

Annual Report 2024

Cobden & Districts
Community Finance
Limited

Community Bank
Cobden & Districts and Camperdown

ABN 84 117 781 049



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Chairman's report

For year ending 30 June 2024

On behalf of the Board of Directors of Cobden & District Finance Limited, it is my pleasure to present the Annual Report for 2023 -24.

In January we celebrated our sponsorship goal of \$1,000,000 which was certainly a milestone after 18 years of dedicated commitment by the Board, the staff and especially the support from the Cobden and Camperdown communities. Without the support of the community the Community Bank would not have been able to assist so many organisations.

This year we have made significant contributions to the Camperdown Lions Club for an All Abilities Carousel (\$25,000), South Purumbete Recreation Reserve (\$6,000) and the inaugural Cobden Gift (\$10,000).

As well as these larger donations we have continued sponsorship for local shows, both Camperdown and Noorat and many sporting clubs.

Despite interest rates remaining high our revenue has not increased in the past year. We need to be more prudent in our spending and looking for more business opportunities to address this.

During the year we farewelled Margaret McMaster due to health reasons. Marg had been with the Community bank for more than 15 years and had lived and breathed the importance of supporting the community during that time. We particularly thank her for her commitment over so many years. Congratulations to Dianne Van Huesden who celebrated 14 years with the bank during the year. Dianne's community involvement for the bank has been exemplary during this time. We had a number of staff leave us during the year. Many of these staff were not with us for long and for various reasons chose to pursue other careers. We thank them for their contributions during their time with the bank. Each employee contributes in some way to the rich tapestry which is our Community Bank.

In December we welcomed Jasmine Bakic as new Branch Manager. Jasmine came to us with a rich banking experience but had the challenge of taking on a Branch Manager's role for the first time. She has had a number of new staff to train which is always a challenge and we thank her for the way she has performed this role.

The Board recruited one new member this year, Joan Scott. Joan has a business background having run her own businesses over many years and also has a passion for community involvement, as is evident in the many community groups in which she is involved. We welcome Joan and know she will be a great contributor to the Board.

I would like to thank Deputy Chris Spokes, Treasurer Brad Collins, Bill Duncanson, Jan Fleming and Chris Rodda for their continuing support and commitment to the Community Bank. The Board members have a strong presence in the community and have attended numerous events representing the bank during the past year.

I would like to particularly thank Board member and Company Secretary, Jan Fleming for the tireless commitment she has to the bank. Jan is not only outstanding in her role as Secretary but her ideas and contribution to the Board are invaluable

Like any volunteer organisation recruitment is an ongoing challenge especially with younger people. It is important that we continue to work on getting new Board members. The role is interesting, challenging and we are always looking for people enthusiastic and wanting to contribute to their community.

I would like to acknowledge Accountant Julie Finney for her time, wise counsel and commitment to the Community bank.

Former Directors Gary Kimber and Milton Parlour continue to play a role as Ambassadors actively participating in committee meetings and events and the Board appreciate their involvement.

Chairman's report (continued)

The Board continued with the engagement of social media company, The Social Connection, this year to improve our presence on social media platforms. This has raised our profile in the community and gives us a platform for promoting our commitment to the community.

We also thank WD News for their support with articles promoting our ongoing contributions throughout the year.

This year we farewelled, Regional Manager, Jason Chuck who has been of great support over several years and we thank him for this. Stacey O'Neill is now in this role and we are grateful for her support.

We were delighted to be able to maintain our commitment to our shareholders with a 7c fully franked dividend this Financial year.

Again it has been a difficult year especially with so many staff changes but we have a Board fully focused on the future of the Community Bank in our Shire and who are up to the challenges ahead. With so many changes in banking it is indeed difficult to predict the future but all Board members are committed to doing their very best for the Cobden and Camperdown Bank branches and our communities.



Patricia Robertson
Chairman

Manager's report

For year ending 30 June 2024

Dear Shareholders,

As Branch Manager of Community Bank Cobden & Districts and Camperdown, I am very pleased to submit my annual report to Shareholders for the 2023-24 financial year.

I am very privileged to be able to lead enthusiastic and dedicated staff members who are always adapting to the ever-changing needs of our customers and communities in addition to the many updates to our internal processes. We welcomed many new faces to the branches this year: Charmaine Delgado-Jimenez our Camperdown Customer Relationship Officer, Rebecca Lang our Camperdown Customer Service Officer, Brodie Love our Camperdown Customer Service Officer who also supports Cobden branch, Brooke McCormick our Cobden Customer Service Officer, and Daniel Semmens our Customer Relationship Manager. They joined our longstanding and fantastic Cobden Customer Relationship Officer Di Van Heusden. I would like to thank my staff, for their commitment and passion to Community Bank Cobden & Districts, Community Bank Camperdown and our communities.

