

The background features a large, solid magenta circle on the left side. To the right of this circle, there is a vertical strip composed of several rectangular panels with different textures and colors, including shades of green, blue, and brown, some with organic patterns like leaves or bubbles.

# Annual Report 2023

Pine Rivers Community  
Finance Limited

Community Bank  
Samford

ABN 14 098 199 476



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# Chair's Report

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**For year ending 30 June 2023**

I am privileged to present the Chair's Report for Pine Rivers Community Finance Limited, summarising our achievements, milestones, and financial performance for the fiscal year ending 30 June 2023. In a dynamic economic environment marked by both challenges and opportunities, I am pleased to report that our institution has navigated the currents with strategic prowess, resulting in a strong and profitable year.

## **Financial Success Amidst Economic Dynamics**

The fiscal year under review was a period of notable accomplishments, characterised by our commitment to sound financial practices and innovative strategies. I am pleased to announce that Pine Rivers Community Finance Limited has recorded strong profitability, driven in part by an aligned response to the interest rate landscape. Since May 2022, The Reserve Bank of Australia (RBA) have instigated 12 adjustments increasing interest rates throughout the year, which created both challenges and opportunities for our valued customers.

## **Acknowledging Staff Excellence**

At the heart of our success stands our remarkable team, led by our Senior Branch Manager, Mandy Bell. Mandy's unwavering leadership, strategic acumen, and dedication have played a pivotal role in our achievements this year. I would also like to recognise the invaluable contribution of Nadine, Courtney, Kath, Annelie, Sheona, Laura, Emily, Seb and Max whose professionalism and support have enhanced our operational efficiency and effectiveness. Their dedication has propelled us towards this year's accomplishments, and as a Board we take this opportunity to honour them due to their outstanding performance.

## **Appreciating our Dedicated Directors**

Our institution is uniquely powered by a group of dedicated individuals who serve as volunteer Directors. Their tireless commitment to Pine Rivers Community Finance Limited, demonstrated through their selfless contributions and unwavering dedication, forms the bedrock of our success. It is with deep appreciation that I recognise their dedication and acknowledge the exceptional work they have undertaken to ensure the realisation of our mission. I am truly honoured to collaborate with such a highly skilled and visionary Board.

## **A Community Bank with Purpose**

We are proud to maintain our commitment to "Profit with purpose." Our deep-rooted dedication to the community is evident not only in our financial results but also in the positive impact we have made. This year, Pine Rivers Community Finance Limited contributed over \$239,000 back to the community, a testament to our unwavering pledge to support the growth and wellbeing of the communities we serve.

# Chair's Report (continued)

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## Financial Performance Summary

Amidst a rising interest rate environment, the lending sector encountered significant challenges throughout the past year. Both new and existing customers faced the need to exercise financial prudence to manage their escalating mortgage obligations and daily living expenses. Our dedicated team demonstrated exceptional commitment in assisting existing customers in meeting their mortgage obligations despite the market's contraction.

Despite these challenges, we are pleased to report robust financial performance for the fiscal year 22-23, with total revenue reaching \$1.228 million, resulting in a pre-tax cash profit of \$223,214. The Board has diligently formulated a sustainable and resilient business plan for the upcoming year, ensuring our business remains well-positioned to deliver consistent value to our shareholders.

## Our Shareholders

The company's fiscal health proved robust, driven by a continuous upswing in profitability. This success has empowered us to sustain our fully franked dividend payout at 4.5 cents per share.

Furthermore, to acknowledge the outstanding performance, the Board is delighted to declare an extra dividend of 4.5 cents per share in light of our heightened profitability. This announcement reflects a full-year dividend of 9 cents per share and signifies the Board's acknowledgment of our shareholders' continued trust.

## Closing Remarks

In summary, the accomplishments of Pine Rivers Community Finance Limited in this fiscal year stand as a testament to the unwavering dedication, resilience, and cooperative ethos exhibited by our team, Directors, and community. These financial achievements extend beyond mere numbers; they underscore our steadfast commitment to equipping individuals and businesses with meaningful financial solutions.

On behalf of the entire organisation, I extend our sincere gratitude to our esteemed shareholders, customers, and stakeholders, plus our committed staff. Together, we remain steadfast in our role as a beacon of financial empowerment within our community, unwaveringly aligned with our mission and core values.

Sincerely



*Malcolm Frizze* II

Chair

# Senior Manager's Report

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**For year ending 30 June 2023**

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

Interest rates have risen steadily, affecting our mortgage customers negatively but our deposit customers positively. Our investors have finally been able to enjoy some higher returns on their investments. The interest rate changes have also made the market very unstable, with a lot of customers opting to pay off their debt during this period. Our settlement numbers were not as strong as the previous year with residential settlements of \$21million and commercial loan settlements of \$15million.

This was our first full year in the newly refurbished branch and not only has it increased traffic into the branch, it has created a unified team which has improved our culture and morale. The team is more versatile and efficient, out and about in our community, helping our customers with all their banking needs.



Every day, our customers help change lives simply by banking with us. This financial year we returned just over \$230,000 to local community groups and clubs through grants, sponsorships and donations. Our community contributions now exceed \$1,200,000 and without all our wonderful customers we could not have achieved this investment in so many community projects. Here are some highlights from the last twelve months.

Three worthy recipients of The Community Bank Samford Scholarship program have each taken the plunge to change careers later in life to help others. Three \$5,000 scholarships per year provide financial assistance to mature-age students enrolled at the University of the Sunshine Coast's Moreton Bay campus. We also fund three scholarships to TAFE Qld annually and have been a long term supporter of the annual East Coast Apprenticeships, Apprentice of the Year Awards.



We lent a paw to shelter animals and a group of veterans, by providing a grant to Happy Paws Happy Hearts Foundation. The grant sponsored five veterans to undertake a 12-week In-Shelter Intensive program at RSPCA Qld's Dakabin Animal Care Centre. The unique animal therapy creates positive social connections between isolated Australians and rescue animals, with participants reporting an increased sense of connection with themselves, their families and the broader community.

In an instant, anyone can find themselves in the position of needing to look after a loved one who has become physically or mentally unwell. Community Bank Samford was proud to bestow a grant to The Carers Foundation, furthering its unique work in providing carers with tailored wellness programs to support their physical, emotional, and mental wellbeing.

North Pine Bush Poets received a grant, allowing the group to promote its change of venue as well as backing plans to attract new membership. While entertaining the masses, the North Pine Bush Poets also supports others in the community, recently raising money for drought relief for families in the Winton area; fittingly the home of Waltzing Matilda.



