Annual Report 2024

Dingley Village Financial Services Limited

Community Bank Dingley Village

ABN 27 098 041 493

Acknowledgement of Country

Community Bank Dingley Village proudly acknowledges the Bunurong People of the Kulin Nation and the Aboriginal and Torres Strait Islander peoples as the First Peoples of this nation and the Traditional Custodians of the land where we live, learn and work.

We pay our respects to Elders past and present as it is their knowledge and experience that holds the key to the success of future generations.

Contents

Chair's report

Welcome to the 23rd annual report 2024. We continue to move forward in very challenging and trying times. As we move to the new normal post the pandemic, we are reminded of the consequences of the pandemic and global turmoils that effects our daily lives. The effects and resultant, cost of living pressures, are felt by all but especially by our most vulnerable. In a market of uncertain interest rates, and troubling times, you can comfort in the fact your Community Bank, can continue, to provide the essential service of banking for all in our community. While the environment continues to be challenged, impacted by both domestic and world events, we in Dingley Village are a stable, profitable community focused business.

We have operated for 23 full financial years having commenced operation on 22nd April 2002. With the establishment of Community Bank Dingley Village in February 2001, Dingley Village Financial Services Limited is an important feature in the Dingley Village community. We remain a very successful single branch site within the Bendigo Bank branch network, which is testament of our vibrant, thriving and dedicated Dingley Village community, and prudent management by your volunteer bank board.

In this report we again have the opportunity to retell our story and remind our community who we are. Dingley Village Financial Services Limited – although you know us better as your Community Bank – is a "profit with purpose" enterprise. The company achieved Social Enterprise Certification with Social Traders at the end of 2023, recognition of the works we do for all in our community.

Dingley Village Financial Services Limited earns money by partnering with the Bendigo Bank so we can contribute back to our community, with up to 80% of all profits, given back in the form of grants and sponsorships.

As you will no doubt be aware, as in past years, we continue to be involved in several exciting projects and initiatives, your Community Bank Dingley Village, have either facilitated individually or participated in with other key stakeholders. While there are simply too many projects, groups and organisations that we have assisted to mention in this report, as in previous years, we have continued to maintain our significant levels of support for local kindergartens, primary schools, secondary schools, sporting clubs, charitable organisations and organisations which support and assist, our kids, young people our elderly and some of the most vulnerable members of our community.

Our continued involvement and support of sporting clubs helps to keep sport affordable, keeping our kids and young people active, sporting clubs provide a structure, a feeling of engagement, of being part of something bigger than the sum of their own parts. It's our hope this engagement leads our young people to making better discussions, leading to better outcomes.

We have now given back well over $6,500,000 to our local community! This figure was achieved with, and because of our community and their continued Community Bank support. The overall amount will continue to grow, but we could not achieve these milestones without your continued support.

To you, our shareholders, and owners, we again say thank you, thank you for having put faith in a new banking concept and contributed your funds through a prospectus to raise $630,000 to fund our Community Bank

Your faith and support have allowed us, your Board of Directors, to approve and pay back $941,850 in fully franked dividends, we have also made two (2) returns of capital, in total $1,004,850 returned to you our community and shareholders.

Year in review

Given all the changing market conditions, I have again reached out to our Market Economist Mr David Robertson Chief Economist, Head of Economics and Market Research at Bendigo Bank for his thoughts.

He said: The Australian economy faces a difficult period ahead as cost-of-living pressures persist, and as the necessary RBA policy response to the breakout of inflation (higher interest rates) is likely to extend into next year. Households and businesses are trying to balance their budgets to deal with this challenging environment, but while this all means the first RBA rate cut is unlikely until May 2025 there is some relief on its way with the stage three tax cuts now in place, and inflation expected to steadily trend to 3% over the next 9 months. The economy is expected to benefit from this fiscal support, and from the pickup in export demand (including international tourism) and resilient labour markets – but real GDP growth will remain low in 2024 and only pick up to around 2% in 2025. Discretionary spending has gone backwards in real terms over the last financial year but should start to improve in 2025 as household incomes recover.

For the financial services sector demand for credit has slowed but should bottom out in the next 6–12 months and deposit growth should be supported by the stage three tax cuts and near-full employment. Arrears rates and business insolvency rates have risen back to pre-pandemic levels but are not yet higher than the long-term average. Our forecast of the unemployment rate trending back to 4 ½% may extend this credit cycle, but only a sharper rise above 5% unemployment would risk a more problematic outcome for credit. The housing sector remains resilient and housing shortages have kept a floor under property prices, although less so in Victoria than other states. Overall while I am not expecting more RBA rate hikes (although there is roughly a 10% chance of one in the coming months) equally I am not expecting a cut until mid-next year, so the economy will continue to adjust to this reality.

Thank you David

Our branch

Our Branch Manager Trish Vanes continues to lead our branch, under her leadership, the branch continues to grow and remains a friendly, efficient workplace. Trish has many years' experience, managing branches and is revelling in the Community Bank model, and is an important part of our wonderful Dingley Village community.

