Annual Report 2024

Byford & Districts Community Development Services Limited

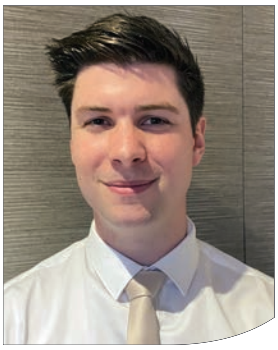
Community Bank
Byford & Districts

ABN 49 105 289 450

Contents

Chairman's report

For year ending 30 June 2024



It is with great pleasure that I am back again, on behalf of Byford & Districts Community Development Services Limited to report another great year for our Community Bank.

Financial stability returned to the Australian market in fiscal year 24 (FY24), with the RBA moving the cash rate 25 basis points. This decade high rate of 4.35% has contributed to another financially strong year for Community Bank Byford & Districts which is reflected by the year's income of $1.81 million. We are proud to report a contribution to the Community Enterprise Foundation of $450,000.

In September the board attended the Community Bank National Conference in Bendigo, Victoria. The theme of the 2023 'Reimagine' conference was reconceptualising banking in the next quarter-century as we face unprecedented technological and digital development. The board returned with new ideas to implement and a renewed sense of motivation to facilitate further growth amongst the local community.

Our Board of Directors also attended multiple Governance Institute sessions, alongside our peers from Community Bank Canning Vale and Community Bank Roleystone, which focussed on enhancing governance and risk management.

Whilst the board worked behind the scenes, our Branch Manager, Rachael Wall led the team through another busy and bustling year. This was compounded by the challenges arising as the wider banking landscape transitions to digital platforms. These periods highlight the importance of local Community Banks and the critical role they play in providing a physical place with face-to-face service for customers.

It is with sadness that we bid farewell to a valued member of staff since 2022, Rachele, as she moves on to new opportunities. We wish Rachele all the best in her new endeavours.

I would like to acknowledge my fellow Directors and Company Secretary for their ongoing commitment and dedication. Community Bank Byford & Districts could not serve our shareholders if it weren't for the tireless volunteered contributions of these individuals.

The recruitment of new Directors is well underway. Should you be personally interested or know someone worthy of nomination, please contact myself or our Company Secretary with an expression of interest.

The coming year will see a revival of the physical branch through our refurbishment project. It will also mark a significant milestone as the branch turns 20 in January. We look forward to ushering in a new year and celebrating with members old and new!

Jake Branley
Chairperson
Byford & Districts Community Development Services Limited

Manager's report

For year ending 30 June 2024

It is with great pleasure that I provide my update for Byford and Districts Community Development Services Limited 2024 Annual Report.

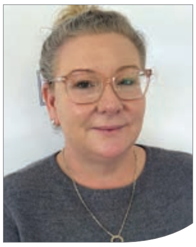
It has been again a very busy year for the branch, it only feels like yesterday that we were holding our last Annual General Meeting and here we are again. Staffing has changed slightly, we said goodbye to Customer Service Officer Rachele and welcomed into our team our new Customer Service Officer Lacey who some people may recognise from her previous role at the local post office. We have a fantastic energetic team consisting of, Assistant Branch Manger Kelly Manns, Customer Relationship Officer's Julia and Natalie and our Customer Service Officer's Jenna , Lacey and Fran.

Since May 2022 we have seen interest rates rise 13 times, the cash rate has held at 4.35% with everyone still wondering if they will move again or when we can expect them to decrease. Despite the interest rate rises since May 2022, the business has continued to grow, we had 42 loans settle compared to the previous year of 37, we had 50 approvals against a previous year of 39 with the 8 remaining settlements to flow into July starting of the financial year strong.

Going into the financial year our focus will still be on customer retention and making sure they are priority and that we are always there to help and support them is essential to our business, these customers are our biggest supporters who come back to us for our customer service and recommend our services to their families and friends.

Again, like it has been for the past 4 years it can be a challenging time dealing with changes in all aspects of our day to day lives, with the cost of living pressures, housing and the impact that illness can have on a branch., I thank the staff, the Board of Directors, Shareholders most importantly the customers for their continued support.

