Annual Report 2024

East Gosford & Districts Financial Services Limited

Community Bank
East Gosford, Lisarow and Kincumber

ABN 90 092 538 620

Contents

PARTNERSHIP
re-signed
Bendigo Bank
Community Bank
East Gosford, Lisarow and
Kincumber
#supportoursupporters

Chair’s Report

On behalf of the Board and Management, I am pleased to present the 23rd Annual Report on the affairs of your Company, now in its 24th year of operation.

Our trading result for the financial year, after provision for income tax and charitable donations and sponsorship was a profit of $362,495 (2023 profit $573,554). The lower result is due to a decrease in margins and increase in expenses.

Revenue decreased from $3.286 million in 2023 to $3.268 in 2024. Expenses, including charitable donations and sponsorships, increased from $2.517 million to $2.797 million in the current year. Pleasingly, our business levels increased and are discussed in the attached report from our Chief Executive.

We placed an additional $250,000 with the Community Enterprise Foundation this year to supplement our funds available for future worthwhile causes. We remain focused on social causes as a way in which your Company can make a difference in the local community.

I thank our Chief Executive, Michael Bell, our Senior Branch Manager, Julie Eastham at Kincumber, and Managers Martin Creesey at East Gosford, and Amie Ebert, our Mobile Relationship Manager, as well as all our staff for their continued dedication and commitment to the Community Bank concept and its promotion in the community. Our Company continues to seek opportunities to assist our customers, to provide a reasonable return to our shareholders and support our local community. I commend all our staff for their unwavering commitment to achieving our Company goals.

On behalf of the Board, I thank all our valued shareholders and customers for your continued support in helping us to build a successful Community Bank, which in turn benefits our community. It is through your support that our Company and the Community Bank continues to grow.

My thanks go to the Directors for their devotion and contribution in building our business. I thank our retiring Director, Elise Willemsen, for the significant support she has provided our Company, and especially in the continuing development of our marketing effort. The Directors on your Board have the knowledge, skills, and experience to help guide our Company as it continues to grow in a meaningful way.

Garry Morris

Chair

Directors’ business briefing April 2024

Franchise Group Chief Executive Officer's Report

Welcome Shareholders to my report for the 2023-24 financial year.

On the back of solid business growth this year, our business reached total footings of $388.4m (+ $28.5m) on the back of strong deposit growth along with a focus on loan retention saw lending finish in a positive position for the year.

The growth in deposits and lending and management of our expenses in line with budget resulted in another profit of $362,495 after tax.

We continue to make operational changes to staffing and we welcomed Kristy, Marlene and Amanda to our businesses, and we also had Sam return from maternity leave to a part time position.

Amie continues to do a great job in the role of Mobile Relationship Manager and has now been promoted to the position of Senior Mobile Relationship Manager continuing to serve customers who wish to apply for home loans online or prefer the Bank to come to them.

We continue to look at board composition along with the mix and skills of our directors to assist with the future guidance and growth of the business. There was no change to Directors this financial year ensuing we had a stable board to continue the successful implementation of our Strategic Plan.

Whilst board meetings are held bimonthly, we hold Portfolio meetings in the off month to ensure that the outcomes of the strategic planning day are being worked on and implemented. Your Finance Portfolio meets every month to discuss results to date and keep a firm eye on our cash position and management of expenses to budget. We believe we have a great mix of skills and diversity that can only benefit our business. The Directors are allocated a Portfolio based on their skill set to maximise effectiveness of our directors, across Finance, Risk, Governance, Sponsorship and Human Resources.

We continue to have great success with our Community Bank Business Breakfast with our April event attracting over 100 guests. We have also been holding sponsor events to get our sponsored sports clubs, Not for Profit groups and community event organisers in the one room to share the success of what they are doing to make the community a better place. This is a great way to showcase our business and what we are doing in the community along with the opportunity to gain new business.

This year we had Siona leave our company in July 2023 after 22 year's service and Leanne in February 2024 after 17 years. We wish both Siona & Leanne all the best in the future and thank them for their contribution to the success of our business.

Our community involvement stepped up this year with $201k of community support to 52 organisations. A milestone was achieved this year with reaching $2 million being returned to the greater Gosford community from our Community Bank East Gosford, Lisarow & Kincumber branch operations. Please refer to the table further in report that will showcase the segments of community we supported. Our reason for being is to provide banking services to the community with profits returned to the community. You can follow what we do in the community on Facebook & Instagram at Central Coast Branches of Bendigo Bank. Please like and share for maximum exposure of our business so we can reach as many people as possible.

Social media continues to be a major focus for us and a way of demonstrating and showing the Community Bank point of difference. Brooke Simmons has been integral in maintaining our Social Media presence for the 2023-24 financial year and we look forward to showcasing our work in the community for this coming financial year.

Our focus will be to continue to provide superior service to our customers, shareholders, and community. All staff are focused on growing the business and promoting our Community Bank at the many events and functions we support and attend by continually promoting our Community Banks and gain new business.

Franchise Group Chief Executive Officer report (continued)

It is a big part of our business to receive referrals and recommendations from our shareholders and customers and we encourage you to have family, and friends contact us to discuss their banking needs. We offer competitive products some of which are best in market, so why not have them talk with a local branch manager.

A thank you to all our staff across our three Community Banks for your hard work and generous commitment of time when required. Also, a thank you to Bendigo Bank and their representatives that work with us. Thank you to all Directors who give of their time and experience from their own occupations to ensure long term success & viability of our business.

And thank you to our shareholders and customers for your continued support of our Community Banks and for what the Community Bank model represents within our communities.

Michael Bell

Franchise Group Chief Executive Officer

Company activities in pictures

Staff at ComiCon
May 2024

Staff and Directors
Mothers Day High Tea
May 2024

Wyong Races for Wyong
Roos Foundation
June 2024

Davistown RSL Bowling
Club Sponsors day
May 2024

Crestani Presentation
Evening
November 2023

Karey & Karefull
book launch
November 2023

Bendigo and Adelaide Bank Message

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

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

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

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

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

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

The anniversary of the Community Bank model, along with changing environmental factors, provides an opportunity to reset and establish a clear pathway towards the next 25 years.

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

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

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

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

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

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

Justine Minne

Bendigo and Adelaide Bank

Community Bank National Council

Celebrating 26 years of empowering communities

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

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

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

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

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

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

- Impact – a planned, deliberate approach with investments that enhance community prosperity.
- Leadership and advocacy – to ensure the long-term sustainability of our enterprises.
- Network alignment – enabling us to develop and nurture partnerships that align with our defined areas of social impact.
- Commercial prosperity – supporting the commercial success of our enterprises.

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

Lauren Bean,
General Manager,
Community Bank National Council

OUR VOICE COMMUNITY BANK NATIONAL COUNCIL

Community investment balance sheet

Bringing together people who care about their communities.

Your Company contributes funds each year to the Community Enterprise Foundation (CEF). The CEF offers communities and not-for-profit organisations across Australia the opportunity to raise and distribute tax-effective donations to benefit their own communities.

CEF are committed to providing your Company with the expertise, tools and resources to respond to the current and future needs of our community.

The scorecard below shows the amount of funding provided to the Community in the 2023-2024 financial year by your Company.