Staff morale is always of the highest order, as they are our faces of the business and the connection between the company and the community. They never fail to have a smile on their face and are always eager and willing to assist. Never forget, you can still telephone the branch on 9551 6111 and speak to a real person, without having to push a single extra digit!

Board members

We remain reflective of a diverse and modern board and welcome Justine Causing to the team, she brings her own values and strengths to the board, your board is now more reflective of the modern society within which we operate. We pride ourselves on being a dynamic board, able to change and respond to the needs of our wider community.

As Chair, I wish to personally thank all Board members and their partners for their support over the year, for the time they have given this company on a voluntary basis. Their commitment, dedication, and support to me, as the Chair, is measured by the fact of the extraordinary success of Community Bank Dingley Village.

The board members act without remuneration, voluntarily, and for the benefit of the shareholders and our community. They give selflessly and without any accolade and little, if any, recognition.

I am confident the coming years will bring continued success for the Community Bank Dingley Village branch.

I wish you all a safe, happy and a prosperous holiday season and look forward to continuing and extending our successes in 2025.

Darren Bodey
Chair

Branch Manager's report

It is my pleasure to submit my report to the shareholders of Dingley Village Financial Services Limited for the financial year ending 30 June 2024.

We have continued to see challenges in our economy with rising interest rates and increased cost of living. The impact of this has seen the property market slow down resulting in a decrease of property settlements.

Withstanding the challenges to our banking climate and lending conditions, Community Bank Dingley Village has held strong and continued to assist both new and existing customers with tailored solutions based on their financial needs, as well as find new avenues to create opportunities to grow our business. We are committed to ensure we focus on what matters to our customers and helping them navigate these challenging times.

Our total branch footings (loans and deposits) as of June 2024 is $197 million (up 7.4%).

Total customers at 4,666 who hold an average of 2.2 products which is an increase of 22% from the previous year. We attribute this to the holistic conversations our staff are having with our customers; to deepen the relationship we have with them and ensure our customers see us as their main bank.

As other banks continue to close and reduce essential banking services to the community our branch team are dedicated to providing service excellence ensuring customers have the ability to speak with a team member in branch or over the phone no matter what their banking enquiry is or alternatively, we can provide a flexible approach where we can meet our customers at a convenient location to them.

We thank our customers and not-for-profit organisations we partner with for being our biggest advocates. Our Community Engagement Advisor Emma Eckhardt works alongside these groups to build our brand and promote the benefits of banking with Community Bank Dingley Village. Our commitment to partnering with more local groups in the coming year will see stronger relationships which will in turn allow us to return more profits back to our community.

I would like to take this opportunity to thank our branch team for their dedication to our customers and community and for their hard work not only during working hours but also at events they attend to promote our Community Bank.

Thank you to our board of directors, you continue to support the Community Bank Dingley Village when you already have busy lives.

A warm thank you to our shareholders and customers who support us every day, this support is essential to the success of our community and future success.

Our commitment to be the best Community Bank in the region is something we continue to strive for and by delivering customers excellent personal service as well as helping our community grow and prosper will see Community Bank Dingley Village grow from strength to strength.

Trish Vanes
Branch Manager

Bendigo and Adelaide Bank report

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

CBNC report

OUR VOICE COMMUNITY BANK NATIONAL COUNCIL

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

In the 2022–23 financial year, our Community Bank network gave back more than $32 million in grants, sponsorships and donations to local community projects and initiatives. Over 26 years, we have returned more than $366 million to local communities for emergency services; facilities and infrastructure; sport and recreation; education and research; health and wellbeing; art, culture and heritage as well as environment and animal welfare.

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

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

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

The *2024–26 Community Bank National Council Strategic Plan* has four key focus areas:

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

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

Warm regards

Lauren Bean
General Manager
Community Bank National Council

Directors' report

The directors present their report on Dingley Village Financial Services Limited for the financial year ended 30 June 2024.

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Darren Bodey, Chair

Qualifications: Qualified electrician, registered commercial building practitioner, 34 years as the managing Director of a commercial building business. Director of the company since 2006. Darren is a member of the human resources, community engagement and property sub committees.

Vittesh Lilani, Company Secretary, Treasurer

Qualifications: FCPA, FIPA, FNTAA, Dip of Financial Planning, MIT, BCom with 19 years of experience in the field of accounting and taxation. Director in SS Accounting Solutions and SS Group of Companies. He has been involved with the integration of varied culture groups within the larger community.

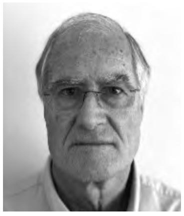
Treasurer and finance sub committee member.

Adam Arness, Deputy Chair

Qualifications: Bachelor of Laws LL.B. Monash University. Grad Dip. Legal Practice. Lawyer with over ten years in private practice and in-house roles. General commercial law background with focus on employment law/workplace relations. Extensive experience on local committees. Member of the finance sub committee.

