Annual Report 2024

Clifroy Limited

Community Bank
Clifton Hill-North Fitzroy

ABN 31 114 604 358

Contents

Chairperson's report

For year ending 30 June 2024

Dear shareholders,

Strong performance; high community impact

I am pleased to report that Clifroy Ltd. has had another very strong year, with good profitability enabling a very significant increase in our community contribution while maintaining our dividend policy target of 5 cents per $1 share for our shareholders.

In a very competitive market, we have further grown the value of our bank book, by 4%, and it now exceeds $300 million. We sincerely thank our shareholders and customers for your ongoing support of their Community Bank. Your support enables us to operate a profitable social enterprise that makes a significant financial contribution to our community.

We currently have $2 million set aside for major projects that will have a substantial and lasting community benefit, and your Board is undertaking a thorough process of research and review to select and fund appropriate projects. This is in addition to the $240,000 that we provided to a wide range of community organisations and sports clubs during 2023-24.

We realise that high interest rates put many borrowers under financial pressure, and make it difficult for first home buyers to get into the housing market. Fortunately, our Bank has had access to the Victorian Government's shared equity home finance scheme (the Homebuyer Fund), which has enabled a lot of first home purchases that otherwise wouldn't have been possible. Unfortunately, that scheme finishes next year, but will hopefully be replaced by a similar scheme provided by the Federal Government.

Higher interest rates have been a welcome boost to saver's incomes, especially customers who are self-funded retirees. It's pleasing that our Bank has remained competitive with savings deposit rates.

Fortunately, we have had a period of consolidation with our Branch team, though we continue to be challenged – like all small businesses – when several staff are off on leave. We regret having to close the Branch early on some days due to unplanned staff shortages, and apologise to customers for any inconvenience caused.

Our strategic focus remains:

1) Leveraging our community partnerships to increase our customer base and revenue. We are asking our partners to be more active in referring members supporters and stakeholders to their Community Bank. Increasing our business enables us to increase the funds available to support our community and make a greater impact.
2) Better communicating our story – that of a social enterprise that has provided more than $4 million in funding to local community organisations – to retain current customers and attract new customers, motivated by that.
3) Looking to alliances with other Community Banks. We are actively exploring ways to strengthen our position both financially and in terms of management and staffing by combining resources with like-minded Community Banks.

Acknowledging our Board and staff

Your directors freely give their time to building Community Bank Clifton Hill-North Fitzroy by enhancing relationships with our community partners.

I want to thank the Clifroy Ltd. Board - Ro Roberts, Daisy Chiumburu, Jenny Farrar, Peter Hille OAM, Sean Rooney James Sinclair and Zhedi Wu - all of whom are very active across our community and with key partner organisations.

Thanks also to our Board Associate Chris Shields, who is an active participant in our work.

Our Branch Manager David and our staff – Lee, Filippo, Elie, Simon, Nuran and Mark - have continued to provide great service to our customers and community, and look forward to another good year ahead.

Finally, thank you, our shareholders, for your continuing support of this important social enterprise, that really is making a difference for so many members of our community.

Please help us grow our business by referring your friends and neighbours to David Fielder, our Branch Manager: David.Fielder@bendigoadelaide.com.au or 03 9482 9040.

Graeme Russell
Chairperson

Valé
Basil Stafford

It was with great sadness that a founding Director of Clifroy, Mr. Basil Stafford unexpectedly passed away this year.

The Board acknowledge the pivotal role and support that Basil played in the establishment and development of our community enterprise. Basil created Clifroy Limited as our company name and understood the impact that our vision of a community bank would have on building a better future for young people and the disadvantaged within our community.

We sincerely appreciated Basil's commitment and dedication in enabling our business. Basil was well respected by the community and heavily involved in the local government sector and diverse community organisations. He will be missed by his family and friends.

Manager's report

For year ending 30 June 2024

Dear Shareholders,

Another year has come and gone. Looking forward to the AGM while writing this statement, has provided a great opportunity for reflection on the last year.

FY24 was not without its challenges, further increases in cost of living and interest rate rises, means we have all felt the pinch. Talking with customers and local business alike, the reduction in discretionary spending has meant that everyone has had to tighten their belts.

In the midst of all this, our Community Bank has stood tall, the business is currently in a healthy position which allows us to serve the community better.

My focus this financial year has been on new customer acquisition, especially around the Lending space. The Victorian Home Fund scheme has allowed many people to access lending and gain home ownership in this challenging market and it really underlines the quality of the Bendigo Brand, that we were one only three Financial Services Organizations to be selected to offer this scheme.

This scheme along with Bendigo's reputation as Australia's most trusted bank has seen a huge amount of growth in this segment and our Lending team are experts in this field. Affordable housing is clearly a huge issue for the country now and whilst the Victorian Government scheme ends at the end of this current financial year, we are looking forward to the Federal Government's offering in this space.

I speak to a lot of prospective customers, and I always remind them, that their business contributes to the amount of grants and sponsorships we can provide to the community groups that we support. And again, this year we have been able to provide a record amount of funding back into the Community that directly supports grass roots activities.

I wrote last year that the staffing environment was challenging and while this remains to be true in many industries, at a local level, we have maintained a consistent Team of finance professionals to serve our community. We have welcomed two new staff members into the team, with Nuran Umit, our Mobile Relationship Manager, joining late last year and Mark Ragheb joining in June into the Customer Relationship Officer role, both these roles were newly created and reflect the fact that we feel, unlike our competitors, that there still is a need for face-to-face banking services. Both Nuran and Mark come to us with ten plus years of experience each, in retail banking and are ready to service your needs.

In my first round of thanks, I would like to acknowledge my team, first of all, Nuran and Simon my lending team have done an outstanding job this year and continue to seek new opportunities every day. Lee, who heads up the Community Engagement, the consistent compliments from our partners really underlines your contribution and I look forward to next year. And lastly to my frontline team, Elie, Mark and Filippo, your dedication and strong focus on customer service is a testament to your characters and a huge reason for the growth of this business.

I would also like to thank our Board of Directors for all of the support over the last year, I feel the relationships between Retail Operations and Governance are a strong contributor to the strength of the business.

And in closing, I would like to thank you, our shareholders, along with local business and our customers for the continued support and belief in the Community Bank model.

Exciting times ahead.

David Fielder
Branch Manager

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.