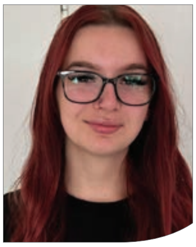
Rachael Wall
Branch Manager
Community Bank-Byford & Districts



Kelly Manns
Assistant Branch Manager

Natalie Ryan
Customer Relationship Officer

Julia English
Customer Relationship Officer



Lacey Lock'Dodd
Customer Service Officer

Jenna Phipps
Customer Service Officer

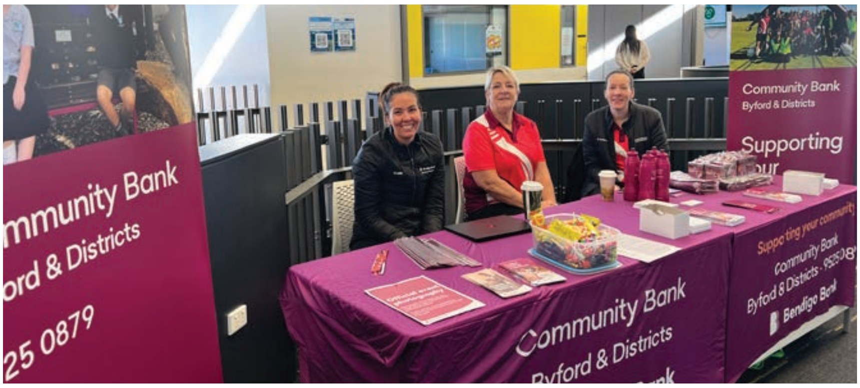
Fran Gajda
Customer Service Officer

Community engagement

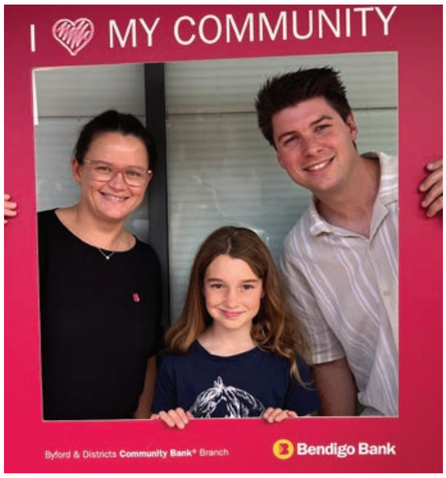
2023 Lions Log Chop event

Buddy Benches - Installation at Court Grammar

Buddy Benches - Installation at Mundijong Primary School



Byford Secondary College - Careers Expo



Right: Donation to Aspen Pike

International Womens Day

Lift the Lid - Walk for Mental Health

Bendigo and Adelaide Bank report

For year ending 30 June 2024

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

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

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

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

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

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

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

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

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

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

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

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

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

Justine Minne
Bendigo and Adelaide Bank

Community Bank National Council report

For year ending 30 June 2024

Community Bank network: celebrating 26 years of empowering communities

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

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

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

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

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

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

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

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

Warm regards

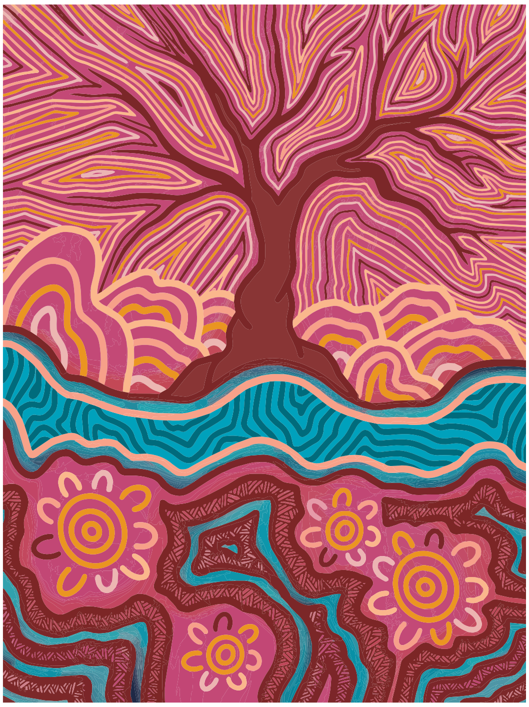
Lauren Bean
General Manager
Community Bank National Council

Reflect Reconciliation Action Plan

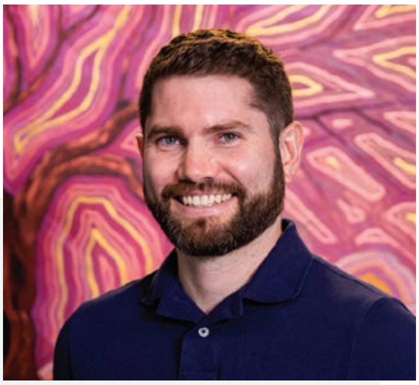
As a way to commemorate the launch of the Bendigo and Adelaide Bank's inaugural Reflect Reconciliation Action Plan 2023, they engaged with Yorta Yorta and Dja Dja Wurrung artist and educator, Troy Firebrace, to create a piece of art that symbolised the importance of and the start of the Bank's journey towards reconciliation.