Stephen Duggan

Qualifications: MBA (Distinction), Grad.Dip. Trade Mark Practice, B.Business HRD, Grad. Dip Career Counselling. Long term resident of Dingley Village. Over 25 years of C suite management experience across a diverse range of industries, with responsibilities for domestic and international markets. Currently, President of John Monash Science School Council. Member of the community engagement, human resources and property sub committees.



Greg Lawes

Qualifications: Greg had a 28 year banking career with experience in computerisation, preparing bank policy, large scale marketing campaigns, publicity, and also as an executive branch manager in Collins Street. On leaving banking Greg started a debt collection company, which currently employs 16 staff and operates Australia wide. Greg has been a resident of Dingley Village for over 40 years and understands the banking needs of the local residents. Member of the finance and HR sub committees.

James Hardy

Qualifications: Jim has had extensive experience in commercial banking and project finance across diverse markets including senior management roles at Bendigo and Adelaide Bank. Jim has been involved in several community groups as a volunteer and specialises in engaging with community and government including match funding negotiation and project scoping. Jim is a member of the finance and community engagement sub committees.

Scott Lowther

Appointed on 30 August 2023

Qualifications: MBA, B Sc. (Chem), Grad. cert. Computing, Dip. Fin Services, GAICD. Long term resident of Dingley Village, now Heatherton. 21 years running his own consulting business across a diverse range of industries both local and internationally. Involved in the local football netball club for over 20 years, including roles such as secretary, coach for boys and girls teams, team manager and currently board chair for Make a Difference Dingley Village. Scott is a member of the finance and community engagement sub committees.

Justine Causing

Appointed on 26 June 2024

Qualifications: BBiomedSc, currently pursuing a Master's in Public Health specialising in Medical Pharmacoepidemiology Research, Monash University. Justine has helped lead community and international projects as Secretary at Interact Club Rowville/Lysterfield, earning the Knox City Young Leaders award. She is also actively involved with the South Eastern Predators Gridiron Club as the Social Media Lead.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activity of Dingley Village Financial Services Limited during the financial year was the provision of banking services to the business and residential community.

No significant changes in the nature of the company's activity occurred during the financial year.

Operating results

The profit of the company after providing for income tax amounted to $143,970 (2023: $387,457).

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the company during the year.

Matters or circumstances arising after the end of the year.

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

Environmental matters

The company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

Dividends paid or recommended

A fully franked interim dividend of $50,400 ($0.08 per share) was declared on 23 November 2023 and was paid during the year.

Meetings of directors

During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' meetings	
	Number eligible to attend	Number attended
Darren Bodey (Chair)	11	11
Vittesh Lilani (Company Secretary, Treasurer)	11	9
Adam Arness (Deputy Chair)	11	9
Stephen Duggan	11	10
Greg Lawes	11	8
James Hardy	11	8
Scott Lowther – Appointed 30 August 2023	10	10
Justine Causing – Appointed 26 June 2024	1	1

Options

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

Indemnification and insurance of officers and auditors

The company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The premiums for each director amounted to $622 (2023: $654).

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2024 has been received and can be found on page 11.

Remuneration report

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

The board's policy in respect of the Branch Manager is to maintain remuneration at parity within the Community Bank network and local market rates for comparable roles.

There are no company executives who are directly accountable and responsible for the strategic direction of the entity. This is wholly a board role (who act in a voluntary capacity).

Dingley Village Financial Services Limited has accepted the Community Bank Directors' Privileges package. The package is available to all directors who can elect to avail themselves of the benefits based on their personal banking with the Community Bank Dingley Village. There is no requirement to own Bendigo Bank shares and there is no qualification period to qualify to use the benefits. The package mirrors the benefits currently available to Bendigo Bank shareholders.

Signed in accordance with a resolution of the board of directors:

Darren Bodey
Chair

Vittesh Lilani
Company Secretary

Dated 25 September 2024

Auditor's independence declaration

Ashfords Audit & Assurance Pty Ltd

ABN 52 138 965 241
Level 3, 148 Logis Boulevard, Dandenong South VIC 3175
PO Box 4525 Dandenong South VIC 3164
(03) 9551 2822
audit@ashfords.com.au

Dingley Village Financial Services Limited
ABN: 27 098 041 493

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Dingley Village Financial Services Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, there have been:

(i) no contraventions of the auditor independence requirements as set out in 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.

