

# Annual Report 2024

Inglewood & Districts  
Community Enterprises  
Limited

Community Bank  
Inglewood & Districts

ABN 87 123 959 375



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Cover image: Inglewood Alive Festival (photographer unknown)

# Chair's report

For year ending 30 June 2024

I am pleased to be able to present another Chair report for Inglewood & Districts Community Enterprises Limited.

We have had a more stable year with interest rates remaining higher than the last few years. This has given us all more confidence moving forward. Michael has more information in his Branch Managers' report covering our improvements.

We are in the process of a major refurbishment to the branch in Inglewood and agency in Wedderburn. The new colours and design will give us a long overdue fresh look. We are also looking at a couple of ideas to incorporate our community connections into the revamp. More information about this is to come.

The Company was a major sponsor of the Loddon Valley Football League again in the 2024 season. We are continually building on this relationship and bringing our communities together to play, watch or just enjoy being together at a football netball club during the winter months.

The Donaldson Park Complex finally opened on the 1st of June 2024. A few problems delaying the opening, but it is a wonderful result: a bigger and new building for everyone to enjoy. The view of the footy and hockey grounds is great from inside the building as well.

Another joint project building our community's future.

We have also granted solar panels and battery storage along with a security system to the Inglewood Sports Centre. This will assist in reducing power costs, as we all know the cost of power is a huge burden for clubs. The security system is unfortunately something country clubs are also needing to install to help deter vandalism and theft, thus enabling a more sustainable future.

A few of the other projects we have assisted with, Inglewood historical society to secure our history is preserved, Loddon Healthy Minds Network, Inglewood Senior Citizens kitchen upgrade, Bridgewater 100 years back to and Inglewood & Districts Health Services to purchase 2 items of gym equipment.

To all our yearly sponsorships, the bowls clubs, golf clubs, cricket clubs, football clubs, Rheola Charity Carnival, the Northern Shears competition and many, many more. We are extremely pleased to continue supporting the smaller amounts as well as the larger ones. We are always looking for something unique to come our way that we can assist with.

With our yearly scholarship program, we have supported 1 Bachelor degree and 1 TAFE participant this year and our learner driver program is continuing. We are fortunate to have an ally in Wedderburn pushing the kids to apply - just fantastic.

We have also invested into the Community Enterprise Foundation to secure money for future projects and to save some tax. This amount is building, and we are looking for that bigger project to come along.

To our staff, Michael, Andrew, Ruth, Macaulay & Jan you are the backbone of our business, and we would not be here without all of you. Michael & Macaulay's information sessions to our older community members on cyber safety has been positively talked about by many attendees. Positive relationship building by our staff, helping keep our community safer. Our Wedderburn agency is not forgotten either. You help our northern customers out and are an asset to our business.

## Chair's report (continued)

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Shaun our Regional Manager, I appreciate everything you do for me and the support to Michael and the team.

Robyn, Michelle and Beth what can we say, I do feel that a thankyou is really not enough. Your commitment to our business is also valued by everyone. You all go above and beyond for us.

We have some wonderful staff and sometimes it might look like we take you for granted but please know we really do appreciate your generous support to us.

To Matt and the team at Rural Bank, your hard work is very much appreciated as always. We hope once the transition of Rural Bank products to Bendigo Bank products is completed everything will settle for the better.

Our board, your continued support and assistance does not go unnoticed either. Carol, George and Max, your knowledge is a huge asset to me. The rest of the board, Annie, Stewart, Jill, Prue, Tim and Colleen thankyou; your contribution is also amazing.

It is a team effort to succeed, and we are moving forward.



**Linda Younghusband**

**Chair**

**Inglewood & Districts Community Enterprises Limited**

# Manager's report

For year ending 30 June 2024

The 2024 financial year was one of continued growth and change for the Community Bank Inglewood and Districts.

Our business continued to grow from a footing's perspective which was pleasing considering the significant change that occurred within our team with the departure of our Customer Service Manager, Lachie Scarff, who was replaced by our returning Business Development Manager, Andrew Nevins.