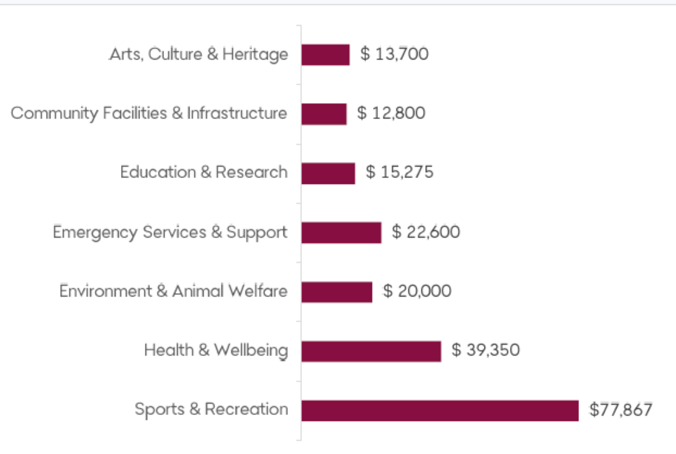
Contribution Totals by Type	
Donation	$ 15,025
Grant	$ 54,000
Scholarship	$ 0
Sponsorship	$ 132,567
Total	$ 201,592

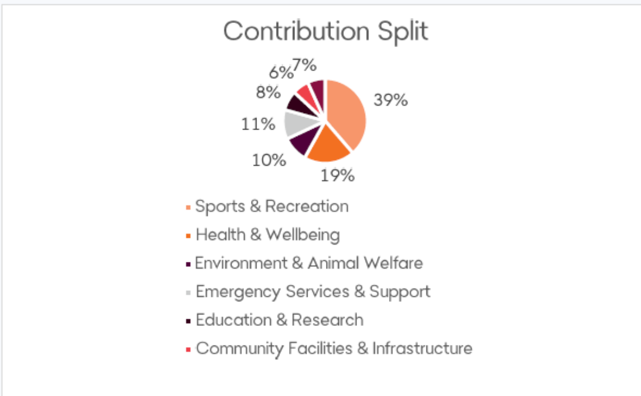
National Contribution	
FY24	$40,457,751
Projects funded	8021

$360 million reinvested back into local communities

Contribution Totals by Sector	
Sports & Recreation	$77,867
Health & Wellbeing	$ 39,350
Environment & Animal Welfare	$ 20,000
Emergency Services & Support	$ 22,600
Education & Research	$ 15,275
Community Facilities & Infrastructure	$ 12,800
Arts, Culture & Heritage	$ 13,700
Total	$ 201,592

Contribution Split by Sector

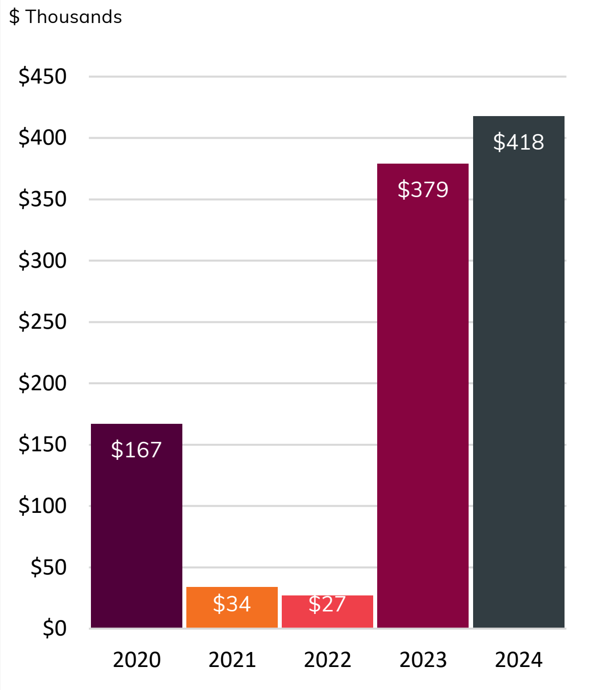




Company Performance Snapshot

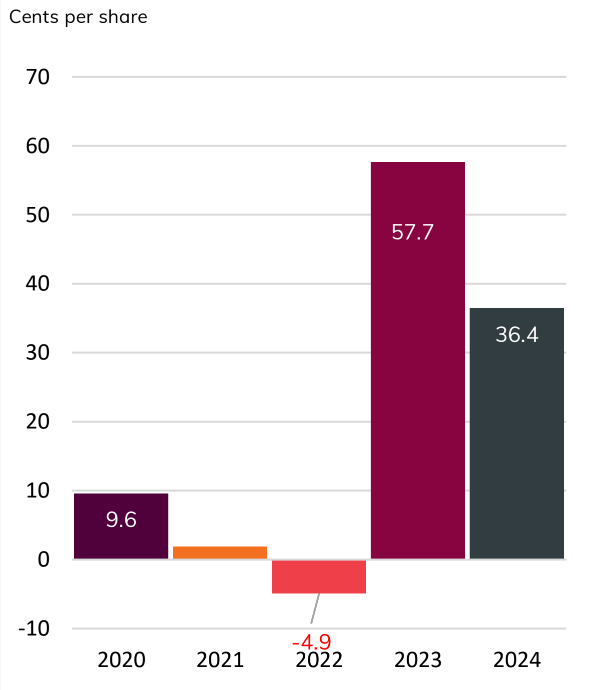
Net profit after tax

Donations and sponsorship



Total dividends paid – fully franked

Earnings per share (EPS)



Dividend Payments

The Directors have determined that a dividend of 4.0 cents per share plus a special dividend of 6.0 cents per share to make a total of 10.0 cents per share (2023: 10.0 cents per share) will be paid to shareholders. The payment will be made for the 2024 financial year on 16 December 2024. Once paid this will amount to $99,482 fully franked dividends paid to shareholders (2023: $99,482).

Of note to shareholders is that, again this year, in addition to the increase in the ordinary dividend, the Company resolved to pay a once off special dividend of 6.0 cents per share in line with the profitability of the Company this year and taking into account the investment in community based contributions which was $418,129 for the 2024 financial year (2023: 379,059).

The Company reviews its dividend policy each year and makes a determination as to the sustainable level of dividends ordinary dividends and the capacity for the payment of additional dividends, if appropriate.

The following table shows the dividends paid or declared over the previous five financial years.

Dividends to shareholders - History			
Financial Year	$ Per Share	Franking Level	Date Paid or to be Paid
2023/2024	0.100	100%	16 Dec2024*
2022/2023	0.100	100%	14 Dec 2023
2021/2022	0.035	100%	14 Dec 2022
2020/2021	0.035	100%	14 Dec 2021
2019/2020	0.030	100%	14 Dec 2020

* The dividend for 2023/2024 financial year has been declared but not yet paid. The timetable for payment for the 2024 dividend is as follows:

Dividend Event	Date
Ex-Dividend / Distribution Date	2 December 2024
Record Date (date on which holders are entitled to payment)	9 December 2024
Payment Date (Date dividend is to be paid.)	16 December 2024
Is a dividend reinvestment plan in operation Yes/No?	No
Franking (%)	100%

Annual General Meeting

The Annual General Meeting (AGM) is expected be held at 3:00 PM, Wednesday 27 November 2024. Attendance and voting details are included as part of the notice of meeting.

Corporate Governance Statement

Below is a summary of the corporate governance framework of the Company.

Company Structure

The Company operates a flat management structure and members of the Board are remunerated a nominal amount for Board membership and duties performed as part of the portfolio committees as declared in the remuneration report. The Board and Senior Management maintain an active connection with the community so as to be able to both grow the business and also contribute financially to shareholders and the community.

Role of the Chair

The Chair is responsible for a range of roles that deal with leadership of the Board and the Company generally. The principal role is to facilitate effective discussion and decision making at Board meetings of material relevant to the conduct of the Company. The Chair must be an independent, non-executive director.

Role of the Franchise Group CEO

The Franchise Group CEO provides leadership to programs that broadly include implementation of strategy, business growth, asset management, communications and community relations. The Franchise Group CEO is responsible for the banking operations and provides the Board with a direct link to Bendigo Bank and its systems and procedures.