Ashfords Audit and Assurance

Ashfords Audit and Assurance Pty Ltd
Chartered Accountants

Andrew White
Director
25 September 2024

Level 3, 148 Logis Boulevard, Dandenong South, Vic. 3175

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Financial statements

Statement of profit or loss and other comprehensive income

For the financial year ending 30 June 2024

	Note	2024 $	2023 $
Revenue	4	1,743,209	2,014,680
Employee benefits expense	5	(608,180)	(603,232)
Depreciation and amortisation expense	5	(122,621)	(127,210)
Occupancy		(96,632)	(86,664)
Computer expenses		(28,612)	(22,516)
Legal expenses		(6,916)	(2,998)
Marketing expense		(8,497)	(9,883)
Other expenses		(219,917)	(221,534)
Finance expenses		(8,497)	(11,497)
Profit before community contributions and income tax		**643,337**	**929,146**
Community grants sponsorships and donations		(450,381)	(399,257)
Profit before income tax expense		**192,956**	**529,889**
Income tax expense	6	(48,986)	(142,432)
Profit for the year		**143,970**	**387,457**
Other comprehensive income for the year, net of tax		–	–
Total comprehensive income for the year		143,970	387,457
Earnings per share			
From continuing and discontinued operations:			
Basic earnings per share (cents)		22.85	61.50

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of financial position

As at 30 June 2024

	Note	2024 $	2023 $
ASSETS			
Current assets			
Cash and cash equivalents	8	1,012,498	982,685
Trade and other receivables	9	156,143	190,943
Total current assets		**1,168,641**	**1,173,628**
Non-current assets			
Property, plant and equipment	10	349,646	453,526
Deferred tax assets	20	17,287	18,274
Intangible assets	11	26,585	39,877
Total non-current assets		**393,518**	**511,677**
Total assets		**1,562,159**	**1,685,305**
LIABILITIES			
Current liabilities			
Trade and other payables	12	79,448	119,588
Lease liabilities	13	114,105	117,320
Current tax liabilities	20	51,737	102,539
Employee benefits	14	23,134	20,485
Total current liabilities		**268,424**	**359,932**
Non current liabilities			
Trade and other payables	12	14,622	29,243
Lease liabilities	13	44,473	158,577
Deferred tax liabilities	20	15,860	19,599
Employee benefits	14	16,756	9,500
Total non current liabilities		**91,711**	**216,919**
Total liabilities		**360,135**	**576,851**
Net assets		**1,202,024**	**1,108,454**
EQUITY			
Issued capital	15	567,000	567,000
Retained earnings		635,024	541,454
Total equity		**1,202,024**	**1,108,454**

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of changes in equity

For the financial year ending 30 June 2024

	Note	Issued capital $	Retained earnings $	Total $
2024				
Balance at 1 July 2023		**567,000**	**541,454**	**1,108,454**
Total comprehensive Income for the year		–	143,970	143,970
Dividends paid or provided for	7	–	(50,400)	(50,400)
Balance at 30 June 2024		**567,000**	**635,024**	**1,202,024**
2023				
Balance at 1 July 2022		**567,010**	**191,797**	**758,807**
Total comprehensive Income for the year		–	387,457	387,457
Reduction of shares		(10)	–	(10)
Dividends paid or provided for	7	–	(37,800)	(37,800)
Balance at 30 June 2023		**567,000**	**541,454**	**1,108,454**

The accompanying notes form part of these financial statements.

Statement of cash flows

For the financial year ending 30 June 2024

	Note	2024 $	2023 $
Cash flows from operating activities			
Receipts from customers		1,915,015	2,145,382
Payments to suppliers and employees		(1,639,183)	(1,557,006)
Interest received		33,924	5,716
Interest paid		(8,497)	(11,497)
Income taxes refunded/(paid)		(102,540)	–
Net cash provided by operating activities	24	**198,719**	**582,595**
Cash flows from investing activities			
Purchase of property, plant and equipment		(5,449)	(2,074)
Net cash used by investing activities		**(5,449)**	**(2,074)**
Cash flows from financing activities			
Proceeds from/(repayments of) borrowings		(23,568)	(24,644)
Dividends paid		(46,137)	(36,585)
Payment of lease liabilities		(93,752)	(86,256)
Reduction of share capital		–	(10)
Net cash used in financing activities		**(163,457)**	**(147,495)**
Net increase/(decrease) in cash and cash equivalents held		29,813	433,026
Cash and cash equivalents at beginning of year		982,685	549,659
Cash and cash equivalents at end of financial year	8	**1,012,498**	**982,685**

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ending 30 June 2024

The financial report covers Dingley Village Financial Services Limited as an individual entity. Dingley Village Financial Services Limited is a for-profit company limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of Dingley Village Financial Services Limited is Australian dollars.

The financial report was authorised for issue by the directors on 25 September 2024.

Comparatives are consistent with prior years, unless otherwise stated.

Note 1. Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

These financial statements and associated notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

Note 2. Summary of significant accounting policies

a) Income tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

b) Revenue and other income

All revenue is stated net of the amount of goods and services tax (GST).

Interest revenue

Interest is recognised using the effective interest method.

Revenue from contract with customers

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

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

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

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

Revenue calculation

The franchise agreement provides that three forms of revenue may be earned by the company; margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services.