I'd like to thank Lachie for his loyalty and commitment to our business throughout his significant tenure. He was a very well-liked member of our staff and popular with our customers and whilst he isn't lost to Bendigo Bank, he will be missed at Community Bank Inglewood and Districts branch. Andrew started back with the business in October 2023 and has fitted in seamlessly to his new role and team. His local knowledge and reputation have brought with it significant business for our branch which has continued our strong lending activity results.

I'd like to also acknowledge our other staff in Ruth Penny, Janette Nixon and Macaulay Senior who have all contributed significantly to our team's success. I'm proud to be a leader within a team who conducts themselves in a professional and polite manner and has the best interests of our community at heart.

Banking continues to change at a rapid rate and this past year was no exception. With the growth of our banks digital offerings ever increasing, our customers and staff have had to evolve with these changes which, whilst I see this as a positive, has also led to some challenges. Our branch staff will continue to provide an excellent level of assistance for all our customers who are learning this side of the changing landscape.

As mentioned, our branch team were successful in achieving a number of targets set by Bendigo Bank as well as demonstrating a significant improvement in other areas in comparison to the year prior. They included:

- Consumer lending growth achieved - \$374,347
- Consumer deposit growth achieved - \$3,434,276
- Improvement achieved in lending activity applications and settlements.
- Improvement achieved with insurance quotes and sales.
- Wealth targets achieved with managed funds, wealth referrals and superannuation.

Our branch staff also continued to demonstrate a strong focus on risk management with the team successful in recording a satisfactory result in our most recent 'Branch Assurance Review'. The team's attentiveness and willingness to always do the right thing has been evident throughout my time with the branch and will continue into the future.

A big focus for our team throughout the year was the introduction of our 'Banking Online and Scam Awareness' sessions which were held with local community groups. We've completed two in total with two more to do in the coming months and would ideally like to continue doing these well into 2025. The sessions we've held to-date have been very well received and provide important learnings regarding being safe online.

I'd like to acknowledge the significant efforts of our Regional Manager, Shaun Leech. Shaun grew up in Inglewood and still has a close connection to our community. Shaun is a fantastic leader who always demonstrates strong values and leadership and a willingness to develop others. We are lucky to have such a great Regional Manager and look forward to working with him throughout the coming year. Thanks Shaun.

## Manager's report (continued)

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To our Rural Bank team led by Matt Gill, thank-you for your valued contribution in the agri-business space which is crucial considering the communities we serve. Matt is always happy to lend a hand and provide guidance to the branch team and I thank him and his dedicated team for their ongoing support and look forward to seeing what the coming year presents.

A big thank-you to our dedicated agency at Randalls Foodworks in Wedderburn. Leigh, Brooke, Tarryn and the agency staff continue to be a key part of our team and I'd like to thank them for their efforts over the past year. Their level of service to our Wedderburn community is fantastic and continue to act as a key component of our business.

Our partnership with the Loddon Valley Football Netball League (LVFNL) progressed this year and continued to present an exciting opportunity to work closer with the clubs within this league to create mutual benefit through the referral partnership agreement. I'd like to thank those clubs who supported this partnership whereby we were able to settle two home loans in total which resulted in commissions being paid back to the referring clubs. We will be working harder with this partnership to ensure it continues to provide results for our local competition and clubs but for this to happen, we require greater buy-in from all involved.

Our board of directors led by Chair - Linda Younghusband deserve a huge thank-you for their incredible efforts last year. I can't speak higher of this group of dedicated volunteers who devote so much of their time to our local communities. Their support of our branch team hasn't gone unnoticed, and I'd like to thank them for their continued support which will enable our businesses continued growth.

A big thank-you to our loyal shareholder and customer base who continue to support Community Bank Inglewood & Districts. The loyalty demonstrated creates such a meaningful impact in the Inglewood and Districts Community through our sponsorships, grants and scholarship programs.

I continue to encourage the local community to support Community Bank Inglewood and Districts. Being the only branch of any bank in the Loddon Shire, we serve as a crucial business in continuing the financial prosperity of our communities. Please see the team or I for any financial requirements you have as your support is valued in creating a difference in our local communities.