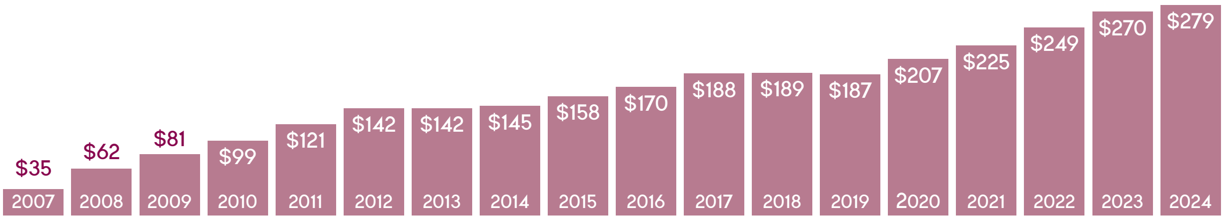
Warm regards

Lauren Bean
General Manager
Community Bank National Council

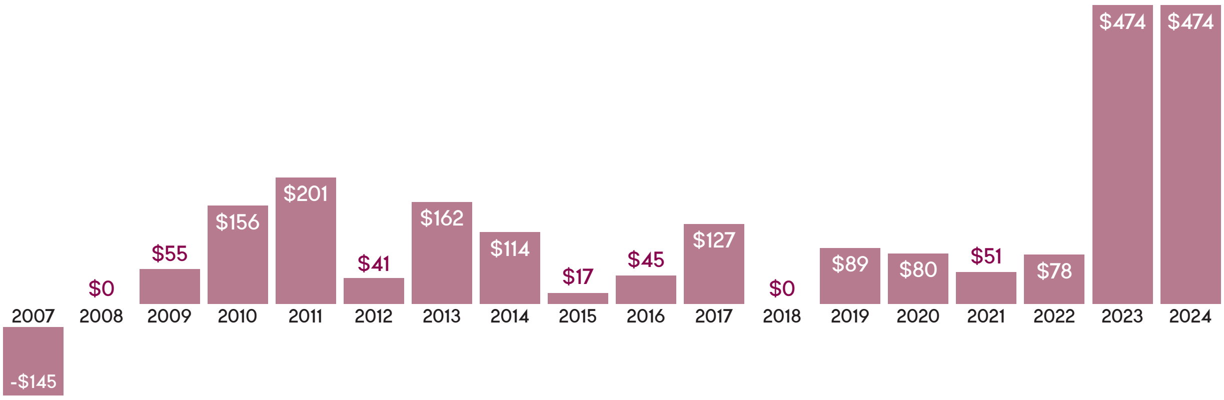
Performance summary

1 July 2006 to 30 June 2023

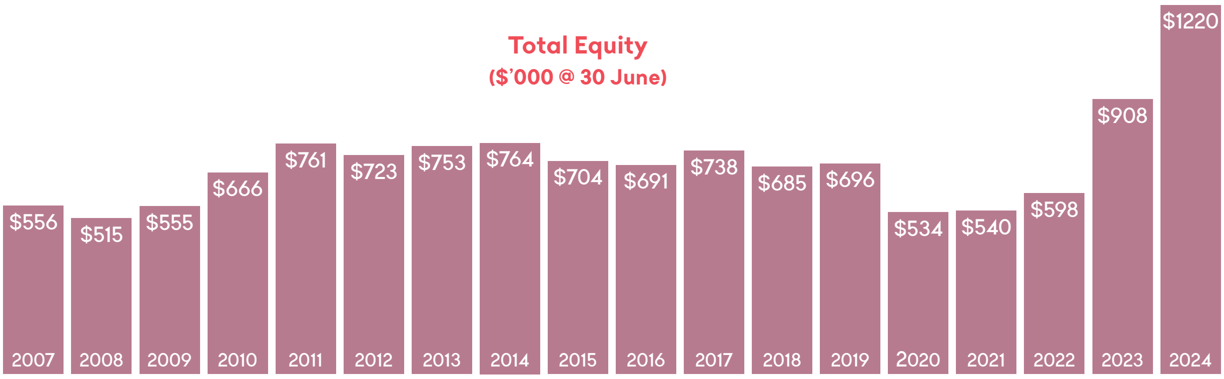
Total Business (Loans/Deposits)
($million)



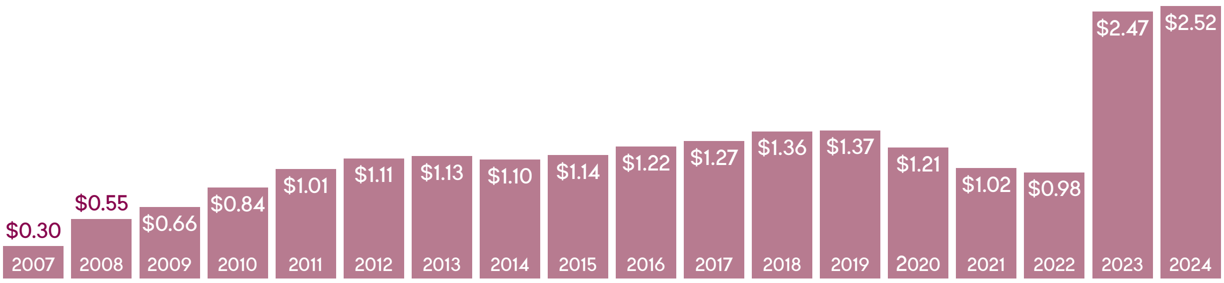
Pre Tax Profit/Loss
($'000)

