>2,091,877</u>	<u>2,127,675</u>
Employee benefits expense	7	(995,180)	(843,270)
Occupancy expenses		(70,879)	(61,541)
IT expenses		(31,861)	(43,265)
Depreciation and amortisation expense	7	(114,697)	(167,899)
Finance costs	7	(22,698)	(4,332)
Administration and general expenses		(168,482)	(130,491)
Total expenses before community contributions and income tax expense		<u>(1,403,797)</u>	<u>(1,250,798)</u>
<b>Profit before community contributions and income tax expense</b>		688,080	876,877
Charitable donations and sponsorships expense	7	<u>(509,794)</u>	<u>(667,132)</u>
<b>Profit before income tax expense</b>		178,286	209,745
Income tax expense	8	<u>(45,532)</u>	<u>(51,895)</u>
<b>Profit after income tax expense for the year</b>		132,754	157,850
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u><u>132,754</u></u>	<u><u>157,850</u></u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	25	12.05	14.32
Diluted earnings per share	25	12.05	14.32

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

**Pine Rivers Community Finance Limited**  
**Statement of financial position**  
**As at 30 June 2024**

	Note	2024 \$	2023 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	699,965	101,688
Trade and other receivables	10	151,993	157,648
Investments	11	-	501,812
Total current assets		<u>851,958</u>	<u>761,148</u>
<b>Non-current assets</b>			
Property, plant and equipment	12	390,642	436,572
Right-of-use assets	13	488,563	544,468
Intangible assets	14	71,056	14,246
Total non-current assets		<u>950,261</u>	<u>995,286</u>
<b>Total assets</b>		<u>1,802,219</u>	<u>1,756,434</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	15	93,661	35,891
Lease liabilities	16	63,812	47,932
Current tax liabilities	8	97,522	77,309
Provisions		27,036	18,649
Total current liabilities		<u>282,031</u>	<u>179,781</u>
<b>Non-current liabilities</b>			
Lease liabilities	16	441,044	525,346
Deferred tax liabilities	8	14,998	20,734
Total non-current liabilities		<u>456,042</u>	<u>546,080</u>
<b>Total liabilities</b>		<u>738,073</u>	<u>725,861</u>
<b>Net assets</b>		<u>1,064,146</u>	<u>1,030,573</u>
<b>Equity</b>			
Issued capital	17	916,808	916,808
Retained earnings		147,338	113,765
<b>Total equity</b>		<u>1,064,146</u>	<u>1,030,573</u>

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

**Pine Rivers Community Finance Limited**  
**Statement of changes in equity**  
**For the year ended 30 June 2024**

	Note	Issued capital \$	Retained earnings \$	Total equity \$
<b>Balance at 1 July 2022</b>		916,808	(44,085)	872,723
Profit after income tax expense		-	157,850	157,850
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	157,850	157,850
<b>Balance at 30 June 2023</b>		<u>916,808</u>	<u>113,765</u>	<u>1,030,573</u>
<b>Balance at 1 July 2023</b>		916,808	113,765	1,030,573
Profit after income tax expense		-	132,754	132,754
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	132,754	132,754
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	19	-	(99,181)	(99,181)
<b>Balance at 30 June 2024</b>		<u>916,808</u>	<u>147,338</u>	<u>1,064,146</u>