The revenue earned by the company is dependent on the business that it generates. It may also be affected by other factors, such as economic and local conditions, for example, interest rates.

Notes to the financial statements (continued)

Note 2. Summary of significant accounting policies (continued)
(b) Revenue and other income (continued)

Core banking products

Bendigo Bank has identified some Bendigo Bank Group 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.

Margin

Margin is arrived at through the following calculation:

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

For those products and services on which margin is paid, the company is entitled to a share of the margin earned by Bendigo Bank (i.e. income adjusted for Bendigo Bank interest expense and interest income return). However, if this reflects a loss, the company incurs a share of that loss.

Commission

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

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

Fee income

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

Ability to change financial return

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

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

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

Discretionary financial contributions

In addition to margin, commission and fee income, and separate from the franchise agreement, Bendigo Bank has also made discretionary financial payments to the company. These are referred to by Bendigo Bank as a "Market Development Fund" (MDF).

Notes to the financial statements (continued)

Note 2. Summary of significant accounting policies (continued)
(b) Revenue and other income (continued)

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

The payments from Bendigo Bank are discretionary and Bendigo Bank may change the amount or stop making them at any time. No MDF payments were received this financial year.

Other income is recognised on an accruals basis when the company is entitled to it.

c) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

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

d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment of losses.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include: purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on straight-line or reducing balance basis over the assets useful life to the company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings right of use	20%
Plant and equipment	7.5% to 37.5%
Leasehold improvements	2.5% to 20%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

e) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The company's financial instruments include trade debtors and creditors, cash and cash equivalents, borrowings and leases.

Sub-note below refer to the following acronyms:

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

Recognition and initial measurement

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

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

Financial assets – classification and subsequent measurement

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

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

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

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

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

Financial assets – business model assessment

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

Note 2. Summary of significant accounting policies (continued)
(e) Financial instruments (continued)

Financial assets – subsequent measurement and gains and losses

Financial assets at amortised cost

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

Financial liabilities – classification, subsequent measurement and gains and losses

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

Derecognition

Financial assets

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

Financial liabilities

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

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

Offsetting

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

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Losses recognised in the prior period statement of profit or loss and other comprehensive income resulting from the impairment of debt securities are reversed through the statement of profit or loss and other comprehensive income, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the company uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Note 2. Summary of significant accounting policies (continued)
(e) Financial instruments (continued)

Impairment of financial assets

Non-derivative financial assets

The company recognises a loss allowance for ECL on:

- financial assets that are measured at FVTOCI;
- lease receivables;
- loan commitments that are not measured at FVTPL; and
- financial guarantee contracts that are not measured at FVTPL

At the end of the reporting period the company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

f) Impairment of non-financial assets

At the end of each reporting period the company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

g) Intangible assets

The franchise fee paid to Bendigo Bank has been recorded at cost and is amortised on a straight line basis over the life of the franchise agreement.

The renewal processing fee paid to Bendigo Bank when renewing the franchise agreement has also been recorded at cost and is amortised on a straight line basis over the life of the franchise agreement.

h) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

i) Leases

At inception of a contract, the company assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset – this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

At the lease commencement, the company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

j) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of profit or loss and other comprehensive income.

k) Economic dependence

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank branch at Dingley Village, Victoria.

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 branch on behalf of Bendigo Bank, however all transactions with customers conducted through the Community Bank branches 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. Bendigo Bank provides significant assistance in establishing and maintaining the Community Bank branch 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 in relation to:

- advice and assistance in relation to the design, layout and fit out of the Community Bank branch;
- 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; and
- sales techniques and proper customer relations.

l) Adoption of new and revised accounting standards

During the current year, the company adopted all of the new, revised or amended accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. The adoption of new and accounting standards and interpretations did not have any significant impact on the financial performance or position of the company.

	2024 $	2023 $

Note 3. Critical accounting estimates and judgements

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

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

Note	Judgement
Note 5 – revenue recognition	· whether revenue is recognised over time or at a point in time
Note 15 – leases	· whether a contract is or contains a lease at inception by assessing whether the company has the right to direct the use of the identified asset and obtain substantially all the economic benefits from the use of that asset · whether the company is reasonably certain to exercise extension options, termination periods, and purchase options; · judgement is required to determine the discount rate, where the discount rate is the company's incremental borrowing rate if the rate implicit in the lease contract cannot be readily determined. The incremental borrowing rate is determined with reference to factors specific to the company and underlying asset including: – the amount – the lease term – economic environment; and – other relevant factors

Note 4. Revenue

Revenue from continuing operations

	2024 $	2023 $
Revenue from contracts with customers		
Provision of services	1,583,924	1,877,856
Upfront product commissions	42,709	41,172
Fee Income	64,260	68,327
Products/services commission	14,692	13,775
	1,705,585	**2,001,130**
Finance income		
Other interest received	33,924	5,716
Total finance income	**33,924**	**5,716**
Other trading revenue	3,700	7,834
Total revenue	**1,743,209**	**2,014,680**