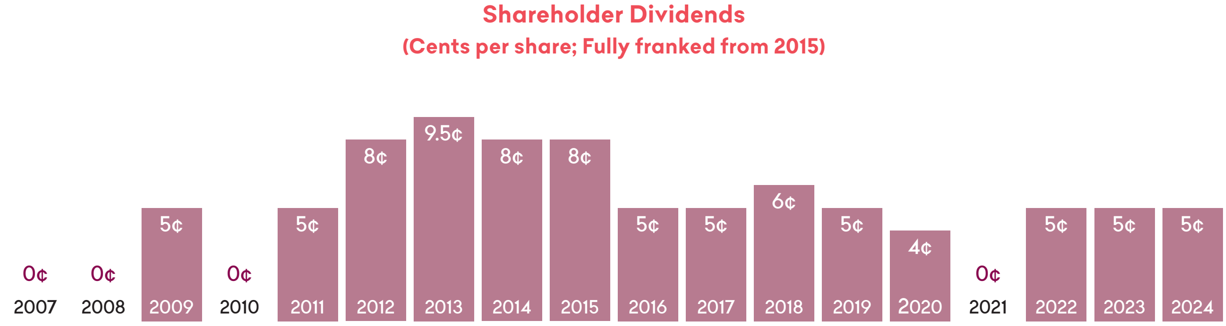


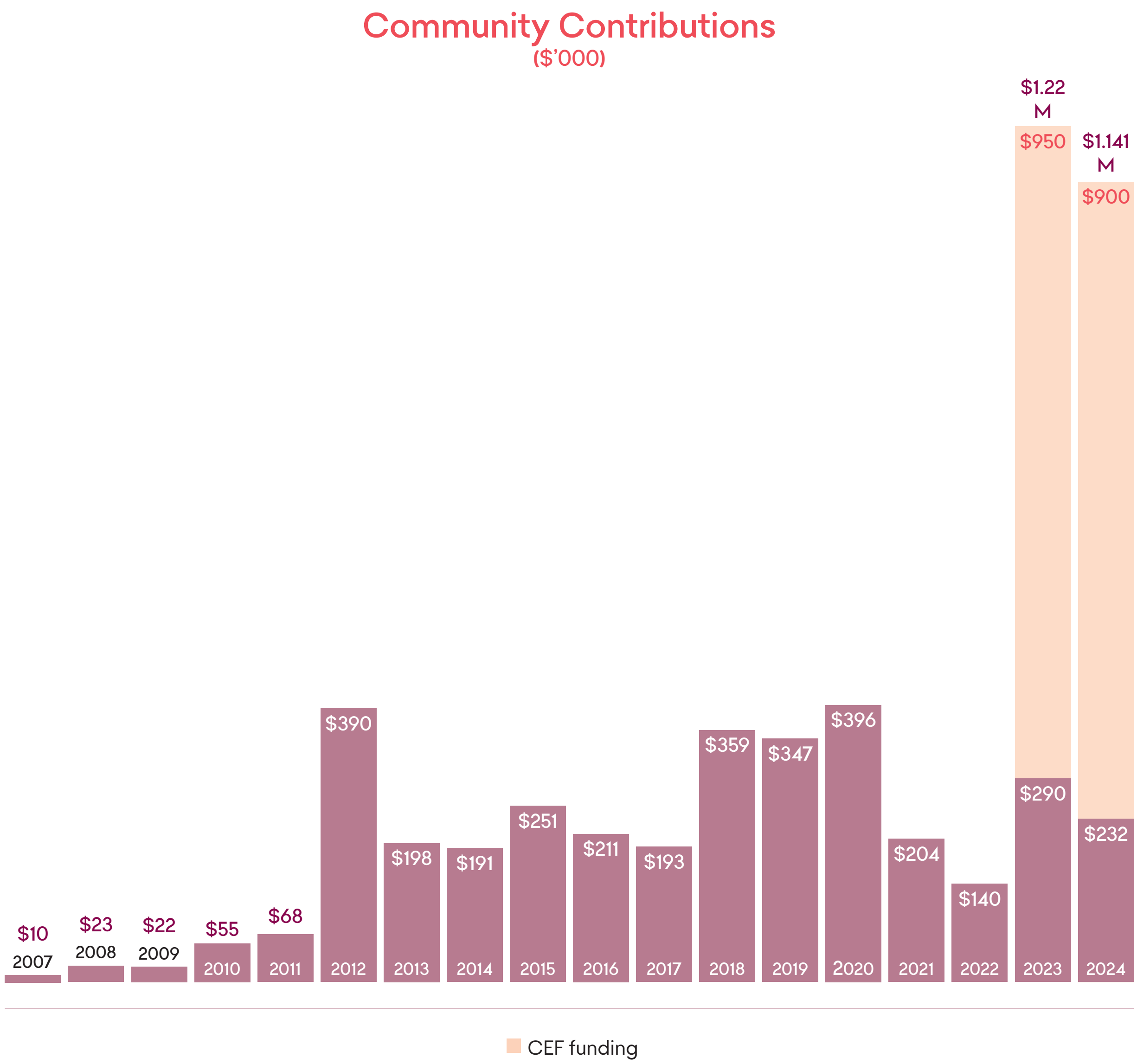
Total Equity
($'000 @ 30 June)



Total Revenue
($million)




Shareholder Dividends
(Cents per share; Fully franked from 2015)
0¢
2007
0¢
2008
5¢
2009
0¢
2010
5¢
2011
8¢
2012
9.5¢
2013
8¢
2014
8¢
2015
5¢
2016
5¢
2017
6¢
2018
5¢
2019
4¢
2020
0¢
2021
5¢
2022
5¢
2023
5¢
2024


Community Contributions
($'000)
$10
2007
$23
2008
$22
2009
$55
2010
$68
2011
$390
2012
$198
2013
$191
2014
$251
2015
$211
2016
$193
2017
$359
2018
$347
2019
$396
2020
$204
2021
$140
2022
$1.22 M
$950
$290
2023
$1.141 M
$900
$232
2024
CEF funding

Community engagement report

For year ending 30 June 2024

Community Funding Model

Clifroy's community partnerships program was overseen by the Community Engagement Committee of 3 directors and Branch Manager and ably supported by Lee Chia, our Community Liaison Officer. It is chaired by Ro Roberts who succeeded Ben Hubbard on his retirement in November.

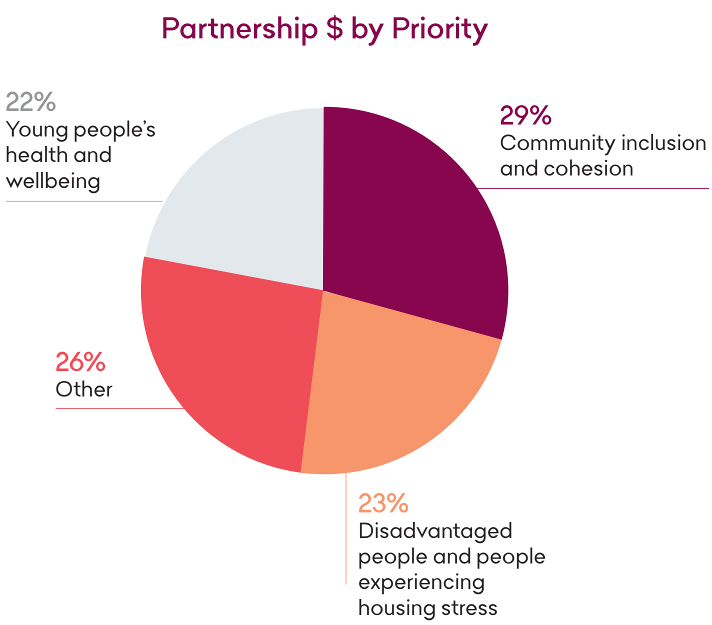
As a 'profit-for-purpose' Community Bank, Clifroy's community partnerships model continues our commitment to sharing our profits to benefit community. It builds both economic and social capital through bi-annual funding rounds and ongoing networking and resource-sharing. This financial year we have provided grants to 45 local organisations in the autumn and spring funding rounds, and held two community networking events for community partner organisations.