We have farewelled Marg McMaster, Heather Gilbert and Sandra Buckingham as they move onto other endeavours. I would like to take this time to recognise Marg's contribution as the previous Branch Manager and a well-respected member of the branches and communities.

What a year it has been, many challenges to overcome, changes to embrace and new customers to welcome. We had a big focus this year on ensuring both branches were operating full-time which involved the training and coaching of all new staff. After 6 long months of temporary hours between branches we achieved this as a team in June 2024. We thank our communities for their patience and understanding during this time.

Today, many more people use Bendigo Bank's website, online banking and apps to transact and complete their everyday banking than ever before. We are still available in branch for face-to-face meetings, but this has also allowed us to service many more customers than we normally would by utilising our digital systems to complete home loan and other banking enquiries. This has also made banking easier and more convenient for our customers.

The Community Bank model says that when people bank with their local Community Bank branch, the bottom-line increases, which in turn increases the amount of community contributions and dividends available to be disbursed to the community. This remains true with Community Bank Cobden & Districts and Camperdown contributing \$103,526.75 to the local community this financial year as at 30 June 2024. Our largest contribution being \$25,000 for an all-abilities carousel in Camperdown. We can only imagine how these contributions have benefited our communities in supporting and helping it grow.

	2023	2024	Variance
Business Totals			
Cobden	\$89.4 million	\$101.2 million	\$11.8 million
Camperdown	\$73.7 million	\$80 million	\$6.3 million
Total	\$163.1 million	\$181.2 million	\$18.1 million

Manager's report (continued)

Thank you to our Board of Directors; Pat Robertson (Chair), Chris Spokes, Brad Collins, Jan Fleming, Bill Duncanson, Chris Rodda and Joan Scott for their ongoing support. I would also like to thank our Bendigo and Adelaide Bank representatives, especially our Regional Manager Stacey O'Neill for her ongoing support this year.

To our customers and shareholders, without your support we would not be able to do what we do and give back to the community. If there is anyone that you feel could benefit from our products and services, whether they be personal, business or agribusiness please do not hesitate to send them our way – we are always happy to support our customers in reaching their financial goals, whatever they may be.

In closing, I would like to express my continuing enthusiasm and excitement for the year ahead as the banking team and I work together with the Board of Directors to develop further business growth and a positive future for us all.

My team and I hope to see you soon.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Jasmine Bakic', with a long horizontal flourish extending to the right.

Jasmine Bakic
Branch Manager

Supporting our local community

\$1,085,305

Community contributions since 2006

Since opening for business in 2006 the customers of the Community Bank Cobden & Districts and Camperdown have returned more than \$1,085,305 into the local community by supporting the following clubs, organisations, and groups.



1st Cobden Scout Group
 1st Noorat Scout Group
 U3A Corangamite
 Advance Camperdown
 Apex Park Camperdown
 Ban the Bulb Project
 Beacon Newsletter (Port Campbell)
 Bookar Cricket Club
 Bostocks Creek Fire Brigade
 Camperdown & District Community House
 Camperdown & District Historical Society
 Camperdown Ambulance Aux.
 Camperdown Angling Club
 Camperdown Bowling Club
 Camperdown Business Network
 Camperdown College
 Camperdown Community Stadium
 Camperdown Cruise Inc.
 Camperdown Cycling Club
 Camperdown Fire Brigade
 Camperdown Football Netball Club
 Camperdown Garden Club
 Camperdown Girl Guides
 Camperdown Golf Club
 Camperdown Golf Bowls Club
 Camperdown Hospital Aux - Arts Show
 Camperdown Little Athletics
 Camperdown NextGen Inc.
 Camperdown P&A Society
 Camperdown Playgroup Inc.
 Camperdown Pre-School Assoc.
 Camperdown Probus Club Inc.

Camperdown Races
 Camperdown RSL Sub Branch
 Camperdown SES
 Camperdown Swimming Pool
 Camperdown Theatre Co. Ltd
 Camperdown Timboon Rail Trail Committee
 Camperdown Toy Library
 Camperdown Traders Night
 Camperdown Turf Club
 Camperdown Uniting Church
 Cancer Council Vic
 Christmas Community Meal
 Cobden & District Health Services
 Cobden & District Historical Society
 Cobden & District Kindergarten
 Cobden & District Pony Club
 Cobden Aero Club
 Cobden Airport Committee of Management
 Cobden Amateur Angling Club Inc.
 Cobden Amateur Swimming Club
 Cobden Angling Club
 Cobden Art Club (CDHS)
 Cobden Art Group
 Cobden Branch CWA
 Cobden Bowling Club
 Cobden Civic Hall
 Cobden Fire Brigade
 Cobden Football Netball Club
 Cobden Golf Club Inc.
 Cobden Health
 Cobden Junior Football Club
 Cobden Men's Shed

