

Annual Report 2024

Heywood & District
Community Enterprise Ltd

Community Bank
Heywood & District

ABN 25 137 222 345

**HEYWOOD & DISTRICT
COMMUNITY ENTERPRISE LTD
ABN 25 137 222 345**

**2024
ANNUAL
REPORT**

**Community Bank
Heywood & District**

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Chairperson's Report

Heywood & District Community Enterprise Limited continued in 2023/24 to run as a profitable enterprise with a before tax profit of \$242,234. And are pleased to announce a unfranked dividend of up to 5cents to shareholders, payable in January 2025

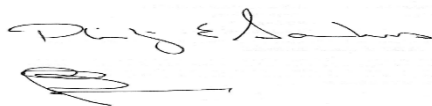
As a Community Bank, Community Bank Heywood & District, returns profits to the community. In 2023/24, \$54,000 was contributed in sponsorship to local community organisations, including the Tyrendarra Show Society, Heywood Wood, Wine and Roses, Heywood Pony Club, Dartmoor and Bolwarra Primary Schools and the Heathmere Football & Netball Club among many others. One other notable sponsorship was funding of 3 local students to attend the Magic Moment Youth Leadership Conference held in NSW.

The Board of Heywood & District Community Enterprise Limited is committed to continuation of returning profits from operations back to the community we serve in order to build community strength. Going forward the Board has adopted a new sponsorship policy, with the main change being two application periods per annum (March and September) which we believe will enhance the positive impact of our sponsorship on the community.

The Board has adopted an action plan for 2024/25 with the main themes being continuing to grow the business, in particular the rural and business streams, increase awareness of the Community Bank Heywood & District within the community and that profit is returned to the community we serve. The Board is committed to the long-term success of the Community Bank Heywood & District so that we may serve the community into the future.

I wish to acknowledge my predecessor (John Mitchell) who successfully led the Company through some challenging times in the past. Greg Colliver has indicated that he will not be seeking renomination to the Board. Greg has been a fountain of wisdom and sage advice during his time of the Board and will be missed. The other notable change at Board level is that Robyn Phillips is stepping down from the demanding and key role as secretary of the Board with Natasha Moore now taking that role. Our thanks as a Board to Robyn for her professional and untiring dedication to this role.

Finally, the Board would like to thank Aaron and the staff at Community Bank Heywood & District for their dedication and commitment. You are the face of the bank and the major reason we are successful. Keep up the good work.



Phil Saunders
Chair

Branch Manager's Report

Reflecting on the past Financial Year, I can't help but feel proud of the Staff at Community Bank Heywood & District. In my first full Financial Year as Branch Manager my focus was to build the capability and confidence in the team, and I feel as though we have achieved this.

This period has seen a number of changes and challenges, and I am proud of how the team has adapted. Their willingness to embrace change, whether it's a new operating rhythm, community events, or day-to-day operations, is what now makes our branch a dynamic, open and inclusive place to work. I am proud of the culture of our workplace that allows all staff to seek better understanding on policies and challenge existing process' to achieve better outcomes for our customers. I would like to thank them for their dedication and hard work.

Furthermore, the departure of our Home Lending Specialist, Angel, has seen a change in our staffing last Financial Year and I would like to thank Angel for her years of service and wish her all the best in her new role with Bendigo Bank. In the new Financial Year we welcome Emily Gibson as our new lender, and I am looking forward to building on her existing experience and watching her grow into the role.

Our team's active presence and participation in local events including Wood, Wine & Roses and the Tyrendarra Show were key to increase our community engagement and brand exposure. These events are an excellent platform to share our story as a Community Bank, as well as provide banking solutions for existing and potential customers.

The Community Bank Model suggests that the more customers that bank with us, then the more contributions we can make to Heywood and surrounding areas. Whether it's through Sponsorship and Grants or through Dividends paid back to Shareholders, the model guarantees that profits remain in our local area.