A grant to Trusted Care, a subsidiary of Cystic Fibrosis Queensland, created tailored exercise programs for people with a disability in the Samford and Pine Rivers region. Many aspects of life are inherently designed for non-disabled people, which can unwittingly exclude those living with a disability. After taking part in the classes, one client said a door had been opened that they didn't think would ever be open to them.

Collaborating with Creative Samford and in the planning for 12 months, we opened this beautiful community mural, our gift to Samford, in June. Five artists were commissioned to paint each of the panels, depicting our indigenous origins, pioneering history, local plants and animals, and the present day.

This financial year we added some wonderful people to our staffing team. Seb, Laura and Max join our frontline team and are all new to the banking industry. We have been thrilled to watch them learn and grow over the last 6 months. Kath has joined our lending team with over 15 years of banking experience specifically in lending. Our staff are our top priority. Building their skills in banking and customer engagement means we can plan for the future.

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



Mandy Bell  
Senior Manager  
Community Bank Samford



# Pine Rivers Community Finance Limited

ABN: 14 098 199 476

Financial Report for the year ended 30 June 2023

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[www.rsdaudit.com.au](http://www.rsdaudit.com.au)  
(03) 4435 3550



## Pine Rivers Community Finance Limited

### Directors' Report

For the year ended 30 June 2023

The Directors present their report, together with the financial statements, on Pine Rivers Community Finance Limited for the financial year ended 30 June 2023.

#### Board of Directors

The following persons were Directors of Pine Rivers Community Finance Limited during the whole of the financial year up to the date of this report, unless otherwise stated:

##### Kellie O'Brien

Title:	Chair- Retired 7 November 2022
Qualifications:	Member Australian Institute of Company Directors (AICD).
Experience & Expertise:	Kellie has over 20 years' experience in the operational and general management of companies in the construction, consulting, and education sectors. Kellie is currently the General Manager of a national management consultancy firm with a focus on leadership, industrial relations, and mergers and acquisitions. Kellie has contributed on several community and commerce boards centred around economic empowerment of business and community.

##### Malcolm Frizzell

Title:	Chair- From 7 November 2022
Qualifications:	Grad Dip in Business, Grad Cert in Governance & Risk Management from GIA, Grad Cert in Commerce from Securities Institute of Australia
Experience & Expertise:	Malcolm Frizzell's banking career spans 35 years, with the last 15 years working in community banking with community enterprise boards in over 50 Communities across Australia. Malcolm has strong risk management skills, strong Governance and Corporate Act knowledge encompassing Boardroom activities. Board member since October 2020.

##### Abigail Senior (Abby)

Title:	Deputy Chair – Retired 22 July 2023
Qualifications:	Phd, MSc Strategy & Resource Management, BA (hons) Business Management, Member
Experience & Expertise:	Professor of Work and Organisation and Director of QUTs Academy of Learning and Teaching, Abby is an international accreditor and Principal of the Higher Education Academy (UK) and has wide leadership experience working with Higher Education providers globally, Abby was president of the Samford & District Playgroup for 4 years.

##### Terence Hogan (Terry)

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

## Pine Rivers Community Finance Limited

### Directors' Report

For the year ended 30 June 2023

#### Ruth Lennon

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

#### Kriton Panagiotopoulos (Kris)

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

#### MaryAnne Morgan

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

#### Darren Grimwade

Title:	Non-Executive Director- Joined March 2023
Qualifications:	Graduate Australian Institute of Company Directors (GAICD)
Experience & Expertise:	Darren Grimwade has extensive experience in both private and public sectors. Darren has previously held roles in economic and taxation fields working as a director for a leading Australian taxation firm and has run multiple successful family run small businesses including currently being a Company Director in his family run property business. Darren was elected to the Queensland Parliament in March 2012 and served on the Transport, Housing & Local Government Committee and was elected as a Councillor to the Moreton Bay Region Council in 2016. Darren is a Graduate of the Australian Institute of Company Directors (GAICD) and was named the Qld Young Entrepreneur of the Year in 2008. Darren is very active in the local community and is a patron and life member at a number of community organisations.

## Directors' Report

For the year ended 30 June 2023

### Megan Avard

Title:	Non-Executive Director- Joined June 2023
Qualifications:	Bachelor of Business, Bachelor of Education, Diploma of Education
Experience & Expertise:	<p>Megan Avard is an Australian business executive. Megan started her career as a secondary school teacher in business and law, working for 11 years across all sectors of education in both regional and metropolitan Queensland. Over the next three decades, she held senior management positions in project management, construction, marketing and technology in both the corporate and not-for-profit sectors.</p> <p>In 2017 Megan launched her technology company, of which she was Founder, CEO and Board Director. The outstanding success of this company was recognised when Megan was awarded QLD Entrepreneur of the Year in 2019, also receiving multiple APAC and other national awards. Significant partnerships were developed with global corporates such as Microsoft, before Megan finally exited the company in December 2022.</p> <p>Megan has been recognised at state, national and international levels for her achievements throughout her career in the areas of innovation and technology excellence.</p>

### William (Bill) Rayment

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

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

No Directors have material interests in contracts or proposed contracts with the company.

### Directors' Meetings

Attendances by each Director during the year were as follows:

Director	Board Meetings	
	A	B
Kellie O'Brien	5	5
Malcolm Frizzell	11	11
Abigail Senior (Abby)	8	8
Terence Hogan (Terry)	8	7
Ruth Lennon	11	8
Kriton Panagiotopoulos (Kris)	11	10
MaryAnne Morgan	11	11
Darren Grimwade	3	3
Megan Avard	1	1
William (Bill) Rayment	11	8

A - The number of meetings eligible to attend.

B - The number of meetings attended.

## Pine Rivers Community Finance Limited

### Directors' Report

For the year ended 30 June 2023

#### Company Secretary

The following person held the position of Company Secretary at the end of the financial year.