Committees / Portfolio Director Responsibilities

In addition to the Governance maintained by the Board, the Board is supported by the following committees and members with delegated authority to make relevant recommendations to the Board:

Committee / Portfolio	Members and Participants
Finance and Audit	Paul McCubbin (Chair, Treasurer), Michael Bell (p), Scott Evans (m), Garry Morris (m).
Governance, Nominations & Strategy	Mark Holton (Chair), Bernadette Mcloughlin (m), Martin Creasey (p)
Human Resources	Linda Cooper (Chair), Christina Benson (m), Julie Eastham (p)
Marketing/Sponsorship	Carolyn Kay (Chair), Elise Willemsen (m), Michelle Claque (p)
Executive Committee	Garry Morris (Chair), Mark Holton (m), Paul McCubbin (m), Scott Evans (m)
Risk Committee	Scott Evans (Chair), Emma Mason (m), Terri Rutherford (p)
	(m) = director member, (p) = management participant

Directors attend Committee portfolio meetings throughout the year in addition to their director meeting responsibilities. Meetings are held alternate months (6 meetings) prior to Board meetings except for the Finance and Audit Committee which meets every month (12 meetings). The director meeting attendance provided in the financial statements are exclusive of Committee portfolio meetings. Committee portfolio meetings are held more or less often as demand dictates.

Corporate Governance Statement (continued)

Committees / Portfolio Director Responsibilities (continued)

The committees produce and review, from time to time, the relevant policies and procedures that have been approved by the Board. They make recommendations to the Board concerning matters arising that are applicable to their portfolio.

Directors may attend other Committee meetings if their expertise is required. The Franchise Group CEO plus other staff members will also attend as participants of the meetings, as required, to provide reporting to the committees and help with information and implementation of Board approved recommendations.

Director Independence and Skills

All directors are non-executive and are independent non-associated directors. The skills and experience of the directors encompass accounting, governance, legal, finance, marketing, human resources, financial markets, business transformation, digital technology experience and corporate administration. The Board actively manages the composition of the Board and required skill sets to best match the requirements of the Company at the time. Independence and skill composition is reviewed at least annually.

Share Trading Policy

The company operates a share trading policy. All staff including Directors and Officers are not permitted to trade in the Company's shares except during two periods following the disclosure of the Company's accounts, and provided that they are not in possession of inside information.

Whistleblower Policy

The Company operates a whistleblower policy.

Diversity Policy

The Company actively encourages woman and those from diverse backgrounds on its Board in line with the Company's director independence and skills policy.

Conflicts of Interest Policy

The Board monitors the conflict of interest of each director and declarations are provided by each Board member as and when appropriate. Every Board and Committee meeting also has a scheduled item calling for participants to declare any actual or potential conflicts of interest with the scheduled agenda items. This is supported by a delegations register guide and procedures.

Risk Policy

The Board has approved a Risk Policy and framework to support the activities of the Company in identifying risks and recommending risk mitigation strategies.

Other Policies & Procedures

The Company has in place various corporate policies and procedures governing the operations of the Company. Typically, they are the same or mirror those that are required, of the Company, by Bendigo & Adelaide Bank to operate the franchise agreement under the Bendigo Bank banner.

These policies and procedures contribute to the Corporate Governance Framework of the Company summarised above.

East Gosford & Districts Financial Services Ltd

ABN 90 092 538 620

Financial Report

For the year ended

30 June 2024

Directors' Report

The Directors present their report, together with the financial statements, on East Gosford & Districts Financial Services Ltd for the financial year ended 30 June 2024.

Board of Directors

The following persons were Directors of East Gosford & Districts Financial Services Ltd during the whole of the financial year up to the date of this report, unless otherwise stated:

Director	Details
Garry Morris	Chair M. App Fin, Dip. Com, CFP Self-employed Financial Planner.
Mark Holton	Director (Deputy Chair) Accountant - FCPA; MCOM; FAICD Consultant to the Accounting industry.
Scott Evans	Director and Secretary B.Ec (Hons); GAICD; Fellow FINSIA. Fellow GIA; Dip. FP Company secretary of NSX Limited, which is listed on ASX and operates a company providing company secretarial, compliance, regulatory and IT services. Company Secretary since July 2019.
Bernadette McLoughlin	General Manager with over 30 years of successful experience in operations, customer experience and compliance, currently with Clubs NSW as Chief Member Officer. Strengths in leadership, customer & stakeholder experience. Member & Graduate of the Australian Institute of Company Directors. Director of Tennis NSW..
Carolyn Kay	Director Bachelor of Business (Marketing). Self-employed business owner.
Paul McCubbin	Director and Treasurer. B.Bus, GradDip CA, CertNFP Paul is the Chief Financial Officer at the University of Newcastle. He has 15 years experience in accounting and higher education in Australia and the United Kingdom.
Linda Cooper	Director B.Bus(hons), MTerEd(Mgt), JP Linda Cooper is a senior leader with extensive experience across tertiary education, human resource management and regional and business engagement. Strategic and solutions focused, Linda develops and builds lasting partnerships across a broad range of stakeholders in government, education, business, industry groups and the community to deliver outcomes that build regional economic capacity through education and employment. Linda has held positions on key regional committees including Regional Development Australia (RDA), Central Coast and the Business NSW Central Coast Regional Advisory Committee and contributed to working parties and roundtables providing advice and advocacy on matters relevant to the region.
Emma Mason	Director Bachelor of Commerce, Bachelor of Laws (Hons).

Director	Details
	Solicitor.
Elise Willemsen	Director (resigned 14 August 2024) Advanced Diploma Marketing Management. Experienced marketing manager working in the machinery, garden and agricultural industries.
Christina Benson	Director Adv Diploma Human Resources Christina Benson has 20 years' experience as a HR professional across NSW State Government and private industry. She has extensive experience across all pillars of Human Resources with expertise in organisational design, performance management and improvement, talent attraction and retention, coaching senior leaders and strategic people advice.

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

Company Secretary

Director	Details
Director Name:	Scott Francis Evans
Title:	Secretary & Director
Qualifications:	B. Ec (Hons); GAICD; F Fin; FGIA; Dip. FP
Experience and expertise	Scott Evans has been a Director of the Company since July 2018 and the Company Secretary since July 2019. Scott is a Company Secretary of NSX Limited, an ASX listed company.

Directors' meetings

Attendances by each Director during the year was as follows (excluding committee/portfolio meetings):

	Board Meetings	
Director	eligible	attended
Garry Morris	6	6
Mark Holton	6	5
Scott Evans	6	6
Carolyn Kay	6	6
Elise Willemsen (resigned 14 August 2024)	6	6
Emma Mason	6	5
Paul McCubbin	6	6
Linda Cooper	6	6
Christina Benson	6	5
Bernadette McLoughlin	6	6

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 has been no significant changes in the nature of these activities during the year.

Operating results

The profit/(loss) of the company for the financial year after provision for income tax was:

	Year Ended 30 June 2024	Year Ended 30 June 2023	*Movement* $
Profit/(Loss) After Tax	362,495	573,554	(211,059)

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.

Operating and financial review

Overview of company

The company is a franchisee of Bendigo Bank providing financial products and services to individuals, businesses and organisations throughout the local area via the East Gosford, Lisarow and Kincumber Community Bank branches. While the branches offer the full suite of Bendigo & Adelaide Bank products and services, margin earnings from firstly loans and then deposits are the predominant contributor to company results.

Key metrics

Five year summary of performance	Unit	2024	2023	2022	2021	2020
Operating revenue	$	3,268,852	3,212,931	1,904,412	1,892,128	2,211,678
EBITDA	$	784,075	1,059,214	199,097	271,847	347,326
Earnings before interest and tax	$	525,232	827,955	(3,810)	91,738	160,589
Net profit after tax	$	362,495	573,554	(48,787)	13,657	95,113
Total assets	$	2,946,446	2,924,387	2,264,225	2,416,133	2,429,517
Total liabilities	$	1,384,325	1,625,278	1,503,851	1,572,153	1,559350
Total equity	$	1,562,122	1,299,109	760,374	843,980	870,167
Net cash flow from operating activities	$	483,988	948,120	177,108	(195,690)	718,795
Business footings [1]	$m	390.6	358.9	354.2	315.9	287.9

[1] This is a non-IFRS measure of the business domiciled to the company from the franchisor. The footings is the underlying business which generates revenue under the Franchise Agreement. Business footings include loans, deposits, wealth products, and other business.