As we move into the next Financial Year, I am confident that the staff at Community bank Heywood & District, have the capability, tools and resources to succeed in the next financial year. I look forward to seeing what we can achieve in the next 12 months both inside the branch and in our community by telling our story as a Community Bank

I would also like to thank the board of Directors for their ongoing support. This year has seen many representatives from Bendigo Bank attend our Board meetings and it's pleasing to see how well they are received, along with how well the board has accepted advice and adapted to change.

Lastly, thank you to all our customers and Shareholders, your continued support allows us to make meaningful contributions back into your community.



Aaron Welfare
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
Head of Community Banking



Heywood & District Community Enterprise Ltd

ABN: 25 137 222 345

Financial Report for the year ended 30 June 2024

Heywood & District Community Enterprise Ltd

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Heywood & District Community Enterprise Ltd

Directors' Report

For the year ended 30 June 2024

The Directors present their report, together with the financial statements, on Heywood & District Community Enterprise Ltd for the financial year ended 30 June 2024.

Board of Directors

The following persons were Directors of Heywood & District Community Enterprise Ltd during the whole of the financial year up to the date of this report, unless otherwise stated:

JOHN MITCHELL

Title: Chair

Qualifications:

Experience & Expertise: Farmer

ROBYN PHILLIPS

Title: Non-Executive Director

Qualifications:

Experience & Expertise: Customer Relations Manager - Wannan Water, Member of Heywood Community Bank Steering Committee, Office bearer with various community groups including Heywood Football Netball Club, Heywood Wood Wine & Roses Committee.

ANN DICKINSON

Title: Non-Executive Director

Qualifications:

Experience & Expertise: Retired Primary Teacher, Past President Rotary Club of Portland Bay, Chari of Portland Community Meal share, Secretary Heywood Golf Club, Secretary Glenelg Veteran Golfers Association, Council member of St John's Lutheran Primary School Portland, Committee member of Portland Cable Trams.

DESMON NEWTON GRAY

Title: Non-Executive Director

Qualifications:

Experience & Expertise: Company Director - Heywood Hardware, Member of Heywood Community Bank Steering Committee, Foundation Secretary and life member Heywood Apex, 23 years member of Heywood Football Netball Club.

GREGORY PHILLIP COLLIVER

Title: Non-Executive Director

Qualifications:

Experience & Expertise: Farmer, Member of Heywood Community Bank Steering Committee, Life member of Heywood Apex, CFA past president, Secretary and Branch delegate of VFF.

ANDREW GEORGE MCRAE

Title: Non-Executive Director

Qualifications: Dairy Farm Management

Experience & Expertise: Dairy Farmer, Member of Heywood Community Bank Steering Committee, 8 years Secondary School Council, President of UDF.

Heywood & District Community Enterprise Ltd

Directors' Report

For the year ended 30 June 2024

ANDREW CAIN

Title:	Non-Executive Director
Qualifications:	
Experience & Expertise:	Twenty two years in agriculture, 14 years owner and manager beef and lamb farms.

ANDREW LEGG

Title:	Non-Executive Director
Qualifications:	Advanced Diploma of Agriculture
Experience & Expertise:	16 years roof tiler, 30 years Dairy Farmer, 15 years CFA, 20 years community Santa, 6 years mentoring at Heywood Secondary College, 5 years Heywood Cemetery Trust.

PHIL SAUNDERS (Appointed 24/05/2023)

Title:	Non-Executive Director
Qualifications:	
Experience & Expertise:	Farmer, Life Governor of Heywood Rural Health, Past Chair Heywood Rural Health, Past Director of Glenelg Hopkins Catchment Management Authority, Independent member Glenelg Council Audit and Risk Committee, Director Seaview House.

JULIE FROST (Appointed 24/05/2023)

Title:	Non-Executive Director
Qualifications:	
Experience & Expertise:	

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

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

Directors' Meetings

Attendances by each Director during the year were as follows:

Director	Board Meetings	
	A	B
JOHN MITCHELL	5	4
ROBYN PHILLIPS	11	9
ANN DICKINSON	11	6
DESMON NEWTON GRAY	11	11
GREGORY PHILLIP COLLIVER	11	9
ANDREW GEORGE MCRAE	11	9
ANDREW CAIN	11	9
ANDREW LEGG	11	9
PHIL SAUNDERS (Appointed 24/05/2023)	11	11
JULIE FROST (Appointed 24/05/2023)	11	11

A - The number of meetings eligible to attend.