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

#### Principal Activities

The principal activities of the company during the course of the financial year were in providing Community Bank branch services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

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

#### Operating Results

The profit of the company for the financial year after provision for income tax was:

	30 June 2023 (\$)	30 June 2022 (\$)	Movement
Profit After Tax	157,850	51,882	204%

#### 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.

#### Director's Interests

Director	Fully Paid Ordinary Shares		
	Balance at 1 July 2022	Changes During the Year	Balance at 30 June 2023
Kellie O'Brien	-	-	-
Malcolm Frizzell	2,400	-	2,400
Abigail Senior (Abby)	500	-	500
Terence Hogan (Terry)	500	-	500
Ruth Lennon	-	-	-
Kriton Panagiotopoulos (Kris)	-	-	-
MaryAnne Morgan	-	-	-
Darren Grimwade	-	-	-
Megan Avard	-	-	-
William (Bill) Rayment	-	-	-

## Pine Rivers Community Finance Limited

### Directors' Report

For the year ended 30 June 2023

#### Dividends

Subsequent to 30 June 2023, Pine Rivers Community Finance Limited have declared a dividend of 4.5 cents per share fully franked for 2023. This payment is in respect of the financial performance in the 2022-23 financial year (FY). In addition to this, due to profitability in FY23, the board has also subsequently approved payment of an additional interim dividend of 4.5 cents per share. This additional dividend is to be paid to shareholders registered at 30 June 2023.

Note that as the dividends aforementioned were declared subsequent to year end, their liability is not to be recognised as part of the FY23 financial report as per AASB110. As such, they are not accounted for in the disclosure notes to these financial statements.

	Cents per Share	Total Amount (\$)
Final fully franked dividend	4.50	\$49,590
<b>Total Amount</b>	<b>4.50</b>	<b>\$49,590</b>

#### 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 other 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 the end of the Financial Year

No matters or circumstances have arisen since the end of the financial year that significantly impact or may significantly impact the operations of the company, the results of those operations or the state of affairs of the company, in future financial years.

#### Likely Developments

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

#### Environmental Regulations

The company is not subject to any significant environmental regulation.

#### Indemnification & Insurance of Directors & 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.

## Pine Rivers Community Finance Limited

### Directors' Report

For the year ended 30 June 2023

#### Proceedings on Behalf of the Company

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

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

#### 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 (RSD Audit) for audit and non-audit services provided during the year are set out in Note 27 to the accounts.

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

- all non audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the 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 on page 7 of this financial report.

Signed in accordance with a resolution of the Board of Directors at Samford, QLD.



**Malcolm Frizzell**  
Chair

Dated this 22nd day of September, 2023

**Auditors Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors of Pine Rivers Community Finance Limited**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Pine Rivers Community Finance Limited. As the lead audit partner for the audit of the financial report for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.

**RSD Audit**



**Mahesh Silva**  
**Partner**  
41A Breen Street  
Bendigo VIC 3550

**Dated:** 22<sup>nd</sup> September 2023

## Pine Rivers Community Finance Limited

### Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

	Note	2023 \$	2022 \$
<b>Revenue</b>			
Revenue from contracts with customers	7	2,119,680	1,491,201
Other revenue	8	4,340	1,549
Finance income	9	3,655	1,977
		<b>2,127,675</b>	<b>1,494,727</b>
<b>Expenses</b>			
Employee benefits expense	10	(843,270)	(861,533)
Depreciation and amortisation	10	(167,899)	(143,314)
Finance costs	10	(4,332)	(6,645)
Administration and general costs		(130,174)	(124,979)
Occupancy expenses		(61,541)	(83,480)
IT expenses		(43,265)	(48,298)
Bad and Doubtful debts expense		(317)	(250)
		<b>(1,250,798)</b>	<b>(1,268,499)</b>
<b>Operating profit before charitable donations and sponsorship</b>		<b>876,877</b>	<b>226,228</b>
Charitable donations and sponsorship	10	(667,132)	(138,008)
<b>Profit before income tax</b>		<b>209,745</b>	<b>88,220</b>
Income tax expense	11	(51,895)	(36,338)
<b>Profit for the year after income tax</b>		<b>157,850</b>	<b>51,882</b>
<b>Total comprehensive income attributable to ordinary shareholders of the company</b>		<b>157,850</b>	<b>51,882</b>
<b>Earnings per share</b>		<b>¢</b>	<b>¢</b>
- basic and diluted earnings per share	29	14.32	4.71

The accompanying notes form part of these financial statements

# Pine Rivers Community Finance Limited

## Statement of Financial Position

For the year ended 30 June 2023

	Note	2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	12	101,688	858,951
Trade and other receivables	13	157,648	147,978
Financial assets	14	501,812	-
<b>Total current assets</b>		<b>761,148</b>	<b>1,006,929</b>
<b>Non-current assets</b>			
Property, plant and equipment	15	436,572	61,395
Right-of-use assets	16	544,468	99,950
Intangible assets	17	14,246	54,629
<b>Total non-current assets</b>		<b>995,286</b>	<b>215,974</b>
<b>Total assets</b>		<b>1,756,434</b>	<b>1,222,903</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	19	35,891	114,885
Current tax liability	18	77,309	23,830
Lease liabilities	20	47,932	70,279
Provisions	21	18,649	64,779
<b>Total current liabilities</b>		<b>179,781</b>	<b>273,773</b>
<b>Non-current liabilities</b>			
Trade and other payables	19	-	32,783
Lease liabilities	20	525,346	36,331
Deferred tax liability	18	20,734	7,293
<b>Total non-current liabilities</b>		<b>546,080</b>	<b>76,407</b>
<b>Total liabilities</b>		<b>725,861</b>	<b>350,180</b>
<b>Net assets</b>		<b>1,030,573</b>	<b>872,723</b>
<b>Equity</b>			
Issued capital	22	916,808	916,808
Retained earnings/(Accumulated losses)	23	113,765	(44,085)
<b>Total equity</b>		<b>1,030,573</b>	<b>872,723</b>

The accompanying notes form part of these financial statements

## Pine Rivers Community Finance Limited

### Statement of Changes in Equity

For the year ended 30 June 2023

	Note	Issued Capital \$	Retained Earnings \$	Reserves \$	Total Equity \$
<b>Balance at 1 July 2021</b>		<b>916,808</b>	<b>(46,376)</b>	<b>-</b>	<b>870,432</b>
<b>Comprehensive income for the year</b>					
Profit for the year		-	51,882	-	51,882
<b>Transactions with owners in their capacity as owners</b>					
Dividends paid or provided	28	-	(49,590)	-	(49,590)
<b>Balance at 30 June 2022</b>		<b>916,808</b>	<b>(44,084)</b>	<b>-</b>	<b>872,724</b>
<b>Balance at 1 July 2022</b>		<b>916,808</b>	<b>(44,084)</b>	<b>-</b>	<b>872,724</b>
<b>Comprehensive income for the year</b>					
Profit for the year		-	157,850	-	157,850
<b>Transactions with owners in their capacity as owners</b>					
Dividends paid or provided	28	-	-	-	-
<b>Balance at 30 June 2023</b>		<b>916,808</b>	<b>113,766</b>	<b>-</b>	<b>1,030,574</b>