Cobden Playgroup
 Cobden Primary School
 Cobden Quota
 Cobden Recreation Reserve
 Cobden Safety House Committee
 Cobden Squash Club
 Cobden Swimming and Life-Saving Club
 Cobden Technical School
 Cobden Tennis Association
 Cobrico Hall
 Cooina Terang
 Corangamite AFLW Challenge Cup
 Corangamite Arts Inc.
 Corangamite Junior Hockey Association - U14 uniforms
 Corangamite Model Aircraft Club
 Corangamite Sportsmen's Club Inc.
 Corangamite U3A
 Crayfest Port Campbell
 Derrinallum College
 Derrinallum Progress Association
 Derrinallum Yacht & Power Boat Club
 Fire Fundraiser
 Girl Guides Camperdown
 Great South Coast Events Inc.
 Great South Coast Events Trestle 10
 Hampden Tennis Association
 Heytesbury Agricultural Society
 Heytesbury Indoor Bias Bowls Assoc.
 JDRF - Ava's team
 John Maher Road Safety Presentations
 Lakes & Craters Band
 LINC Church Services
 Lions Club of Camperdown
 Lismore Primary School
 Mercy Regional College
 Netball Association
 Nirranda Football Netball Club Inc.
 Noorat & District Pastoral Society
 Noorat Agricultural Society
 Pomborneit Cricket Club
 Pomborneit Fire Brigade
 Port Campbell Police

Port Campbell Progress Group
 Port Campbell Surf Life Saving Club
 Probus Club of Camperdown
 Probus Club of Cobden
 Progressing Cobden Inc.
 Relay for Life
 Robert Burns Festival
 Rock The Clock Camperdown
 Rotary Club of Camperdown
 Rotary Club of Cobden
 Royal Children's Hospital
 Shine For Life Church - Family Fun Day
 Simpson & District Community Centre - Ball & Chain newsletter
 Simpson Bowls Club
 Simpson Football Netball Club
 Simpson Indoor Bias Bowls Club
 Simpson Kindergarten
 Skipton & District Camp Draft Club
 South Purrumbete Recreation Reserve
 South West Cricket Association Inc.
 South Western Model Engineers Inc.
 South West Health Care
 South West Kart Club
 South West Vic Bushfire Appeal
 South West's Big Freeze
 South Western District Restoration Group
 Southwest Healthcare Camperdown
 St Mary's Anglican Church Guild
 St Patricks School
 Terang Police - CPR Machines
 The Good Enough Initiative
 Timboon Field & Game Club Inc.
 Timboon P12 School
 Tuniversal Music Group
 United Church in Australia
 Variety Club of Victoria
 Victorian Bushfire Appeal
 Weerite Public Hall
 WestVic Dairy
 Yachting Western Victoria
 Youth Taking Action

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

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:	Patricia Jean Robertson
Title:	Non-executive director
Experience and expertise:	Past Mayor and Councillor of Town of Camperdown. Current Member of Rotary Club of Camperdown. Former Member and Past Chairman of Mt Leura and Mt Sugarloaf Committee of Management. Current Chairman of Camperdown - Timboon Rail Trail Committee. Past District Governor of Rotary International. Former member of Sunnyside House Board (25 years). Past school Council President (Camperdown Primary School and Camperdown Highschool). Treasurer, Rotary Club of Camperdown Inc.
Special responsibilities:	Chair
Name:	Norman William Duncanson
Title:	Non-executive director
Experience and expertise:	Norman is currently retired with 30 years in Dairy Factory Manufacture Management. 6 years Industry Trainer/Assessor. Diploma Food Technology. Nationally Accredited Industry Trainer. Lions Club Member - 46 years. National Treasurer Lions Eye Health/Vision Programs. Trustee Lions District Charitable Fund. Accredited Lay Presider Uniting Church.
Special responsibilities:	Deputy Chair, Community Investments & Innovation Development(CID)/Marketing Committee
Name:	Bradley Weston Collins
Title:	Non-executive director
Experience and expertise:	Bradley is a Self-employed Dairy Farmer with experience as a Westvic Dairy Board Member, Leadership Great South Coast 2019, Dairy Australia Developing Leaders Program 2018, Ecklin Discussion Group Member.
Special responsibilities:	Treasurer, CID/Marketing Committee
Name:	Christopher Andrew Spokes
Title:	Non-executive director
Experience and expertise:	Christopher is a self-employed dairy farmer. Chair Weerite CFA, member of Weerite Public Hall Committee of management, Member of Corangamite UDV. Previously a licensed A Grade Electrician.
Special responsibilities:	CID/Marketing Committee
Name:	Christopher Rodda
Title:	Non-executive director
Experience and expertise:	Chris is a public servant with a Bachelor of Art degree. He has more than 20 years' experience in newspaper and magazine journalism and 7 years in the government sector. He has lived in Cobden since 2019.
Special responsibilities:	Nil
Name:	Janice Fleming
Title:	Non-executive director
Experience and expertise:	10 years Export Business Development in SE Asia and NZ. 14 years Business Manager in the automotive field. 8 years Sales Development in the chemical field and 5 years Admin/Bookkeeping including AP/AR, BAS and Payroll. Diploma Business Management and Export Functions. Bookkeeping and administration certificates.
Special responsibilities:	Finance Committee

Directors' report (continued)

Name: Joan Lorraine Scott
Title: Non-executive director (appointed 13 September 2023)
Experience and expertise: Retired former business owner. Involved in CWA, Cobden Seniors, Cobden SWME (Miniature Railway). Experience in Marketing, Risk, PR/Communications and a qualified Marine Engineer.