Shareholder returns

Five year summary of performance	Unit	2024	2023	2022	2021	2020
Profit attributable to owners	$	362,495	573,554	(48,787)	13,657	95,113
Basic earnings per share	¢	36.44	57.65	(4.90)	1.37	9.56
Dividends paid	$	99,482	34,819	34,819	29,844	34,819
Dividends per share paid	¢	10.00	3.50	3.50	3.00	3.50
Net tangible assets per share	¢	141.78	117.18	53.08	59.02	77.01
Share price	¢	35.00	26.00	26.00	26.00	25.00

Returns to shareholders increased through both dividends and capital growth. Dividends for 2023 were fully franked and it is expected that dividends in the future years will continue to be fully franked.

Financial Position

The company is delighted to report net profit of $362,495 for the financial year ended 30 June 2024 ($573,554 for 2023). The financial position of the company remains relatively strong.

The cash and cash equivalents position of the company improved for the reporting year by $62,833 for a year-end balance of $288,587.

The company continues to build a resilient balance sheet, ending June 2024 with net assets of $1,562,122.

Drivers of business performance

The increase in business footings by $31m has been impacted by the FTP decrease which resulted in reduced revenue from contracts with customers being earned on these products.

Business strategies

To address the current stage of development of the business and in recognition of the current financial circumstances, both in the economy and the observed impact upon the Bendigo profit share model, the Board has determined to continue the focus upon five broad directions:

1. Strengthening our connection and level of engagement between important stakeholders and partners.
2. Strengthening our Directors' role in our business structure and key customer and community segments.
3. Defining our future board skill and diversity mix and a structure that will deliver our Strategic Plan.
4. Focusing our business on the most profitable growth opportunities using our own local marketing plans.
5. Planning to achieve our future business performance expectations.

Operating and financial review (*continued*)

Future outlook

The company believes there are opportunities to develop additional revenue through:

1. Acquiring additional customers through greater community-based events and a focus on local businesses.
2. Improving the range and number of products and services, such as insurance, for each customer.

The company anticipates that current market conditions will remain challenging during the forthcoming financial year. In this environment the company will focus upon increasing the number of customers and the uptake of products and services, thereby further improving revenue flow and profitability.

Remuneration report

Other than detailed below, 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. This statement excludes a benefit included in the aggregated 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.

Compensation of the company's key management personnel includes salaries, non-cash benefits and contributions to a post- employment defined contribution plan.

The remuneration report has been prepared on a cash basis. A timing difference between the 2023 and 2024 financial years resulted in the total reported remuneration exceeding the approved limit of $40,000 for the 2024 financial year. However, the combined remuneration for both financial years remains within the approved limit.

The amount of remuneration Directors received totaled $42,769 the year ended 30 June 2024. The remuneration per Director includes superannuation and is as follows:

Director	2024 $
Garry Morris	8,224
Mark Holton	4,662
Scott Evans	4,274
Carolyn Kay	3,330
Emma Mason	2,691
Paul McCubbin	4,664
Linda Cooper	4,163
Christina Benson	4,163
Bernadette Mcloughlin	3,300
Elise Willemsen	3,300
Total	42,769

Loans to key Management Personnel

There were no loans to key management personnel during the current or prior reporting period.

Remuneration report (*continued*)

Directors' benefits

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

Directors' interests

Director	Balance at 1 July 2023	Changes during the year	Balance at 30 June 2024
Garry Morris	2,250	-	2,250
Mark Holton	10,000	-	10,000
Scott Evans	2,000	-	2,000
Carolyn Kay	-	-	-
Elise Willemsen (resigned 14 August 2024)	-	-	-
Emma Mason	-	-	-
Paul McCubbin	3,000	-	3,000
Linda Cooper	-	-	-
Christina Benson	-	-	-
Bernadette Mcloughlin	-	-	-

Dividends

	Cents per share	Total amount $
Fully franked dividend provided for and paid in the year	10.00	99,482

Options

No options over issued shares were granted during or since the end of the financial year and there were no options outstanding as at the date of this report.

Significant changes in the State of Affairs

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

Events since to the end of the financial year

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

Likely developments

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

Environmental regulation

The company is not subject to any significant environmental regulation.

Indemnity and insurance of directors and officers

The company has indemnified all directors and the managers in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or managers 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. The company has not provided any insurance for an auditor of the company or a related body corporate.

Proceedings on behalf of 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.

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 28 to the accounts.

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

- all non-audit services have been reviewed by the board of directors to ensure they do not impact on the impartiality, integrity and objectivity of the auditor; and
- none of the services 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 at page 22.

Garry Morris
Chair

Dated this 13th day of September 2024

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550

afs@afsbendigo.com.au
03 5443 0344

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of East Gosford & Districts Financial Services Ltd

As lead auditor for the audit of East Gosford & Districts Financial Services Ltd 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.

Andrew Frewin Stewart

61 Bull Street, Bendigo, Vic, 3550

Dated: 13 September 2024

Joshua Griffin

Lead Auditor

Financial Statements

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2024

	Note	2024 $	2023 $
Revenue			
Revenue from contracts with customers	8	3,171,690	3,212,931
Other revenue	9	32,734	68,941
Fair value gains/(losses) on investments or financial assets	11	64,428	4,306
Total Revenue		3,268,852	3,286,178
Employee benefits expense	10d)	(1,539,641)	(1,445,582)
Advertising and marketing costs		(95,590)	(32,684)
Occupancy and associated costs		(76,646)	(58,057)
Systems costs		(68,062)	(65,657)
Depreciation and amortisation expense	10a)	(258,843)	(231,259)
Finance costs	10b)	(53,499)	(59,255)
General administration expenses		(286,709)	(245,925)
Total expenses before community contributions and income tax		(2,378,990)	(2,138,419)
Profit/(Loss) before community contributions and income tax		889,862	1,147,759
Charitable donations and sponsorship expense	10c)	(418,129)	(379,059)
Profit before income tax expense		471,733	768,700
Income tax expense	12a)	(109,238)	(195,146)
Profit after income tax expense		362,495	573,554
Total comprehensive income attributable to members of the company		362,495	573,554

Earnings per share	2024 cents	2023 cents
basic and diluted earnings per share	36.44	56.74

The accompanying notes form part of these financial statements

Statement of Financial Position as at 30 June 2024

	Note	2024 $	2023 $
ASSETS			
Current assets			
Cash and cash equivalents	13	288,587	225,754
Trade and other receivables	15	280,433	302,305
Total current assets		569,020	528,059
Non-current assets			
Investments	14	1,109,668	914,229
Property, plant and equipment	16	422,433	469,958
Right-of-use assets	17	693,674	814,951
Intangible assets	18	38,404	83,944
Deferred tax assets	19	113,247	113,246
Total non-current assets		2,377,426	2,396,328
Total assets		2,946,446	2,924,387
LIABILITIES			
Current liabilities			
Trade and other payables	20	116,204	140,017
Current tax liabilities	19	109,448	178,618
Lease liabilities	21	197,311	139,143
Employee benefits	22	343,627	337,367
Provisions		35,541	33,037
Total current liabilities		802,131	828,182
Non-current liabilities			
Trade and Other payables	20	-	45,540
Lease liabilities	21	566,432	725,222
Employee benefits	22	15,761	26,334
Total non-current liabilities		582,193	797,096
Total liabilities		1,384,325	1,625,278
Net assets		1,562,122	1,299,109
EQUITY			
Issued Capital	23	709,669	709,669
Retained earnings	24	852,453	589,440
Total equity		1,562,122	1,299,109