B - The number of meetings attended.

Heywood & District Community Enterprise Ltd

Directors' Report

For the year ended 30 June 2024

Company Secretary

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

Natasha Moore

Qualifications:

Experience & Expertise: Accountant

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 After Tax	170,192	242,551	-30%

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 MITCHELL	8,000	-	8,000
ROBYN PHILLIPS	501	-	501
ANN DICKINSON	-	-	-
DESMON NEWTON GRAY	41,001	-	41,001
GREGORY PHILLIP COLLIVER	10,001	-	10,001
ANDREW GEORGE MCRAE	47,001	-	47,001
ANDREW CAIN	2,001	-	2,001
ANDREW LEGG	1	-	1
PHIL SAUNDERS (Appointed 24/05/2023)	2	-	2
JULIE FROST (Appointed 24/05/2023)	1,501	-	1,501

Heywood & District Community Enterprise Ltd

Directors' Report

For the year ended 30 June 2024

Dividends

During the financial year, no dividends were declared.

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*.

Heywood & District Community Enterprise Ltd

Directors' Report

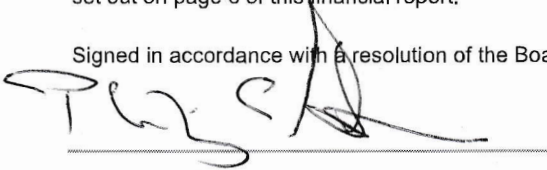
For the year ended 30 June 2024

- all non audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the company or jointly sharing risks and rewards.

Auditor's Independence Declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6 of this financial report.

Signed in accordance with a resolution of the Board of Directors at Heywood, Victoria.



Phil Saunders
Chair/Director

Dated this 29th day of October, 2024

**Auditors Independence Declaration under section 307C of the *Corporations Act 2001*
to the Directors of Heywood & District Community Enterprise 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 Heywood & District Community Enterprise 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

A handwritten signature in blue ink, appearing to be 'JP' or similar initials.

Josh Porker
Principal

41A Breen Street
Bendigo VIC 3550

Dated: 4 November 2024

Heywood & District Community Enterprise Ltd

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	780,928	834,244
Other revenue	8	3,487	10,000
Finance income	9	23,656	7,987
		808,071	852,231
Expenses			
Employee benefits expense	10	(337,478)	(322,842)
Depreciation and amortisation	10	(56,191)	(52,279)
Administration and general costs		(66,667)	(58,998)
Occupancy expenses		(24,585)	(13,758)
IT expenses		(27,221)	(26,530)
Finance expenses		(10,317)	(11,522)
Other expenses		(6,670)	(6,057)
		(529,129)	(491,986)
Operating profit before charitable donations and sponsorship		278,942	360,245
Charitable donations and sponsorship	10	(54,436)	(41,744)
Profit before income tax		224,506	318,501
Income tax expense	11	(54,314)	(75,950)
Profit for the year after income tax		170,192	242,551
Total comprehensive income attributable to ordinary shareholders of the company		170,192	242,551
Earnings per share		¢	¢
- basic and diluted earnings per share	31	23.31	33.22