The accompanying notes form part of these financial statements

## Pine Rivers Community Finance Limited

### Statement of Cash Flows

For the year ended 30 June 2023

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		2,114,347	1,479,312
Payments to suppliers and employees		(1,795,929)	(1,267,075)
Dividends received		-	-
Interest paid		(4,332)	(6,645)
Interest received		3,655	2,583
Income tax paid		15,026	(61,912)
<b>Net cash flows provided by operating activities</b>	24b	<b>332,767</b>	<b>146,263</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of investments		-	766,357
Purchase of property, plant and equipment		(417,329)	(15,212)
Purchase of investments		(501,812)	-
Purchase of intangible assets		(34,219)	(30,765)
<b>Net cash flows from/(used in) investing activities</b>		<b>(953,360)</b>	<b>720,380</b>
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities		(90,540)	(94,182)
Dividends paid		(46,130)	(48,884)
<b>Net cash flows used in financing activities</b>		<b>(136,670)</b>	<b>(143,066)</b>
<b>Net increase/(decrease) in cash held</b>		<b>(757,263)</b>	<b>723,577</b>
Cash and cash equivalents at beginning of financial year		858,951	135,374
<b>Cash and cash equivalents at end of financial year</b>	24a	<b>101,688</b>	<b>858,951</b>

The accompanying notes form part of these financial statements

## Notes to the Financial Statements

For the year ended 30 June 2023

### Note 1. Corporate Information

These financial statements and notes represent those of Pine Rivers Community Finance Limited (the Company) as an individual entity. Pine Rivers Community Finance Limited is a company limited by shares, incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on 22nd September 2023.

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 26.

### Note 2. Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar, unless otherwise stated.

### Note 3. Summary of Significant Accounting Policies

The company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

#### (a) Economic Dependency

The Company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the following Community Bank branch:

Community Bank Samford - Shop 3, 37 Main Street,  
Samford Valley QLD, 4520

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.

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.

**Note 3. Summary of Significant Accounting Policies (*continued*)**

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
- 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.

**(b) Revenue From Contracts With Customers**

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

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

Revenue is recognised on an accruals basis, at the fair value of consideration specified in the franchise agreement. 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 & Adelaide Bank)	On completion of the provision of the relevant service. Revenue is accrued monthly and paid within 10 business days of month end

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

**Notes to the Financial Statements**

For the year ended 30 June 2023

**Note 3. Summary of Significant Accounting Policies (*continued*)**

**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
<i>plus</i>
Deposit returns (i.e. interest return applied by BABL on deposits)
<i>minus</i>
Any costs of funds (i.e. interest applied by BABL to fund a loan)

The company is entitled to a share of the margin earned by Bendigo and Adelaide 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 recognised on receipt as there is insufficient detail readily available to estimate the most likely amount of income without a high probability of significant reversal in a subsequent reporting period. The receipt of ongoing trailing commission income is outside the control of the company, and is a significant judgement area.

**Fee Income**

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

**Core Banking Products**

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

**Ability to Change Financial Return**

Under the franchise agreement, Bendigo 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. The effect of the change on the revenue earned by the company is entirely dependent on the change.

**Notes to the Financial Statements**

For the year ended 30 June 2023

**Note 3. Summary of Significant Accounting Policies (*continued*)**

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

**(c) 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 to the company and can be reliably measured.

Revenue	Revenue Recognition Policy
Discretionary financial contributions (also "Market Development Fund" or "MDF" income)	MDF income is recognised when the right to receive the payment is established. MDF income is discretionary and provided and receivable at month-end and paid within 14 days after month-end.
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.

**(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 (including non-monetary benefits), annual leave, and sick leave which are expected to be wholly settled within 12 months of the reporting date. They are measured at amounts expected to be paid when the liabilities are settled, plus related on-costs. Expenses for non-accumulating sick leave are recognised 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.

**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 estimate future cash outflows.

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

**Note 3. Summary of Significant Accounting Policies (*continued*)**

**(e) Tax**

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.

**Goods & 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.
- when receivables and payables are stated with the amount of GST included.

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 & Cash Equivalents**

For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise: cash on hand, deposits held with banks, and short-term, highly liquid investments (mainly money market funds) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**Notes to the Financial Statements**

For the year ended 30 June 2023

**Note 3. Summary of Significant Accounting Policies (*continued*)**

**(g) Property, Plant & Equipment**

**Recognition & Measurement**

Items of property, plant and equipment are measured at cost or fair value as applicable, which includes capitalised borrowings costs, less accumulated depreciation and any accumulated impairment losses.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

**Subsequent Expenditure**

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

**Depreciation**

Depreciation is calculated to write-off the cost of items of property, plant and equipment less their estimated residual values using 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	5 - 40 years
Plant & equipment	Diminishing value	2.5 - 40 years
Furniture and Fittings	Diminishing value	2.5 - 20 years

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

**(h) Intangible Assets**

Intangible assets of the company include the franchise fees paid to Bendigo Bank conveying the right to operate the Community Bank franchise.

**Recognition & Measurement**

Intangible assets acquired separately are measured on initial recognition at cost.

**Subsequent Expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognised in profit or loss as incurred.

**Amortisation**

Intangible assets 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	Franchise term (5 years)

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

**Notes to the Financial Statements**

For the year ended 30 June 2023

**Note 3. Summary of Significant Accounting Policies (*continued*)**

**(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, leases.

Sub-note (i) and (j) refer to the following acronyms:

Acronym	Meaning
FVTPL	Fair value through profit or loss
FVTOCI	Fair value through other comprehensive income
SPPI	Solely payments of principal and interest
ECL	Expected credit loss
CGU	Cash-generating unit

**Recognition & Initial Measurement**

Trade receivables are initially recognised when they originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to the acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

**Classification & Subsequent Measurement**

*Financial Assets*

On initial recognition, a financial asset is classified as measured at: amortised cost, FVTOCI - debt investment; FVTOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVTOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

*Financial Assets - Business Model Assessment*

The company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed.

*Financial Assets - Subsequent Measurement, Gains & Losses*

For financial assets at amortised cost, these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

**Note 3. Summary of Significant Accounting Policies (*continued*)**

*Financial Liabilities - Classification, Subsequent Measurement, Gains & Losses*

Borrowings and other financial liabilities (including trade payables) are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognised in profit or loss.