The accompanying notes form part of these financial statements

Statement of Changes in Equity for the year ended 30 June 2024

	Note	Issued capital $	Retained earnings $	Total equity $
Balance as at 1 July 2022		709,669	50,705	760,374
Total comprehensive income for the year		-	573,554	573,554
Transactions with owners in their capacity as owners:				
Dividends paid or provided	30	-	(34,819)	(34,819)
Balance as at 30 June 2023		709,669	589,440	1,229,109
Balance as at 1 July 2023		709,669	589,440	1,229,109
Total comprehensive income for the year		-	362,495	362,495
Transactions with owners in their capacity as owners				
Dividends paid or provided	30	-	(99,482)	(99,482)
Balance as at 30 June 2024		709,669	852,453	1,562,122

The accompanying notes form part of these financial statements

Statement of Cashflows
for the year ended 30 June 2024

	Note	2024 $	2023 $
Cash flows from operating activities			
Receipts from customers		3,404,852	3,496,378
Payments to suppliers and employees		(2,724,195)	(2,555,151)
Interest paid		(50,995)	(135)
Dividends received		32,734	9,434
Income taxes paid		(178,408)	(2,406)
Net cash provided by operating activities	25	483,988	948,120
Cash flows from investing activities			
Payments for property, plant and equipment		-	(2,190)
Payments for intangible assets		(45,540)	(41,400)
Payments for investments		(329,018)	(909,423)
Proceeds from sale of investments		198,007	-
Net cash used in investing activities		(176,551)	(953,013)
Cash flows from financing activities			
Repayment of lease liabilities		(145,122)	(189,110)
Dividends paid	30	(99,482)	(34,819)
Net cash flows used in financing activities		(244,604)	(223,929)
Net increase/(decreas) in cash held		62,833	(228,822)
Cash and cash equivalents at the beginning of the financial year		225,754	454,576
Cash and cash equivalents at the end of the financial year	13	288,587	225,754

The accompanying notes form part of these financial statements

Notes to the financial Statements

Note 1. Reporting entity

This is the financial report for East Gosford & Districts Financial Services Ltd (the company). The company is a for profit public company limited by shares, listed on the National Stock Exchange (NSX) and incorporated and domiciled in Australia. The registered office and principal place of business is:

	Registered Office	Principal Place of Business
	101 Victoria Street East Gosford, NSW 2250	101 Victoria Street East Gosford, NSW 2250

Further information on the nature of the operations and principal activity of the company is provided in the directors' report. Information on the company's related party relationships is provided in Note 29.

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, except for equity financial assets that are measured at revalued amounts or fair values at the end of each reporting period. The financial report is presented in Australian dollars and all values are rounded to the nearest dollar, unless otherwise stated.

These financial statements for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the directors.

Note 3. Changes in accounting policies, standards and interpretations

There are a number of amendments to accounting standards issued by the AASB that became mandatorily effective for accounting periods beginning on or after 1 July 2023, and are therefore relevant for the current financial year. The amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Note 4. Summary of significant accounting policies

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

a) 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.

Note 4. Summary of significant accounting policies (continued)

a) Revenue from contracts with customers (continued)

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

Revenue	Includes	Performance obligation	Timing of recognition
Franchise agreement profit share	Margin, commission and fee income	When the company satisfies its obligation to arrange the services to be provided to the customer by the supplier (Bendigo Bank as a 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 Goods and Services Tax (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 – 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. It may also be affected by other factors, such as economic and local conditions, for example, interest rates.

Margin

Margin is arrived at through the following calculation:

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

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

Commission

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

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

Fee income

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

Note 4. Summary of significant accounting policies (continued)

a) Revenue from contracts with customers (continued)

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 and Adelaide Bank may change the form and amount of financial return that the company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo and Adelaide 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.

b) Other revenue

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

Revenue	Revenue Recognition Policy
Dividend and distribution income	Dividend and distribution income is recognised when the right to receive the payment is established.
Discretionary financial contributions (also "Market Development Fund"or "MDF" income)	MDF income is recognised when the right to receive the payment is established. MDF income is discretionary and provided and receivable atmonth-end and paid within 14 days after month-end.
Other income	All other revenues that did not contain contracts with customers are recognised as goods and services are provided.

All revenue is stated net of the amount of Goods and Services Tax (GST).

Discretionary financial contributions

In addition to margin, commission and fee income, and separate from the franchise agreement, Bendigo Bank has also made MDF payments to the company.

The amount has been based on the volume of business attributed to a branch. The purpose of the discretionary payments is to assist with local market development activities, including community sponsorships and grants. It is for the board to decide how to use the MDF.

The payments from Bendigo Bank are discretionary and may change the amount or stop making them at any time. The company retains control over the funds, the funds are not refundable to Bendigo Bank.

Note 4. Summary of significant accounting policies (continued)

c) Economic dependency – Bendigo Bank

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank.

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

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

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

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

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

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

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

d) Employee benefits

Short-term employee benefits

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

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

Note 4. Summary of significant accounting policies (continued)

d) Employee benefits (continued)

Defined superannuation contribution plans

The company contributes to a defined contribution plan. Obligations for superannuation contributions to defined contribution plans are expensed as the related service is provided.

Other long-term employee benefits

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

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

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

e) Taxes

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current income 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.

Deferred tax

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

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

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

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

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

Note 4. Summary of significant accounting policies (continued)

e) Taxes (continued)

Goods and Services Tax

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

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

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

f) Cash and cash equivalents

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

g) Property, plant and equipment

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

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

Depreciation is calculated to write-off the cost of items of property, plant and equipment less their estimated residual values using straight-line and diminishing value method over their estimated useful lives, and is recognised in profit or loss.

The estimated useful lives of property, plant and equipment for the current and comparative periods are as follows:

Asset class	Method	Useful life
Leasehold improvements	Straight line	4 to 15 years
Plant and equipment	Straight line and diminishing value	5 to 40 years
Furniture, fixtures and fittings	Diminishing value	5 to 10 years

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

Note 4. Summary of significant accounting policies (continued)

h) Intangible assets

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

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

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

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

Asset class	Method	Useful life
Franchise fee	Straight line	Over the franchise term (5 years)

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

i) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The company's financial instruments include trade debtors and creditors, cash and cash equivalents and equity securities (shares, managed funds, ETFs).

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

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

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

j) Impairment

Non-derivative financial assets

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

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

Note 4. Summary of significant accounting policies (continued)

j) Impairment (continued)

Non-financial assets

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

If the recoverable amount of an asset (or cash-generating unit) 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.

k) Issued capital

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

l) Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

m) Leases

At inception of a contract, the company assesses whether a contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration and obtain substantially all the economic benefits from the use of that asset.

As a lessee

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the company's incremental borrowing rate.

The company determines its incremental borrowing rate by obtaining interest rates from funding sources and where necessary makes certain adjustments to reflect the terms of the lease and type of asset leased.

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

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

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

Where the company is a lessee for the premises to conduct its business, extension options are included in the lease term except when the company is reasonably certain not to exercise the extension option.

Note 4. Summary of significant accounting policies (continued)

m) Leases (continued)

As a lessee (continued)

This is due to the significant disruption of relocating premises and the loss on disposal of leasehold improvements fitted out in the demised leased premises.

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

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for leases of short-term leases and low-value assets, including IT equipment. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

A short-term lease is a lease that, at commencement date, has a lease term of 12 months or less.

As a lessor

When the company acts as a lessor, it determines at lease inception whether each lease is a finance or operating lease. To classify each lease, the company makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the company considers certain indicators such as whether the lease is for the major part of the economic life of the asset. Given the term of the sublease is less than the head lease term, the sublease does not meet the definition of a finance sublease and as such is an operating lease.

