Annual Report 2024

Henty Community Financial Services Ltd

Community Bank
Henty

ABN 20 084 864 835

Contents

Chairman's report

For year ending 30 June 2024

Welcome to the report on the operations of Henty Community Financial Services Ltd, the Company that operates your Bank, Community Bank Henty.

The past year has been yet again a very successful one for the Community Bank, producing another outstanding profit and creating some great reserves for the benefit of the community moving forward.

During the year we have installed another electronic signboard on the northern entrance to town which compliments the one we installed at the southern end of town and certainly lifts the appearance of the town from both directions and gives local businesses and community organisations the opportunity to advertise and promote our community.

On top of this we have funded renovations at the Community Club which include storage area and children's playroom, as well as numerous other donations and sponsorships.

The year has seen some major staff changes at the branch with two of our long serving staff members in Sharon and Gaynor taking long service leave and eventual retirement. We would like to take this opportunity to thank them both for their years of wonderful service and contribution to help make Community Bank Henty what it is today.

We also say farewell to Tayla who has chosen to further her studies and enter the world of education, we wish her well in her endeavours.

We welcome our new Manager, Rhiannon, who is busy installing a new look team and has some great initiatives to take our branch through the next phase. It is also wonderful to have Steph back after maternity leave.

Our branch is in a very strong financial position and the Board is excited about the future of your Community Bank.

Last year Community Bank Henty celebrated our 25th birthday milestone and many people reflected on the contribution we have made to the district and how we have helped the community become a better place to live and I would like to take this opportunity to acknowledge and thank the Board of Directors for the countless hours they volunteer to make all of this happen.

John Ellis
Chairman
Henty Community Financial Services Ltd

Manager's report

For year ending 30 June 2024

It is with much pleasure that I present my first Manager's report for Community Bank Henty after taking on the Branch Manager role in May for year ending 30 June 2024.

Our growth this year has slightly decreased with our portfolio currently sitting at just over $153 mil. Majority of this decline was from our Rural and consumer lending. Deposits did increase.

Our branch focus for the year ahead is adding value to our existing customers while building new relationships in the community to ultimately grow our business.

It has been a busy year with quite a few changes of staff over the last year and I would like to welcome our new starters Clinton and Sharon who have stepped straight in and showing to be great assets to the team. Well done to Lucy our trainee who is coming to the end of her studies. Throughout the staff changes Jacinda and Michelle have been there to help support the staff, branch and our customers. We also welcome back Steph from Maternity leave. A very big thankyou to all the staff for the amazing work throughout the year and adapting quickly to all these changes. We farewelled Sharon Gardiner this year and wish her all the best in Retirement, Gaynor has also stepped out of the business for now on some much deserved Long Service Leave – we hope she enjoys her travels.

Thank you also to our directors who work tirelessly to ensure that our business remains strong and have been there to support me as I stepped in to manage the branch. We are extremely fortunate to have such a Board who continue to focus on strengthening our local community.

Most of all I would like to thank our shareholders, our individual customers and the local businesses and groups that choose to bank with Community Bank Henty. It is because of you that we are able to provide the support that we do to the local community. On behalf of myself and the branch staff, thank you for your continued support. We look forward to seeing you in the bank.

Rhiannon Rutland
Branch Manager
Community Bank Henty

Directors' report

For the year ended 30 June 2024

The Directors present their report, together with the financial statements, on Henty Community Financial Services Limited for the financial year ended 30 June 2024.

Board of Directors

The following persons were Directors of Henty Community Financial Services Limited during the whole of the financial year up to the date of this report, unless otherwise stated:

John Ellis	
Title:	Chair
Qualifications:	Board members since June 1996
Experience & Expertise:	Field Marketing Agronomist, Director/Partner of small business

Hugh Clancy	
Title:	Treasurer
Qualifications:	Board member since June 2009
Experience & Expertise:	Qualified Motor Mechanic, current farming business partner

Helen McRorie	
Title:	Secretary
Qualifications:	Board member since June 2009
Experience & Expertise:	Current farmining business partner

Leigh Eulenstein	
Title:	Director
Qualifications:	Board member since September 2013
Experience & Expertise:	Small business owner

Dennis Kane	
Title:	Director
Qualifications:	Board member since February 2017
Experience & Expertise:	Small business owner