This Reconciliation Action Plan will support the Bank in understanding, exploring and measuring, where and how we can have the most meaningful impact, and lay firm foundations for Reconciliation across the Group in the years to come.

Learn more about the Reconciliation Action Plan and learn more about the artwork here



Artist: Troy Firebrace
Country: Yorta Yorta and Dja Dja Wurrung
Year Created: 2023



THE ARTIST

Troy Firebrace is a proud Yorta Yorta and Dja Dja Wurrung artist and educator. Born in Shepparton, Troy was always drawn to art and painting at school, but an absence of Aboriginal history and education in his schooling lead him on a path to becoming an educator too. Troy has a Bachelor in Creative Arts, Major in Fine Arts and a Masters of Teaching Secondary. He has exhibited at Kaiela Arts Shepparton, Dudley House Bendigo and Melbourne Museum. Troy lives in Bendigo with his family.

Official artist statement

The artwork focuses on three elements of Bendigo and Adelaide Bank. Community, Impact and Journey.

As an Aboriginal person, it's my interpretation of the Bank's ambitions and commitments, and feeling the truth in their words, which has let me step forward with trust in my creation.

Community is the connection the Bank is forming by learning about community and country. Ensuring the Bank's choices align with the beliefs, ambitions and respect of the community in which the Bank embeds itself. An authentic connection.

Impact is the result of the good, honest work the Bank strives for. The importance of relationships and quality service not only creates an open dialogue with the community, but also has a positive impact on the sustainability of the places they serve. The commitment of honest change for better impact.

Journey is the path of collective learning as a whole community. There is no one side benefiting from the other. The direction of the pathway is open to the whole community and that leads to prosperity. The truest form of partnership.

The Bank's ambitions are not solely of profit or just talk of finance. They are the model in which real communities are formed; where a simple "hello" becomes "how are you?" A question of investment in someone's life, free from creed, race or status. A question grounded in country.

Directors' report

For the financial year ended 30 June 2024

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

Directors

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

Jake Wrighton Branley

Title: Non-executive director

Experience and expertise: Jake is a Sales & Marketing Manager. He graduated with a Bachelor of Business Law & Marketing at Curtin University. Jake works full time in a paint distribution business offering products to the Automotive, Industrial, Protective, Marine, and Mining Industry. He is an active volunteer at the Mundijong Centrals Football Club across in-house events and also attends events throughout the local & greater community. Motivated with leadership qualities, built upon from leadership roles from High School at Serpentine Jarrahdale Grammer School.

Special responsibilities: Marketing Committee, Chairperson

Raymond John Marchetti

Title: Non-executive director

Experience and expertise: Ray has lived in Byford for 28 years and since 2007 has been the Treasurer of the Community Bank. Ray has a Bachelor of Business Degree from Curtin University and has extensive experience in public sector auditing. In 1996, Ray and his wife and young family moved to Byford and ran the local Newsagency - Post Office for 10 years. Nowadays Ray is self-employed in a farming enterprise in the Shire of Beverley, a family investment entity in Geraldton and holds directorships in two other NFP organisations.

Special responsibilities: Treasurer

Denise D'Agnone

Title: Non-executive director

Experience and expertise: Real Estate Agent (Licensee) of Professionals Byford property team since 1995. Currently Rotary Club President. Member since 1998 as a charter member. On the steering committee for the bank.

Special responsibilities: Marketing Committee

Directors (continued)

Matthew Huy Pham

Title: Non-executive director

Experience and expertise: Group Operations & Marketing Manager - Pham Group of IGA Supermarkets (2019-present). Team Member - Rotary Oceania Regionalisation Membership: New Club Startup (2023-present). Director - Lakeside Fresh IGA Byford (2019 - present). Community representative - Huntingdale Primary School Council (2020 - present). Assistant Governor - Rotary District 9445 (2021- 2023). Club Member - Rotary of Elizabeth Quay (2021 - present). Board Director - Rotary of Elizabeth Quay (2023 - present). Charter Member - Rotaract Club of Swan (2021 - present). Charter Member - Rotaract Club of Swan (2021-present). Club Member - Rotary Club of Swan Districts (2017 - 2021). President - Rotary Club of Swan Districts (2020 - 2021). Bachelor of Commerce and Economics - The University of Western Australia (completed in 2014 with Majors in Finance, Money and Banking, Economics). Economics (Honours) - The University of Western Australia (2015).