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

**Pine Rivers Community Finance Limited**  
**Statement of cash flows**  
**For the year ended 30 June 2024**

	<b>Note</b>	<b>2024</b> <b>\$</b>	<b>2023</b> <b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		2,275,392	2,114,347
Payments to suppliers and employees (inclusive of GST)		(2,012,648)	(1,795,929)
Interest received		24,778	3,655
Income taxes refunded/(paid)		(31,055)	15,026
Net cash provided by operating activities	24	<u>256,467</u>	<u>337,099</u>
<b>Cash flows from investing activities</b>			
Redemption of/(investment in) term deposits		501,812	(501,812)
Payments for property, plant and equipment		(3,988)	(417,329)
Payments for intangibles		-	(34,219)
Net cash provided by/(used in) investing activities		<u>497,824</u>	<u>(953,360)</u>
<b>Cash flows from financing activities</b>			
Interest and other finance costs paid		(22,698)	(4,332)
Dividends paid	19	(90,794)	(46,130)
Repayment of lease liabilities		(42,522)	(90,540)
Net cash used in financing activities		<u>(156,014)</u>	<u>(141,002)</u>
Net increase/(decrease) in cash and cash equivalents		598,277	(757,263)
Cash and cash equivalents at the beginning of the financial year		<u>101,688</u>	<u>858,951</u>
Cash and cash equivalents at the end of the financial year	9	<u><u>699,965</u></u>	<u><u>101,688</u></u>

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



## **Pine Rivers Community Finance Limited**

### **Notes to the financial statements**

#### **30 June 2024**

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

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Shop 3, 37 Main Street, Samford, QLD, 4520.

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 September 2024. The directors have the power to amend and reissue the financial statements.

#### **Note 3. Material accounting policy information**

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

##### **Adoption of new and revised accounting standards**

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

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

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

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

##### **Accounting standards issued but not yet effective**

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

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

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

**Pine Rivers Community Finance Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 3. Material accounting policy information (continued)**

**Impairment of non-financial assets**

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

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

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

**Note 4. Critical accounting judgements, estimates and assumptions**

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

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

**Judgements**

*Timing of revenue recognition associated with trail commission*

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

*Allowance for expected credit losses on trade and other receivables*

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

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

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

*Impairment of non-financial assets*

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

**Pine Rivers Community Finance Limited**  
**Notes to the financial statements**  
**30 June 2024**

**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.

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

**Estimates and assumptions**

*Estimation of useful lives of assets*

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

*Incremental borrowing rate*

Where the interest rate implicit in a lease cannot be readily determined, which is generally the case for the company's lease agreements, 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. This 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.

**Note 5. Economic dependency**

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in August 2029.

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

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

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

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

**Pine Rivers Community Finance Limited**  
**Notes to the financial statements**  
**30 June 2024**

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

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**

	2024 \$	2023 \$
Margin income	1,729,949	1,794,955
Fee income	87,240	84,860
Commission income	209,194	239,865
	<u>2,026,383</u>	<u>2,119,680</u>

*Accounting policy for revenue from contracts with customers*

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

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

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

<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.



**Pine Rivers Community Finance Limited**  
**Notes to the financial statements**  
**30 June 2024**

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

*Margin income*

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

	Interest paid by customers on loans less interest paid to customers on deposits
<b>plus:</b>	any deposit returns i.e. interest return applied by Bendigo Bank for a deposit
<b>minus:</b>	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 generated from the sale of products and services. This commission is recognised at a point in time which reflects when the company has fulfilled its performance obligation. Refer to note 4 for further information regarding key judgements applied by the directors in relation to the timing of revenue recognition from trail commission.

*Fee income*

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

*Core banking products*

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

*Ability to change financial return*

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

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

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

**Note 7. Expenses**

**Employee benefits expense**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Wages and salaries	815,565	678,561
Superannuation contributions	89,040	74,827
Expenses related to long service leave	23	(2,242)
Other expenses	90,552	92,124
	<u>995,180</u>	<u>843,270</u>

*Accounting policy for employee benefits*

The company seconded the majority of its employees from Bendigo and Adelaide Bank Limited with some being directly employed. The total cost of these employees, including an allowance for accrued annual and long service leave, is charged to the company by Bendigo and Adelaide Bank Limited by offsetting against the monthly profit share arrangement. The company recognises these costs as an expense on a monthly basis.