The accompanying notes form part of these financial statements

Heywood & District Community Enterprise Ltd

Statement of Financial Position

As at 30 June 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	12	284,317	300,108
Trade and other receivables	13	65,327	73,424
Financial assets	14	683,300	516,555
Other assets	15	19,234	14,514
Total current assets		1,052,178	904,601
Non-current assets			
Property, plant and equipment	16	86,309	103,664
Right-of-use assets	17	148,828	173,079
Intangible assets	18	6,483	19,449
Total non-current assets		241,620	296,192
Total assets		1,293,798	1,200,793
Liabilities			
Current liabilities			
Trade and other payables	20	29,319	40,076
Current tax liability	19	60,689	51,424
Borrowings	21	-	14,364
Provisions		5,877	41,930
Lease liabilities	22	22,937	21,601
Employee benefits	23	13,854	10,346
Total current liabilities		132,676	179,741
Non-current liabilities			
Lease liabilities	22	139,881	162,818
Employee benefits	23	2,544	3,355
Deferred tax liability	19	12,290	18,664
Total non-current liabilities		154,715	184,837
Total liabilities		287,391	364,578
Net assets		1,006,407	836,215
Equity			
Issued capital	24	714,435	714,435
Retained earnings	25	291,972	121,780
Total equity		1,006,407	836,215

The accompanying notes form part of these financial statements

Heywood & District Community Enterprise Ltd

Statement of Changes in Equity

For the year ended 30 June 2024

	Note	Issued Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2022		714,435	(84,268)	630,167
Comprehensive income for the year				
Profit for the year		-	242,551	242,551
Transactions with owners in their capacity as owners				
Dividends paid or provided	30	-	(36,503)	(36,503)
Balance at 30 June 2023		714,435	121,780	836,215
Balance at 1 July 2023		714,435	121,780	836,215
Comprehensive income for the year				
Profit for the year		-	170,192	170,192
Transactions with owners in their capacity as owners				
Dividends paid or provided	30	-	-	-
Balance at 30 June 2024		714,435	291,972	1,006,407

The accompanying notes form part of these financial statements

Heywood & District Community Enterprise Ltd

Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers		872,158	902,699
Payments to suppliers and employees		(603,956)	(562,276)
Interest received		7,812	719
Income tax paid		(51,423)	(24,279)
Net cash flows provided by operating activities	26b	224,591	316,863
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,619)	(12,697)
Purchase of investments		(166,745)	(300,715)
Net cash flows used in investing activities		(168,364)	(313,412)
Cash flows from financing activities			
Repayment of borrowings		(14,364)	(14,364)
Repayment of lease liabilities		(21,601)	(16,442)
Dividends paid		(36,053)	(56,299)
Net cash flows used in financing activities		(72,018)	(87,105)
Net decrease in cash held		(15,791)	(83,654)
Cash and cash equivalents at beginning of financial year		300,108	383,762
Cash and cash equivalents at end of financial year	26a	284,317	300,108

The accompanying notes form part of these financial statements

Heywood & District Community Enterprise Ltd

Notes to the Financial Statements

For the year ended 30 June 2024

Note 1. Corporate Information

These financial statements and notes represent those of Heywood & District Community Enterprise Ltd (the Company) as an individual entity. Heywood & District Community Enterprise Ltd is a company limited by shares, incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on 30th October 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 28.

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, where 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 following Community Bank branch at Heywood.

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.

Heywood & District Community Enterprise Ltd

Notes to the Financial Statements

For the year ended 30 June 2024

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 services 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).

Heywood & District Community Enterprise Ltd

Notes to the Financial Statements

For the year ended 30 June 2024

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
<i>plus</i>
Deposit returns (i.e. interest return applied by BABL on deposits)
<i>minus</i>
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.

Heywood & District Community Enterprise Ltd

Notes to the Financial Statements

For the year ended 30 June 2024

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
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 market development fund 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.

Heywood & District Community Enterprise Ltd

Notes to the Financial Statements

For the year ended 30 June 2024

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.

Heywood & District Community Enterprise Ltd

Notes to the Financial Statements

For the year ended 30 June 2024

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
Leasehold improvements	Straight line	10 years
Plant & equipment	Diminishing value	10 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.

Heywood & District Community Enterprise Ltd

Notes to the Financial Statements

For the year ended 30 June 2024

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.

Heywood & District Community Enterprise Ltd

Notes to the Financial Statements

For the year ended 30 June 2024

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.