Name: Samuel Robert Henderson
Title: Non-executive director (appointed 29 July 2024)
Experience and expertise: Samuel joined the board in July of 2024, bringing over five years of experience and a certificate III in graphic design and a commitment to community involvement and service. Samuel is actively involved in local not for profits, he is dedicated to giving back and expanding his impact through his role on the board.
Special responsibilities: Nil

Company secretary

The company secretary is Janice Fleming. Janice was appointed to the position of company secretary on 15 November 2017.

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 \$336,943 (30 June 2023: \$262,672).

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 7 cents per share (2023: Nil cents)	50,750	-
Unfranked dividend of Nil cents per share (2023: 7 cents)	-	50,750
	<u>50,750</u>	<u>50,750</u>

Significant changes in the state of affairs

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

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

Matters subsequent to the end of the financial year

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

Likely developments and expected results of operations

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

Environmental regulation

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

Directors' report (continued)

Meetings of directors

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

	Board		Community Investments & Innovation Development/Marketing Committee		People, Risk & Assets Committee		Finance Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Patricia Jean Robertson	12	12	5	4	5	5	10	8
Norman William Duncanson	12	11	5	4	5	5	-	-
Bradley Weston Collins	12	8	5	3	-	-	10	8
Joan Lorraine Scott	10	9	5	4	-	-	-	-
Christopher Andrew Spokes	12	12	5	4	-	-	-	-
Christopher Rodda	12	9	-	-	-	-	-	-
Janice Fleming	12	12	5	5	5	5	10	9
Samuel Robert Henderson	-	-	-	-	-	-	-	-

Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 25 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Directors' interests

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Patricia Jean Robertson	1,000	-	1,000
Norman William Duncanson	500	-	500
Bradley Weston Collins	-	-	-
Joan Lorraine Scott	-	-	-
Christopher Andrew Spokes	-	-	-
Christopher Rodda	-	-	-
Janice Fleming	-	-	-
Samuel Robert Henderson	-	-	-

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.

Directors' report (continued)

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 26 to the accounts.

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

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

Auditor's independence declaration

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

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

On behalf of the directors



Patricia Jean Robertson
Chair

21st August 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 Cobden & Districts Community Finance Limited

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 21 August 2024

A handwritten signature in black ink, appearing to read 'Adrian Downing'.

Adrian Downing
Lead Auditor

Financial statements

Cobden & Districts Community Finance 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	1,278,920	1,334,781
Other revenue	8	6,312	57,302
Finance revenue		17,570	4,175
Total revenue		<u>1,302,802</u>	<u>1,396,258</u>
Employee benefits expense	9	(499,138)	(478,823)
Advertising and marketing costs		(16,589)	(14,038)
Occupancy and associated costs		(35,576)	(51,926)
System costs		(29,109)	(27,781)
Depreciation and amortisation expense	9	(68,815)	(93,234)
Finance costs		(7,461)	(7,589)
General administration expenses		(100,689)	(87,645)
Total expenses before community contributions and income tax		<u>(757,377)</u>	<u>(761,036)</u>
Profit before community contributions and income tax expense		545,425	635,222
Charitable donations and sponsorships expense	9	<u>(95,553)</u>	<u>(284,531)</u>
Profit before income tax expense		449,872	350,691
Income tax expense	10	<u>(112,929)</u>	<u>(88,019)</u>
Profit after income tax expense for the year		336,943	262,672
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>336,943</u>	<u>262,672</u>
		Cents	Cents
Basic earnings per share	28	46.47	36.23
Diluted earnings per share	28	46.47	36.23

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

Financial statements (continued)