Notes to the financial statements (continued)

	2024 $	2023 $

Note 4. Revenue and other income (continued)

Disaggregation of revenue from contracts with customers

Time of revenue recognition		
At a point in time	1,705,585	2,001,130
Revenue from contracts with customers	**1,705,585**	**2,001,130**
Type of contract		
Provision of services	1,705,585	2,001,130
Revenue from contracts with customers	**1,705,585**	**2,001,130**

Note 5. Result for the year

The result for the year includes the following specific expenses:

Other expenses		
Employee benefits expense	608,180	603,232
Depreciation expense	109,328	113,918
Amortisation expense	13,292	13,292
Impairment of receivables		
Bad debts	(259)	194
Total impairment of receivables	**(259)**	**194**

Note 6. Income tax expense

a) The major components of tax expense (income) comprise:

Current tax expense		
Deferred tax expense		
Origination and reversal of temporary differences	(2,751)	32,846
Current tax	51,737	102,539
Under/(over) provision in respect of prior years	–	7,047
Total income tax expense	**48,986**	**142,432**

b) Reconciliation of income tax to accounting profit:

Prima facie tax payable on profit from ordinary activities before income tax at 25% (2023: 25%)	48,239	132,472
Add tax effect of:		
Under provision for income tax in prior year	–	7,047
Non-deductible expenses	747	2,913
	48,986	**142,432**
Less tax effect of:		
Income tax expense	**48,986**	**142,432**

Notes to the financial statements (continued)

	2024 $	2023 $

Note 7. Dividends

a) The following dividends were declared

Final franked ordinary dividend of 8 cents (2023: 6 cents) per share	**50,400**	37,800

Franking account

The franking credits available for subsequent financial years at a tax rate of 25%	**202,030**	**119,537**

The above available balance is based on the dividend franking account at year-end adjusted for:

a) Franking credits that will arise from the payment of the current tax liabilities;

b) Franking debits that will arise from the payment of dividends recognised as a liability at the year end;

c) Franking credits that will arise from the receipt of dividends recognised as receivables at the end of the year.

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

Note 8. Cash and cash equivalents

Cash at bank in hand	1,012,498	982,685
	1,012,498	**982,685**

Note 9. Trade and other receivables

Current

Trade receivables	154,464	186,926
	154,464	**186,926**
Deposits	1,679	4,017
Total current trade and other receivables	**156,143**	**190,943**

Note 10. Property, plant and equipment

	2024 $	2023 $
Plant and equipment		
At cost	104,141	100,788
Accumulated depreciation	(94,395)	(91,129)
Total plant and equipment	**9,746**	**9,659**
Motor vehicles		
At cost	69,527	69,527
Accumulated depreciation	(36,409)	(25,370)
Total motor vehicles	**33,118**	**44,157**
Leasehold Improvements		
At cost	528,234	526,138
Accumulated amortisation	(340,351)	(329,255)
Total leasehold improvements	**187,883**	**196,883**
Right of use asset		
At cost	573,509	573,509
Accumulated depreciation	(454,610)	(370,682)
Total right of use asset	**118,899**	**202,827**
Total property, plant and equipment	**349,646**	**453,526**

a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and equipment $	Motor vehicles $	Leasehold improvements $	Right of use asset $	Total $
Year ended 30 June 2024					
Balance at the beginning of year	9,659	44,157	196,883	202,827	453,526
Additions	3,353	–	2,096	–	5,449
Depreciation expense	(3,266)	(11,039)	(11,096)	(83,928)	(109,329)
Balance at the end of the year	**9,746**	**33,118**	**187,883**	**118,899**	**349,646**
Year ended 30 June 2023					
Balance at the beginning of year	10,825	58,876	208,914	286,755	565,370
Additions	2,071	–	–	–	2,071
Depreciation expense	(3,237)	(14,719)	(12,031)	(83,928)	(113,915)
Balance at the end of the year	**9,659**	**44,157**	**196,883**	**202,827**	**453,526**

	2024 $	2023 $

Note 11. Intangible assets

Development costs		
Cost	720	720
Accumulated amortisation and impairment	(720)	(720)
Net carrying value	–	–
Licenses and franchises		
Cost	66,462	66,462
Accumulated amortisation and impairment	(39,877)	(26,585)
Net carrying value	26,585	39,877
Other Intangible assets		
Cost	19,758	19,758
Accumulated amortisation and impairment	(19,758)	(19,758)
Net carrying value	–	–
Total Intangibles	**26,585**	**39,877**

a) Movements in carrying amounts of intangible assets

Year ended 30 June 2024	Licenses and franchises $	Total $
Balance at the beginning of the year	39,877	39,877
Amortisation	(13,292)	(13,292)
Closing value at 30 June 2024	**26,585**	**26,585**

The franchise agreement was renewed in 2022 and expires in 2027. The franchise fee is amortised over the five year term.