**Michael Prowse**  
**Community Bank Inglewood & Districts**  
**Branch Manager**

# Directors' report

## 30 June 2024

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

### Directors

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

Name: Linda Joy Youngusband  
Title: Non-executive director  
Experience and expertise: Linda was previously the co-owner of a general store in Bendigo. She served as school councilor at Inglewood Primary School also holding the positions of secretary and President during that time. Along with the then Principal, Linda was instrumental in gaining the Stephanie Alexander Kitchen Garden program at the Inglewood Primary School. She was involved with the parents club at both Inglewood Primary; holding secretary, treasurer, president positions and Wedderburn College general committee. Linda also participated in a couple of the Mothers Club concerts in Wedderburn. Assisted where needed for both football and cricket clubs and still enjoy helping out.  
Special responsibilities: Chair, Sponsorship and Grants Committee, Scholarship Sub Committee coordinator, Driver Education Program coordinator, Human Resources Committee

Name: Colleen Mary Condliffe  
Title: Non-executive director  
Experience and expertise: Colleen is a Director of the Centre Victorian Rural Women Network, Women's Health Loddon Mallee, North West Rural Financial Counselling Service Advisory Committee and the Dingee Bush Nursing Centre.  
Special responsibilities: Sponsorship and Grants Committee, Strategic Planning and Marketing Committee

Name: Stewart Dean Luckman  
Title: Non-executive director  
Experience and expertise: Stewart is an employee of the Bendigo & Adelaide Bank. He holds a Certificate III in financial services and a Graduate of the Loddon Murray Community Leadership Program 2016. He is a Board Member of Inglewood & Districts Community Enterprises Limited, Committee representative of Inglewood Primary School & School Council Treasurer, Firefighter of Inglewood CFA, Member of Inglewood & Bridgewater Men's Shed, Vice President of Inglewood Development and Tourism Committee, Social Member of Inglewood Bridgewater RSL and a Central Umpire for LVFN League.  
Special responsibilities: Strategic Planning and Marketing Committee, Sponsorship and Grants Committee

Name: George Arthur Wyatt  
Title: Non-executive director  
Experience and expertise: George is currently retired from a tertiary teaching career and has been involved in cricket and football clubs in Newbridge over an extended period. He has also had some experience in the finance and securities industry and holds tertiary academic qualifications.  
Special responsibilities: Manager of Low Volume Market Share Registry, Audit and Governance Committee

## Directors' report (continued)

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Name: Prue Janelle Milgate  
Title: Non-executive director  
Experience and expertise: Prue brings a wealth of experience in community representation to the Inglewood Bank Board. Most recently she was a member of the Serpentine Playgroup Committee serving for over 4 years as its President, and is the current Treasurer of the Dingee Preschool Committee in 2023. Prior to this she was a long standing Board director of the North Central Catchment Management Board, representing local irrigators residing along the Loddon River Catchment. Here she also brought her experience gained from time working at Goulburn Murray Water. As part of this role, Prue completed the Australian Institute of Company Directors Course, where she gained significant knowledge in conflict of interest and governance training. Prue has been involved in numerous football netball clubs across the state, and served locally on the Bears Lagoon Serpentine Netball Club committee from a young age. She is no longer an active committee member, at this time she has her hands full chasing her 3 sons commitments with football, cricket and swimming, as well as assisting her husband Luke, and parents Garry & Kaye Addlem on their farming property at Serpentine. Prue also brings experience and agricultural knowledge from many years working with Statewide Agricultural Advisory boards, where she worked extensively with current and past political parties ensuring regional Victoria had a strong voice in parliament. Prue is very passionate about her local community, and sees her position on the Bank Board as one where she can give back to her local community.

Special responsibilities: Sponsorship and Grants Committee, Audit and Governance Committee

Name: Maxwell Charles Higgs  
Title: Non-executive director  
Experience and expertise: Graduated MBBS University of Melbourne in 1981. Max has worked as a General Practitioner in the area for over 30 years. Australia wide rural and remote locum since 2016. He served 3 years as Councillor for the Inglewood Riding Shire of Loddon, previously a member of Inglewood & District Health Services Board of Management and was a foundation board member of the Inglewood & Districts Community Enterprises Limited.