**Derecognition**

*Financial Assets*

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Where the company enters into transactions where it transfers assets recognised in the statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred asset, the transferred assets are not derecognised.

*Financial Liabilities*

The company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

**Offsetting**

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 Instruments**

The company recognises a loss allowance for estimated credit losses (ECL)'s on its trade receivables.

ECL's 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.

In measuring the ECL, a provision matrix for trade receivables is used, taking into consideration various data to get to an ECL, (i.e. diversity of its customer base, appropriate groupings of its historical loss experience etc.).

*Recognition of ECL in Financial Statements*

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

**Note 3. Summary of Significant Accounting Policies (*continued*)**

The company's trade receivables are limited to the monthly profit share distribution from Bendigo and Adelaide Bank, which is received 14 days post month end. Due to the reliance on Bendigo and Adelaide 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 and Adelaide Bank and found no instances of default. As a result no impairment loss allowance has been made in relation to trade receivables as at 30 June 2023.

**Non-financial Assets**

At each reporting date, the company reviews the carrying amount of its non-financial assets (other than investment property, contracts assets, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The company has assessed for impairment indicators and noted no material impacts on the carrying amount of non-financial assets.

**(k) Issued Capital**

**Ordinary Shares**

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) Leases**

**As Lessee**

At commencement or on modification of a contract that contains a lease component, the company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for leases of property the company has elected not to separate lease and non-lease components and account for the lease and non-lease components as a single lease component.

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of 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, unless the lease transfers ownership of the underlying asset to the company by the end of the lease term or the costs of the right-of-use asset reflects that the company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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 interest rate implicit in the lease or, if that rate cannot be readily determined, 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 the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual guarantee; and
- the exercise price under a purchase option the company is reasonable certain to exercise, lease payments in an option renewal period if the company is reasonably certain to exercise that option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

**Note 3. Summary of Significant Accounting Policies (*continued*)**

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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.

**Short-term Leases & 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 Lessor**

The company has not been a party in an arrangement where it is a lessor.

**(m) Standards Issued But Not Yet Effective**

There are no new standards effective for annual reporting periods beginning after 1 January 2022 that are expected to have a significant impact on the company's financial statements.

**(n) Comparative Figures**

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**Note 4. Significant Accounting Judgements, Estimates & Assumptions**

During preparation of the 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 outcomes and balances may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to these 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 7 - Revenue	Whether revenue is recognised over time or at a point in time
Note 20 - Leases:	
(a) Control	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	Whether the company is reasonably certain to exercise extension options, termination periods, and purchase options
(c) Discount rates	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: <ul style="list-style-type: none"> <li>• the amount</li> <li>• the lease term</li> <li>• economic environment</li> <li>• any other relevant factors</li> </ul>

**(b) Assumptions & Estimation Uncertainty**

Information about assumptions and estimation uncertainties at 30 June 2023 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	Assumption
Note 18 - Recognition of deferred tax assets	Availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilised
Note 3 (g) and 3 (h) - Estimation of asset useful lives	Key assumptions on historical experience and the condition of the asset

**Notes to the Financial Statements**

**For the year ended 30 June 2023**

**Note 5. Financial Risk Management**

The company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

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 utilise any 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 has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo and Adelaide Bank.

**(b) Liquidity Risk**

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

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

30 June 2023		Contractual Cash Flows		
Non-derivative Financial Liability	Carrying Amount	< 12 Months	1 - 5 Years	> 5 Years
Lease liabilities	700,754	86,599	326,100	288,055

**(c) 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.

**Price Risk**

The company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. There is no exposure to the company in regard to commodity price risk.

**Note 5. Financial Risk Management (*continued*)**

**Cash Flow & Fair Values Interest Rate Risk**

Interest-bearing assets are held with Bendigo and Adelaide 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 \$101,688 at 30 June 2023 (2022: \$858,951). The cash and cash equivalents are held with Bendigo & Adelaide Bank, which are rated BBB on Standard & Poor's credit ratings.

**Note 6. 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%.

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 2023 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.

**Notes to the Financial Statements**

For the year ended 30 June 2023

**Note 7. Revenue From Contracts With Customers**

Revenue arises from the rendering of services through its franchise agreement with the Bendigo and Adelaide Bank Limited. The revenue recognised is measured by reference to the fair value of consideration received or receivable, excluding sales taxes, rebates, and trade discounts.

	2023 \$	2022 \$
<b>Revenue</b>		
- Revenue from contracts with customers	2,119,680	1,491,201
	<b>2,119,680</b>	<b>1,491,201</b>
<b>Disaggregation of Revenue From Contracts With Customers</b>		
- Margin income	1,794,955	1,150,148
- Fee income	84,860	110,621
- Commission income	239,865	230,432
	<b>2,119,680</b>	<b>1,491,201</b>

All revenue from contracts customers shown above was recognised at a point in time. There was no revenue from contracts with customers recognised over time during the financial year.

**Note 8. Other Revenue**

The company generates other sources of revenue as outlined below.

	2023 \$	2022 \$
<b>Other Revenue</b>		
- Market development fund income	-	285
- Other	4,340	1,264
	<b>4,340</b>	<b>1,549</b>

**Note 9. Finance Income**

The company holds financial instruments measured at amortised cost. Interest income is recognised at the effective interest rate.

Term deposits which can be readily converted to a known amount of cash and subject to an insignificant risk of change may qualify as a cash equivalent.

	2023 \$	2022 \$
<b>Finance Income</b>		
<b>At amortised cost:</b>		
- Interest from term deposits	3,655	1,977
	<b>3,655</b>	<b>1,977</b>

**Notes to the Financial Statements**

For the year ended 30 June 2023

**Note 10. Expenses**

Profit before income tax from continuing operations includes the following specific expenses:

**(a) Employee Benefits Expense**

	2023 \$	2022 \$
<b>Employee Benefits Expense</b>		
- Wages & salaries	667,825	683,463
- Superannuation costs	74,827	72,080
- Other expenses related to employees	100,618	105,991
	<b>843,270</b>	<b>861,534</b>

**(b) Depreciation & Amortisation Expense**

	2023 \$	2022 \$
<b>Depreciation of Non-current Assets</b>		
- computer equipment	3,255	11,480
- leasehold improvements	24,208	708
- plant and equipment	9,133	6,402
- furniture and fittings	5,556	3,347
	<b>42,152</b>	<b>21,937</b>
<b>Depreciation of Right-of-use Assets</b>		
- leased buildings	112,690	95,241
	<b>112,690</b>	<b>95,241</b>
<b>Amortisation of Intangible Assets</b>		
- franchise fees	13,057	26,136
	<b>13,057</b>	<b>26,136</b>
<b>Total depreciation &amp; amortisation expense</b>	<b>167,899</b>	<b>143,314</b>

The non-current tangible and intangible assets listed above are depreciated and amortised in accordance with the company's accounting policy (see Note 3(g) and 3(h) for details).