During the sublease term the company recognises sublease income in other revenue when earned. Depreciation on the right- of-use asset and interest on the lease liability is recognised under the head lease. The company recognise the sublease portion of the right-of-use asset within investment property. The portion calculated based on the sublease term and size of subleased area as a percentage of the head lease term and area.

n) Fair value measurement

Some of the company's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors determine the appropriate valuation techniques and inputs for fair value measurements.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

Note 5. Significant accounting judgements, estimates and assumptions

In preparing these financial statements, management has made judgements and estimates that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note	Judgement
Note 21 - Leases:	
a) control	a) whether a contract is or contains a lease at inception by assessing whether the company has the right to direct the use of the identified asset and obtain substantially all the economic benefits from the use of that asset;
b) lease term	b) whether the company is reasonably certain to exercise extension options, termination periods, and purchase options;
c) discount rates	c) judgement is required to determine the discount rate, where the discount rate is the company's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. The incremental borrowing rate is determined with reference to factors specific to the company and underlying asset including the amount, the lease term, economic environment and other relevant factors.
d) sublease classification	d) judgement is required to determine the classification of the sublease as either an operating or a finance sublease

b) Assumptions and estimation uncertainty

Information about assumptions and estimation uncertainties at 30 June 2024 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note	Assumptions
Note 19 - recognition of deferred tax assets	availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilized;
Note 26 – fair value	determining the fair value less costs to sell of the disposal group on the basis of significant unobservable inputs;
Note 16 - estimation of useful lives of assets	key assumptions on historical experience and the condition of the asset;
Note 22 - long service leave provision	key assumptions on attrition rate and pay increases through promotion and inflation;

Note 6. Financial risk management

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

Risk management is carried out directly by the board of directors.

a) Credit risk

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

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

b) Liquidity risk

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

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities. The contractual cash flows amounts are gross and undiscounted.

30 June 2024	Contractual cash flows			
Financial Liabilities	Carrying Amount	No later than 12 Months	Between 12 months and five years	Greater than five years
Lease liabilities	763,743	202,821	333,853	227,069
Trade payables	6,370	6,370	-	-
	770,113	209,191	333,853	227,069

30 June 2023	Contractual cash flows			
Financial Liabilities	Carrying Amount	No later than 12 Months	Between 12 months and five years	Greater than five years
Lease liabilities	864,365	190,259	430,007	244,099
Trade payables	51,910	6,370	45,540	-
	916,275	196,629	475,547	244,099

Note 6. Financial risk management (continued)

c) Market risk

Market risk

Market risk is the risk that changes in market prices - e.g. foreign exchange rates, interest rates, and equity prices - will affect the company's income or the value of its holdings in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The company has no exposure to any transactions denominated in a currency other than Australian dollars.

Interest-bearing assets and liabilities are held with Bendigo Bank and subject to movements in market interest. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest- rate risk.

The company held cash and cash equivalents of $288,587 at 30 June 2024 (2023: $225,754).

Price risk

The primary goal of the company's investment in equity securities is to hold the investments for the long term for strategic purposes.

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

Sensitivity analysis - equity price risk

All of the company's listed equity investments are listed on the Australian Stock Exchange (ASX) or the National Stock Exchange of Australia (NSX). All unlisted equity investments trade shares through a Low Volume Financial Market. Changes in equity securities value is recognise through profit or loss or other comprehensive income .

	2024 $		2023 $	
	10% increase	10% decrease	10% increase	10% decrease
Equity securities	110,967	(110,967)	91,423	(91,423)
	110,967	(110,967)	91,423	(91,423)

Note 7. Capital management

The board's policy is to maintain a strong capital base so as to sustain future development of the company. The board of directors 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:

a) 20% of the profit or funds of the company otherwise available for distribution to shareholders in that 12 month period; and

b) 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%.

Note 7. Capital management (continued)

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 year ended 30 June 2024 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 8. Revenue from contracts with customers

	2024 $	2023 $
Revenue from contracts with customers	3,171,690	3,212,931
	3,171,690	3,212,931

Disaggregation of revenue from contracts with customers

	2024 $	2023 $
At a point in time: Margin income	2,900,418	2,939,237
Fee income	126,006	132,124
Commission income	145,266	141,570
	3,171,690	3,212,931

Note 9. Other revenue

	2024 $	2023 $
Dividend and distribution income	32,734	9,484
Market development fund income	-	36,250
Other income	-	23,207
	32,734	68,941

Note 10. Expenses

a) Depreciation and amortisation expense

	2024 $	2023 $
Depreciation of non-current assets		
Leasehold improvements	13,227	42,751
Furniture and fittings	34,299	2,833
	47,526	45,584
Depreciation of right-of-use assets:		
Leased land and buildings	165,777	147,808
Amortisation of Intangible Assets:		
Franchise fees	45,540	37,867
Total depreciation and amortisation expense	258,843	231,259

b) Finance costs

	2024 $	2023 $
Lease interest expense	51,453	57,521
Unwinding of make-good provision	2,046	1,734
	53,499	59,255

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

c) Chartible donations and sponsorship expenses

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 sponsorships, grants and donations).

	2024 $	2023 $
Direct sponsorships, grants and donations	154,971	115,901
Contributions to the Community Enterprise Foundation™	263,158	263,158
	418,129	379,059

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

Note 10. Expenses (continued)

d) Employee benefits expense

	2024 $	2023 $
Wages and salaries	1,323,383	1,251,014
Contributions to defined contribution plans	168,827	142,024
Expenses related to long service leave	(1,172)	(1,616)
Other expenses	48,603	54,160
	1,539,641	1,445,582

e) Recognition exemption

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

	2024 $	2023 $
Expenses relating to low-value leases	21,568	23,901

Note 11. Fair value gains/(losses) on investments or financial assets

	2024 $	2023 $
At FVTPL – equity instruments	64,428	4,306

These amounts relate to the increase in the market value of investments or financial assets held by the company.

Note 12. Income tax expense

Income tax expense comprises current and deferred tax. Attributable current and deferred tax expense is recognised in the other comprehensive income or directly in equity as appropriate.

a) Amounts recognised in profit or loss

	2024 $	2023 $
Current tax expense/(credit)		
Current tax	120,149	201,921
Future income tax benefit attributable to losses	-	(3,228)
Net benefit of franking credits on dividends received	(10,911)	(4,039)
Recoupment of prior year tax losses	-	492
	109,238	195,146

b) *Prima facie* income tax reconciliation

	2024 $	2023 $
Operating profit/(loss) before taxation	471,733	768,700
Prima facie tax on profit before income tax at 25% (2023: 25%)	117,933	192,175
Tax effect of:		
Non-deductible expenses	-	110
Temporary differences	(28)	9,118
Other assessable income	2,244	1,010
Movement in deferred tax	-	(3,228)
Net benefit of franking credits on distributions received	(10,911)	(4,039)
Under/(over) provision of income tax in prior year	-	-
	109,238	195,146

Note 13. Cash and cash equivalents

a) Cash and cash equivalents

	2024 $	2023 $
Cash at bank and on hand	138,587	225,754
Term deposits	150,000	-
	288,587	225,754

Note 14. Investments

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

a) Non-current investments

	2024 $	2023 $
Equity instruments recognized at FVTPL	1,109,668	914,229

b) Reconciliation of carrying amounts

	2024 $	2023 $
Carrying amounts at beginning	914,229	500
Additions	329,018	909,423
Disposals	(198,007)	-
Revaluation	64,428	4,306
Carrying amounts at end	1,109,668	914,229

Note 15. Trade & other receivables

a) Current assets

	2024 $	2023 $
Trade receivables	274,553	296,649
Prepayments	5,880	5,656
	280,433	302,305