Heywood & District Community Enterprise Ltd

Notes to the Financial Statements

For the year ended 30 June 2024

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) Leases

As Lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for leases of property the company has elected not to separate lease and non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the costs of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from funding sources and where necessary makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual guarantee; and
- the exercise price under a purchase option the Company is reasonable certain to exercise, lease payments in an option renewal period if the company is reasonably certain to exercise that option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

Heywood & District Community Enterprise Ltd

Notes to the Financial Statements

For the year ended 30 June 2024

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

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term Leases & Leases of Low-value Assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of short-term leases and low-value assets, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

A short-term lease is a lease that, at commencement date, has a lease term of 12 months or less.

As Lessor

The Company has not been a party in an arrangement where it is a lessor.

(m) 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:

Heywood & District Community Enterprise Ltd

Notes to the Financial Statements

For the year ended 30 June 2024

Note 4. Significant Accounting Judgements, Estimates & Assumptions (cont.)

Note	Judgement
Note 7 - Revenue	Whether revenue is recognised over time or at a point in time
Note 22 - Leases:	
(a) Control	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
(b) Lease term	Whether the Company is reasonably certain to exercise extension options, termination periods, and purchase options
(c) Discount rates	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 cannot be readily determined. The incremental borrowing rate is determined with reference to factors specific to the Company and underlying asset including: <ul style="list-style-type: none">• the amount• the lease term• economic environment• any other relevant factors.

(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 19 - 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 23 - Long service leave provision	Key assumptions on attrition rate of staff and expected pay increases through 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.

Heywood & District Community Enterprise Ltd

Notes to the Financial Statements

For the year ended 30 June 2024

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.

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

(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 \$284,317 at 30 June 2024 (2023: \$300,108). 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.

Heywood & District Community Enterprise Ltd

Notes to the Financial Statements

For the year ended 30 June 2024

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	780,928	834,244
Disaggregation of Revenue From Contracts With Customers		
- Margin income	660,438	717,213
- Fee income	50,143	49,313
- Commission income	70,347	67,718
	780,928	834,244

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	-	10,000
- Other income	3,487	-
	3,487	10,000

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	23,656	7,987
	23,656	7,987

Heywood & District Community Enterprise Ltd

Notes to the Financial Statements

For the year ended 30 June 2024

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	293,642	300,756
- Superannuation costs	32,038	27,495
- Other expenses related to employees	11,798	(5,409)
	337,478	322,842

(b) Depreciation & Amortisation Expense

	2024	2023
	\$	\$
Depreciation of Non-current Assets		
- leasehold improvements	12,203	12,203
- furniture and fittings	6,771	2,926
	18,974	15,129
Depreciation of Right-of-use Assets		
- leased buildings	24,251	24,184
	24,251	24,184
Amortisation of Intangible Assets		
- franchise fees	12,966	12,966
	12,966	12,966
Total depreciation & amortisation expense	56,191	52,279

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	54,436	41,744
	54,436	41,744

Heywood & District Community Enterprise Ltd

Notes to the Financial Statements

For the year ended 30 June 2024

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	60,689	74,980
Deferred tax expense	(4,562)	5,587
Recoupment of prior year tax losses	-	(942)
Over provision of prior years	(1,813)	(3,675)
	54,314	75,950

(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 before income tax at 25% (2023: 25%)	56,127	75,625
Add Tax Effect Of:		
- Under / (over) provision of prior years	(1,813)	325
Income tax attributable to the entity	54,314	75,950
The applicable weighted average effective tax rate is:	24.19%	23.85%

Heywood & District Community Enterprise Ltd

Notes to the Financial Statements

For the year ended 30 June 2024

Note 12. Cash & Cash Equivalents

	2024	2023
	\$	\$
Cash at bank and on hand	284,317	300,108
	284,317	300,108

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. Any bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

Note 13. Trade & Other Receivables

	2024	2023
	\$	\$
Current		
Trade receivables	65,327	73,424
	65,327	73,424

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
	\$	\$
Term deposits	683,300	516,555
	683,300	516,555

Term deposits classified as financial assets include only those with a maturity period greater than three months. Where maturity periods are less than three months, these investments are recorded as cash and cash equivalents.

Note 15. Other Assets

	2024	2023
	\$	\$
Prepayments	4,651	6,842
Other	14,583	7,672
	19,234	14,514

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.