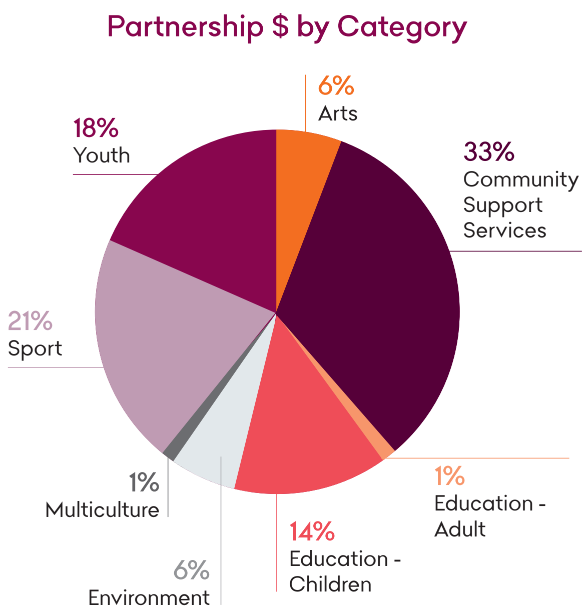
Community Support funding

Total grants $241,708. $23,977 Less than last year

No. of organisations funded: 45 9 less than last year (54).

See tables of Partnerships supporting local community organisations.





Community Impact Outcomes

Funding priorities have focussed our community benefit impacts on projects that: support young people and children's health and wellbeing; support people and families experiencing housing stress, and enhanced community inclusion and cohesion. Consequently, the largest number of grants was made to programs for children, youth and families (18), to disadvantaged people in the community (10) and to inclusion in sporting clubs (9).

Community impacts have resulted in successful outcomes for several local, small-business mentoring and skills development programs such as Two Square Pegs and Go Girls; providing practical resources for enhanced well-being for homeless people through Footscape, and Foodshare programs resulting from coordinated action across neighbourhood houses, local libraries and foodbanks. (See photos for examples) Together all funded programs have ensured inclusion in community activities particularly for those experiencing barriers across all priority groups. Our community partnerships have increased opportunities for local agencies to work together to multiply community benefit outcomes.

Future funding

With funding over $2 million currently allocated to the Community Enterprise Foundation (in addition to our budget allocation of $204,000 for our sponsorship rounds), we are well-placed to provide substantial funding for one or more major projects aimed at: alleviating homelessness and housing stress: developing young leaders; Indigenous employment support; youth and children's health and social inclusion/cohesion.

Rosalyn Roberts
Deputy Chair and Chair of Community Engagement Committee

Community support funding

COMMUNITY
$240,000
2023-24
INVESTMENT

Sponsorships and Grants supporting local community organisations in 2023-24

Organisation	Project	Contribution
Arts		
High Street Bells Choir	High Street Bells Choir Music Day	$6,500
The Mercy Hub	Community Arts Development Program	$1,000
BANH	Vocal Boogie community choir	$5,000
Blak Pearl Studio C/- Future Tense Pty Ltd	Blak Pearl Studio End of Year Open Studio Exhibition	$2,000
Community Support Services		
SES Heidelberg	Print donation cards	$190
Alphington Commuity Centre	Alphington Open Studios 2024	$1,000
Magpies Community Football Club	Magpies Community Program	$1,000
Belgium Avenue Neighbourhood House	Women's Enterprise and Community Projects (WECP) Program	$10,000
Footscape Inc.	Foot Care Kits	$5,000
Go Girls Foundation	Go Girls Work Ready Program	$5,000
Jika Jika Community Centre	Our House is Your House	$5,000
North Carlton Railway Neighbourhood House	Kids on the Move	$9,460
Ronald McDonald House Charities	Adopt a Room	$5,500
Fitzroy Learning Network	Youth Engagement Program	$6,000
Go Girls Foundation Inc	Go Girls Work Ready Program	$5,000
Jika Jika Community Centre Inc	Around the table	$5,000
Merri Outreach Support Service	Bright Futures - Making Memories	$6,442
North Carlton Railway Neighbourhood House	Food in Common: Community Connection & Food Sustainability	$3,000
Open Table Inc	Open Pantry	$6,000
Thornbury Bowls Club Inc.	Community Bank & Bowls Day	$2,000
Education - Adult		
U3A Darebin	Classroom computers	$3,134
Education - Children		
Batman Park Kindergarten	Event	1000
Alphington Primary School	Fete	$1,000
East Brunswick Kinder	Winter Solsitce	$330
Creative Bytes Inc	Creative Youth Coding Program	$7,469
Melbourne Chinese Secondary & Primary School	New Foundations	$1,000
Northcote High School	Raise Youth Mentoring	$3,300
Sacred Heart Primary School	Warming Up to Learning!	$5,000
Collingwood Toy Library Inc	STEM toys	$4,500

Community support funding (continued)

Organisation	Project	Contribution
Education - Children (continued)		
John Street Childcare Co-operative	John Street Auslan Staff Training: Equipping Early Learning Centre Staff to integrate Auslan for the benefit of all John Street community members	$5,000
Sacred Heart School	Community Connection through Local Sport	$3,000
Enviornment		
WeCycle Inc.	WeCycle: rehoming bicycles	$8,838
Condell Growers and Sharers	Keeping the Condell Community Garden Growing	$1,380
Fairfield Community Garden Inc.	Enhanced safety and comfort of visitors to FCG to promote community inclusion and cohesion	$4,000
Multiculture		
Melbourne Irish Festival Committee	St Patrick's Family Fun Day 2025	$1,000
Australia Oromo Social Services	Mental health awareness & cultural day	$2,000
Sport		
Fitzroy Football Club	Business networking event	$500
Dennis Cricket Club	Partnership	$1,000
Northcote Junior Football Club	Catering for open day	$200
Fitzroy Football Club	Silent auction prize	$300
Fitzroy Victorian Bowls Club	Wining Women	$750
Northcote Cricket Club	Bill Lawry Oval Shade Grant	$8,000
Northcote Junior Football Club	Yarra Junior Football League Season 2024 and Support for Girls Football	$5,000
Northcote Water Polo Club	Equipment Grant for Northcote Water Polo Club	$8,482
Victorian Roller Derby League	Community Sport Gameview Seating	$9,996
Youlden Parkville Cricket Club	Building Community Leadership through Cricket	$4,500
Parkville District Cricket Club	Parkville District Cricket Club: Furthering Community Inclusion and Cohesion Through Park Cricket.	$5,000
Yarra Jets FC	Yarra Jets FC - A Soccer Club for Everybody	$4,000
Youth		
GR8M8S Foundation	Yarra Estate Locals Supporter Program	$1,000
5th Brunswick Scout Group (Scouts Victoria)	Scouts Out and About	$6,200
GR8M8S foundation	Toolangi Adventure Sports Camps	$5,000
Home Ground Hub	Yarra Estates Sports (YES) Programs	$10,000
Operation Newstart	Operation Newstart Yarra	$4,000
2nd Clifton Hill Scout Group	New trailer for kayaks	$5,000
5th Brunswick Scout Group	Scouting the outdoors	$5,600
Fitzroy Scout Group	Fitzroy Cub Scouts Inclusion Project	$6,000