Special responsibilities: Nil

Company secretary

The company secretary is Claire Hurst. Claire was appointed to the position of company secretary on 23 January 2020.

Experience and expertise: Claire has been an employee of Bendigo Bank for over 13 years where she has held positions both within Community Banks (Customer Service Officer, Senior Customer Service Officer and Customer Relationship Officer) and Corporate Office. Claire has also been involved with Community Sector Banking (CSB) on a secondment within their Business Banking Team. Her main role within Corporate was a Local Connection Coordinator where she gained experience within HR, Marketing, Governance, Auditing and Community.

Claire commenced in a company secretary capacity at another Community Bank over three years ago and has been within the team at Byford & Districts Community Development Services Limited for approximately 3 years. She has also recently started as a 'Mentor' for the directors nationwide and providing support and assistance to all community companies in differing areas.

Principal activity

The principal activity of the company during the financial year was facilitating Community Bank services under management rights of Bendigo and Adelaide Bank Limited (Bendigo Bank).

There have been no significant changes in the nature of this activity during the financial year.

Review of operations

The profit for the company after providing for income tax amounted to $250,464 (30 June 2023: $257,073).

Operations have continued to perform in line with expectations.

Dividends

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

	2024 $	2023 $
Fully franked dividend of 15 cents per share (2023: 5 cents)	**101,604**	**33,868**

Significant changes in the state of affairs

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

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

Matters subsequent to the end of the financial year

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

Likely developments and expected results of operations

No matter, circumstance or likely development in operations has arisen during or since the end of the financial year that has significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

Environmental regulation

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

Meetings of directors

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

	Board	
	Eligible	Attended
Jake Wrighton Branley	9	8
Raymond John Marchetti	9	9
Denise D'Agnone	9	9
Matthew Huy Pham	9	8

Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 23 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Directors' interests

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Jake Wrighton Branley	500	-	500
Raymond John Marchetti	-	-	-
Denise D'Agnone	2,000	5,000	7,000
Matthew Huy Pham	-	-	-

Shares under option

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

Shares issued on the exercise of options

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

Indemnity and insurance of directors and officers

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

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

Proceedings on behalf of the company

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

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

Indemnity and insurance of auditor

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

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

Non-audit services

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

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

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

Auditor's independence declaration

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

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

On behalf of the directors

Jake Wrighton Branley
Chair

23 September 2024

Auditor's independence declaration

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

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Byford & Districts Community Development Services Limited

As lead auditor for the audit of Byford & Districts Community Development Services Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 23 September 2024

Joshua Griffin
Lead Auditor

Financial statements

Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	2024 $	2023 $
Revenue from contracts with customers	7	1,810,574	1,733,778
Other revenue		484	13,794
Finance revenue		8,299	4,750
Total revenue		**1,819,357**	**1,752,322**
Employee benefits expense	8	(602,705)	(528,107)
Advertising and marketing costs		(14,786)	(25,552)
Occupancy and associated costs		(47,688)	(42,868)
System costs		(19,149)	(17,660)
Depreciation and amortisation expense	8	(99,806)	(105,410)
Finance costs	8	(3,350)	(5,409)
General administration expenses		(165,157)	(135,588)
Total expenses before community contributions and income tax expense		**(952,641)**	**(860,594)**
Profit before community contributions and income tax expense		866,716	891,728
Charitable donations and sponsorships expense	8	(534,116)	(548,797)
Profit before income tax expense		**332,600**	**342,931**
Income tax expense	9	(82,136)	(85,858)
Profit after income tax expense for the year		**250,464**	**257,073**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**250,464**	**257,073**
		Cents	**Cents**
Basic earnings per share	27	36.98	37.95
Diluted earnings per share	27	36.98	37.95

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

Statement of financial position
As at 30 June 2024

	Note	2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	10	1,024,827	841,582
Trade and other receivables	11	195,840	207,396
Total current assets		**1,220,667**	**1,048,978**
Non-current assets			
Property, plant and equipment	12	149,041	185,811
Right-of-use assets	13	34,755	87,152
Intangible assets	14	6,534	14,019
Deferred tax assets	9	15,500	4,937
Total non-current assets		**205,830**	**291,919**
Total assets		**1,426,497**	**1,340,897**
Liabilities			
Current liabilities			
Trade and other payables	15	70,146	85,857
Lease liabilities	16	40,017	59,879
Current tax liabilities	9	48,835	54,631
Employee benefits	17	38,483	34,469
Total current liabilities		**197,481**	**234,836**
Non-current liabilities			
Lease liabilities	16	-	35,919
Employee benefits	17	12,857	3,938
Lease make good provision	18	31,013	29,918
Total non-current liabilities		**43,870**	**69,775**
Total liabilities		**241,351**	**304,611**
Net assets		**1,185,146**	**1,036,286**
Equity			
Issued capital	19	647,456	647,456
Retained earnings		537,690	388,830
Total equity		**1,185,146**	**1,036,286**