Heywood & District Community Enterprise Ltd

Notes to the Financial Statements

For the year ended 30 June 2024

Note 16. Property, Plant & Equipment

(a) Carrying Amounts

	2024 \$			2023 \$		
	At Cost / Valuation	Accumulated Depreciation	Written Down Value	At Cost / Valuation	Accumulated Depreciation	Written Down Value
Leasehold improvements	182,947	106,593	76,354	182,947	94,390	88,557
Furniture & fittings	34,240	24,285	9,955	32,620	17,514	15,106
Total	217,187	130,878	86,309	215,567	111,904	103,663

(b) Movements in Carrying Amounts

2024	Leasehold Imp. \$	Furniture & Fittings \$	Total \$
Opening carrying value	88,557	15,107	103,664
Additions	-	1,619	1,619
Depreciation expense	(12,203)	(6,771)	(18,974)
Closing carrying value	76,354	9,955	86,309

2023	Leasehold Imp. \$	Furniture & Fittings \$	Total \$
Opening carrying value	100,760	5,336	106,096
Additions	-	12,697	12,696
Depreciation expense	(12,203)	(2,926)	(15,129)
Closing carrying value	88,557	15,107	103,663

(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.

Heywood & District Community Enterprise Ltd

Notes to the Financial Statements

For the year ended 30 June 2024

Note 17. Right-of-use Assets

Right-of-use assets are measured at amounts equal to the present value of enforceable future payments on the adoption date, adjusted for lease incentives, make-good provisions, and initial direct costs.

The Company derecognises right-of-use assets at the termination of the lease period or when no future economic benefits are expected to be derived from the use of the underlying asset.

The Company's lease portfolio includes buildings.

Options to Extend or Terminate

The option to extend or terminate is contained in the property lease of the Company. All extension or termination options are only exercisable by the Company. The extension options or termination options which were probable to be exercised have been included in the calculation of the right-of-use asset.

AASB 16 Amounts Recognised in the Statement of Financial Position

2024	Leased Buildings \$	Total ROU Asset \$
Leased asset	237,814	237,814
Depreciation	(88,986)	(88,986)
	148,828	148,828

2023	Leased Buildings \$	Total ROU Asset \$
Leased asset	237,813	237,813
Depreciation	(64,734)	(64,734)
	173,079	173,079

Movements in carrying amounts:

	Leased Buildings \$	Total ROU Asset \$
Opening carrying amount	173,079	173,079
Depreciation expense	(24,251)	(24,251)
Net carrying amount	148,828	148,828

AASB 16 Amounts Recognised in the Statement of Profit or Loss and Other Comprehensive Income

	2024 \$	2023 \$
Depreciation expense related to right-of-use assets	24,251	24,184
Interest expense on lease liabilities	10,316	11,522

Heywood & District Community Enterprise Ltd

Notes to the Financial Statements

For the year ended 30 June 2024

Note 18. Intangible Assets

(a) Carrying Amounts

	2024			2023		
	At Cost / Valuation	Accumulated Amortisation	Written Down Value	At Cost / Valuation	Accumulated Amortisation	Written Down Value
Franchise fee	64,831	58,348	6,483	64,831	45,382	19,449
	64,831	58,348	6,483	64,831	45,382	19,449

(b) Movements in Carrying Amounts

2024	Franchise Fee \$	Total
Opening carrying value	19,450	19,450
Amortisation expense	(12,967)	(12,967)
Closing carrying value	6,483	6,483

2023	Franchise Fee \$	Total
Opening carrying value	32,416	32,416
Amortisation expense	(12,966)	(12,966)
Closing carrying value	19,450	19,450

Note 19. Tax Assets & Liabilities

(a) Current Tax

	2024 \$	2023 \$
Income tax payable/(refundable)	60,689	51,424

(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 \$	30 June 2024 \$
Deferred Tax Assets			
- Expense accruals	2,909	455	3,364
- Prepayments	-	1,162	1,162
- Employee provisions	3,425	675	4,100
Total deferred tax assets	6,334	2,292	8,626
Deferred Tax Liabilities			
- Right-of-use assets	(2,835)	(663)	(3,498)
- Accrued income	1,917	1,729	3,646
- Property, plant & equipment	25,916	(5,148)	20,768
Total deferred tax liabilities	24,998	(4,082)	20,916
Net deferred tax assets/(liabilities)	(18,664)	6,374	(12,290)

Heywood & District Community Enterprise Ltd

Notes to the Financial Statements

For the year ended 30 June 2024

Note 19. Tax Assets & Liabilities (cont.)