**Pine Rivers Community Finance Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 7. Expenses (continued)**

**Depreciation and amortisation expense**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Depreciation of non-current assets</i>		
Leasehold improvements	32,128	24,208
Plant and equipment	11,384	9,133
Furniture and fittings	5,323	5,556
Computer equipment	1,083	3,255
	<u>49,918</u>	<u>42,152</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	<u>51,711</u>	<u>112,690</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	<u>13,068</u>	<u>13,057</u>
	<u><u>114,697</u></u>	<u><u>167,899</u></u>

**Finance costs**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Lease interest expense	<u>22,698</u>	<u>4,332</u>

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

**Charitable donations, sponsorships and grants**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Direct donation, sponsorship and grant payments	509,794	50,867
Contribution to the Community Enterprise Foundation™	<u>-</u>	<u>616,265</u>
	<u><u>509,794</u></u>	<u><u>667,132</u></u>

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

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

When the company pays a contribution in to the CEF the directors remain involved in the payment of grants. However, the company loses the ability to have those funds refunded.

**Pine Rivers Community Finance Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 7. Expenses (continued)**

**Community Enterprise Foundation™ contributions**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Disaggregation of CEF funds</i>		
Opening balance	927,541	512,824
Contributions paid in	-	616,265
Grants paid out	(29,769)	(188,766)
Interest received	40,285	16,761
Management fees incurred	-	(29,543)
	<u>938,057</u>	<u>927,541</u>
Balance available for distribution	<u>938,057</u>	<u>927,541</u>

During the previous financial year the company contributed funds to the Community Enterprise Foundation™ (CEF), the philanthropic arm of the Bendigo Bank. These contributions paid in form part of charitable donations and sponsorship expenditure included in profit or loss.

**Note 8. Income tax**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Income tax expense</i>		
Current tax	51,268	38,454
Movement in deferred tax	(5,736)	13,441
	<u>45,532</u>	<u>51,895</u>
Aggregate income tax expense	<u>45,532</u>	<u>51,895</u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	178,286	209,745
	<u>178,286</u>	<u>209,745</u>
Tax at the statutory tax rate of 25%	44,572	52,436
Tax effect of:		
Non-deductible expenses	960	-
Other deductible expenses	-	(541)
	<u>45,532</u>	<u>51,895</u>
Income tax expense	<u>45,532</u>	<u>51,895</u>

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Deferred tax assets/(liabilities)</i>		
Employee benefits	(275)	-
Lease liabilities	126,214	143,320
Right-of-use assets	(122,141)	(136,117)
Property, plant and equipment	(18,796)	(27,937)
	<u>(14,998)</u>	<u>(20,734)</u>
Deferred tax liability	<u>(14,998)</u>	<u>(20,734)</u>
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Provision for income tax	<u>97,522</u>	<u>77,309</u>

**Pine Rivers Community Finance Limited**  
**Notes to the financial statements**  
**30 June 2024**

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

*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*

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

**Note 9. Cash and cash equivalents**

	2024 \$	2023 \$
Cash at bank and on hand	699,965	101,688

**Note 10. Trade and other receivables**

	2024 \$	2023 \$
Trade receivables	140,941	121,415
Other receivables	11,052	36,233
	151,993	157,648

	2024 \$	2023 \$
<i>Financial assets at amortised cost classified as trade and other receivables</i>		
Total trade and other receivables	151,993	157,648
less other receivables and accruals (net GST receivable from the ATO)	(3,911)	(33,080)
	148,082	124,568

*Accounting policy for trade and other receivables*

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

**Note 11. Investments**

	2024 \$	2023 \$
<i>Current assets</i>		
Term deposits	-	501,812

**Pine Rivers Community Finance Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 12. Property, plant and equipment**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Leasehold improvements - at cost	557,525	557,525
Less: Accumulated depreciation	<u>(285,796)</u>	<u>(253,668)</u>
	<u>271,729</u>	<u>303,857</u>
Plant and equipment - at cost	231,224	227,736
Less: Accumulated depreciation	<u>(153,122)</u>	<u>(141,738)</u>
	<u>78,102</u>	<u>85,998</u>
Fixtures and fittings - at cost	170,361	170,361
Less: Accumulated depreciation	<u>(132,899)</u>	<u>(127,576)</u>
	<u>37,462</u>	<u>42,785</u>
Computer equipment - at cost	15,933	15,433
Less: Accumulated depreciation	<u>(12,584)</u>	<u>(11,501)</u>
	<u>3,349</u>	<u>3,932</u>
	<u><u>390,642</u></u>	<u><u>436,572</u></u>