Special responsibilities: Human Resources Committee, Strategic Planning and Marketing Committee

Name: Annette Maree Higgs  
Title: Non-executive director  
Experience and expertise: Annette has 35 years experience as a Company Manager/ Medical practice Manager. She has previously held the position of President at St Mary's primary School Inglewood. Annette is a Bendigo Art Gallery volunteer guide and a founder of the Loddon Eagles Tennis Club.

Special responsibilities: Sponsorship and Grants Committee

Name: Carol Anne Canfield  
Title: Non-executive director  
Experience and expertise: Carol holds a Diploma of Human Resource Management, Business Continuity Management Principles & Good Practice Cert, Diploma of Business (Accounting) and Farm Financial Management Certificate. Carol is a former board member of the North Central Learning Education Network and Loddon Mallee Women's Health. She has over 45 years in Local Government in both rural municipalities (East Loddon Shire and Loddon Shire) and a larger City based municipality (City of Greater Bendigo) her experience has been varied and extensive. Carol has lived in the district all her life being brought up on a farm at Serpentine and married a local from Powlett Plains, she has held positions in the Bears Lagoon/Serpentine Netball Club, Serpentine Red Cross, Inglewood Preschool, Inglewood Golf Club, Inglewood Calisthenics Club and Inglewood Primary School.

Special responsibilities: Human Resources Committee, Strategic Planning and Marketing Committee



## Directors' report (continued)

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Name:	Timothy Malcolm Birthisel
Title:	Non-executive director
Experience and expertise:	Timothy is a senior leader with over 30 years' experience in financial services. Timothy is a team player with strong relationship building, community relations and developing mutually beneficial relationship skills. Timothy has demonstrated the ability to work with and collaboratively with stakeholders at all levels. Proven experience managing external vendor relationships and leading successful internal teams. Underpinning his wide experience are relationship building skills that set him apart. Timothy thrives on working in partnership with people and his strong networking skills have been very beneficial when working with community volunteers. Most recently Timothy has been consulting to Kirkland Lake Gold for their Community Partnership Program. Since Timothy's commencement, they have developed a Governance Committee charter and a funding guidelines document. In March 2021, Kirkland Lake Gold announced they would put \$10m US (\$13.8m AUS) back into the communities where they operate mines. Timothy has been working with several community organisations to identify a program or project that requires some additional corporate funding. So far, they have helped 17 community organisations. Timothy is familiar working with all diverse backgrounds at through his time working at the Bendigo & Adelaide Bank. Timothy has always been part of the community through volunteering and playing local football and cricket. Timothy has coached senior football which has provided him with the necessary experience and knowledge to work with people from other backgrounds and cultures. As Senior Manager Group Agencies, he successfully led Bendigo Bank's first offshore expansion in its 160 year history. This service returned banking to the people of Nauru and is still operating successfully today. Timothy's career history includes working his way through the Bendigo Bank branch network, leading teams as a department manager and working closely with communities to establish their own community bank franchise branch. Timothy has had a significant mix of customer facing and corporate experience. From writing lending deals at branch level to negotiating franchise agreements and commercial transactions amongst community companies and the bank.
Special responsibilities:	Strategic Planning and Marketing Committee

Name:	Jillian Burdett
Title:	Non-executive director
Experience and expertise:	Jillian has been in banking for 38 years. She has been the Manager of Inglewood & District Community Bank since its opening in 2007 until retirement in 2018. Jillian is also President of the Inglewood Community Neighbourhood House.
Special responsibilities:	Audit and Governance Committee

### Company secretary

The company secretary is Robyn Eleanor Leach. Robyn was appointed to the position of company secretary on 2 August 2022.

Experience and expertise:	Robyn holds a Diploma of Business Management (Accounting). She is a previous employee of the Australian Taxation Office (5 years) and Forestry Tasmania (23 years). Both roles were in Administration and Executive support. She currently runs her own Bookkeeping business and is a registered BAS agent. Robyn recently returned to Victoria from Tasmania (40 years) to be available to her children and grandchildren.
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### Principal activity

The principal activity of the company during the financial year was facilitating Community Bank services under management rights of Bendigo and Adelaide Bank Limited (Bendigo Bank).

There have been no significant changes in the nature of this activity during the financial year.