Directors' report

30 June 2024

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

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

Name:	Graeme Russell
Title:	Non-executive director
Experience and expertise:	Graeme Russell was a Chief Executive Officer of industry funds Media Super and First Super, and a trustee director of JUST Super, TISS and Media Super. He currently chairs organisation IBSA (Innovation & Business Skills Australia), and is Treasurer of the Victorian Advocacy League for Individuals with Disability (VALID). Graeme also served as Chief of Staff to a Victorian Minister, and held senior commercial management roles at Melbourne and Monash Universities, the Trade Union Training Authority, STA Travel and The Melbourne Times. Graeme was also a strategy consultant and Chartered Accountant in practice. Previous community service includes Member of the Independent Panel on Best Practice Union Governance, Trustee of the Sustainable Melbourne Fund, Foundation Chairperson of the Inner Metropolitan Regional Association of Councils and Councillor and Mayor of the City of Collingwood. Graeme is a Fellow of the Australian Institute of Company Directors, a Fellow of the Australian Institute of Superannuation Trustees and a Fellow of Chartered Accountants, Australia and New Zealand. He holds a Bachelor of Business and a Graduate Diploma in Applied Finance.
Special responsibilities:	Chairperson

Name:	Rosalyn Mary Roberts
Title:	Non-executive director
Experience and expertise:	Ro's qualifications include BA(Hons), MSW, DSW (Doctor of Social Work, 2015). Her long professional life has covered roles of University Lecturer, Policy/Researcher, Local Government Human Services Coordinator/Planner, Consultant and Project Manager. As well as her employment skills in research, advocacy, project management, community development and operational management, she brings to her board role a deep commitment to the Clifroy local area and knowledge of local
Special responsibilities:	networks resulting from 21 years of employment with the City of Yarra. Her policy activism focusses on furthering diversity and inclusion. Currently she has local involvement as a member of Collingwood Neighbourhood House Community Choir and the Cooper Electorate Grandmothers for Refugees group.

Name:	Jenny Maree Farrar
Title:	Non-executive Director
Experience and expertise:	I have a great range of skills and experience in community engagement, campaigning, education and strategic planning. As a former Councillor and Mayor of the City of Yarra I was involved and developed solid relationships within our community, many not for profits, small and larger businesses. One of my legacies was the establishment of Business Advisory Group(s) for the purpose of engaging with SME's to large corporates. Skills I bring include: Marketing, communications and engagement, organising, planning, OHS and sound knowledge in industrial relations. Previously a member of the Council of Australasian Tribunals in my roles as a Panel member for the Victorian Government, Graduate of the Australian Institute of Company Directors (GAICD) and work within the financial services industry. BA - Mass Communications - Monash University. Occupation: Stakeholder Relationship Manager & Education Specialist - United Super Pty Ltd.
Special responsibilities:	Member of Finance, Governance and Resources Committee

Name:	Daisy Chiumburu
Title:	Non-executive director
Experience and expertise:	Daisy is a product manager in the financial services. She holds a Masters of Business Administration, Bachelor of Commerce (Finance, Marketing and Financial Planning. Employment history and skills include superannuation, product development, product management, strategic and operational planning and retention.
Special responsibilities:	Chair of Finance, Governance & Risk Committee
Name:	James Joshua Sinclair
Title:	Non-executive director
Experience and expertise:	James is a financial services executive having held multiple roles in superannuation, wealth and technology businesses in Australia. He is currently the Head of Growth and Partnerships, Superannuation at Iress and has been a non-executive director of Clifroy Limited since. James is an Associate of the Australian Institute of Company Directors and holds a Bachelor of Business Administration, Bachelor of Human Resources and a Diploma of Financial Planning. He is also a Mentor at the Vocational Mentoring Exchange and regularly participates in Fundraisers including Movember and Dry July.
Special responsibilities:	Member of Community Engagement Committee
Name:	Peter Raymond Hille
Title:	Non-executive director
Experience and expertise:	As a resident of Clifton Hill for 29 years I bring local knowledge and substantive networks. As a leader and Board Member at a range of local community organisations, I bring an understanding of corporate governance as well as an awareness of community needs and how such needs might be addressed. I am currently Chairman of the Reds Foundation, a Director of the Rotary Club of Fitzroy & Bowls Development Manager of Fitzroy Victoria Bowls Club. I was recently Chair of Youth Enterprise Hub (Inner North Youth Employment Network) & headed up working parties associated with Vocational Mentoring & Creative Industries Pathways for young people in the inner north. My professional background includes educational leadership, public speaking, a managerial role in financial services and HR Consultancy – each of these informs and supports my role as a Director of Clifroy Limited.
Special responsibilities:	Deputy Chair. Member Business Development & Marketing and Finance, Governance & Resources Committee, key contact with Inner Northern Local Learning & Employment Network
Name:	Sean Martin Rooney
Title:	Non-executive director (appointed 21 November 2023)
Experience and expertise:	Sean Rooney is a geologist (BSc Monash University) with post graduate legal qualifications (Post Grad Energy & Resources Law Melbourne University) and public sector management (Grad Cert Flinders University) along with the AICD Company Directors course. Sean is an accomplished senior leader with extensive experience in resource management, policy, strategy development, regulatory reform and governance. Sean has had over 30 years of extensive high level government regulatory experience in the resources sector across multiple areas with the Victorian Government. He brings experience in the resource sector, international trade and business development in the private and public sectors. Currently Sean is employed as the Membership Manager for Victoria and Tasmania with Austmine, is Principal of his consultancy GeoRooney & Associates and Director of Resource Unicorns Capital. He is a Committee Member of the Women in Mining Network (Victoria).
Special responsibilities:	Company Secretary

Name:	Zhedi Wu
Title:	Non-executive director (appointed 21 November 2023)
Experience and expertise:	Zhedi is Head of Group Reporting at Bupa Asia Pacific. Her experience and skills include financial reporting, technical accounting, capital management and sustainability reporting. She is a member of Chartered Accountants Australia & New Zealand and holds a Bachelor of Commerce (Accounting and Finance).
Special responsibilities:	Member Finance, Governance & Risk Committee, Member Business Development & Marketing Committee.