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

	30 June 2022 \$	Recognised in P & L \$	30 June 2023 \$
Deferred Tax Assets			
- Expense accruals	1,971	938	2,909
- Employee provisions	8,747	(5,322)	3,425
Total deferred tax assets	10,718	(4,384)	6,334
Deferred Tax Liabilities			
- Right-of-use assets	(1,975)	(860)	(2,835)
- Accrued income	101	1,816	1,917
- Property, plant & equipment	26,524	(608)	25,916
Total deferred tax liabilities	24,650	348	24,998
Net deferred tax liabilities	(13,932)	(4,732)	(18,664)

Heywood & District Community Enterprise Ltd

Notes to the Financial Statements

For the year ended 30 June 2024

Note 20. Trade & Other Payables

	2024 \$	2023 \$
Current		
Trade creditors	7,017	9,876
Net GST payable / (receivable)	(1,008)	3,411
Other creditors and accruals	23,310	26,789
	29,319	40,076

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 21. Borrowings

	2024 \$	2023 \$
Current		
Franchise fee	-	14,364
Total borrowings	-	14,364

Note 22. 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 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 if appropriate.

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 Liabilities

Lease liabilities are presented in the statement of financial position as follows:

	2024 \$	2023 \$
Current	22,937	21,601
Non-current	139,881	162,818

The lease liabilities arise from right-of-use assets. Future minimum lease payments at 30 June 2024 were as follows:

Heywood & District Community Enterprise Ltd

Notes to the Financial Statements

For the year ended 30 June 2024

Note 22. Lease Liabilities (continued)

(b) Lease Liabilities (continued)

	Minimum lease payments due				
	< 1 Year	1 - 2 Years	3 - 5 Years	> 5 years	Total
30 June 2024					
Lease payments	31,918	31,918	95,754	34,548	194,138
Finance charges	(8,981)	(7,593)	(13,597)	(1,149)	(31,320)
Net present values	22,937	24,325	82,157	33,399	162,818
30 June 2023					
Lease payments	31,918	31,918	95,754	66,467	226,057
Finance charges	(10,317)	(8,981)	(18,286)	(4,054)	(41,638)
Net present values	21,601	22,937	77,468	62,413	184,419

(c) Lease Payments Not Recognised as a Liability

The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

Note 23. Employee Benefits

	2024	2023
	\$	\$
Current		
Provision for annual leave	10,298	10,346
Provision for long service leave	3,556	-
	13,854	10,346
Non-Current		
Provision for long service leave	2,544	3,355
	2,544	3,355

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.

Heywood & District Community Enterprise Ltd

Notes to the Financial Statements

For the year ended 30 June 2024

Note 24. Issued Capital

(a) Issued Capital

	2024		2023	
	Number	\$	Number	\$
Ordinary shares - fully paid	730,060	730,060	730,060	730,060
Less: equity raising costs	-	(15,625)	-	(15,625)
	730,060	714,435	730,060	714,435

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
	\$	\$
<i>Fully paid ordinary shares:</i>		
At the beginning of the reporting period	730,060	730,060
At the end of the reporting period	730,060	730,060

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 25. Retained Earnings

	Note	2024	2023
		\$	\$
Balance at the beginning of the reporting period		121,780	(84,268)
Profit for the year after income tax		170,192	242,551
Dividends paid	30	-	(36,503)
Balance at the end of the reporting period		291,972	121,780

Heywood & District Community Enterprise Ltd

Notes to the Financial Statements

For the year ended 30 June 2024

Note 26. 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	284,317	300,108
As per the Statement of Cash Flows		284,317	300,108