### Review of operations

The profit for the company after providing for income tax amounted to \$189,550 (30 June 2023: \$140,251).

# Directors' report (continued)

Operations have continued to perform in line with expectations.

## Dividends

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

	2024 \$	2023 \$
Fully franked dividend of 5 cents per share (2023: 5 cents)	<u>25,271</u>	<u>25,271</u>

## Significant changes in the state of affairs

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

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

## Matters subsequent to the end of the financial year

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

## Likely developments and expected results of operations

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

## Environmental regulation

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

## Meetings of directors

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

	Board		Sponsorship Committee		Human Resources Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Linda Joy Younghusband	10	10	11	10	2	2
Colleen Mary Condliffe	10	7	-	-	2	1
Stewart Dean Luckman	10	8	11	8	-	-
George Arthur Wyatt	10	7	-	-	-	-
Prue Janelle Milgate	10	6	11	6	-	-
Maxwell Charles Higgs	10	4	-	-	2	2
Annette Maree Higgs	10	8	11	8	-	-
Carol Anne Canfield	10	8	-	-	2	2
Timothy Malcolm Birthisel	10	8	-	-	-	-
Jillian Burdett	10	10	-	-	-	-

Eligible: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

## Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 24 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

## Directors' report (continued)

### Directors' interests

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Linda Joy Younghusband	500	-	500
Jillian Burdett	-	-	-
Colleen Mary Condliffe	501	-	501
Stewart Dean Luckman	-	-	-
George Arthur Wyatt	25,001	1,001	26,002
Prue Janelle Milgate	125	-	125
Maxwell Charles Higgs	1,500	-	1,500
Annette Maree Higgs	1,500	-	1,500
Carol Anne Canfield	1,000	-	1,000
Timothy Malcolm Birthisel	-	500	500

### Shares under option

There were no unissued ordinary shares of the company under option outstanding at the date of this report.

### Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

### Indemnity and insurance of directors and officers

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

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance.

### Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

### Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

### Non-audit services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 25 to the accounts.

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

## Directors' report (continued)

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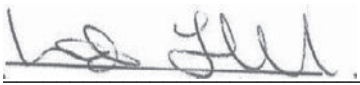
- all non-audit services have been reviewed by the board to ensure they do not impact on the impartiality, integrity and objectivity of the auditor
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional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

### **Auditor's independence declaration**

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

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

On behalf of the directors



Linda Joy Younghusband  
Chair

24 September 2024

# Auditor's independence declaration



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

## Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Inglewood & Districts Community Enterprises Limited

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

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

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

**Andrew Frewin Stewart**  
61 Bull Street, Bendigo, Vic, 3550  
Dated: 24 September 2024

A handwritten signature in black ink, appearing to read 'Lachlan Tatt'.

**Lachlan Tatt**  
Lead Auditor

# Financial statements

## Inglewood & Districts Community Enterprises Limited Statement of profit or loss and other comprehensive income For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue from contracts with customers	7	1,091,817	1,141,613
Other revenue		21,818	10,000
Finance revenue		24,110	10,070
Total revenue		<u>1,137,745</u>	<u>1,161,683</u>
Employee benefits expense	8	(423,129)	(421,649)
Advertising and marketing costs		(7,856)	(9,421)
Occupancy and associated costs		(16,914)	(19,025)
System costs		(18,692)	(18,827)
Depreciation and amortisation expense	8	(64,629)	(70,084)
Finance costs		(2,354)	(2,837)
General administration expenses		(134,823)	(136,055)
Total expenses before community contributions and income tax expense		<u>(668,397)</u>	<u>(677,898)</u>
<b>Profit before community contributions and income tax expense</b>		469,348	483,785
Charitable donations, sponsorships and grants expense	8	<u>(210,577)</u>	<u>(290,125)</u>
<b>Profit before income tax expense</b>		258,771	193,660
Income tax expense	9	<u>(69,221)</u>	<u>(53,409)</u>
<b>Profit after income tax expense for the year</b>		189,550	140,251
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<u>189,550</u>	<u>140,251</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	27	37.50	27.75
Diluted earnings per share	27	37.50	27.75