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

Statement of changes in equity
For the year ended 30 June 2024

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2022		647,456	165,625	813,081
Profit after income tax expense		-	257,073	257,073
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		**-**	**257,073**	**257,073**
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	21	-	(33,868)	(33,868)
Balance at 30 June 2023		**647,456**	**388,830**	**1,036,286**
Balance at 1 July 2023		647,456	388,830	1,036,286
Profit after income tax expense		-	250,464	250,464
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		**-**	**250,464**	**250,464**
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	21	-	(101,604)	(101,604)
Balance at 30 June 2024		**647,456**	**537,690**	**1,185,146**

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

Statement of cash flows
For the year ended 30 June 2024

	Note	2024 $	2023 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,974,617	1,838,211
Payments to suppliers and employees (inclusive of GST)		(1,519,326)	(1,502,481)
Interest received		7,480	4,750
Income taxes paid		(98,495)	(33,055)
Net cash provided by operating activities	**26**	**364,276**	**307,425**
Cash flows from investing activities			
Payments for property, plant and equipment		-	(60,175)
Payments for intangible assets		(13,710)	(13,710)
Proceeds from disposal of property, plant and equipment		-	25,910
Net cash used in investing activities		**(13,710)**	**(47,975)**
Cash flows from financing activities			
Interest and other finance costs paid		(2,287)	(4,370)
Dividends paid	21	(101,604)	(33,868)
Repayment of lease liabilities		(63,430)	(58,426)
Net cash used in financing activities		**(167,321)**	**(96,664)**
Net increase in cash and cash equivalents		183,245	162,786
Cash and cash equivalents at the beginning of the financial year		841,582	678,796
Cash and cash equivalents at the end of the financial year	**10**	**1,024,827**	**841,582**

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

Notes to the financial statements

For the year ended 30 June 2024

Note 1. Reporting entity

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 6/837 South Western Highway, Byford WA 6122.

A description of the nature of the company's operations and its principal activity is included in the directors' report, which is not part of the financial statements.

Note 2. Basis of preparation and statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB). The financial statements have been prepared on an accrual and historical cost basis and are presented in Australian dollars, which is the company's functional and presentation currency.

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 23 September 2024. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

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

Adoption of new and revised accounting standards

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

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

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

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

Accounting standards issued but not yet effective

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

Note 3. Material accounting policy information (continued)

Current and non-current classification

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

Impairment of non-financial assets

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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Judgements

Timing of revenue recognition associated with trail commission

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

Allowance for expected credit losses on trade and other receivables

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

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

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

Impairment of non-financial assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. The directors did not identify any impairment indications during the financial year.

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

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term.

In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations, comparison of terms and conditions to prevailing market rates, incurrence of significant penalties, existence of significant leasehold improvements and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

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

Estimates and assumptions

Estimation of useful lives of assets

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

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, which is generally the case for the company's lease agreements, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. This rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and inflation have been taken into account.

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

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

Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Note 5. Economic dependency

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

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

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

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

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

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

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

Note 6. Change to comparative figures

Calculation of right-of-use asset cost and accumulated depreciation

On adoption of *AASB 16 Leases* on 1 July 2019, the company previously recognised the right-of-use asset cost and accumulated depreciation on a gross basis from the commencement of the lease as if AASB 16 had always been applied by the company.

During the financial year the company recorded a change in accounting policy, whereby it elected to recognise the right-of-use asset net of accumulated depreciation on initial adoption of AASB 16. The change in accounting policy had no impact on the company's net profit or net asset position, however it did reduce the company's right-of-use asset cost and accumulated depreciation at 30 June 2023 by $374,928.

Note 7. Revenue from contracts with customers

	2024 $	2023 $
Margin income	1,649,869	1,584,588
Fee income	101,378	97,615
Commission income	59,327	51,575
	1,810,574	**1,733,778**

Note 7. Revenue from contracts with customers (continued)

Accounting policy for revenue from contracts with customers

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

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

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

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

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

Revenue calculation

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

Margin income

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

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

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

Commission income

Commission income is generated from the sale of products and services. This commission is recognised at a point in time which reflects when the company has fulfilled its performance obligation. Refer to note 4 for further information regarding key judgements applied by the directors in relation to the timing of revenue recognition from trail commission.