Rachelle Roulston	
Title:	Director
Qualifications:	Board member since March 2018
Experience & Expertise:	Director

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

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

Company Secretary

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

Helen McRorie	
Qualifications:	Board member since June 2009
Experience & Expertise:	Current farmining business partner

Principal Activities

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

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

Operating Results

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

	30 June 2024 ($)	30 June 2023 ($)	Movement
Profit/ (Loss) After Tax	(52,558)	41,464	-227%

Directors' Benefits

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

Director's Interests

Director	Fully Paid Ordinary Shares		
	Balance at 1 July 2023	Changes During the Year	Balance at 30 June 2024
John Ellis	1,500	-	1,500
Hugh Clancy	1,150	-	1,150
Helen McRorie	800	-	800
Leigh Eulenstein	3,500	-	3,500
Dennis Kane	500	-	500
Rachelle Roulston	600	-	600

Dividends

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

	Cents per Share	Total Amount ($)
Final fully franked dividend	9.00	$24,618
Total Amount	**9.00**	**$24,618**

Options

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

Significant Changes in the State of Affairs

In the opinion of the directors there were no other significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

Events Since the end of the Financial Year

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

Likely Developments

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

Environmental Regulations

The Company is not subject to any significant environmental regulation.

Indemnification & Insurance of Directors & Officers

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

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The Company has not provided any insurance for an auditor of the company or a related body corporate.

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* .

Auditor's Independence Declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7 of this financial report.

Signed in accordance with a resolution of the Board of Directors at Henty, NSW.

John Ellis
Chair

Dated this 26th day of September, 2024

Auditor's independence declaration

41A Breen Street
Bendigo, Victoria
PO Box 448, Bendigo, VIC, 3552

Ph: (03) 4435 3550
admin@rsdaudit.com.au
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Auditors Independence Declaration under section 307C of the *Corporations Act 2001*
to the Directors of Henty Community Financial Services Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Henty Community Financial Services Limited. As the lead audit partner for the audit of the financial report for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) Any applicable code of professional conduct in relation to the audit.

RSD Audit

Josh Porker
Principal

41A Breen Street
Bendigo VIC 3550

Dated: 30 September 2024

Financial statements

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2024

	Note	2024 $	2023 $
Revenue			
Revenue from contracts with customers	7	1,219,948	1,237,513
Other revenue	8	91,861	27,716
Finance income	9	25,203	22,099
		1,337,012	**1,287,328**
Expenses			
Employee benefits expense	10	(340,678)	(363,847)
Depreciation and amortisation	10	(38,221)	(31,401)
Administration and general costs		(68,043)	(51,141)
Occupancy expenses		(25,846)	(45,104)
IT expenses		(14,737)	(14,991)
Promotion and advertising costs		(5,016)	(1,594)
Commission expense		(32,207)	(25,978)
Sponsorship expense		(13,112)	(15,260)
Other expenses		(64,874)	(31,847)
		(602,734)	**(581,163)**
Operating profit before charitable donations		**734,278**	**706,165**
Charitable donations	10	(756,381)	(654,545)
Profit/(loss) before before income tax		**(22,103)**	**51,620**
Income tax expense	11	(30,455)	(10,156)
Profit/(loss) for the year after income tax		**(52,558)**	**41,464**
Other comprehensive income		-	-
Total comprehensive income for the year		**(52,558)**	**41,464**
Profit/(loss) attributable to the ordinary shareholders of the company		(52,558)	41,464
Total comprehensive income attributable to ordinary shareholders of the company		**(52,558)**	**41,464**
Earnings per share		¢	¢
- basic and diluted earnings per share	28	(19.64)	15.50

The accompanying notes form part of these financial statements

Statement of Financial Position
As at 30 June 2024

	Note	2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	12	89,305	42,879
Trade and other receivables	13	159,938	154,087
Financial assets	14	385,340	303,608
Current tax asset	18	5,430	11,567
Other assets	15	9,675	3,302
Total current assets		**649,688**	**515,443**
Non-current assets			
Property, plant and equipment	16	235,360	184,533
Intangible assets	17	60,171	4,821
Deferred tax assets	18	-	30,863
Total non-current assets		**295,531**	**220,217**
Total assets		**945,219**	**735,660**
Liabilities			
Current liabilities			
Trade and other payables	19	352,725	53,386
Employee benefits	20	55,945	78,675
Total current liabilities		**408,670**	**132,061**
Non-current liabilities			
Employee benefits	20	3,042	1,695
Deferred tax liability	18	8,779	-
Total non-current liabilities		**11,821**	**1,695**
Total liabilities		**420,491**	**133,756**
Net assets		**524,728**	**601,904**
Equity			
Issued capital	21	267,585	267,585
Retained earnings	22	257,143	334,319
Total equity		**524,728**	**601,904**