Name:	Benjamin David Hubbard
Title:	Non-executive director (resigned 21 November 2023)
Experience and expertise:	Ben Hubbard is a self employed consultant, specialising in public affairs, public policy, public administration, governance and risk. Ben has worked in some of the most challenging and complex policy and political environments of recent times. As chief of Staff to the Prime Minister, CEO of the Victorian Bushfire Reconstruction and Recovery Authority, Chief of Staff to the Deputy PM and Senior Political Adviser to the Victorian Premier. He has been Chief Strategy Officer at Maurice Blackburn Lawyers, where he led the firm's work across public policy, advocacy, strategy, risk and innovation. He holds graduate (BCom) and postgraduate qualifications (MPubPol) from the University of Melbourne and has completed the AICD Company Directors Course and Executive Education Strategy at Melbourne Business School. Ben is a Victorian Councillor for the AICD and a Fellow (FAICD), the National President and Chair of YMCA Australia, and is a distinguished Visiting Scholar and Senior Fellow of the Melbourne School of Government at the University of Melbourne.
Special responsibilities:	Chair of Community Engagement Committee

Name:	Adrian Howard Nelson
Title:	Non-executive director (resigned 21 November 2023)
Experience and expertise:	My 15 years with the Dulux Group and almost 20 with Tattersall's were all about sales, marketing and in the latter years strategic business development – both locally and overseas. I was exposed to the workings of Boards as a Director of two of Tattersall's overseas subsidiaries and really enjoyed the balance between a Director's governance role and the business strategy and development role. I successfully completed the AICD Graduate Diploma course in 2004, and retain a keen interest in the continually changing environment in which Directors of public companies are required to operate.
Special responsibilities:	Company Secretary; Member of Finance, Governance & Risk Committee

Company secretary
There have been two company secretaries holding the position during the financial year:

- Sean Martin Rooney was appointed company secretary on 21 November 2023.
- Adrian Howard Nelson was appointed to the position of Company secretary on 3 July 2013 and ceased on 21 November 2023.

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 $356,696 (30 June 2023: $353,957).

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 5 cents per share (2023: 5 cents)	43,351	43,351

Significant changes in the state of affairs

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

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

Matters subsequent to the end of the financial year

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

Likely developments and expected results of operations

The Board's strategy includes pursuing further growth, and to this end, it is in the early stages of exploring opportunities for potential consolidation with other community bank businesses.

No other 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 meetings of the companys Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Board	
	Eligible	Attended
Graeme Russell	10	8
Rosalyn Mary Roberts	10	8
Jenny Maree Farrar	10	7
Daisy Chiumburu	10	8
James Joshua Sinclair	10	7
Peter Raymond Hille	10	7
Sean Martin Rooney	10	9
Zhedi Wu	10	7
Benjamin David Hubbard	5	5
Adrian Howard Nelson	5	5

Directors' benefits

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

Directors' interests
The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Graeme Russell	1,000	-	1,000
Rosalyn Mary Roberts	-	-	-
Jenny Maree Farrar	7,001	-	7,001
Daisy Chiumburu	-	-	-
James Joshua Sinclair	-	-	-
Peter Raymond Hille	2,000	-	2,000
Sean Martin Rooney	-	-	-
Zhedi Wu	-	-	-
Benjamin David Hubbard	5,000	-	5,000
Adrian Howard Nelson	15,002	-	15,002

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 24 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 Finance, Governance and Resources Committee 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

____
Graeme Russell
Chair

4 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 Clifroy Limited

As lead auditor for the audit of Clifroy 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: 4 September 2024

Adrian Downing
Lead Auditor

Financial statements

Clifroy Limited
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	2,520,454	2,454,789
Finance revenue		34,228	12,802
Total revenue		2,554,682	2,467,591
Employee benefits expense	8	(613,960)	(479,599)
Advertising and marketing costs		(9,925)	(4,654)
Occupancy and associated costs		(43,168)	(50,666)
System costs		(24,861)	(24,277)
Depreciation and amortisation expense	8	(128,381)	(119,485)
Finance costs	8	(17,990)	(16,398)
General administration expenses		(100,254)	(82,894)
Total expenses before community contributions		(938,539)	(777,973)
Profit before community contributions and income tax expense		1,616,143	1,689,618
Charitable donations, sponsorships and grants expense	8	(1,141,708)	(1,215,685)
Profit before income tax expense		474,435	473,933
Income tax expense	9	(117,739)	(119,976)
Profit after income tax expense for the year		356,696	353,957
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		356,696	353,957
		Cents	**Cents**
Basic earnings per share	26	41.14	40.82
Diluted earnings per share	26	41.14	40.82

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

Clifroy Limited
Statement of financial position
As at 30 June 2024

	Note	2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	10	1,572,052	1,212,644
Trade and other receivables	11	245,380	265,079
Investments	12	611,191	603,025
Current tax assets	9	716	-
Total current assets		2,429,339	2,080,748
Non-current assets			
Property, plant and equipment	13	46,912	93,264
Right-of-use assets	14	538,319	159,951
Intangible assets	15	20,793	33,736
Deferred tax assets	9	41,883	35,858
Total non-current assets		647,907	322,809
Total assets		3,077,246	2,403,557
Liabilities			
Current liabilities			
Trade and other payables	16	1,167,787	1,054,040
Lease liabilities	17	116,366	104,657
Current tax liabilities	9	-	102,892
Employee benefits		41,005	19,922
Total current liabilities		1,325,158	1,281,511
Non-current liabilities			
Trade and other payables	16	-	14,683
Lease liabilities	17	513,785	176,285
Employee benefits		673	220
Lease make good provisions		15,523	22,096
Total non-current liabilities		529,981	213,284
Total liabilities		1,855,139	1,494,795
Net assets		1,222,107	908,762
Equity			
Issued capital	18	753,928	753,928
Retained earnings		468,179	154,834
Total equity		1,222,107	908,762

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

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

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2022		753,928	(155,772)	598,156
Profit after income tax expense		-	353,957	353,957
Transactions with owners in their capacity as owners:				
Dividends provided for	20	-	(43,351)	(43,351)
Balance at 30 June 2023		753,928	154,834	908,762

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2023		753,928	154,834	908,762
Profit after income tax expense		-	356,696	356,696
Transactions with owners in their capacity as owners:				
Dividends provided for	20	-	(43,351)	(43,351)
Balance at 30 June 2024		753,928	468,179	1,222,107

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

Clifroy Limited
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)		2,795,569	2,561,501
Payments to suppliers and employees (inclusive of GST)		(2,166,857)	(1,146,988)
Interest received		30,577	12,802
Interest and other finance costs paid		-	(40)
Income taxes paid		(115,040)	(31,432)
Net cash provided by operating activities	25	544,249	1,395,843
Cash flows from investing activities			
Redemption of/(investment in) term deposits		(8,166)	(230,078)
Payments for property, plant and equipment		(2,209)	-
Payments for intangible assets		(13,348)	(13,348)
Net cash used in investing activities		(23,723)	(243,426)
Cash flows from financing activities			
Interest and other finance costs paid		(16,921)	(15,327)
Dividends paid	20	(43,351)	(43,351)
Repayment of lease liabilities		(100,846)	(95,552)
Net cash used in financing activities		(161,118)	(154,230)
Net increase in cash and cash equivalents		359,408	998,187
Cash and cash equivalents at the beginning of the financial year		1,212,644	214,457
Cash and cash equivalents at the end of the financial year	10	1,572,052	1,212,644

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

Notes to the financial statements

30 June 2024

Note 1. Reporting entity

The financial statements cover Clifroy 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 101-103 Queens Parade, Clifton Hill VIC 3068.