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

## Financial statements (continued)

### Inglewood & Districts Community Enterprises Limited Statement of financial position As at 30 June 2024

	Note	2024 \$	2023 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	153,612	72,105
Trade and other receivables	11	56,001	57,744
Investments	12	451,185	412,545
Total current assets		<u>660,798</u>	<u>542,394</u>
<b>Non-current assets</b>			
Property, plant and equipment	13	112,834	62,415
Right-of-use assets	14	38,397	50,362
Intangible assets	15	41,158	73,540
Deferred tax assets	9	671	-
Total non-current assets		<u>193,060</u>	<u>186,317</u>
<b>Total assets</b>		<u>853,858</u>	<u>728,711</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	16	22,898	21,767
Lease liabilities	17	14,922	13,431
Current tax liabilities	9	26,446	41,726
Employee benefits		7,088	3,586
Total current liabilities		<u>71,354</u>	<u>80,510</u>
<b>Non-current liabilities</b>			
Trade and other payables	16	14,490	28,980
Lease liabilities	17	27,189	41,958
Deferred tax liabilities	9	-	1,427
Provisions	18	19,481	18,771
Total non-current liabilities		<u>61,160</u>	<u>91,136</u>
<b>Total liabilities</b>		<u>132,514</u>	<u>171,646</u>
<b>Net assets</b>		<u>721,344</u>	<u>557,065</u>
<b>Equity</b>			
Issued capital	19	488,516	488,516
Retained earnings		<u>232,828</u>	<u>68,549</u>
<b>Total equity</b>		<u>721,344</u>	<u>557,065</u>

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

## Financial statements (continued)

### Inglewood & Districts Community Enterprises Limited Statement of changes in equity For the year ended 30 June 2024

	Note	Issued capital \$	Retained earnings \$	Total equity \$
<b>Balance at 1 July 2022</b>		488,516	(46,431)	442,085
Profit after income tax expense		-	140,251	140,251
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	140,251	140,251
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	21	-	(25,271)	(25,271)
<b>Balance at 30 June 2023</b>		<u>488,516</u>	<u>68,549</u>	<u>557,065</u>
<b>Balance at 1 July 2023</b>		488,516	68,549	557,065
Profit after income tax expense		-	189,550	189,550
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	189,550	189,550
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	21	-	(25,271)	(25,271)
<b>Balance at 30 June 2024</b>		<u>488,516</u>	<u>232,828</u>	<u>721,344</u>

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



## Financial statements (continued)

### Inglewood & Districts Community Enterprises Limited Statement of cash flows For the year ended 30 June 2024

	Note	2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		1,203,963	1,252,307
Payments to suppliers and employees (inclusive of GST)		(917,716)	(1,033,299)
Interest received		21,839	7,411
Income taxes paid		<u>(86,675)</u>	<u>(28,289)</u>
Net cash provided by operating activities	26	<u>221,411</u>	<u>198,130</u>
<b>Cash flows from investing activities</b>			
Redemption of/(investment in) term deposits		(38,640)	(158,938)
Payments for property, plant and equipment		(47,640)	-
Payments for intangible assets		<u>(13,178)</u>	<u>(13,178)</u>
Net cash used in investing activities		<u>(99,458)</u>	<u>(172,116)</u>
<b>Cash flows from financing activities</b>			
Interest and other finance costs paid		(1,686)	(2,185)
Dividends paid	21	(25,271)	(25,271)
Repayment of lease liabilities		<u>(13,489)</u>	<u>(12,422)</u>
Net cash used in financing activities		<u>(40,446)</u>	<u>(39,878)</u>
Net increase/(decrease) in cash and cash equivalents		81,507	(13,864)
Cash and cash equivalents at the beginning of the financial year		<u>72,105</u>	<u>85,969</u>
Cash and cash equivalents at the end of the financial year	10	<u><u>153,612</u></u>	<u><u>72,105</u></u>

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

# Notes to the financial statements

**30 June 2024**

## **Note 1. Reporting entity**

The financial statements cover Inglewood & Districts Community Enterprises Limited (the company) as an individual entity, which is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 64 Brooke Street, Inglewood VIC 3517.

A description of the nature of the company's operations and its principal activity is included in the directors' report, which is not part of the financial statements.