The accompanying notes form part of these financial statements

Statement of Changes in Equity
For the year ended 30 June 2024

	Note	Issued Capital $	Retained Earnings $	Total Equity $
Balance at 1 July 2022		**267,585**	**313,980**	**581,565**
Comprehensive income for the year				
Profit for the year		-	41,464	41,464
Transactions with owners in their capacity as owners				
Dividends paid or provided	27	-	(21,125)	(21,125)
Balance at 30 June 2023		**267,585**	**334,319**	**601,904**
Balance at 1 July 2023		**267,585**	**334,319**	**601,904**
Comprehensive income for the year				
Loss for the year		-	(52,558)	(52,558)
Transactions with owners in their capacity as owners				
Dividends paid or provided	27	-	(24,618)	(24,618)
Balance at 30 June 2024		**267,585**	**257,143**	**524,728**

The accompanying notes form part of these financial statements

Statement of Cash Flows
For the year ended 30 June 2024

	Note	2024 $	2023 $
Cash flows from operating activities			
Receipts from customers		1,351,430	1,282,327
Payments to suppliers and employees		(484,357)	(613,356)
Dividends received		15,844	18,277
Donations paid		(756,381)	(654,545)
Interest received		9,359	3,822
Income tax paid		15,323	1,143
Net cash flows provided by operating activities	23b	**151,218**	**37,668**
Cash flows from investing activities			
Purchase of property, plant and equipment		(75,253)	(56,865)
Purchase of investments		(4,921)	(3,830)
Net cash flows used in investing activities		**(80,174)**	**(60,695)**
Cash flows from financing activities			
Dividends paid		(24,618)	(21,125)
Net cash flows used in financing activities		**(24,618)**	**(21,125)**
Net increase/(decrease) in cash held		**46,426**	**(44,152)**
Cash and cash equivalents at beginning of financial year		42,879	87,031
Cash and cash equivalents at end of financial year	23a	**89,305**	**42,879**

The accompanying notes form part of these financial statements

Notes to the financial statements

For the year ended 30 June 2024

Note 1. Corporate Information

These financial statements and notes represent those of Henty Community Financial Services Limited (the Company) as an individual entity. Henty Community Financial Services Limited is a company limited by shares, incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on 26th September 2024.

Further information on the nature of the operations and principal activity of the Company is provided in the directors' report. Information on the company's related party relationships is provided in Note 25.

Note 2. Basis of Preparation

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

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

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

Note 3. Summary of Significant Accounting Policies

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

(a) Economic Dependency

The Company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the Community Banks branch at Henty NSW.

The Company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry.

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

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

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

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

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

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

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

(b) Revenue From Contracts With Customers

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

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

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

Revenue	Includes	Performance Obligation	Timing of Recognition
Franchise agreement profit share	Margin, commission and fee income	When the Company satisfies its obligation to arrange the servies to be provided to the customer by the supplier (Bendigo & Adelaide Bank)	On completion of the provision of the relevant service. Revenue is accrued monthly and paid within 10 business days of month end

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

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

Revenue Calculation

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

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

Margin

Margin is arrived at through the following calculation:

Interest paid by customers on loans, less interest paid to customers on deposits
plus
Deposit returns (i.e. interest return applied by BABL on deposits)
minus
Any costs of funds (i.e. interest applied by BABL to fund a loan)

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

Commission

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

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

Fee Income

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

Core Banking Products

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

Ability to Change Financial Return

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

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

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

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

(c) Other Revenue

The Company's activities include the generation of income from sources other than the core products under the franchise agreement. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and can be reliably measured.

Revenue	Revenue Recognition Policy
Discretionary financial contributions (also "Market Development Fund" or "MDF" income)	MDF income is recognised when the right to receive the payment is established. MDF income is discretionary and provided and receivable at month-end and paid within 14 days after month-end.
Other income	All other revenues that did not contain contracts with customers are recognised as goods and services are provided.