Cobden & Districts Community Finance Limited Statement of financial position As at 30 June 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	11	34,002	65,196
Trade and other receivables	12	101,143	111,302
Investments	13	508,913	329,175
Total current assets		<u>644,058</u>	<u>505,673</u>
Non-current assets			
Property, plant and equipment	14	372,222	347,445
Right-of-use assets	15	172,601	185,606
Intangible assets	16	24,860	49,721
Deferred tax assets	10	8,248	19,298
Total non-current assets		<u>577,931</u>	<u>602,070</u>
Total assets		<u>1,221,989</u>	<u>1,107,743</u>
Liabilities			
Current liabilities			
Trade and other payables	17	64,211	178,983
Borrowings		-	5,302
Lease liabilities	18	18,952	12,361
Current tax liabilities	10	56,491	56,151
Employee benefits	19	35,248	71,290
Total current liabilities		<u>174,902</u>	<u>324,087</u>
Non-current liabilities			
Borrowings		-	5,944
Lease liabilities	18	170,204	188,045
Employee benefits	19	1,253	456
Lease make good provision		5,532	5,306
Total non-current liabilities		<u>176,989</u>	<u>199,751</u>
Total liabilities		<u>351,891</u>	<u>523,838</u>
Net assets		<u>870,098</u>	<u>583,905</u>
Equity			
Issued capital	20	698,455	698,455
Retained earnings/(accumulated losses)		171,643	(114,550)
Total equity		<u>870,098</u>	<u>583,905</u>

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

Financial statements (continued)

Cobden & Districts Community Finance 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		698,455	(326,472)	371,983
Profit after income tax expense		-	262,672	262,672
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	262,672	262,672
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	22	-	(50,750)	(50,750)
Balance at 30 June 2023		<u>698,455</u>	<u>(114,550)</u>	<u>583,905</u>
Balance at 1 July 2023		698,455	(114,550)	583,905
Profit after income tax expense		-	336,943	336,943
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	336,943	336,943
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	22	-	(50,750)	(50,750)
Balance at 30 June 2024		<u>698,455</u>	<u>171,643</u>	<u>870,098</u>

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

Financial statements (continued)

Cobden & Districts Community Finance 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)		1,427,913	1,515,587
Payments to suppliers and employees (inclusive of GST)		(1,030,426)	(969,789)
Interest received		8,738	4,175
Interest and other finance costs paid		(484)	(820)
Income taxes paid		(101,539)	-
Net cash provided by operating activities	27	<u>304,202</u>	<u>549,153</u>
Cash flows from investing activities			
Redemption of/(investment in) term deposits		(179,738)	(329,175)
Payments for property, plant and equipment		(70,734)	(29,913)
Payments for intangible assets		(26,400)	(52,206)
Proceeds from disposal of property, plant and equipment		22,728	-
Net cash used in investing activities		<u>(254,144)</u>	<u>(411,294)</u>
Cash flows from financing activities			
Repayment of lease liabilities		(19,260)	(16,520)
Interest and other finance costs paid		(6,787)	(6,855)
Dividends paid	22	(50,750)	(50,750)
Repayment of borrowings		(4,455)	1,725
Net cash used in financing activities		<u>(81,252)</u>	<u>(72,400)</u>
Net increase/(decrease) in cash and cash equivalents		(31,194)	65,459
Cash and cash equivalents at the beginning of the financial year		<u>65,196</u>	<u>(263)</u>
Cash and cash equivalents at the end of the financial year	11	<u><u>34,002</u></u>	<u><u>65,196</u></u>

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 Cobden & Districts Community Finance Limited (the company) as an individual entity, which is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 37 Curdie Street, Cobden VIC 3266.

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 21 August 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.

Notes to the financial statements (continued)

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.

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.

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.

Notes to the financial statements (continued)

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

Allowance for expected credit losses on trade and other receivables

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

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

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

Impairment of non-financial assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity 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 company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

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

Estimates and assumptions

Estimation of useful lives of assets

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

Notes to the financial statements (continued)

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

Incremental borrowing rate

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

Employee benefits provision

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

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

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

Lease make good provision

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

Note 5. Economic dependency

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

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

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

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

The credit risk (i.e. the risk that a customer will not make repayments) is for the 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.

Notes to the financial statements (continued)

Note 5. Economic dependency (continued)

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

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

Note 6. 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 comparative 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 \$329,175 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 \$37,697.

Note 7. Revenue from contracts with customers

	2024 \$	2023 \$
Margin income	1,071,944	1,119,530
Fee income	57,834	60,711
Commission income	149,142	154,540
	<u>1,278,920</u>	<u>1,334,781</u>

Notes to the financial statements (continued)

Note 7. Revenue from contracts with customers (continued)

Accounting policy for revenue from contracts with customers

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

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

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

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

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

Revenue calculation

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

Margin income

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

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

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

Commission income

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

Fee income

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

Core banking products

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

Notes to the financial statements (continued)

Note 7. Revenue from contracts with customers (continued)

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. Other revenue

	2024	2023
	\$	\$
Net gain on disposal of property, plant and equipment	6,312	-
Market development fund	-	56,250
Other income	-	1,052
	<u>6,312</u>	<u>57,302</u>

Accounting policy for market development fund

In previous years Bendigo Bank made market development fund (MDF) payments to the company, which has been based on the volume of business attributed to a branch. The purpose of the discretionary payments is to assist with local market development activities, including community sponsorships and grants. It is for the board to decide how to use the MDF. The payments from Bendigo Bank are discretionary and may change the amount or stop making them at any time. Bendigo Bank ceased the MDF during the previous year and therefore the company did not receive any contributions during the current financial year.