**(c) Finance Costs**

	Note	2023 \$	2022 \$
<b>Finance Costs</b>			
- Interest paid		4,332	6,645
		<b>4,332</b>	<b>6,645</b>

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

Notes to the Financial Statements

For the year ended 30 June 2023

**Note 10. Expenses (continued)**

**(d) Community Investments & Sponsorship**

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

	Note	2023 \$	2022 \$
<b>Community Investments &amp; Sponsorship</b>			
- Direct sponsorship and grant payments		50,867	15,751
- Contribution to the Community Enterprise Foundation™	10(e)	616,265	122,257
		<b>667,132</b>	<b>138,008</b>

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.

**(e) Community Enterprise Foundation™ Contributions**

During the financial year the company contributed funds to the CEF, the philanthropic arm of the Bendigo Bank. These contributions paid in form part of community investments and sponsorship expenditure included in profit or loss.

	Note	2023 \$	2022 \$
<b>Disaggregation of CEF Funds</b>			
Opening balance		512,824	495,362
Contributions paid	10(d)	616,265	122,257
Grants paid out		(188,766)	(103,491)
Interest received		16,761	3,432
Management fees incurred		(29,543)	(4,736)
Balance available for distribution		<b>927,541</b>	<b>512,824</b>

Notes to the Financial Statements

For the year ended 30 June 2023

**Note 11. 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) The Components of Tax Expense**

	2023 \$	2022 \$
Current tax expense	38,454	23,999
Deferred tax expense	13,442	(1,945)
Under / (over) provision of prior years	-	14,284
	<b>51,896</b>	<b>36,338</b>

**(b) *Prima Facie* Tax Payable**

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

	2023 \$	2022 \$
Prima facie tax on profit before income tax at 25% (2021: 25%)	52,436	22,055
Add Tax Effect Of:		
- Movement in deferred tax	14,271	(1,653)
- Temporary differences	(14,811)	1,945
- Under / (over) provision of prior years	-	14,283
- Change in company tax rates	-	(292)
<b>Income tax attributable to the entity</b>	<b>51,896</b>	<b>36,338</b>
The applicable weighted average effective tax rate is:	24.74%	41.19%

Notes to the Financial Statements

For the year ended 30 June 2023

**Note 12. Cash & Cash Equivalents**

	2023 \$	2022 \$
Cash at bank and on hand	101,688	858,951
	<b>101,688</b>	<b>858,951</b>

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less. Any bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

**Note 13. Trade & Other Receivables**

	2023 \$	2022 \$
<b>Current</b>		
Trade receivables	121,415	147,978
Other receivables	36,233	-
	<b>157,648</b>	<b>147,978</b>

Trade and other receivables are initially measured at the transaction price. Trade and other receivables are due for settlement usually no more than 30 days from the date of recognition.

The Company's main debtor relates to the Bendigo & Adelaide Bank monthly profit share distribution, which is deposited within a reasonable timeframe each month. There are no items that require the application of the lifetime expected credit loss model.

**Note 14. Financial Assets**

	2023 \$	2022 \$
<b>At Amortised Cost</b>		
Term deposits	501,812	-
	<b>501,812</b>	<b>-</b>

Term deposits classified as financial assets include only those with a maturity period greater than three months. Where maturity periods are less than three months, these investments are recorded as cash and cash equivalents.

Notes to the Financial Statements

For the year ended 30 June 2023

**Note 15. Property, Plant & Equipment**

**(a) Carrying Amounts**

	2023 \$			2022 \$		
	At Cost / Valuation	Accumulated Depreciation	Written Down Value	At Cost / Valuation	Accumulated Depreciation	Written Down Value
Computer Equipment	15,433	(11,501)	3,932	11,480	(11,480)	-
Leasehold improvements	557,525	(253,668)	303,857	243,330	(229,460)	13,870
Plant & equipment	227,736	(141,738)	85,998	156,026	(132,625)	23,401
Furniture & fittings	170,361	(127,576)	42,785	146,134	(122,010)	24,124
	<b>971,055</b>	<b>(534,483)</b>	<b>436,572</b>	<b>556,970</b>	<b>(495,575)</b>	<b>61,395</b>

**(b) Movements in Carrying Amounts**

2023	Computer Equipment \$	Leasehold Imp. \$	Plant & Equipment \$	Furniture & Fittings \$
Opening carrying value	-	13,870	23,401	24,124
Additions	7,187	314,195	71,730	24,217
Depreciation expense	(3,255)	(24,208)	(9,133)	(5,556)
<b>Closing carrying value</b>	<b>3,932</b>	<b>303,857</b>	<b>85,998</b>	<b>42,785</b>

2022	Computer Equipment \$	Leasehold Imp. \$	Plant & Equipment \$	Furniture & Fittings \$
Opening carrying value	-	14,578	29,803	23,738
Additions	-	-	-	3,733
Depreciation expense	-	(708)	(6,402)	(3,347)
<b>Closing carrying value</b>	<b>-</b>	<b>13,870</b>	<b>23,401</b>	<b>24,124</b>

**(c) Capital Expenditure Commitments**

The entity does not have any capital expenditure commitments as at 30 June 2023 (2022: None).

**(d) Changes in Estimates**

During the financial year, the company assessed estimates used for property, plant and equipment including useful lives, residual values, and depreciation methods.

There were no changes in estimates for the current reporting period.

**Notes to the Financial Statements**

For the year ended 30 June 2023

**Note 16. Right-of-use Assets**

Right-of-use assets are measured at amounts equal to the present value of enforceable future payments on the adoption date, adjusted for lease incentives, make-good provisions, and initial direct costs.

The company derecognises right-of-use assets at the termination of the lease period or when no future economic benefits are expected to be derived from the use of the underlying asset.

The company's lease portfolio includes buildings.

**Options to Extend or Terminate**

The option to extend or terminate are contained in the property lease of the Company. All extension or termination options are only exercisable by the Company. The extension options or termination options which were probable to be exercised have been included in the calculation of the right-of-use asset.