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

Discretionary Financial Contributions

In addition to margin, commission and fee income, and separate from the franchise agreement, Bendigo Bank has also made MDF payments to the Company.

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

The payments from Bendigo Bank are discretionary and may change the amount or stop making them at any time. The Company retains control over the funds, the funds are not refundable to Bendigo Bank.

(d) Employee Benefits

Short-term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for salary and wages (including non-monetary benefits), annual leave, and sick leave which are expected to be wholly settled within 12 months of the reporting date. They are measured at amounts expected to be paid when the liabilities are settled, plus related on-costs. Expenses for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

An annual leave liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated.

Other Long-term Employee Benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior reporting periods.

That benefit is discounted to determine its present value. Consideration is given to expected future wage and salary levels plus related on-costs, experience of employee departures, and years of service achieved. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimate future cash outflows.

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

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

(e) Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current Income Tax

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

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for all deductible temporary differences, carried-forward tax losses, and unused tax credits to the extent that it is probable that future taxable profits will be available against which they can be used.

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

Deferred tax is measured at the rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax and when the balances relate to taxes levied by the same taxation authority and the entity intends to settle its tax assets and liabilities on a net basis.

Goods & Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except:

- when the amount of GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue or expense item
- when receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

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

(f) Cash & Cash Equivalents

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

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

(g) Property, Plant & Equipment

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

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

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

Depreciation
Depreciation is calculated to write-off the cost of items of property, plant and equipment less their estimated residual values using diminishing value method over their estimated useful lives, and is recognised in profit or loss.

The estimated useful lives of property, plant and equipment for the current and comparative periods are as follows:

Asset Class	Method	Useful Life
Buildings & leasehold improvements	Straight line	10 - 40 years
Plant & equipment	Straight line	4 -20 years
Motor vehicles	Straight line	5 years

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

(h) Intangible Assets

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

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

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

Amortisation
Intangible assets are amortised over their useful life and assessed for impairment whenever impairment indicators are present.

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

Asset Class	Method	Useful Life
Establishment fee	Straight line	Franchise term (5 years)
Franchise fee	Straight line	Franchise term (5 years)

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

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

(i) Financial Instruments

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

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

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

Recognition & Initial Measurement

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

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

Classification & Subsequent Measurement

Financial Assets

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

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

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

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

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

Financial Assets - Business Model Assessment

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

Financial Assets - Subsequent Measurement, Gains & Losses

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

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

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

Derecognition

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

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

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

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

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

(j) Impairment

Non-derivative Financial Instruments
The Company recognises a loss allowance for estimated credit losses (ECL)'s on its trade receivables.

ECL's are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received.

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

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

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

The Company's trade receivables are limited to the monthly profit share distribution from Bendigo and Adelaide Bank, which is received 14 days post month end. Due to the reliance on Bendigo and Adelaide Bank the company has reviewed credit ratings provided by Standard & Poors, Moody's and Fitch ratings to determine the level of credit exposure to the company. The company also performed a historical assessment of receivables from Bendigo and Adelaide Bank and found no instances of default. As a result no impairment loss allowance has been made in relation to trade receivables as at 30 June 2024.

Non-financial Assets

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

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

(k) Issued Capital

Ordinary Shares

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

(l) Standards Issued But Not Yet Effective

There are no new standards effective for annual reporting periods beginning after 1 July 2023 that are expected to have a significant impact on the Company's financial statements.

Note 4. Significant Accounting Judgements, Estimates & Assumptions

During preparation of the financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual outcomes and balances may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to these estimates are recognised prospectively.

(a) Judgements

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

Note	Judgement
Note 7 - Revenue	Whether revenue is recognised over time or at a point in time

(b) Assumptions & Estimation Uncertainty

Information about assumptions and estimation uncertainties at 30 June 2024 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note	Assumption
Note 18 - Recognition of deferred tax assets	Availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilised
Note 16 - Estimation of asset useful lives	Key assumptions on historical experience and the condition of the asset
Note 20 - Long service leave provision	Key assumptions on attrition rate of staff and expected pay increases though promotion and inflation

Note 5. Financial Risk Management

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

- credit risk
- liquidity risk
- market risk.