Fee income

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

Core banking products

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

Ability to change financial return

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

Note 7. Revenue from contracts with customers (continued)

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

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

Note 8. Expenses

Employee benefits expense

	2024 $	2023 $
Wages and salaries	506,279	446,562
Non-cash benefits	2,892	5,156
Superannuation contributions	58,812	53,218
Expenses related to long service leave	11,150	5,728
Other expenses	23,572	17,443
	602,705	**528,107**

Leases recognition exemption

	2024 $	2023 $
Expenses relating to low-value leases	**5,447**	**6,280**

Depreciation and amortisation expense

	2024 $	2023 $
Depreciation of non-current assets		
Leasehold improvements	27,674	27,778
Plant and equipment	2,855	1,495
Motor vehicles	6,241	6,107
	36,770	**35,380**
Depreciation of right-of-use assets		
Leased land and buildings	**55,551**	**53,693**
Amortisation of intangible assets		
Franchise fee	1,168	2,777
Franchise renewal fee	6,317	13,560
	7,485	**16,337**
	99,806	**105,410**

Note 8. Expenses (continued)

Finance costs

	2024 $	2023 $
Lease interest expense	2,287	4,370
Unwinding of make-good provision	1,063	1,039
	3,350	**5,409**

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

Charitable donations, sponsorships and grants

	2024 $	2023 $
Direct donation, sponsorship and grant payments	60,432	22,481
Contribution to the Community Enterprise Foundation™	473,684	526,316
	534,116	**548,797**

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

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

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

Note 9. Income tax

	2024 $	2023 $
Income tax expense		
Current tax	93,835	85,381
Movement in deferred tax	(10,564)	477
Under/over adjustment	(1,135)	-
Aggregate income tax expense	**82,136**	**85,858**
Prima facie income tax reconciliation		
Profit before income tax expense	**332,600**	**342,931**
Tax at the statutory tax rate of 25%	83,150	85,733
Tax effect of:		
Non-deductible expenses	121	125
Under/over adjustment	(1,135)	-
Income tax expense	**82,136**	**85,858**

Note 9. Income tax (continued)

	2024 $	2023 $
Deferred tax assets/(liabilities)		
Property, plant and equipment	(6,199)	(14,351)
Employee benefits	12,835	9,647
Provision for lease make good	7,753	7,480
Income accruals	(204)	-
Lease liabilities	10,004	23,949
Right-of-use assets	(8,689)	(21,788)
Deferred tax asset	**15,500**	**4,937**

	2024 $	2023 $
Provision for income tax	**48,835**	**54,631**

Accounting policy for income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Accounting policy for current tax

Current tax assets and liabilities are measured at amounts expected to be recovered from or paid to the taxation authorities. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Accounting policy for deferred tax

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

Note 10. Cash and cash equivalents

	2024 $	2023 $
Cash at bank and on hand	**1,024,827**	**841,582**

Note 11. Trade and other receivables

	2024 $	2023 $
Trade receivables	**179,159**	**160,684**
Other receivables	7,352	38,381
Accrued income	819	-
Prepayments	8,510	8,331
	16,681	**46,712**
	195,840	**207,396**

Note 11. Trade and other receivables (continued)

	2024 $	2023 $
Financial assets at amortised cost classified as trade and other receivables		
Total trade and other receivables	195,840	207,396
less other receivables (net GST refundable from the ATO)	(7,352)	(38,381)
	188,488	**169,015**

Note 12. Property, plant and equipment

	2024 $	2023 $
Leasehold improvements - at cost	333,991	333,991
Less: Accumulated depreciation	(237,402)	(209,728)
	96,589	**124,263**
Plant and equipment - at cost	85,582	85,582
Less: Accumulated depreciation	(72,199)	(69,344)
	13,383	**16,238**
Motor vehicles - at cost	49,927	49,927
Less: Accumulated depreciation	(10,858)	(4,617)
	39,069	**45,310**
	149,041	**185,811**

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

	Leasehold improvements $	Plant and equipment $	Motor vehicles $	Total $
Balance at 1 July 2022	152,041	7,485	13,606	173,132
Additions	-	10,248	49,927	60,175
Disposals	-	-	(12,116)	(12,116)
Depreciation	(27,778)	(1,495)	(6,107)	(35,380)
Balance at 30 June 2023	**124,263**	**16,238**	**45,310**	**185,811**
Depreciation	(27,674)	(2,855)	(6,241)	(36,770)
Balance at 30 June 2024	**96,589**	**13,383**	**39,069**	**149,041**

Accounting policy for property, plant and equipment

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

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

Leasehold improvements	6 to 20 years
Plant and equipment	2.5 to 40 years
Motor vehicles	8 years