Note 9. Expenses

Employee benefits expense

	2024	2023
	\$	\$
Wages and salaries	435,875	398,504
Non-cash benefits	7,044	6,861
Superannuation contributions	44,929	40,644
Expenses related to long service leave	(10,659)	7,038
Other expenses	21,949	25,776
	<u>499,138</u>	<u>478,823</u>

Notes to the financial statements (continued)

Note 9. Expenses (continued)

Depreciation and amortisation expense

	2024 \$	2023 \$
<i>Depreciation of non-current assets</i>		
Buildings	2,284	2,284
Leasehold improvements	19,534	18,617
Plant and equipment	874	27,600
Motor vehicles	6,849	6,584
	<u>29,541</u>	<u>55,085</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	<u>14,413</u>	<u>13,290</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	4,144	4,143
Franchise establishment fee	10,000	10,000
Franchise renewal fee	10,717	10,716
	<u>24,861</u>	<u>24,859</u>
	<u>68,815</u>	<u>93,234</u>

Leases recognition exemption

	2024 \$	2023 \$
Expenses relating to low-value leases	<u>8,516</u>	<u>9,308</u>

Charitable donations and sponsorships expense

	2024 \$	2023 \$
Direct donation, sponsorship and grant payments	<u>95,553</u>	<u>284,531</u>

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

Notes to the financial statements (continued)

Note 10. Income tax

	2024 \$	2023 \$
<i>Income tax expense</i>		
Current tax	101,879	56,151
Movement in deferred tax	11,050	(5,410)
Recoupment of prior year tax losses	-	37,278
	<u>112,929</u>	<u>88,019</u>
<i>Aggregate income tax expense</i>		
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	449,872	350,691
Tax at the statutory tax rate of 25%	112,468	87,673
Tax effect of:		
Non-deductible expenses	461	346
Income tax expense	<u>112,929</u>	<u>88,019</u>
	2024 \$	2023 \$
<i>Deferred tax assets/(liabilities)</i>		
Employee benefits	9,125	17,937
Provision for lease make good	1,383	1,327
Deductible prepayments	(4,190)	(3,666)
Income accruals	(2,209)	-
Lease liabilities	47,289	50,102
Right-of-use assets	(43,150)	(46,402)
Deferred tax asset	<u>8,248</u>	<u>19,298</u>
	2024 \$	2023 \$
Provision for income tax	<u>56,491</u>	<u>56,151</u>

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.

Notes to the financial statements (continued)

Note 11. Cash and cash equivalents

	2024 \$	2023 \$
Cash at bank and on hand	34,002	65,196

Note 12. Trade and other receivables

	2024 \$	2023 \$
Trade receivables	75,549	96,641
Accrued income	8,832	-
Prepayments	16,762	14,661
	<u>25,594</u>	<u>14,661</u>
	<u>101,143</u>	<u>111,302</u>

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 13. Investments

	2024 \$	2023 \$
<i>Current assets</i>		
Term deposits	508,913	329,175

Note 14. Property, plant and equipment

	2024 \$	2023 \$
Land - at cost	49,252	49,252
Buildings - at cost	91,366	91,366
Less: Accumulated depreciation	(28,916)	(26,632)
	<u>62,450</u>	<u>64,734</u>
Leasehold improvements - at cost	389,507	357,945
Less: Accumulated depreciation	(180,432)	(160,897)
	<u>209,075</u>	<u>197,048</u>
Plant and equipment - at cost	84,476	81,107
Less: Accumulated depreciation	(65,971)	(65,097)
	<u>18,505</u>	<u>16,010</u>
Motor vehicles - at cost	35,804	32,920
Less: Accumulated depreciation	(2,864)	(12,519)
	<u>32,940</u>	<u>20,401</u>
	<u>372,222</u>	<u>347,445</u>

Notes to the financial statements (continued)

Note 14. Property, plant and equipment (continued)

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

	Land \$	Buildings \$	Leasehold improvements \$	Plant and equipment \$	Motor Vehicle \$	Total \$
Balance at 1 July 2022	49,252	67,018	208,600	20,762	26,985	372,617
Additions	-	-	7,065	22,848	-	29,913
Depreciation	-	(2,284)	(18,617)	(27,600)	(6,584)	(55,085)
Balance at 30 June 2023	49,252	64,734	197,048	16,010	20,401	347,445
Additions	-	-	31,561	3,369	35,804	70,734
Disposals	-	-	-	-	(16,416)	(16,416)
Depreciation	-	(2,284)	(19,534)	(874)	(6,849)	(29,541)
Balance at 30 June 2024	<u>49,252</u>	<u>62,450</u>	<u>209,075</u>	<u>18,505</u>	<u>32,940</u>	<u>372,222</u>

Accounting policy for property, plant and equipment

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

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

Leasehold improvements	4 to 40 years
Plant & equipment	0 to 40 years
Motor Vehicles	5 years

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets. Land is not depreciated.