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company does not utilise any derivative instruments.

Risk management is carried out directly by the Board of Directors.

(a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

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

Note 5. Financial Risk Management *(continued)*

(b) Liquidity Risk

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

(c) Market Risk

Market risk is the risk that changes in market prices - e.g. foreign exchange rates, interest rates, and equity prices - will affect the Company's income or the value of its holdings in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

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

Price Risk

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

Cash Flow & Fair Values Interest Rate Risk

Interest-bearing assets are held with Bendigo and Adelaide Bank and subject to movements in market interest. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest-rate risk.

The Company held cash and cash equivalents of $89,305 at 30 June 2024 (2023: $42,879). The cash and cash equivalents are held with Bendigo & Adelaide Bank, which are rated BBB on Standard & Poor's credit ratings.

Note 6. Capital Management

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

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

The distribution limit is the greater of:

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

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

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the Company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2024 can be seen in the statement of profit or loss and other comprehensive Income.

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

Note 7. Revenue From Contracts With Customers

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

	2024 $	2023 $
Revenue		
- Revenue from contracts with customers	1,219,948	1,237,513
Disaggregation of Revenue From Contracts With Customers		
- Margin income	886,372	922,966
- Fee income	34,127	38,960
- Commission income	299,449	275,587
	1,219,948	**1,237,513**

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

Note 8. Other Revenue

The Company generates other sources of revenue as outlined below.

	2024 $	2023 $
Other Revenue		
- Market development fund income	-	18,794
- Sublet rental income	15,050	-
- Unrealised gains on investments	76,811	8,922
	91,861	**27,716**

Note 9. Finance Income

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

	2024 $	2023 $
Finance Income		
At amortised cost:		
- Interest from term deposits	9,359	3,822
- Dividends received	15,844	18,277
	25,203	**22,099**

Note 10. Expenses

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

(a) Employee Benefits Expense

	2024 $	2023 $
Employee Benefits Expense		
- Wages & salaries	290,400	315,429
- Superannuation costs	36,829	36,352
- Other expenses related to employees	13,449	12,066
	340,678	**363,847**

(b) Depreciation & Amortisation Expense

	2024 $	2023 $
Depreciation of Non-current Assets		
- motor vehicles	1,672	-
- buildings & leasehold improvements	8,070	8,972
- plant and equipment	14,684	8,599
	24,426	**17,571**
Amortisation of Intangible Assets		
- franchise fees	13,795	13,830
	13,795	**13,830**
Total depreciation & amortisation expense	**38,221**	**31,401**

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

(c) Community Investments & Sponsorship

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

	2024 $	2023 $
Community Investments & Sponsorship		
- Direct sponsorship and grant payments	400	15,260
- Contribution to the Community Enterprise Foundation™	755,981	654,545
	756,381	**669,805**

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

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

Note 10. Expenses *(continued)*

(d) Community Enterprise Foundation™ (CEF) Contributions

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

	2024 $	2023 $
Disaggregation of CEF Funds		
Opening balance	1,024,630	887,195
Contributions paid	545,454	720,000
Grants paid out	-	(565,455)
Interest received	47,578	15,614
Management fees incurred	(27,270)	(32,724)
Balance available for distribution	**1,590,392**	**1,024,630**

Note 11. Income Tax Expense

Income tax expense comprises current and deferred tax. Attributable current and deferred tax expense is recognised in the other comprehensive income or directly in equity as appropriate.

(a) The Components of Tax Expense

	2024 $	2023 $
Current tax expense	-	20,321
Deferred tax expense	(4,110)	(1,402)
Recoupment of prior year tax losses	-	(4,381)
Under / (over) provision of prior years	34,565	(4,382)
	30,455	**10,156**

(b) *Prima Facie* Tax Payable

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

	2024 $	2023 $
Prima facie tax on profit / (loss) before income tax at 25% (2023: 25%)	(5,526)	12,905
Add Tax Effect Of:		
- Franking credit gross up	1,698	1,958
- Other permanent differences	-	(326)
- Under / (over) provision of prior years	34,565	(4,382)
- Temporary differences	(5,635)	5,783
- Movement in deferred tax	(4,110)	(1,402)
- Adjustment to account for tax loss	9,462	(4,380)
Income tax attributable to the entity	**30,454**	**10,156**
The applicable weighted average effective tax rate is:	-137.79%	19.67%

Note 12. Cash & Cash Equivalents

	2024 $	2023 $
Cash at bank and on hand	85,300	38,879
Short-term bank deposits	4,005	4,000
	89,305	**42,879**

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less.