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

Note 12. Property, plant and equipment (continued)

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

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

Note 13. Right-of-use assets

	2024 $	2023 $
Land and buildings - right-of-use	283,420	280,266
Less: Accumulated depreciation	(248,665)	(193,114)
	34,755	**87,152**

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

	Land and buildings $
Balance at 1 July 2022	135,216
Remeasurement adjustments	5,629
Depreciation expense	(53,693)
Balance at 30 June 2023	**87,152**
Remeasurement adjustments	3,154
Depreciation expense	(55,551)
Balance at 30 June 2024	**34,755**

Accounting policy for right-of-use assets

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

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

Refer to note 16 for more information on lease arrangements.

Note 14. Intangible assets

	2024 $	2023 $
Franchise fee	93,444	93,444
Less: Accumulated amortisation	(92,355)	(91,187)
	1,089	**2,257**
Franchise renewal fee	167,220	167,220
Less: Accumulated amortisation	(161,775)	(155,458)
	5,445	**11,762**
	6,534	**14,019**

Note 14. Intangible assets (continued)

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

	Franchise fee $	Franchise renewal fee $	Total $
Balance at 1 July 2022	5,034	25,322	30,356
Amortisation expense	(2,777)	(13,560)	(16,337)
Balance at 30 June 2023	**2,257**	**11,762**	**14,019**
Amortisation expense	(1,168)	(6,317)	(7,485)
Balance at 30 June 2024	**1,089**	**5,445**	**6,534**

Accounting policy for intangible assets

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

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

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

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

Asset class	Method	Useful life	Expiry/renewal date
Franchise Fee	Straight-line	Over the franchise term (5 years)	January 2025
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	January 2025

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

Change in estimates

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

Note 15. Trade and other payables

	2024 $	2023 $
Current liabilities		
Trade payables	9,063	7,938
Other payables and accruals	61,083	77,919
	70,146	**85,857**

Note 16. Lease liabilities

	2024 $	2023 $
Current liabilities		
Land and buildings lease liabilities	**40,017**	**59,879**
Non-current liabilities		
Land and buildings lease liabilities	**-**	**35,919**

Note 16. Lease liabilities (continued)

Reconciliation of lease liabilities

	2024 $	2023 $
Opening balance	95,798	148,595
Remeasurement adjustments	7,649	5,629
Lease interest expense	2,287	4,370
Lease payments - total cash outflow	(65,717)	(62,796)
	40,017	**95,798**

Accounting policy for lease liabilities

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

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

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

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Byford Branch	3.54%	5 years	N/A	N/A	31 January 2025

Note 17. Employee benefits

	2024 $	2023 $
Current liabilities		
Annual leave	25,613	23,814
Long service leave	12,870	10,655
	38,483	**34,469**
Non-current liabilities		
Long service leave	**12,857**	**3,938**

Accounting policy for short-term employee benefits

Liabilities for annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating non-vesting sick leave is expensed when the leave is taken and is measured at the rates paid or payable.

Accounting policy for other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

Note 18. Provisions

	2024 $	2023 $
Lease make good provision	**31,013**	**29,918**

Lease make good provision

In accordance with the branch lease agreement, the company must restore the leased premises to the original condition before the expiry of the lease term. The company has estimated the provision to be $31,640 for the Byford Branch lease, based on experience and consideration of the expected future costs to remove all fittings and the ATM as well as the cost to remedy any damages caused during the removal process. The lease is due to expire January 2025 at which time it is expected the face-value costs to restore the premises will fall due.

Note 19. Issued capital

	2024 Shares	2023 Shares	2024 $	2023 $
Ordinary shares - fully paid	677,360	677,360	677,360	677,360
Less: Equity raising costs	-	-	(29,904)	(29,904)
	677,360	**677,360**	**647,456**	**647,456**

Accounting policy for issued capital

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

Rights attached to issued capital

Ordinary shares

Voting rights

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

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

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

Dividends

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

Transfer

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

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

Note 19. Issued capital (continued)

Prohibited shareholding interest

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

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

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

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

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

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

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

Note 20. Capital management

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

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

The distribution limit is the greater of:

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

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

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

Note 21. Dividends

Dividends provided for and paid during the period

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

	2024 $	2023 $
Fully franked dividend of 15 cents per share (2023: 5 cents)	**101,604**	**33,868**

Note 21. Dividends (continued)