**AASB 16 Amounts Recognised in the Statement of Financial Position**

	<b>Leased Buildings \$</b>	<b>Total ROU Asset \$</b>
Leased asset	920,882	920,882
Depreciation	(376,414)	(376,414)
	<b>544,468</b>	<b>544,468</b>

**AASB 16 Amounts Recognised in the Statement of Financial Position**

	<b>2023 \$</b>	<b>2022 \$</b>
Depreciation expense related to right-of-use assets	112,690	95,241
Interest expense on lease liabilities	4,332	6,645
	<b>117,022</b>	<b>101,886</b>

Notes to the Financial Statements

For the year ended 30 June 2023

**Note 17. Intangible Assets**

**(a) Carrying Amounts**

	2023			2022		
	At Cost / Valuation	Accumulated Amortisation	Written Down Value	At Cost / Valuation	Accumulated Amortisation	Written Down Value
Franchise fees	65,340	(51,094)	14,246	130,680	(76,051)	54,629
	<b>65,340</b>	<b>(51,094)</b>	<b>14,246</b>	<b>130,680</b>	<b>(76,051)</b>	<b>54,629</b>

**(b) Movements in Carrying Amounts**

2023	Franchise Fees \$
Opening carrying value	54,629
Disposals	(27,326)
Amortisation expense	(13,057)
<b>Closing carrying value</b>	<b>14,246</b>

2022	Franchise Fees \$
Opening carrying value	80,765
Amortisation expense	(26,136)
<b>Closing carrying value</b>	<b>54,629</b>

Notes to the Financial Statements

For the year ended 30 June 2023

**Note 18. Tax Assets & Liabilities**

**(a) Current Tax**

	2023 \$	2022 \$
Income tax payable	77,309	23,830

**(b) Deferred Tax**

Movement in the company's deferred tax balances for the year ended 30 June 2023:

	30 June 2022 \$	Recognised in P & L \$	30 June 2023 \$
<b>Deferred Tax Assets</b>			
- Expense accruals	2,088	(2,088)	-
- Right-of-use assets	1,665	5,538	7,203
<b>Total deferred tax assets</b>	<b>3,753</b>	<b>3,450</b>	<b>7,203</b>
<b>Deferred Tax Liabilities</b>			
- Property, plant & equipment	(11,046)	(16,891)	(27,937)
<b>Total deferred tax liabilities</b>	<b>(11,046)</b>	<b>(16,891)</b>	<b>(27,937)</b>
<b>Net deferred tax liabilities</b>	<b>(7,293)</b>	<b>(13,441)</b>	<b>(20,734)</b>

Movement in the company's deferred tax balances for the year ended 30 June 2022:

	30 June 2021 \$	Recognised in P & L \$	30 June 2022 \$
<b>Deferred Tax Assets</b>			
- Expense accruals	2,900	(812)	2,088
- Property, plant & equipment	1,400	(1,400)	-
- Right-of-use assets	-	1,665	1,665
<b>Total deferred tax assets</b>	<b>4,300</b>	<b>(547)</b>	<b>3,753</b>
<b>Deferred Tax Liabilities</b>			
- Accrued income	(152)	152	-
- Property, plant & equipment	(13,385)	2,339	(11,046)
<b>Total deferred tax liabilities</b>	<b>(13,537)</b>	<b>2,491</b>	<b>(11,046)</b>
<b>Net deferred tax liabilities</b>	<b>(9,237)</b>	<b>1,944</b>	<b>(7,293)</b>

Notes to the Financial Statements

For the year ended 30 June 2023

**Note 19. Trade & Other Payables**

	2023 \$	2022 \$
<b>Current</b>		
Trade creditors	34,993	106,532
Other creditors and accruals	898	8,353
	<b>35,891</b>	<b>114,885</b>
<b>Non-Current</b>		
Trade creditors	-	32,783
	<b>-</b>	<b>32,783</b>

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

**Note 20. 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 discount rate used on recognition was 4.39%.

The discount rate used in calculating the present value of enforceable future payments takes into account the particular circumstances applicable to the underlying leased assets (including the amount, lease term, economic environment, and other relevant factors).

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

**(a) Lease Portfolio**

The company's lease portfolio includes:

Lease	Details
Lot 3 Samford Branch	The lease agreement is a non-cancellable lease with an initial term of five years which commenced in January 2019. The lease does not have extension option available, however, the Bank has negotiated an early renewal for a 5 year period with the option of an additional 5 years. This agreement was executed on 12/08/2022.
Lot 4 Samford Branch	The lease agreement is a non-cancellable lease with an initial term of five years which commenced in January 2019. The lease does not have extension option available, however, the Bank has negotiated an early renewal for a 5 year period with the option of an additional 5 years. This agreement was executed on 12/08/2022.

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.

Notes to the Financial Statements

For the year ended 30 June 2023

**Note 20. Lease Liabilities (continued)**

**(b) Lease Liabilities**

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2023 \$	2022 \$
Current	47,932	70,279
Non-current	525,346	36,331

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2023 were as follows:

	Minimum lease payments due				
	< 1 Year	1 - 2 Years	3 - 5 Years	> 5 years	Total
<b>30 June 2023</b>					
Lease payments	86,599	65,220	195,660	353,275	700,754
Finance charges	(12,799)	(21,310)	(55,250)	(38,117)	(127,476)
<b>Net present values</b>	<b>73,800</b>	<b>43,910</b>	<b>140,410</b>	<b>315,158</b>	<b>573,278</b>
<b>30 June 2022</b>					
Lease payments	73,562	36,780	-	-	110,342
Finance charges	(3,283)	(449)	-	-	(3,732)
<b>Net present values</b>	<b>70,279</b>	<b>36,331</b>	<b>-</b>	<b>-</b>	<b>106,610</b>

**(c) Lease Payments Not Recognised as a Liability**

The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

Total cash outflows for leases for the year ended 30 June 2023 was \$97,037 (2022: \$106,610).

**Note 21. Provisions**

	2023 \$	2022 \$
<b>Current</b>		
Provision Dividends- Declared in June	-	49,590
Provisions Dividends- Prior Year unpaid	18,649	15,189
	<b>18,649</b>	<b>64,779</b>

Notes to the Financial Statements

For the year ended 30 June 2023

**Note 22. Issued Capital**

**(a) Issued Capital**

	2023		2022	
	Number	\$	Number	\$
Ordinary shares - fully paid	1,102,010	960,308	1,102,010	960,308
Less: equity raising costs	-	(43,500)	-	(43,500)
	1,102,010	916,808	1,102,010	916,808

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

**(b) Movements in share capital**

	2023 \$	2022 \$
Fully paid ordinary shares:		
At the beginning of the reporting period	1,102,010	1,102,010
<b>At the end of the reporting period</b>	<b>1,102,010</b>	<b>1,102,010</b>

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At the shareholders' meetings each shareholder is entitled to one vote when a poll is called, or on a show of hands. The company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the company's residual assets.