Note 13. Trade & Other Receivables

	2024 $	2023 $
Current		
Trade receivables	104,997	117,421
Other receivables	54,941	36,666
	159,938	**154,087**

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

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

Note 14. Financial Assets

	2024 $	2023 $
At FVTPL		
Listed investments	385,340	303,608
	385,340	**303,608**

Listed investments refers to fully paid ordinary shares held in Bendigo and Adelaide Limited (BEN). The shares held are set up on a Dividend Reinvestment Plan (DRP) in which dividend amounts receivable are automatically reinvested as additional BEN shares.

Note 15. Other Assets

	2024 $	2023 $
Prepayments	9,675	3,302
	9,675	**3,302**

Other assets represent items that will provide the entity with future economic benefits controlled by the entity as a result of past transactions or other past events.

Note 16. Property, Plant & Equipment

(a) Carrying Amounts

	2024 $			2023 $		
	At Cost	Accumulated Depreciation	Written Down Value	At Cost	Accumulated Depreciation	Written Down Value
Land	4,800	-	4,800	4,800	-	4,800
Buildings & Leasehold improvements	262,432	99,560	162,872	258,338	91,672	166,666
Plant & equipment	190,183	153,997	36,186	154,216	141,149	13,067
Motor vehicles	33,174	1,672	31,502	-	-	-
Total	**490,589**	**255,229**	**235,360**	**417,354**	**232,821**	**184,533**

(b) Movements in Carrying Amounts

2024	Land $	Buildings & Leasehold Imp. $	Plant & Equipment $	Motor Vehicles $	Total
Opening carrying value	4,800	166,666	13,067	-	184,533
Additions	-	4,276	37,803	33,174	75,253
Depreciation expense	-	(8,070)	(14,684)	(1,672)	(24,426)
Closing carrying value	**4,800**	**162,872**	**36,186**	**31,502**	**235,360**

2023	Land $	Buildings & Leasehold Imp. $	Plant & Equipment $	Motor Vehicles $	Total
Opening carrying value	4,800	118,773	21,666	-	145,239
Additions	-	56,865	-	-	56,865
Depreciation expense	-	(8,972)	(8,599)	-	(17,571)
Closing carrying value	**4,800**	**166,666**	**13,067**	**-**	**184,533**

(c) Capital Expenditure Commitments

The entity does not have any capital expenditure commitments as at 30 June 2024 (2023: None).

(d) Changes in Estimates

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

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

Note 17. Intangible Assets

(a) Carrying Amounts

	2024			2023		
	At Cost	Accumulated Amortisation	Written Down Value	At Cost	Accumulated Amortisation	Written Down Value
Franchise fees	69,145	8,974	60,171	69,769	64,948	4,821
	69,145	**8,974**	**60,171**	**69,769**	**64,948**	**4,821**

(b) Movements in Carrying Amounts

2024	Franchise Fees $	Total
Opening carrying value	4,821	4,821
Additions	69,145	69,145
Amortisation expense	(13,795)	(13,795)
Closing carrying value	**60,171**	**60,171**

2023	Franchise Fees $	Total
Opening carrying value	18,651	18,651
Amortisation expense	(13,830)	(13,830)
Closing carrying value	**4,821**	**4,821**

Note 18. Tax Assets & Liabilities

(a) Current Tax

	2024 $	2023 $
Income tax payable/(refundable)	(5,430)	(11,567)

(b) Deferred Tax

Movement in the Company's deferred tax balances for the year ended 30 June 2024:

	30 June 2023 $	Recognised in P & L $	Recognised in Equity $	30 June 2024 $
Deferred Tax Assets				
- Expense accruals	2,723	18,636	-	21,359
- Financial assets carried at FVTPL	5,295	(5,295)	-	-
- Unused tax losses	-	9,462	-	9,462
- Property, plant & equipment	3,450	2,146	-	5,596
- Employee provisions	20,220	(5,473)	-	14,747
Total deferred tax assets	**31,688**	**19,476**	**-**	**51,164**
Deferred Tax Liabilities				
- Prepayments	(825)	(1,594)	-	(2,419)
- Financial assets carried at FVTPL	-	(57,524)	-	(57,524)
Total deferred tax liabilities	**(825)**	**(59,118)**	**-**	**(59,943)**
Net deferred tax assets/(liabilities)	**30,863**	**(39,642)**	**-**	**(8,779)**