## **Note 2. Basis of preparation and statement of compliance**

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB). The financial statements have been prepared on an accrual and historical cost basis and are presented in Australian dollars which is the company's functional and presentation currency.

The directors have a reasonable expectation that the company has adequate resources to pay its debts as and when they fall due for the foreseeable future. For these reasons, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 September 2024. The directors have the power to amend and reissue the financial statements.

## **Note 3. Material accounting policy information**

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

### **Adoption of new and revised accounting standards**

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

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

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

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

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

### **Accounting standards issued but not yet effective**

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

# Notes to the financial statements (continued)

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## **Note 3. Material accounting policy information (continued)**

### **Current and non-current classification**

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

### **Investments**

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

### **Impairment of financial assets**

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

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

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

### **Impairment of non-financial assets**

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

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

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

## **Note 4. Critical accounting judgements, estimates and assumptions**

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

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

# Notes to the financial statements (continued)

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

### Judgements

#### *Timing of revenue recognition associated with trail commission*

The company receives trailing commission from Bendigo Bank for products and services sold. Ongoing trailing commission payments are recognised on a monthly basis when earned as there is insufficient detail readily available to estimate the most likely amount of revenue without a high probability of significant reversal in a subsequent reporting period. The receipt of ongoing trailing commission revenue is outside the control of the company.

#### *Allowance for expected credit losses on trade and other receivables*

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

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

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

#### *Impairment of non-financial assets*

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. The directors did not identify any impairment indications during the financial year.

#### *Recovery of deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

#### *Lease term*

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term.

In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations, comparison of terms and conditions to prevailing market rates, incurrance of significant penalties, existence of significant leasehold improvements and the costs and disruption to replace the asset. The reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

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

# Notes to the financial statements (continued)

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

### Estimates and assumptions

#### *Estimation of useful lives of assets*

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

#### *Incremental borrowing rate*

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

#### *Lease make good provision*

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

## Note 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in May 2027.

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

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

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

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

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

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

## Notes to the financial statements (continued)

### Note 6. Change to comparative figures

#### *Classification of term deposits*

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

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

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

- Cash and cash equivalents decreased and investments increased by \$412,545 at 30 June 2023 as reported in the Statement of financial position.
- Opening and closing cash balances were reduced to exclude term deposits with initial investment periods greater than three months as reported in the Statement of cash flows.
- Investments in and redemptions of term deposits with initial investment periods greater than three months are now classified within investment activities as reported in the Statement of cash flows.

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

#### *Calculation of right-of-use asset cost and accumulated depreciation*

On adoption of AASB 16 *Leases* on 1 July 2019, the company previously recognised the right-of-use asset cost and accumulated depreciation on a gross basis from the commencement of the lease as if AASB 16 had always been applied by the company.

During the financial year the company recorded a change in accounting policy, whereby it elected to recognise the right-of-use asset net of accumulated depreciation on initial adoption of AASB 16. The change in accounting policy had no impact on the company's net profit or net asset position, however it did reduce the company's right-of-use asset cost and accumulated depreciation at 30 June 2023 by \$106,620.

### Note 7. Revenue from contracts with customers

	2024 \$	2023 \$
Margin income	798,994	865,385
Fee income	50,023	49,006
Commission income	242,800	227,222
	<u>1,091,817</u>	<u>1,141,613</u>

#### *Accounting policy for revenue from contracts with customers*

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

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

## Notes to the financial statements (continued)

### Note 7. Revenue from contracts with customers (continued)

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

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

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

#### *Revenue calculation*

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

#### *Margin income*

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

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

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

#### *Commission income*

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

#### *Fee income*

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

#### *Core banking products*

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

#### *Ability to change financial return*

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

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

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

## Notes to the financial statements (continued)

### Note 8. Expenses

#### Employee benefits expense

	2024 \$	2023 \$
Wages and salaries	315,849	315,213
Superannuation contributions	38,358	35,588
Expenses related to long service leave	3,387	2,608
Other expenses	65,535	68,240
	<u>423,129</u>	<u>421,649</u>

#### Accounting policy for employee benefits

The company seconded employees from Bendigo and Adelaide Bank Limited. The total cost of these employees, including an allowance for accrued annual and long service leave, is charged to the company by Bendigo and Adelaide Bank Limited by offsetting against the monthly profit share arrangement. The company recognises these costs as an expense on a monthly basis.