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 \$	Fixtures and fittings \$	Computer equipment \$	Total \$
Balance at 1 July 2022	13,870	23,401	24,124	-	61,395
Additions	314,195	71,730	24,217	7,187	417,329
Depreciation	<u>(24,208)</u>	<u>(9,133)</u>	<u>(5,556)</u>	<u>(3,255)</u>	<u>(42,152)</u>
Balance at 30 June 2023	303,857	85,998	42,785	3,932	436,572
Additions	-	3,488	-	500	3,988
Depreciation	<u>(32,128)</u>	<u>(11,384)</u>	<u>(5,323)</u>	<u>(1,083)</u>	<u>(49,918)</u>
Balance at 30 June 2024	<u><u>271,729</u></u>	<u><u>78,102</u></u>	<u><u>37,462</u></u>	<u><u>3,349</u></u>	<u><u>390,642</u></u>

*Accounting policy for property, plant and equipment*

Property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line and diminishing value 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 40 years
Plant and equipment	5 to 40 years
Fixtures and fittings	5 to 20 years
Computer equipment	1 to 5 years

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

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

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



**Pine Rivers Community Finance Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 13. Right-of-use assets**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Land and buildings - right-of-use	789,976	920,882
Less: Accumulated depreciation	<u>(301,413)</u>	<u>(376,414)</u>
	<u><u>488,563</u></u>	<u><u>544,468</u></u>

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

	Land and buildings \$
Balance at 1 July 2022	54,629
Additions	602,529
Depreciation expense	<u>(112,690)</u>
Balance at 30 June 2023	544,468
Remeasurement adjustments	(4,194)
Depreciation expense	<u>(51,711)</u>
Balance at 30 June 2024	<u><u>488,563</u></u>

*Accounting policy for right-of-use assets*

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

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

Refer to note 16 for more information on lease arrangements.

**Note 14. Intangible assets**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Franchise fee	135,218	65,340
Less: Accumulated amortisation	<u>(64,162)</u>	<u>(51,094)</u>
	<u><u>71,056</u></u>	<u><u>14,246</u></u>

**Pine Rivers Community Finance Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 14. Intangible assets (continued)**

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

	Franchise fee \$
Balance at 1 July 2022	54,629
Disposals	(27,326)
Amortisation expense	(13,057)
	<hr/>
Balance at 30 June 2023	14,246
Additions	69,878
Amortisation expense	(13,068)
	<hr/>
Balance at 30 June 2024	<u><u>71,056</u></u>

*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)	August 2029
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	August 2029

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

**Note 15. Trade and other payables**

	<b>2024</b> \$	<b>2023</b> \$
<i>Current liabilities</i>		
Trade payables	759	34,993
Other payables and accruals	92,902	898
	<hr/>	<hr/>
	<u><u>93,661</u></u>	<u><u>35,891</u></u>

**Note 16. Lease liabilities**

	<b>2024</b> \$	<b>2023</b> \$
<i>Current liabilities</i>		
Land and buildings lease liabilities	63,812	47,932
	<hr/>	<hr/>
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	441,044	525,346
	<hr/>	<hr/>

**Pine Rivers Community Finance Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 16. Lease liabilities (continued)**

*Reconciliation of lease liabilities*

	2024 \$	2023 \$
Opening balance	573,278	106,610
Remeasurement adjustments	(25,900)	557,208
Lease interest expense	22,698	4,332
Lease payments - total cash outflow	(65,220)	(94,872)
	<u>504,856</u>	<u>573,278</u>