Note 18. Tax Assets & Liabilities *(continued)*

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

	30 June 2022 $	Recognised in P & L $	Recognised in Equity $	30 June 2023 $
Deferred Tax Assets				
- Expense accruals	1,093	1,630	-	2,723
- Financial assets carried at FVTPL	5,295	-	-	5,295
- Property, plant & equipment	1,253	2,197	-	3,450
- Employee provisions	19,361	859	-	20,220
Total deferred tax assets	**27,002**	**4,686**	**-**	**31,688**
Deferred Tax Liabilities				
- Prepayments	(1,922)	1,097	-	(825)
- Accrued income	(2)	2	-	-
Total deferred tax liabilities	**(1,924)**	**1,099**	**-**	**(825)**
Net deferred tax assets	**25,078**	**5,785**	**-**	**30,863**

Note 19. Trade & Other Payables

	2024 $	2023 $
Current		
Trade creditors	222,388	5,604
Other creditors and accruals	130,337	47,782
	352,725	**53,386**

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

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

Note 20. Employee Benefits

	2024 $	2023 $
Current		
Provision for annual leave	28,546	20,349
Provision for long service leave	27,399	58,326
	55,945	**78,675**
Non-Current		
Provision for long service leave	3,042	1,695
	3,042	**1,695**

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

Employee Attrition Rates

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.

Note 21. Issued Capital

(a) Issued Capital

	2024		2023	
	Number	$	Number	$
Ordinary shares - fully paid	267,585	267,585	267,585	267,585
	267,585	267,585	267,585	267,585

Ordinary shares are classified as equity.

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

(b) Movements in share capital

	2024 $	2023 $
Fully paid ordinary shares:		
At the beginning of the reporting period	267,585	267,585
At the end of the reporting period	**267,585**	**267,585**

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

Note 22. Retained Earnings

	Note	2024 $	2023 $
Balance at the beginning of the reporting period		334,319	313,980
Profit/(loss) for the year after income tax		(52,558)	41,464
Dividends paid	27	(24,618)	(21,125)
Balance at the end of the reporting period		**257,143**	**334,319**

Note 23. Cash Flow Information

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

	Note	2024 $	2023 $
Cash and cash equivalents	12	89,305	42,879
As per the Statement of Cash Flows		**89,305**	**42,879**

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

	2024 $	2023 $
Profit/(loss) for the year after income tax	(52,558)	41,464
Non-cash flows in profit		
- Depreciation	24,426	17,571
- Amortisation	13,795	13,830
- Fair Value (increases)	(76,811)	(8,922)
Changes in assets and liabilities		
- Increase in trade and other receivables	(7,385)	(63,379)
- (Increase) / decrease in prepayments and other assets	(4,839)	4,386
- Increase / (decrease) in deferred tax asset	-	(5,785)
- Increase in deferred tax liability	39,642	
- Increase in trade and other payables	230,194	18,499
- Increase in current tax asset	6,137	17,084
- Increase / (decrease) in provisions	(21,383)	2,920
Net cash flows from operating activities	**151,218**	**37,668**

Note 24. Financial Instruments

The following shows the carrying amounts for all financial instruments at amortised cost. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	2024 $	2023 $
Financial Assets			
Trade and other receivables	13	159,938	154,087
Cash and cash equivalents	12	89,305	42,879
		249,243	**196,966**
Financial Liabilities			
Trade and other payables	19	352,725	53,386
		352,725	**53,386**

Note 25. Related Parties

(a) Key Management Personnel

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

(b) Key Management Personnel Compensation

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

(c) Other Related Parties

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

(d) Transactions With Key Management Personnel & Related Parties

During the year, the Company purchased goods and services under normal terms and conditions, from related parties as follows:

Name of Related Party	Description of Goods or Services Provided	Value $
Nil		

(e) Key Management Personnel Shareholdings

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

(f) Other Key Management Transactions

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

Note 26. Auditor's Remuneration

The appointed auditor of Henty Community Financial Services Limited for the year ended 30 June 2024 is RSD Audit. Amounts paid or due and payable to the auditor are outlined below.