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 15. Right-of-use assets

	2024 \$	2023 \$
Land and buildings - right-of-use	239,399	237,991
Less: Accumulated depreciation	<u>(66,798)</u>	<u>(52,385)</u>
	<u>172,601</u>	<u>185,606</u>

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

	Land and buildings \$
Balance at 1 July 2022	186,059
Remeasurement adjustments	12,837
Depreciation expense	<u>(13,290)</u>
Balance at 30 June 2023	185,606
Remeasurement adjustments	1,408
Depreciation expense	<u>(14,413)</u>
Balance at 30 June 2024	<u>172,601</u>

Notes to the financial statements (continued)

Note 15. Right-of-use assets (continued)

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 18 for more information on lease arrangements.

Note 16. Intangible assets

	2024 \$	2023 \$
Franchise fee	71,440	71,440
Less: Accumulated amortisation	(67,297)	(63,152)
	<u>4,143</u>	<u>8,288</u>
Franchise renewal fee	157,203	157,203
Less: Accumulated amortisation	(146,486)	(135,770)
	<u>10,717</u>	<u>21,433</u>
Franchise establishment fee - Camperdown	50,000	50,000
Less: Accumulated amortisation	(40,000)	(30,000)
	<u>10,000</u>	<u>20,000</u>
	<u>24,860</u>	<u>49,721</u>

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

	Franchise fee \$	Establishment fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2022	12,430	30,000	32,150	74,580
Amortisation expense	(4,143)	(10,000)	(10,716)	(24,859)
Balance at 30 June 2023	8,287	20,000	21,434	49,721
Amortisation expense	(4,144)	(10,000)	(10,717)	(24,861)
Balance at 30 June 2024	<u>4,143</u>	<u>10,000</u>	<u>10,717</u>	<u>24,860</u>

Accounting policy for intangible assets

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

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

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

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

<u>Asset class</u>	<u>Method</u>	<u>Useful life</u>	<u>Expiry/renewal date</u>
Establishment fee	Straight-line	Over the franchise term (5 years)	June 2025
Franchise fee	Straight-line	Over the franchise term (4 years)	June 2025
Franchise renewal fee	Straight-line	Over the franchise term (4 years)	June 2025

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

Change in estimates

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

Notes to the financial statements (continued)

Note 17. Trade and other payables

	2024 \$	2023 \$
<i>Current liabilities</i>		
Trade payables	15,253	93,459
Other payables and accruals	48,958	85,524
	<u>64,211</u>	<u>178,983</u>
	2024 \$	2023 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Trade and other payables	64,211	178,983
less other payables and accruals (net GST payable to the ATO)	<u>(24,184)</u>	<u>(24,535)</u>
	<u>40,027</u>	<u>154,448</u>

Note 18. Lease liabilities

	2024 \$	2023 \$
<i>Current liabilities</i>		
Land and buildings lease liabilities	<u>18,952</u>	<u>12,361</u>
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	<u>170,204</u>	<u>188,045</u>
<i>Reconciliation of lease liabilities</i>		
	2024 \$	2023 \$
Opening balance	200,406	197,234
Remeasurement adjustments	8,010	12,837
Lease interest expense	6,787	6,855
Lease payments - total cash outflow	<u>(26,047)</u>	<u>(16,520)</u>
	<u>189,156</u>	<u>200,406</u>

Accounting policy for lease liabilities

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

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

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

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Cobden Branch	3.54%	5 years	2 x 5 years	Yes	June 2036

Notes to the financial statements (continued)

Note 19. Employee benefits

	2024 \$	2023 \$
<i>Current liabilities</i>		
Annual leave	19,096	42,955
Long service leave	16,152	28,335
	<u>35,248</u>	<u>71,290</u>
<i>Non-current liabilities</i>		
Long service leave	<u>1,253</u>	<u>456</u>

Accounting policy for short-term employee benefits

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

Accounting policy for other long-term employee benefits

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

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

Note 20. Issued capital

	2024 Shares	2023 Shares	2024 \$	2023 \$
Ordinary shares - fully paid	725,012	725,012	725,012	725,012
Less: Equity raising costs	-	-	(26,557)	(26,557)
	<u>725,012</u>	<u>725,012</u>	<u>698,455</u>	<u>698,455</u>

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).