Note 16. Property, plant and equipment

a) Carrying amounts

	2024 $	2023 $
Leasehold improvements		
At cost	570,325	570,325
Less: accumulated depreciation	(163,266)	(118,563)
	407,059	451,762
Furniture and fittings		
At cost	216,169	216,169
Less: accumulated depreciation	(200,795)	(197,973)
	15,374	18,196
Total written down amount	422,433	469,958

Note 16. Property, plant and equipment (continued)

b) Reconciliation of carrying amounts

	2024 $	2023 $
Leasehold improvements		
Carrying amount at beginning	451,762	494,513
Additions	-	-
Disposals	-	-
Depreciation	(44,703)	(42,751)
		451,762
Furniture and fittings		
Carrying amount at beginning	18,196	18,839
Additions	-	2,190
Depreciation	(2,822)	18,839
	15,374	18,196
Total written down amount	422,433	469,958

Note 17. Right-of-use assets

a) Carrying amounts

	2024 $	2023 $
Leased land and buildings		
At Cost	1,407,552	1,333,869
Less: accumulated depreciation	(713,878)	(518,918)
Total written down amount	693,674	814,951

b) Reconciliation of carrying amounts

	2024 $	2023 $
Leased land and buildings		
Carrying amount at beginning	814,951	853,271
Remeasurement adjustments	73,684	109,488
Depreciation	(194,961)	(147,808)
Total written down amount	693,674	814,951

Note 18. Intangible assets

a) Carrying amounts

	2024 $	2023 $
Franchise fee		
At Cost	192,333	192,333
Less: accumulated depreciation	(153,929)	(108,389)
Total written down amount	38,404	83,944

b) Reconciliation of carrying amounts

	2024 $	2023 $
Franchise fee		
Carrying amount at beginning	83,944	121,811
Amortisation	(45,540)	(37,867)
Total written down amount	38,404	83,944

c) Changes to estimates

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

Note 19. Tax assets and liabilities

a) Current tax

	2024 $	2023 $
Income tax payable/(refundable)	109,238	178,618

(b) Deferred tax

Movement in the company's deferred tax balances for the year ended 30 June 2024:

	2024 $	2023 $
Deferred Tax Assets		
employee provisions	85,907	90,926
make-good provision	8,885	8,259
lease liability	190,936	216,091
property, plant and equipment	938	2,785
Total deferred tax assets	286,666	318,061
Deferred Tax Liabilities		
property, plant and equipment	-	1,076
right-of-use-assets	173,419	203,738
Total deferred tax liabilities	173,419	204,815
Net deferred tax assets (liabilities)	113,247	113,247
Movement in deferred tax charged to Statement of Profit or Loss and Other Comprehensive Income	-	(2,736)

Note 20. Trade creditors and other payables

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

a) Current Liabilities

	2024 $	2023 $
Trade creditors	6,370	6,370
Other creditors and accruals	109,834	133,647
	116,204	140,017

b) Non-current liabilities

	2024 $	2023 $
Other creditors and accruals	-	45,540

Note 21. Lease liabilities

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

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

The company's lease portfolio includes:

LEASE	DISCOUNT RATE %	NON-CANCELLABLE TERM YEARS	RENEWAL OPTIONS	REASONABLE CERTAINTY TO EXERCISE OPTIONS	LEASE TERM END DATE USED IN CALCULATIONS
East Gosford	6.49	5	2x5 years	Yes	Jun-2035
Lisarow	6.49	5	N/A	N/A	Aug-2025
Kincumber	5.49	5	N/A	N/A	Aug-2025

a) Current lease liabilities

	2024 $	2023 $
Property lease liabilities	197,311	139,143
	197,311	139,143

b) Non-current lease liabilities

	2024 $	2023 $
Property lease liabilities	566,432	725,222
	566,432	725,222

c) Reconciliation of lease liabilities

	2024 $	2023 $
Balance at the beginning	864,365	924,693
Remeasurement adjustments	-	72,537
Lease interest expense	51,453	56,245
Lease payments – total cash outflow	(152,075)	(189,110)
	763,743	864,365

Note 21. Lease liabilities (continued)

d) Maturity analysis

	2024 $	2023 $
Not later than 12 Months	202,821	139,143
Between 12 months and 5 years	263,853	466,720
Greater than 5 years	297,069	513,978
Total undiscounted lease payments	763,743	1,119,841
Present value of lease liabilities	763,743	1,119,841

Note 22. Employee benefits

a) Current liabilities

	2024 $	2023 $
Provision for annual leave	90,693	93,840
Provision for long service leave	252,934	243,527
	343,627	337,367

b) Non-current liabilities

	2024 $	2023 $
Provision for long service leave	15,761	26,334

c) Key judgements and assumptions

Employee attrition rates

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

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

Note 23. Issued capital

a) Issued capital

	2024		2023	
	Number	$	Number	$
Ordinary shares - fully paid	760,008	748,258	760,008	748,258
Bonus shares – fully paid (4:1)	234,808	-	234,808	-
Less: equity raising costs	-	(38,589)	-	(38,589)
	994,816	709,669	994,816	709,669

b) Rights attaching to issued capital

Ordinary shares

Voting Rights

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

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

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

Dividends

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

Transfer

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

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

Prohibited shareholding interest

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

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

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

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

Note 23. Issued capital (continued)

b) Rights attaching to issued capital (continued)

Prohibited shareholding interest (continued)

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

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

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

Note 24. Retained earnings

	2024 $	2023 $
Balance at the beginning of the reporting period	589,440	50,705
Profit / (loss) after income tax from ordinary activities	362,495	573,554
Dividends provided for or paid	(99,482)	(34,819)
Balance at the end of the reporting period	852,453	589,440

Note 25. Reconciliation of cash flows from operating activities

	2024 $	2023 $
Net profit (loss) after tax from ordinary activities	362,495	573,554
Adjustments for:		
Depreciation & amortisation	258,843	231,259
Lease liabilities interest	51,453	56,245
(increase)/decrease in fair value of equity instruments designated at FVTPL	(64,428)	(4,306)
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	21,872	(118,318)
Increase/(decrease) other assets	(1)	14,123
Increase/(decrease) in trade and other payables	(75,267)	6,235
Increase/(decrease) in employee benefits	(4,313)	8,976
Increase/(decrease) in provisions	2,504	1,734
Increase/(decrease) in tax liabilities	(69,170)	178,618
Net cash flows provided by/(used in) operating activities	483,988	948,120

Note 26. Financial instruments – fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying value		Fair value level	
	Note	2024 $ FVTPL	2023 $ FVTPL	2024 $ Level 1	2023 $ Level 1
Financial assets measured at fair value:					
Equity securities	14	1,109,668	914,229	1,109,668	914,229
		1,109,668	914,229	1,109,668	914,229
Financial assets not measured at fair value:					
Trade and other receivables	15	280,433	302,305	-	-
Cash and cash equivalents	13	288,587	225,754	-	-
		528,059	528,059	-	-
Financial liabilities not measured at fair value					
Trade and other payables	20	116,204	185,557	-	-
Lease liabilities	21	763,743	864,365	-	-
		879,947	1,049,922	-	-

Note 27. Financial instruments

The following shows the carrying amounts for all financial instruments at amortised costs. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	2024 $	2023 $
Financial Assets: Trade and other receivables	15	280,433	302,305
Cash and cash equivalents	13	288,587	225,754
		569,020	528,059
Financial Liabilities: Trade and other payables	20	116,204	185,557
Lease Liabilities	21	763,743	864,365
		879,947	1,049,922

Note 28. Auditor's remuneration

Amount received or due and receivable by the auditor of the company for the financial year.

	2024 $	2023 $
Audit & Review Services		
Audit and review of financial statements	12,805	7,000
Non-Audit Services		
General advisory services	1,150	1,685
Share registry services	4,302	4,082
Total auditor's remuneration	18,257	12,767

Note 29. Related parties

a) Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in the Remuneration Report within the directors report.