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 4 September 2024. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

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

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

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

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

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

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

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

Note 3. Material accounting policy information (continued)

Investments
Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the company has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets
The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

For financial assets such as term deposits, management has assessed expected credit losses to be nil or not material, and therefore, no loss allowance is recorded. In cases where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability-weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

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

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 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.

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 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.

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

Estimates and assumptions

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

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

Note 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in February 2026.

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

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

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

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

Classification of term deposits
During the year the directors reviewed the requirements of AASB 107 Statement of Cash Flows and noted term deposits normally qualify as a cash and cash equivalent only when they have initial investment periods of three months or less. In previous financial years the company classified all term deposits as cash and cash equivalents in the preparation of the financial statements even if they had initial investment periods greater than three months.

In the preparation of the financial statements for the current financial year, the directors updated its accounting policy to align to the requirements of AASB 107, restating comparatives figures to reclassify term deposits with initial investment periods greater than three months as current investments instead of cash and cash equivalents in the Statement of financial position.

The change in classification had the following impacts on comparative figures:

- Cash and cash equivalents decreased and investments increased by $603,025 at 30 June 2023 as reported in the Statement of financial position.
- Opening and closing cash balances were reduced to exclude term deposits with initial investment periods greater than three months as reported in the Statement of cash flows.
- Investments in and redemptions of term deposits with initial investment periods greater than three months are now classified within investment activities as reported in the Statement of cash flows.

The change in classification had no impact on the company’s net profit or net asset position.

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 $746,031.

Note 7. Revenue from contracts with customers

	2024 $	2023 $
Margin income	2,384,698	2,333,019
Fee income	72,351	60,792
Commission income	63,405	60,978
	2,520,454	2,454,789

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.

Note 7. Revenue from contracts with customers (continued)

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
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.

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	526,600	391,965
Non-cash benefits	4,946	1,459
Superannuation contributions	54,755	39,565
Expenses related to long service leave	1,330	2,931
Other expenses	26,329	43,679
	613,960	479,599

Depreciation and amortisation expense

	2024 $	2023 $
Depreciation of non-current assets		
Leasehold improvements	44,996	45,073
Plant and equipment	3,275	3,807
Computers and software	290	440
	48,561	49,320
Depreciation of right-of-use assets		
Leased land and buildings	66,877	57,257
Amortisation of intangible assets		
Franchise fee	2,158	2,151
Franchise renewal fee	10,785	10,757
	12,943	12,908
	128,381	119,485

Finance costs

	2024 $	2023 $
Lease interest expense	16,921	15,327
Unwinding of make-good provision	1,069	1,032
Other	-	39
	17,990	16,398

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

Leases recognition exemption

	2024 $	2023 $
Expenses relating to low-value leases	8,944	9,555

Note 8. Expenses (continued)

Charitable donations, sponsorships and grants expense

	2024 $	2023 $
Direct donation, sponsorship and grant payments	241,708	265,685
Contribution to the Community Enterprise Foundation™	900,000	950,000
	1,141,708	1,215,685

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 to and held by the Community Enterprise Foundation™ (CEF) 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.

	2024 $	2023 $
Disaggregation of CEF funds		
Opening balance	1,035,682	38,182
Contributions paid in	900,000	950,000
Management fees incurred	47,368	47,500
Balance available for distribution	1,983,050	1,035,682

Note 9. Income tax

	2024 $	2023 $
Income tax expense		
Current tax	125,344	120,500
Movement in deferred tax	(6,025)	(524)
Under/over provision in respect to prior years	(1,580)	-
Aggregate income tax expense	117,739	119,976
Prima facie income tax reconciliation		
Profit before income tax expense	474,435	473,933
Tax at the statutory tax rate of 25%	118,609	118,483
Tax effect of:		
Non-deductible expenses	1,590	1,493
Other deductible expenses	(880)	-
	119,319	119,976
Under/over provision in respect to prior years	(1,580)	-
Income tax expense	117,739	119,976

Note 9. Income tax (continued)

	2024 $	2023 $
Deferred tax assets/(liabilities)		
Property, plant and equipment	7,175	(3,568)
Employee benefits	10,420	5,036
Lease liabilities	157,538	70,236
Provision for lease make good	3,881	5,524
Accrued expenses	526	783
Income accruals	(3,077)	(2,165)
Right-of-use assets	(134,580)	(39,988)
Deferred tax asset	41,883	35,858

	2024 $	2023 $
Income tax refund due	716	-

	2024 $	2023 $
Provision for income tax	-	102,892

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

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

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

Note 10. Cash and cash equivalents

	2024 $	2023 $
Cash at bank and on hand	1,572,052	1,212,644

Note 11. Trade and other receivables

	2024 $	2023 $
Trade receivables	219,391	242,461
Accrued income	12,309	8,658
Prepayments	13,680	13,960
	25,989	22,618
	245,380	265,079

Note 11. Trade and other receivables (continued)

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

Note 12. Investments

	2024 $	2023 $
Current assets		
Term deposits	611,191	603,025

Note 13. Property, plant and equipment

	2024 $	2023 $
Leasehold improvements - at cost	333,532	333,532
Less: Accumulated depreciation	(298,429)	(253,433)
	35,103	80,099
Plant and equipment - at cost	103,376	101,167
Less: Accumulated depreciation	(91,922)	(88,647)
	11,454	12,520
Computer equipment - at cost	16,763	16,763
Less: Accumulated depreciation	(16,408)	(16,118)
	355	645
	46,912	93,264

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 $	Computer Software $	Total $
Balance at 1 July 2022	125,172	16,327	1,085	142,584
Depreciation	(45,073)	(3,807)	(440)	(49,320)
Balance at 30 June 2023	80,099	12,520	645	93,264
Additions	-	2,209	-	2,209
Depreciation	(44,996)	(3,275)	(290)	(48,561)
Balance at 30 June 2024	35,103	11,454	355	46,912

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.

Note 13. Property, plant and equipment (continued)

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	5 to 20 years
Plant and equipment	4 to 40 years
Computers and software	2 to 4 years

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

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

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

Note 14. Right-of-use assets

	2024 $	**2023 $**
Land and buildings - right-of-use	831,024	385,777
Less: Accumulated depreciation	(292,705)	(225,826)
	538,319	159,951

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	193,245
Remeasurement adjustments	23,963
Depreciation expense	(57,257)
Balance at 30 June 2023	159,951
Remeasurement adjustments	445,245
Depreciation expense	(66,877)
Balance at 30 June 2024	538,319

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 17 for more information on lease arrangements.