	2024 $	2023 $
Audit & Review Services		
Audit and review of financial statements (RSD Audit)	5,900	5,750
Total auditor's remuneration	**5,900**	**5,750**

Note 27. Dividends

The following dividends were provided for and paid to shareholders during the reporting period as presented in the statement of changes in equity and statement of cash flows.

	2024		2023	
	Number	$	Number	$
Fully franked dividend	267,585	24,618	267,585	21,125
Dividends provided for and paid during the year	**267,585**	**24,618**	**267,585**	**21,125**

The tax rate at which dividends have been franked is 25% (2023: 25%).

Note 28. Earnings Per Share

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	2024 $	2023 $
Profit/(loss) attributable to ordinary shareholders	(52,558)	41,464
	Number	Number
Weighted average number of ordinary shares	267,585	267,585
	¢	¢
Basic and diluted earnings per share	(19.64)	15.50

Note 29. Events After the Reporting Period

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

Note 30. Commitments & Contingencies

Any commitments for future expenditure associated with leases are recorded in Note 22. Details about any capital commitments are detailed in Note 16(c).

The Company has no other commitments requiring disclosure.

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

Note 31. Company Details

The registered office and principal place of buiness of the Company is:

Henty Community Financial Services Limited	8 Sladen Street, Henty NSW, 2658

Note 32. Fair Value Measurements

The Company may measure some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair value of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The Company measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- listed investments.

The Company does not subsequently measure any liabilities at fair value on a non-recurring basis.

(a) Fair Value Hierarchy

AASB 13: *Fair value measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level	Measurement Details
Level 1	Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Measurements based on unobservable inputs for the asset or liability.

Fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Note 32. Fair Value Measurements *(continued)*

The following tables provide the fair values of the Company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

	30 June 2024			
	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring Fair Value Measurements				
Financial Assets				
Listed investments	385,340	-	-	385,340
	385,340	**-**	**-**	**385,340**

	30 June 2023			
	Level 1 $	Level 2 $	Level 3 $	Total $
Financial Assets				
Listed investments	303,608	-	-	303,608
	303,608	**-**	**-**	**303,608**

Transfers between levels of the hierarchy

There were no transfers between levels for assets measured at fair value on a recurring basis during the reporting period (2023: no transfers).

Highest and best use

The current use of each asset measured at fair value is considered to be its highest and best use.

(b) Valuation Techniques

The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the company are consistent with one or more of the following valuation approaches:

Approach	Valuation Details
Market Approach	Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
Income Approach	Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
Cost Approach	Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Consolidated Entity Disclosure Statement

As at 30 June 2024

The Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001.*

Henty Community Financial Services Limited has no controlled entities and, therefore, is not required by Australian Accounting Standards to prepare consolidated financial statements. As a result, section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

Directors' declaration

For the year ended 30 June 2024

In accordance with a resolution of the directors of Henty Community Financial Services Limited, we state that:

In the opinion of the directors:

(a) The financial statements and notes of the Company are in accordance with the *Corporations Act 2001,* including:

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

(ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(c) The information disclosed in the attached consolidated entity disclosure statement, on page 36 is true and correct.

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

John Ellis
Chair

Dated this 26th day of September, 2024

Independent audit report

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HENTY COMMUNITY FINANCIAL SERVICES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Henty Community 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, the consolidated entity disclosure statement and other explanatory information, and the directors' declaration.

In our opinion the accompanying financial report of Henty Community Financial Services Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance and its cash flows for the year then 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 Entity in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's *APES 110 Code of Ethics* for Professional Accountants (including Independence Standards) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Director's Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001;* and
(b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001,* and

for such internal control as the directors determine is necessary to enable the preparation of:

(i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
(ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

Other Information

Those charged with governance 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 do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Auditor's Responsibility for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control.

We 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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We 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.

We 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 obtain sufficient appropriate audit evidence regarding the financial information of the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. 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.

rsd Audit

Independence

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

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

RSD Audit

Josh Porker
Principal

41A Breen Street
Bendigo VIC 3550

Dated: 30 September 2024

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This Annual Report has been printed on 100% Recycled Paper

Bendigo Bank