Note 12. Trade and other payables

	2024 $	2023 $
Current		
Unsecured liabilities		
Trade payables	23,704	45,166
Franchise fee payable	15,772	15,772
Other payables	16,114	40,459
	55,590	**101,397**
Credit card	1,404	–
Dividend payable	22,454	18,191
	79,448	**119,588**
Non-current		
Franchise fee payable	14,622	29,243
	14,622	**29,243**

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

Note 13. Lease liabilities

Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate on the adoption date. The discount rate used on recognition was 4%.

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

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

Lease portfolio

The company's lease portfolio includes:

- Branch – The lease agreement is a non-cancellable lease with a term of five years which commenced on 16 November 2019. No significant changes as at 30 June 2024.

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

a) Lease liability measurement

Where the company is a lessee for the premises to conduct its business, extension options are included in the lease term except when the company is reasonably certain not to exercise the extension option. This is due to the significant disruption of relocating premises and the loss on disposal of leasehold improvements fitted out in the demised leased premises.

Note 13. Lease liabilities (continued)

b) Lease liabilities

	Note	2024 $	2023 $
Current			
Lease liability	16	101,714	93,753
Bank loans		12,391	23,567
Total current borrowings		**114,105**	**117,320**
Non-current			
Lease liability	16	44,473	146,186
Bank loans		–	12,391
Total non-current borrowings		**44,473**	**158,577**

Note 14. Employee benefits

	2024 $	2023 $
Current liabilities		
Provision for employee benefits	23,134	20,485
	23,134	**20,485**
Non current liabilities		
Long service leave	16,756	9,500
	16,756	**9,500**

Note 15. Issued capital

	2024 $	2023 $
630,000 (2023: 630,000) Ordinary shares	**567,000**	**567,000**

a) Voting rights

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.

b) 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.

Notes to the financial statements (continued)

	2024 $	2023 $

Note 15. Issued capital (continued)

c) Transfer

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

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

Note 16. Capital and leasing commitments

a) Leases

Minimum lease payments	2024 $	2023 $
Not later than one year	105,730	101,664
Between one year and five years	44,918	150,648
Minimum lease payments	**150,648**	**252,312**
Less: finance changes	(4,463)	(12,374)
Present value of minimum lease payments	**146,185**	**239,938**

Note 17. Remuneration of auditors

	2024 $	2023 $
Remuneration of the auditor of the entity for auditing or reviewing the financial statements	**12,900**	**12,428**

Note 18. Related parties

All directors of the company are on a voluntary basis, therefore no remuneration guidelines have been prepared. There were no related party transactions during the year.

Note 19. Events occurring after the reporting date

The financial report was authorised for issue on 25 September 2024 by the board of directors.

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

	2024 $	2023 $

Note 20. Tax assets and liabilities

	2024 $	2023 $
Income tax payable	51,737	102,539
Current tax liabilities	**51,737**	**102,539**
Recognised deferred tax assets and liabilities		
Deferred tax assets	17,287	18,274
Deferred tax liabilities	15,860	19,599

	Opening balance $	Charged to income $	Closing balance $
Deferred tax assets			
Fair value gain adjustments	5,170	2,326	7,496
Deferred tax assets attributable to tax losses	–	1,500	1,500
Tax losses	9,860	(582)	9,278
Balance at 30 June 2023	**15,030**	**3,244**	**18,274**
Fair value gain adjustments	7,496	2,500	9,996
Deferred tax assets attributable to tax losses	1,500	(1,031)	469
Tax losses	9,278	(2,456)	6,822
Balance at 30 June 2024	**18,274**	**(987)**	**17,287**
Deferred tax liabilities			
Property, plant and equipment – revaluation	19,525	74	19,599
Balance at 30 June 2023	**19,525**	**74**	**19,599**
Property, plant and equipment – revaluation	19,599	(3,739)	15,860
Balance at 30 June 2024	**19,599**	**(3,739)**	**15,860**

Note 21. Financial risk management

The company's activities expose it to a limited variety of financial risks: market risk (including currency risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity. The entity does not use derivative instruments.

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

Market risk

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

Price risk

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

Credit risk

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

Liquidity risk

Prudent liquidity management implies maintaining sufficient cash and marketable securities and the availability of funding from credit facilities. The company believes that its sound relationship with Bendigo Bank mitigates this risk significantly.

Cash flow and fair value interest rate risk

Interest bearing assets are held with Bendigo Bank and subject to movements in market interest. Interest rate risk could also arise from long term borrowings. Borrowings issued at variable rates expose the company to cash flow interest rate risk. The company believes that its sound relationship with Bendigo Bank mitigates this risk significantly.

Capital manager

The board's policy is to maintain a strong capital base so as to sustain future development of the company. The board of directors monitor the return on capital and the potential level of dividends to shareholders. Capital is represented by total equity as recorded in the Balance Sheet.