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

	2024 \$	2023 \$
Profit for the year after income tax	170,192	242,551
Non-cash flows in profit		
- Depreciation	18,973	15,129
- Amortisation	12,966	12,966
- Depreciation of ROU assets	24,251	24,184
Changes in assets and liabilities		
- (Increase) / decrease in trade and other receivables	8,097	(18,842)
- (Increase) / decrease in prepayments and other assets	(4,720)	(7,470)
- (Increase) / decrease in deferred tax liabilities	(6,374)	4,732
- Increase / (decrease) in trade and other payables	(10,756)	(362)
- Increase / (decrease) in current tax liability	9,265	22,689
- Increase / (decrease) in provisions	2,697	21,286
Net cash flows from operating activities	224,591	316,863

Note 27. 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	65,327	73,424
Cash and cash equivalents	12	284,317	300,108
Term deposits	14	683,300	516,555
		1,032,944	890,087
Financial Liabilities			
Trade and other payables	20	29,319	40,076
Borrowings	21	-	14,364
Lease liabilities	22	162,818	184,419
		192,137	238,859

Heywood & District Community Enterprise Ltd

Notes to the Financial Statements

For the year ended 30 June 2024

Note 28. 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.

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

Short-term Employee Benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive Directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to Executive Directors and other key management personnel.

Post-employment Benefits

These amounts are the current year's estimated cost of providing the Company's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

Other Long-term Benefits

These amounts represent long service leave benefits accruing during the year, long-term disability benefits and deferred bonus payments.

Share-based payments

These amounts represent the expense related to the participation of key management personnel in equity-settled benefits schemes as measured by the fair value of the options, rights and shares granted on grant date.

(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.

(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.

Heywood & District Community Enterprise Ltd

Notes to the Financial Statements

For the year ended 30 June 2024

Note 29. Auditor's Remuneration

The appointed auditor of Heywood & District Community Enterprise Ltd 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)	6,200	5,750
Total auditor's remuneration	6,200	5,750

Note 30. 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	730,060	-	730,060	36,503
Dividends provided for and paid during the year	730,060	-	730,060	36,503

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

Note 31. 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 attributable to ordinary shareholders	170,192	242,551
	Number	Number
Weighted average number of ordinary shares	730,060	730,060
	¢	¢
Basic and diluted earnings per share	23.31	33.22

Note 32. 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 33. 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.

Heywood & District Community Enterprise Ltd

Notes to the Financial Statements

For the year ended 30 June 2024

Note 34. Company Details

The registered office of the Company is:

Heywood & District Community Enterprise Ltd	61 Edgar Street, Heywood VIC 3304
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The principal place of business are:

Heywood & District Community Enterprise Ltd	61 Edgar Street, Heywood VIC 3304
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Heywood & District Community Enterprise Ltd

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*.

Heywood & District Community Enterprise Ltd 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.

Heywood & District Community Enterprise Ltd

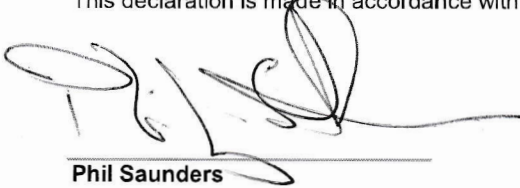
Director's Declaration
For the year ended 30 June 2024

In accordance with a resolution of the directors of Heywood & District Community Enterprise Ltd, 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.

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



Phil Saunders
Chair/Director

Dated this 29th day of October, 2024

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HEYWOOD & DISTRICT COMMUNITY ENTERPRISE LIMITED****REPORT ON THE AUDIT OF THE FINANCIAL REPORT****Opinion**

We have audited the financial report of Heywood & District Community Enterprise 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 Heywood & District Community Enterprise 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:

- (i) 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
- (ii) 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.

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

A handwritten signature in blue ink, appearing to be 'JP', written in a cursive style.

Josh Porker
Principal

41A Breen Street
Bendigo VIC 3550

Dated: 4 November 2024

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 **Bendigo Bank**