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:

	2024 $	2023 $
A director's spouse provides consulting work for the management team	24,000	-
	24,000	-

Note 30. Dividends provided for or paid

a) Dividends provided for and paid during the period

The following dividends were provided for and paid to shareholders during the reporting period as presented in the statement of changes in equity and statement of cash flows.

	30 June 2024		30 June 2023	
	Cents	$	Cents	$
Fully franked dividend	10.00	99,482	3.50	34,819

The tax rate at which dividends have been franked is 25%.

b) Franking account balance

	2024 $	2023 $
Franking credits available for subsequent reporting periods		
Franking account balance at the beginning of the financial year	230,726	235,887
Franking transactions during the financial year:		
Franking credits (debits) arising from income taxes paid (refunded) following lodgement of the annual income tax return	195,476	2,406
Franking credits from franked distributions received	10,911	4,039
Franking debits from the payment of franked distributions	(33,161)	(11,606)
Franking account balance at the end of the financial year	403,952	230,726
Franking transactions that will arise subsequent to the financial year end:		
Franking credits (debits) that will arise from payment (refund) of income tax	109,448	178,618
Franking debits that will arise from payment of dividends subsequent to financial year end	-	(11,606)
Franking credits available for future reporting periods	513,400	397,738

The ability to utilise franking credits is dependent upon the company's ability to declare dividends.

Note 31. Earnings per share

a) Basic and diluted earnings per share

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	2024 $	2023 $
Profit/(loss) attributable to ordinary shareholders	362,495	573,554
	Number	Numbe r
Weighted average number of ordinary shares	994,816	994,816
	¢	¢
Basic and diluted earnings per share	36.44	57.65

Note 32. Commitments

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

Note 33. Contingencies

There were no contingent liabilities or contingent assets at the date of this report to affect the financial statements.

Note 34. Subsequent events

There have been no significant events occurring after the reporting period which may affect either the company's operations or the results of those operations or the company's state of affairs.

Additional Information required by NSX

East Gosford & District Financial Services Ltd is a public company incorporated in Australia and listed on the National Stock Exchange of Australia (NSX).

Shareholding (as at 30 June 2024)

The following table shows the number of shareholders, segregated into various categories based on the total number of shares held.

Number of shares held	Number of Shareholders	Number of shares held
1 to 1,000	91	63,500
1,001 to 5,000	123	271,910
5,001 to 10,000	27	214,802
10,001 to 100,000	18	444,554
100,001 and over	-	-
Total Shareholders	259	994,816

Equity Securities

Each of the above shareholders are entitled to 1 vote, irrespective of the number of shares held.

There are no substantial shareholders (holding more than 5% of voting rights) as each shareholder is entitled to 1 vote. Normally holding more than 5% of total issued shares would create a substantial shareholder, but this is not applicable due to the voting restrictions for the company.

There are 7 shareholders holding less than a marketable parcel of shares ($500 in value). There are no restricted securities on issue.

All shares on issue are ordinary shares fully paid to $1 per share. There are no unquoted equity securities.

Ten largest shareholders

Shareholder	Number of fully paid ordinary shares held	Percentage of issued capital %
SCIPIO NOMINEES PTY LTD	77,802	7.82
PKC INVESTMENTS PTY LTD	66,500	6.68
NORTHERN SUBURBS SECRETARIAL SERVICES PTY LTD <JULETON A/C>	50,000	5.03
WINPAR HOLDINGS LIMITED	30,000	3.02
MRS SUSAN JOY WILKINS	24,500	2.46
MRS JENNIFER LYNN ROSENFIELD	21,500	2.16

Shareholder	Number of fully paid ordinary shares held	Percentage of issued capital %
Mr SCOTT DAVID MORRIS + Mr MARK ROBERT MORRIS <PUFFER SUPER FUND A/C>	20,752	2.09
MRS MINA SANDERS & MR GREGORY SANDERS	17,500	1.76
MS CARON RAE PFYELD	17,500	1.76
MR JOHN WARREN PEARCE PTY LTD <MIRIAM C PEARCE FAMILY A/C>	15,000	1.51
Total	341,054	34.29

Registered office and principal administrative office

The registered office and principal administrative off of the company is located at:

101 Victoria Street
East Gosford, NSW, 2250
Phone: (02) 4323 4559

Security register

The security register (share register) is kept at:

AFS & Associates
61-65 Bull Street,
Bendigo, VIC, 3550
Phone: (03) 5443 0344
Email: afs@afsbendigo.com.au

Company Secretary

Scott Evans is a director of the Company and has been the Company Secretary since July 2019. His qualifications include B.Ec(Hons), GAICD, FGIA, FFin, Dip FP. He is a company secretary on an ASX listed Company and has over 17 years of being a company secretary on public and private companies.

Five-year summary of performance

		2020	2021	2022	2023	2024
Gross revenue	$	2,283,813	2,023,221	1,968,852	3,286,178	3,268,852
Net profit before interest and tax	$	160,589	91,738	(3,810)	827,955	525,232
Total assets	$	2,429,317	2,416,133	2,264,225	2,924,387	2,946,446
Total liabilities	$	1,569,350	1,572,153	1,503,851	1,625,278	1,384,325
Total equity	$	859,967	843,980	760,374	1,299,109	1,562,122

Directors' Declaration

In accordance with a resolution of the Directors of East Gosford & Districts Financial Services Ltd, we state that:

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 .

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

Garry Morris

Chair

Dated this 13th day of 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 East Gosford & Districts Financial Services Ltd.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of East Gosford & Districts Financial Services Ltd. (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, the accompanying financial report of East Gosford & Districts Financial Services Ltd., is in accordance with the *Corporations Act 2001*, including:

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

Basis for Opinion

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

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

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our key audit procedures addressed this
Revenue Share Model The company is a franchise of Bendigo Bank. 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 receives the Revenue Share from Bendigo Bank via a monthly profit share statement. Our key audit matter was focused on the following areas of risk: ▪ Revenue is recognised appropriately and in line with AASB 15 Revenue from Contracts with Customers. ▪ Reliance on third party auditor EY to review the revenue share model.	▪ Review monthly profit share statements for the entire year and analytically assess the existence, accuracy and completeness of revenue. ▪ EY complete a Community Bank Revenue Share Arrangements report on factual findings biannually, which we plan to review and determine that the scope and testing procedures were sufficient to enable reliance on the monthly profit share reports specifically relating to revenue.

There are no other key audit matters to disclose for the 30 June 2024 audit.

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

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

If, 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.

Auditor's responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of East Gosford & Districts Financial Services Ltd., for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 13 September 2024

Joshua Griffin
Lead Auditor

Community Bank · East Gosford
101 Victoria Street,
East Gosford NSW 2250
Phone: 02 43234559
Email: eastgosfordmailbox@bendigoadelaide.com.au
Web: www.bendigobank.com.au/east-gosford

Community Bank · Lisarow
Shop 16, Lisarow Plaza Shopping Centre, 2 Parsons Road,
Lisarow NSW 2250
Phone: 02 43285472
Email: lisarowmailbox@bendigoadelaide.com.au
Web: www.bendigobank.com.au/lisarow

Community Bank · Kincumber
2A/39 Avoca Drive,
Kincumber NSW 2251
Phone: 02 43632133
Email: kincumbermailbox@bendigoadelaide.com.au
Web: www.bendigobank.com.au/kincumber

Franchisee: East Gosford & Districts Financial Services Limited
ABN: 90 092 538 620
101 Victoria Street
East Gosford NSW 2250
Phone: 02 43234559
Email: eastgosfordmailbox@bendigoadelaide.com.au

Share Registry:
AFS & Associates Pty Ltd
PO Box 454, Bendigo VIC 3552
Phone: 03 5443 0344
Fax: 03 5443 5304
Email: shareregistry@afsbendigo.com.au

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Bendigo Bank

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