*Accounting policy for lease liabilities*

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

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

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

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options	Reasonably certain to exercise options	Lease term end date used in calculations
Samford Branch - Unit 3	4.39%	5 years	1 x 5 years	Yes	August 2032
Samford Branch - Unit 12	4.39%	5 years	1 x 5 years	Yes	August 2032

**Note 17. Issued capital**

	2024 Shares	2023 Shares	2024 \$	2023 \$
Ordinary shares - fully paid	1,102,010	1,102,010	960,308	960,308
Less: Equity raising costs	-	-	(43,500)	(43,500)
	<u>1,102,010</u>	<u>1,102,010</u>	<u>916,808</u>	<u>916,808</u>

*Accounting policy for issued capital*

Ordinary shares are recognised at the fair value of the consideration received by the company being \$0.83 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.

**Pine Rivers Community Finance Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 17. Issued capital (continued)**

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

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

Dividends

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

Transfer

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

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

*Prohibited shareholding interest*

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 100. As at the date of this report, the company had 446 shareholders (2023: 446 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.

**Pine Rivers Community Finance Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 18. 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 19. Dividends**

*Dividends provided for during the period*

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

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Fully franked dividend of 9 cents per share (2023: nil)	<u>99,181</u>	<u>-</u>

*Dividends paid during the period*

The following dividends were paid to shareholders during the reporting period as presented in the Statement of cash flows.

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Fully franked dividend of 9 cents per share (2023: 4.5 cents)	<u>99,181</u>	<u>49,590</u>

**Franking credits**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Franking account balance at the beginning of the financial year	96,039	108,694
Franking credits (debits) arising from income taxes paid (refunded)	31,055	(12,655)
Franking debits from the payment of franked distributions	(33,060)	-
	<u>94,034</u>	<u>96,039</u>

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

Balance at the end of the financial year	94,034	96,039
Franking credits (debits) that will arise from payment (refund) of income tax	96,934	77,309
Franking credits available for future reporting periods	<u>190,968</u>	<u>173,348</u>

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

**Pine Rivers Community Finance Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 19. Dividends (continued)**

*Accounting policy for dividends*

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

**Note 20. Financial risk management**

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

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

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

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

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

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Financial assets at amortised cost</b>		
Trade and other receivables	148,082	124,568
Cash and cash equivalents	699,965	101,688
Term deposits	-	501,812
	<u>848,047</u>	<u>728,068</u>
<b>Financial liabilities</b>		
Trade and other payables	93,661	35,891
Lease liabilities	504,856	573,278
	<u>598,517</u>	<u>609,169</u>

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

*Accounting policy for financial instruments*

**Financial assets**

*Classification*

The company classifies its financial assets at amortised cost.

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

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



**Pine Rivers Community Finance Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 20. Financial risk management (continued)**

*Derecognition*

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

*Impairment of trade and other receivables*

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

**Financial liabilities**

*Classification*

The company classifies its financial liabilities at amortised cost.

*Derecognition*

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

**Market risk**

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of \$699,965 and term deposits of \$nil at 30 June 2024 (2023: cash and cash equivalents \$101,688 and term deposits \$501,812).

**Price risk**

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

**Liquidity risk**

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

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

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>2024</b>				
Trade and other payables	93,661	-	-	93,661
Lease liabilities	65,220	260,880	288,055	614,155
Total non-derivatives	158,881	260,880	288,055	707,816
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>2023</b>				
Trade and other payables	35,891	-	-	35,891
Lease liabilities	86,599	260,880	353,275	700,754
Total non-derivatives	122,490	260,880	353,275	736,645

**Pine Rivers Community Finance Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 21. Key management personnel disclosures**

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

Malcolm Frizzell  
 Abigail Senior (Abby)  
 Terence Hogan (Terry)  
 Ruth Lennon  
 Kriton Panagiotopoulos (Kris)

MaryAnne Morgan  
 Darren Grimwade  
 Megan Avard  
 William Rayment (Bill)

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 22. Related party transactions**

*Key management personnel*

Disclosures relating to key management personnel are set out in note 21.