**Note 23. Retained Earnings**

	Note	2023 \$	2022 \$
Balance at the beginning of the reporting period		(44,085)	(46,376)
Profit for the year after income tax		157,850	51,881
Dividends paid	28	-	(49,590)
<b>Balance at the end of the reporting period</b>		<b>113,765</b>	<b>(44,085)</b>

Notes to the Financial Statements

For the year ended 30 June 2023

**Note 24. Cash Flow Information**

(a) Cash and cash equivalents balances as shown in the Statement of Financial Position can be reconciled to that shown in the Statement of Cash Flows as follows:

	Note	2023 \$	2022 \$
Cash and cash equivalents	12	101,688	858,951
As per the Statement of Cash Flows		<b>101,688</b>	<b>858,951</b>

**(b) Reconciliation of cash flow from operations with profit after income tax**

	2023 \$	2022 \$
Profit for the year after income tax	157,850	51,882
<b>Non-cash flows in profit</b>		
- Depreciation	154,842	117,178
- Amortisation	13,057	26,136
- Net profit on disposal of property, plant & equipment	-	(1,264)
<b>Changes in assets and liabilities</b>		
- (Increase) / decrease in trade and other receivables	(9,662)	(11,567)
- (Increase) / decrease in deferred tax liabilities	13,442	(1,945)
- Increase / (decrease) in trade and other payables	(50,242)	(10,527)
- Increase / (decrease) in current tax liability	53,480	(23,629)
<b>Net cash flows from operating activities</b>	<b>332,767</b>	<b>146,264</b>

**Note 25. 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	2023 \$	2022 \$
<b>Financial Assets</b>			
Trade and other receivables	13	157,648	147,978
Cash and cash equivalents	12	101,688	858,951
Term deposits	14	501,812	-
		<b>761,148</b>	<b>1,006,929</b>
<b>Financial Liabilities</b>			
Trade and other payables	19	35,891	147,668
Lease liabilities	20	573,278	106,610
		<b>609,169</b>	<b>254,278</b>

**Notes to the Financial Statements**

For the year ended 30 June 2023

**Note 26. Related Parties**

**(a) Key Management Personnel**

Key management personnel includes any person having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any Director (whether executive or otherwise) of that company. The only key management personnel identified for the company are the Board of Directors, the members of which are listed in the Directors' report.

**(b) Key Management Personnel Compensation**

No Director of the company receives remuneration for services as a company director or committee member. These positions are held on a voluntary basis.

**(c) Other Related Parties**

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

**(d) Transactions With Key Management Personnel & Related Parties**

No key management personnel or related party has entered into any contracts with the company.

**(e) Key Management Personnel Shareholdings**

The number of ordinary shares in the company held by each key management personnel during the financial year has been disclosed in the Director's Report.

**(f) Other Key Management Transactions**

There has been no other transactions key management or related parties other than those described above.

**Note 27. Auditor's Remuneration**

The appointed auditor of Pine Rivers Community Finance Limited for the year ended 30 June 2023 is RSD Audit. Amounts paid or due and payable to the auditor are outlined below.

	2023 \$	2022 \$
<b>Audit &amp; Review Services</b>		
Audit and review of financial statements (RSD Audit)	5,750	5,650
	<b>5,750</b>	<b>5,650</b>
<b>Non-Audit Services</b>		
Other non-audit services	2,840	5,200
	<b>2,840</b>	<b>5,200</b>
<b>Total auditor's remuneration</b>	<b>8,590</b>	<b>10,850</b>

**Notes to the Financial Statements**

For the year ended 30 June 2023

**Note 28. Dividends**

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.

	2023		2022	
	Number	\$	Number	\$
Fully franked dividend	1,102,010	-	1,102,010	49,590
Dividends provided for and paid during the year	<b>1,102,010</b>	<b>-</b>	<b>1,102,010</b>	<b>49,590</b>

The tax rate at which dividends have been franked is 25% (2022: 25%).

**Note 29. 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.

	2023 \$	2022 \$
Profit attributable to ordinary shareholders	157,850	51,882
	Number	Number
Weighted average number of ordinary shares	1,102,010	1,102,010
	¢	¢
Basic and diluted earnings per share	14.32	4.71

**Note 30. Events After the Reporting Period**

There have been no significant events after the end of the financial year that would have a material impact on the financial statements or the company's state of affairs.

**Note 31. Commitments & Contingencies**

Any commitments for future expenditure associated with leases are recorded in Note 20. Details about any capital commitments are detailed in Note 16(d).

The company has no other commitments requiring disclosure.

There were no contingent liabilities or assets at the date of this report that would have an impact on the financial statements.

**Note 32. Company Details**

The registered office of the company is:

Pine Rivers Community Finance Limited	Shop 3, 37 Main Street, Samford Valley, QLD, 4520
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The principal place of business is:

Community Bank Samford	Shop 3, 37 Main Street, Samford Valley, QLD, 4520
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## Pine Rivers Community Finance Limited

### Director's Declaration

For the year ended 30 June 2023

In accordance with a resolution of the directors of Pine Rivers Community Finance Limited, we state that:

In the opinion of the directors:

- (a) The financial statements and notes of the company are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
  - (ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable

This declaration is made in accordance with a resolution of the board of directors.



Malcolm Frizzell  
Chair

Dated this 22nd day of September, 2023

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PINE RIVERS COMMUNITY FINANCE LIMITED**

### **REPORT ON THE AUDIT OF THE FINANCIAL REPORT**

#### **Opinion**

We have audited the financial report of Pine Rivers Community Finance Limited (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Pine Rivers Community Finance Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance and its cash flows for the year then ended; and
- (ii) complying with Australian Accounting Standards.

#### **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 Entity in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (including Independence Standards) 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 opinion.

#### **Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2023, 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 do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Director's Responsibility for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibility for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. 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. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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.

## Independence

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* (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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

## RSD Audit

A handwritten signature in blue ink, appearing to read 'Mahesh Silva'.

**Mahesh Silva**  
Partner

Dated: 22<sup>nd</sup> September 2023.

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