Note 15. Intangible assets

	2024 $	2023 $
Franchise fee	10,756	43,623
Less: Accumulated amortisation	(7,291)	(38,000)
	3,465	5,623
Franchise renewal fee	53,782	168,119
Less: Accumulated amortisation	(36,454)	(140,006)
	17,328	28,113
	20,793	33,736

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	7,774	38,870	46,644
Amortisation expense	(2,151)	(10,757)	(12,908)
Balance at 30 June 2023	5,623	28,113	33,736
Amortisation expense	(2,158)	(10,785)	(12,943)
Balance at 30 June 2024	3,465	17,328	20,793

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)	February 2026
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	February 2026

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

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

Note 16. Trade and other payables

	2024 $	2023 $
Current liabilities		
Trade payables	1,133,247	1,021,372
Other payables and accruals	34,540	32,668
	1,167,787	1,054,040
Non-current liabilities		
Other payables and accruals	-	14,683

	2024 $	2023 $
Financial liabilities at amortised cost classified as trade and other payables		
Total trade and other payables	1,167,787	1,068,723
add other payables and accruals (net GST payable to the ATO)	49,318	46,774
	1,217,105	1,115,497

Note 17. Lease liabilities

	2024 $	2023 $
Current liabilities		
Land and buildings lease liabilities	116,366	104,657
Non-current liabilities		
Land and buildings lease liabilities	513,785	176,285

Reconciliation of lease liabilities

	2024 $	2023 $
Opening balance	280,942	352,531
Remeasurement adjustments	450,055	23,963
Lease interest expense	16,921	15,327
Lease payments - total cash outflow	(117,767)	(110,879)
	630,151	280,942

Remeasurment adjustments
During the period the directors reassessed the estimated lease term of the Clifton Hill Branch. Upon review it was determined the company is reasonably certain exercise one of the two available 5 year extension options within the current lease agreement. As such the lease liability and right-of-use asset has been remeasured using a lease end date of 31 January 2031.

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:

Note 17. Lease liabilities (continued)

- 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
Clifton Hill Branch	7.50%	5 years	1 x 5 years	Yes	January 2031

Note 18. Issued capital

	2024 Shares	2023 Shares	2024 $	2023 $
Ordinary shares - fully paid	867,013	867,013	867,013	867,013
Less: Equity raising costs	-	-	(26,384)	(26,384)
Less: return of capital (2008)	-	-	(43,351)	(43,351)
Less: return of capital (2010)	-	-	(43,350)	(43,350)
	867,013	867,013	753,928	753,928

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).

Note 18. Issued capital (continued)

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

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

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 276. As at the date of this report, the company had 284 shareholders (2023: 285 shareholders).

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

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

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

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

Note 19. 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.

Note 19. Capital management (continued)

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

Note 20. 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 5 cents per share (2023: 5 cents)	43,351	43,351

Franking credits

	2024 $	2023 $
Franking account balance at the beginning of the financial year	20,691	6,965
Franking credits (debits) arising from income taxes paid (refunded)	7,110	28,176
Franking debits from the payment of franked distributions	(14,450)	(14,450)
	13,351	20,691
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	13,351	20,691
Franking credits (debits) that will arise from payment (refund) of income tax	111,619	107,294
Franking credits available for future reporting periods	124,970	127,985

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 21. Financial risk management

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

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

The directors have identified that the only significant financial risk exposures of the consolidated entity 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.

Note 21. Financial risk management (continued)

	2024 $	2023 $
Financial assets at amortised cost		
Trade and other receivables (note 11)	231,700	251,119
Cash and cash equivalents (note 10)	1,572,052	1,212,644
Investments (note 12)	611,191	603,025
	2,414,943	2,066,788
Financial liabilities		
Trade and other payables (note 16)	1,217,105	1,115,497
Lease liabilities (note 17)	630,151	280,942
	1,847,256	1,396,439

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

Accounting policy for financial instruments

Financial Assets

Classification
The company classifies its financial assets at amortised cost.

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

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

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 then 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 $1,572,052 and term deposits of $611,191 at 30 June 2024 (2023: $1,212,644 and $603,025).

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.

Note 21. Financial risk management (continued)

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 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	1,167,787	-	-	1,167,787
Lease liabilities	120,470	481,880	188,153	790,503
Total non-derivatives	1,288,257	481,880	188,153	1,958,290

2023	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	1,054,040	14,683	-	1,068,723
Lease liabilities	115,836	180,917	-	296,753
Total non-derivatives	1,169,876	195,600	-	1,365,476

Note 22. Key management personnel disclosures

Directors
The following persons were directors of Clifroy Limited during the financial year and/or up to the date of signing of these Financial Statements.

Graeme Russell
Rosalyn Mary Roberts
Jenny Maree Farrar
Daisy Chiumburu
James Joshua Sinclair
Peter Raymond Hille
Sean Martin Rooney
Zhedi Wu
Benjamin David Hubbard
Adrian Howard Nelson

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

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

Note 23. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 22.

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.

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

Note 24. 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	6,650	5,400
Other services		
Taxation advice and tax compliance services	700	1,010
General advisory services	3,745	2,530
Share registry services	5,723	5,205
	10,168	8,745
	16,818	14,145

Note 25. Reconciliation of profit after income tax to net cash provided by operating activities

	2024 $	2023 $
Profit after income tax expense for the year	356,696	353,957
Adjustments for:		
Depreciation and amortisation	128,381	119,485
Lease liabilities interest	16,921	15,327
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	19,699	(144,448)
Increase in income tax refund due	(716)	-
Increase in deferred tax assets	(6,025)	(525)
Increase/(decrease) in trade and other payables	(2,746)	957,881
Increase in provision for income tax	9,440	89,069
Increase in employee benefits	21,536	4,066
Increase in other provisions	1,063	1,031
Net cash provided by operating activities	544,249	1,395,843

Note 26. Earnings per share

	2024 $	2023 $
Profit after income tax	356,696	353,957
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	867,013	867,013
Weighted average number of ordinary shares used in calculating diluted earnings per share	867,013	867,013

Note 26. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	41.14	40.82
Diluted earnings per share	41.14	40.82

Accounting policy for earnings per share
Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Clifroy Limited, by the weighted average number of ordinary shares outstanding during the financial year.

Note 27. Commitments

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

Note 28. Contingencies

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

Note 29. 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

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; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

- 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

Graeme Russell
Chair

4 September 2024

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

Independent auditor's report to the Directors of Clifroy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Clifroy 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 Clifroy 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
ABN: 65 684 604 390
afs@afsbendigo.com.au
03 5443 0344

Other Information

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

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

In connection with our audit of the financial report, our responsibility is to read the other information 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: 4 September 2024

Adrian Downing
Lead Auditor

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Bendigo Bank