Franking credits

	2024 $	2023 $
Franking account balance at the beginning of the financial year	91,607	69,841
Franking credits (debits) arising from income taxes paid (refunded)	98,495	33,055
Franking debits from the payment of franked distributions	(33,868)	(11,289)
	156,234	**91,607**
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	156,234	91,607
Franking credits (debits) that will arise from payment (refund) of income tax	48,835	54,631
Franking credits available for future reporting periods	**205,069**	**146,238**

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

Accounting policy for dividends

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

Note 22. Financial risk management

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

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

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

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

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

	2024 $	2023 $
Financial assets at amotised cost		
Trade and other receivables (note 11)	188,488	160,684
Cash and cash equivalents (note 10)	1,024,827	841,582
	1,213,315	**1,002,266**
Financial liabilities		
Trade and other payables (note 15)	70,146	85,857
Lease liabilities (note 16)	40,017	95,798
	110,163	**181,655**

Note 22. Financial risk management (continued)

Accounting policy for financial instruments

Financial assets

Classification

The company classifies its financial assets at amortised cost.

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

The company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents.

Derecognition

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

Impairment of trade and other receivables

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

Financial liabilities

Classification

The company classifies its financial liabilities at amortised cost.

Derecognition

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

Market risk

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of $1,024,827 at 30 June 2024 (2023: $841,582).

Price risk

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

Liquidity risk

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

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

2024	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	70,146	-	-	70,146
Lease liabilities	40,363	-	-	40,363
Total non-derivatives	**110,509**	**-**	**-**	**110,509**

Note 22. Financial risk management (continued)

2023	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	85,857	-	-	85,857
Lease liabilities	62,305	35,674	-	97,979
Total non-derivatives	**148,162**	**35,674**	**-**	**183,836**

Note 23. Key management personnel disclosures

The following persons were directors of Byford & Districts Community Development Services Limited during the financial year and/or up to the date of signing of these Financial Statements

Jake Wrighton Branley
Raymond John Marchetti
Denise D'Agnone
Matthew Huy Pham

Compensation

Key management personnel compensation comprised the following.

	2024 $	2023 $
Short-term employee benefits	**7,700**	**7,000**

Compensation of the company's key management personnel includes salaries and superannuation.

Note 24. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 23.

Receivable from and payable to related parties

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

Terms and conditions of transactions with related parties

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

Transactions with related parties

The following transactions occurred with related parties:

	2024 $	2023 $
During the period, a sponsorship was made to the Rotary Club of Byford & Districts of which a director is President. The total benefit received was:	2,500	-
Matthew Pham's business provided catering services to the company during the year. The value of the catering services were:	118	220

Note 25. Remuneration of auditors

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

	2024 $	2023 $
Audit services		
Audit or review of the financial statements	**7,425**	**5,400**
Other services		
Taxation advice and tax compliance services	1,514	1,433
General advisory services	3,320	4,830
Share registry services	9,451	5,600
	14,285	**11,863**
	21,710	**17,263**

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

	2024 $	2023 $
Profit after income tax expense for the year	250,464	257,073
Adjustments for:		
Depreciation and amortisation	99,806	105,410
Net gain on disposal of non-current assets	-	(13,794)
Lease liabilities interest	2,287	4,370
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	11,556	(109,681)
Decrease/(increase) in deferred tax assets	(10,563)	477
Increase/(decrease) in trade and other payables	2,526	(3,114)
Increase/(decrease) in provision for income tax	(5,796)	52,326
Increase in employee benefits	12,933	13,319
Increase in other provisions	1,063	1,039
Net cash provided by operating activities	**364,276**	**307,425**

Note 27. Earnings per share

	2024 $	2023 $
Profit after income tax	**250,464**	**257,073**

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	677,360	677,360
Weighted average number of ordinary shares used in calculating diluted earnings per share	**677,360**	**677,360**

	Cents	Cents
Basic earnings per share	36.98	37.95
Diluted earnings per share	36.98	37.95

Note 27. Earnings per share (continued)

Accounting policy for earnings per share

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

Note 28. Commitments

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

Note 29. Contingencies

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

Note 30. Events after the reporting period

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

Directors' declaration

For the financial year ended 30 June 2024

In the directors' opinion:

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

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

On behalf of the directors

Jake Wrighton Branley
Chair

23 September 2024

Independent audit report

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
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Independent auditor's report to the Directors of Byford & Districts Community Development Services Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Byford & Districts Community Development Services Limited (the company), which comprises:

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

In our opinion, the accompanying financial report of Byford & Districts Community Development Services Limited, is in accordance with the *Corporations Act 2001*, including:

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

Basis for Opinion

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

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

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

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
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Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 23 September 2024

Joshua Griffin
Lead Auditor

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Bendigo Bank