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

The distribution limit is the greater of:

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

b) subject to the availability of distributable profits, the relevant rate of return multiplied by the average level of share capital of the franchisee over that 12 month period where the relevant rate of return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2024 can be seen in the Statement of Profit or Loss and Other Comprehensive Income.

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

Note 21. Financial risk management (continued)

Financial instrument composition and maturity analysis

The company's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted average effective interest rate		Floating interest rate		Non-interest bearing	
Financial assets	2024 %	2023 %	2024 $	2023 $	2024 $	2023 $
Cash and cash equivalents	3.00	3.00	132,682	153,545	–	–
Short term deposits	4.75	5.00	879,816	829,140	–	–
Receivables	–	–	–	–	156,144	190,943
Total financial assets			**1,012,498**	**982,685**	**156,144**	**190,943**
Financial liabilities						
Bank loans and overdrafts	5.00	5.00	12,391	35,958	–	–
Trade and other payables	–	–	–	–	79,448	118,438
Lease liabilities	4.00	4.00	146,187	239,939	–	–
Total financial liabilities			**158,578**	**275,897**	**79,448**	**118,438**

	2024 $	2023 $
Financial assets		
Cash and cash equivalents	132,682	153,545
Short term deposits	879,816	829,140
Receivables	156,144	190,943
Total financial assets	**1,168,642**	**1,173,628**
Financial liabilities		
Bank loans and overdrafts	12,391	35,958
Trade and other payables	79,448	118,438
Lease liabilities	146,187	239,939
Total financial liabilities	**238,026**	**394,335**

Credit risk

The company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 9. The main source of credit risk to the company is considered to relate to the class of assets described as 'trade and other receivables'. It has policies in place to ensure that customers have an appropriate credit history. The company's franchise agreement limits the company's credit risk exposure to one financial institution, being Bendigo Bank.

	2024 $	2023 $

Note 22. Contingencies

On 25 June 2021, the company received a notice from the Australian Securities and Investments Commission (ASIC) requesting information to be provided to ASIC. The company has complied with the ASIC notice. As at the date of the this report the process initiated by ASIC is continuing and, as a result, no further information will be disclosed in this report.

In the opinion of the Directors, the company did not have any other contingencies at 30 June 2024 (30 June 2023: no other contingencies).

Note 23. Segment reporting

The company operates in the financial services sector where it provides banking services to its clients.
The company operates in one geographic area being Dingley Village, Victoria. The company has a franchise agreement in place with Bendigo Bank which accounts for 100% of the revenue.

Note 24. Cash flow information

a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

Profit for the year	143,970	387,457
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Amortisation	13,292	13,292
Depreciation	109,330	113,918
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in trade and other receivables	34,800	(70,721)
Increase/(decrease) in income taxes payable	987	32,772
Increase/(decrease) in trade and other payables	(59,024)	(6,041)
Increase/(decrease) in income taxes payable	(54,541)	102,614
Increase/(decrease) in employee benefits	9,905	9,304
Cashflow from operations	**198,719**	**582,595**

Note 25. Company details

The registered office and principal place of business of the company is:

Dingley Village Financial Services Limited
Shop 11, 79 Centre Dandenong Road
Dingley Village VIC 3172

Directors' declaration

The directors of the company declare that:

1. The financial statements and notes for the year ended 30 June 2024 are in accordance with the *Corporations Act 2001* and:
    a. comply with Accounting Standards, which, as stated in accounting policy note 2 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
    b. give a true and fair view of the financial position and performance of the company.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Darren Bodey
Chair

Dated 25 September 2024

Vittesh Lilani
Company Secretary

Independent audit report

ASHFORDS
AUDIT & ASSURANCE

Ashfords Audit & Assurance Pty Ltd
ABN 52 138 965 241
Level 3, 148 Logis Boulevard, Dandenong South VIC 3175
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Dingley Village Financial Services Limited

Independent Audit Report to the members of Dingley Village Financial Services Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Dingley Village Financial Services Limited (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Responsibilities of Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the 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 to 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

Dingley Village Financial Services Limited

Independent Audit Report to the members of Dingley Village Financial Services Limited

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, related safeguards.

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

Ashfords Audit and Assurance

Ashfords Audit and Assurance Pty Ltd
Chartered Accountants

Andrew White
Director

Level 3, 148 Logis Boulevard, Dandenong South, Vic. 3175

25 September 2024

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Web: bendigobank.com.au/dingley-village

Franchisee: Dingley Village Financial Services Limited
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Share Registry:
RSD Registry
PO Box 30, Bendigo VIC 3552
Phone: (03) 5445 4222
Fax: (03) 5444 4344
Email: shares@rsdregistry.com.au

facebook.com/communitybankdingleyvillage

Bendigo Bank

Bendigo and Adelaide Bank Limited ABN 11 068 049 178, AFSL/Australian Credit Licence 237879 A1429506 OUT_40353203 16/09/2024