Notes to the financial statements (continued)

Note 20. Issued capital

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 302. As at the date of this report, the company had 328 shareholders (2023: 329 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 21. Capital management

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

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

The distribution limit is the greater of:

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

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

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

Notes to the financial statements (continued)

Note 22. 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 7 cents per share (2023: Nil cents)	50,750	-
Unfranked dividend of Nil cents per share (2023: 7 cents)	-	50,750
	<u>50,750</u>	<u>50,750</u>

Franking credits

	2024 \$	2023 \$
Franking credits (debits) arising from income taxes paid (refunded)	101,539	-
Franking debits from the payment of franked distributions	16,917	-
	<u>118,456</u>	<u>-</u>
<i>Franking transactions that will arise subsequent to the financial year end:</i>		
Balance at the end of the financial year	118,456	-
Franking credits (debits) that will arise from payment (refund) of income tax	56,491	56,151
Franking credits available for future reporting periods	<u>174,947</u>	<u>56,151</u>

Accounting policy for dividends

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

Note 23. 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.

Notes to the financial statements (continued)

Note 23. Financial risk management (continued)

	2024	2023
	\$	\$
Financial assets at amortised cost		
Trade and other receivables (note 12)	84,381	96,641
Cash and cash equivalents (note 11)	34,002	65,196
	<u>118,383</u>	<u>161,837</u>
Financial liabilities		
Trade and other payables (note 17)	40,027	154,448
Lease liabilities (note 18)	189,156	200,406
Chattel mortgage	-	11,246
	<u>229,183</u>	<u>366,100</u>

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

Accounting policy for financial instruments

Financial assets

Classification

The company classifies its financial assets into the following categories:

- 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 subject to movements in market interest rates. The company held cash and cash equivalents of \$34,002 at 30 June 2023 (2023: \$65,196) and term deposits of \$508,913 at 30 June 2024 (2024: \$329,175).

Notes to the financial statements (continued)

Note 23. Financial risk management (continued)

Price risk

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

Liquidity risk

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

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

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2024				
Trade and other payables	64,211	-	-	64,211
Lease liabilities	18,952	77,026	134,796	230,774
Total non-derivatives	83,163	77,026	134,796	294,985
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2023				
Trade and other payables	178,983	-	-	178,983
Lease liabilities	19,256	77,026	154,052	250,334
Chattel mortgage	5,302	5,944	-	11,246
Total non-derivatives	203,541	82,970	154,052	440,563

Note 24. Key management personnel disclosures

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

Patricia Jean Robertson	Christopher Andrew Spokes
Norman William Duncanson	Christopher Rodda
Bradley Weston Collins	Janice Fleming
Joan Lorraine Scott	Samuel Robert Henderson

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 25. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 24.

Receivable from and payable to related parties

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

Terms and conditions of transactions with related parties

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

Notes to the financial statements (continued)

Note 25. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	2024 \$	2023 \$
A director owns and operates a local Kitchens and Joinery business which the bank used for joinery works at the Cobden branch.	-	5,508
The company provided a grant to the Lions Club of Camperdown which a director was a Facilitator of the Club's Vision Screening Program.	25,000	-
The company provided a sponsorship to Camperdown Girl Guides where a director's family member is the Treasurer.	5,000	-

Note 26. 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 \$
<i>Audit services</i>		
Audit or review of the financial statements	7,850	5,900
<i>Other services</i>		
Taxation advice and tax compliance services	450	-
General advisory services	3,546	3,590
Share registry services	6,813	5,078
	10,809	8,668
	<u>18,659</u>	<u>14,568</u>

Note 27. Reconciliation of profit after income tax to net cash provided by operating activities

	2024 \$	2023 \$
Profit after income tax expense for the year	336,943	262,672
Adjustments for:		
Depreciation and amortisation	68,815	92,024
Net gain on disposal of non-current assets	(6,312)	-
Lease liabilities interest	6,787	6,855
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	10,159	(18,232)
Decrease in deferred tax assets	11,050	31,868
Increase/(decrease) in trade and other payables	(88,524)	96,922
Increase in provision for income tax	340	56,151
Increase/(decrease) in employee benefits	(35,245)	20,708
Increase in other provisions	189	185
Net cash provided by operating activities	<u>304,202</u>	<u>549,153</u>

Notes to the financial statements (continued)

Note 28. Earnings per share

	2024	2023
	\$	\$
Profit after income tax	<u>336,943</u>	<u>262,672</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>725,012</u>	<u>725,012</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>725,012</u>	<u>725,012</u>
	Cents	Cents
Basic earnings per share	46.47	36.23
Diluted earnings per share	46.47	36.23

Accounting policy for earnings per share

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

Note 29. Commitments

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

Note 30. Contingencies

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

Note 31. 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;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the company does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, a consolidated entity disclosure statement has not been included as section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

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

On behalf of the directors


Patricia Jean Robertson
Chair

21st August 2024

Independent audit report



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

Independent auditor's report to the Directors of Cobden & Districts Community Finance Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Cobden & Districts Community Finance Limited (the company), which comprises:

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

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

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

Basis for 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.



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Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's responsibilities for the Audit of the Financial Report

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



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

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

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 21 August 2024

A handwritten signature in black ink, appearing to read 'Adrian Downing'.

Adrian Downing
Lead Auditor

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 /communitybankcobdenandcamperdown

 **Bendigo Bank**