*Receivable from and payable to related parties*

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

*Terms and conditions of transactions with related parties*

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

*Transactions with related parties*

The following transactions occurred with related parties:

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
A director is an employee of Samford & District Progress & Protection Association, who was sponsored by the company for Christmas on Main Street 2024	2,000	-
A director is a representative of the Samford & District Show Society who was sponsored by the company	2,500	-

**Note 23. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by RSD Audit, the previous auditor of the company, no fees were paid or payable to the current auditor, Andrew Frewin Stewart:

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Audit services</i>		
Audit or review of the financial statements	5,900	5,750
<i>Other services</i>		
Non-audit services	2,670	2,840
	<u>8,570</u>	<u>8,590</u>

**Pine Rivers Community Finance Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 24. Reconciliation of profit after income tax to net cash provided by operating activities**

	<b>2024</b> <b>\$</b>	<b>2023</b> <b>\$</b>
Profit after income tax expense for the year	132,754	157,850
Adjustments for:		
Depreciation and amortisation	114,697	167,899
Finance costs - lease liabilities	22,698	4,332
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	5,655	(9,662)
Decrease in trade and other payables	(33,814)	(50,242)
Increase in provision for income tax	20,213	53,480
Increase/(decrease) in deferred tax liabilities	(5,736)	13,442
Net cash provided by operating activities	<u>256,467</u>	<u>337,099</u>

**Note 25. Earnings per share**

	<b>2024</b> <b>\$</b>	<b>2023</b> <b>\$</b>
Profit after income tax	<u>132,754</u>	<u>157,850</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,102,010</u>	<u>1,102,010</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,102,010</u>	<u>1,102,010</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	12.05	14.32
Diluted earnings per share	12.05	14.32

**Note 26. Commitments**

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

**Note 27. Contingencies**

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

**Note 28. Events after the reporting period**

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

**Pine Rivers Community Finance Limited**  
**Directors' declaration**  
**30 June 2024**

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the company does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, a consolidated entity disclosure statement has not been included as section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

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

On behalf of the directors



---

Malcolm Frizzell  
Chair

25 September 2024



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

# Independent auditor's report to the Directors of Pine Rivers Community Finance Limited

## Report on the Audit of the Financial Report

### Qualified Opinion

We have audited the financial report of Pine Rivers Community Finance Limited (the company), which comprises:

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

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial report of Pine Rivers Community Finance Limited is in accordance with the *Corporations Act 2001*, including:

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

### Basis for Qualified Opinion

The financial report for the year ended 30 June 2023 of Pine Rivers Community Finance Limited was not audited by Andrew Frewin Stewart. Due to not being provided access to the prior year files, it was not practical for us to audit the comparative balances disclosed in the financial report for the year ended 30 June 2024.

Since the opening balances impact directly on the determination of the results of operations, we were unable to determine whether adjustments to the results of operations might be necessary for the year ended 30 June 2024 as a consequence of any potential misstatements of the opening balances.

Accordingly, no conclusion on these comparative amounts is provided.



Andrew Frewin Stewart  
61 Bull Street Bendigo VIC 3550  
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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 qualified opinion.

## Other Information

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

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

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

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

## Responsibilities of the Directors for the Financial Report

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

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





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

## **Auditor's responsibilities for the Audit of the Financial Report**

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

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.



Andrew Frewin Stewart  
61 Bull Street Bendigo VIC 3550  
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03 5443 0344

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

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

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart', is positioned above the printed name.

**Andrew Frewin Stewart**  
61 Bull Street, Bendigo, Vic, 3550  
Dated: 25 September 2024

A handwritten signature in black ink, appearing to read 'Joshua Griffin', is positioned above the printed name.

**Joshua Griffin**  
**Lead Auditor**

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