The company only employees a company secretary and a communications officer whose costs are recognised through fortnightly payroll reports. Annual leave and long service leave liabilities for these employees are recognised by the company.

#### Depreciation and amortisation expense

	2024 \$	2023 \$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	10,942	10,942
Plant and equipment	2,041	2,150
Motor vehicles	6,056	10,457
	<u>19,039</u>	<u>23,549</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	13,208	12,704
<i>Amortisation of intangible assets</i>		
Franchise fee	1,637	2,580
Franchise renewal fee	8,345	12,584
Rights to revenue share	22,400	18,667
	<u>32,382</u>	<u>33,831</u>
	<u>64,629</u>	<u>70,084</u>

#### Charitable donations, sponsorships and grants

	2024 \$	2023 \$
Direct donation, sponsorship and grant payments	60,577	40,125
Contribution to the Community Enterprise Foundation™	150,000	250,000
	<u>210,577</u>	<u>290,125</u>

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



## Notes to the financial statements (continued)

### Note 8. Expenses (continued)

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

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

### Note 9. Income tax

	2024 \$	2023 \$
<i>Income tax expense</i>		
Current tax	72,635	59,343
Movement in deferred tax	(2,098)	(6,017)
Under/over adjustment	(1,316)	83
	<u>69,221</u>	<u>53,409</u>
<i>Aggregate income tax expense</i>		
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	258,771	193,660
Tax at the statutory tax rate of 25%	64,693	48,415
Tax effect of:		
Non-deductible expenses	5,844	4,911
Under/over adjustment	(1,316)	83
	<u>69,221</u>	<u>53,409</u>
Income tax expense	<u>69,221</u>	<u>53,409</u>
	2024 \$	2023 \$
<i>Deferred tax attributable to:</i>		
expense accruals	1,099	1,050
employee provisions	1,772	897
make-good provision	4,870	4,693
lease liabilities	10,528	13,847
property, plant and equipment	(6,159)	(8,050)
income accruals	(1,840)	(1,274)
right-of-use assets	(9,599)	(12,590)
	<u>671</u>	<u>(1,427)</u>
Deferred tax asset/(liability)	<u>671</u>	<u>(1,427)</u>
	2024 \$	2023 \$
Provision for income tax	<u>26,446</u>	<u>41,726</u>

#### *Accounting policy for income tax*

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

#### *Accounting policy for current tax*

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

## Notes to the financial statements (continued)

### Note 9. Income tax (continued)

#### *Accounting policy for deferred tax*

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

### Note 10. Cash and cash equivalents

	2024 \$	2023 \$
Cash at bank and on hand	<u>153,612</u>	<u>72,105</u>

### Note 11. Trade and other receivables

	2024 \$	2023 \$
Trade receivables	<u>43,568</u>	<u>46,673</u>
Accrued income	7,362	5,091
Prepayments	<u>5,071</u>	<u>5,980</u>
	<u>12,433</u>	<u>11,071</u>
	<u>56,001</u>	<u>57,744</u>

#### *Accounting policy for trade and other receivables*

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

### Note 12. Investments

	2024 \$	2023 \$
<i>Current assets</i>		
Term deposits	<u>451,185</u>	<u>412,545</u>

### Note 13. Property, plant and equipment

	2024 \$	2023 \$
Leasehold improvements - at cost	151,679	151,679
Less: Accumulated depreciation	<u>(121,564)</u>	<u>(110,622)</u>
	<u>30,115</u>	<u>41,057</u>
Plant and equipment - at cost	51,141	51,141
Less: Accumulated depreciation	<u>(35,318)</u>	<u>(33,277)</u>
	<u>15,823</u>	<u>17,864</u>
Motor vehicles - at cost	69,458	52,284
Less: Accumulated depreciation	<u>(2,562)</u>	<u>(48,790)</u>
	<u>66,896</u>	<u>3,494</u>
	<u>112,834</u>	<u>62,415</u>

## Notes to the financial statements (continued)

### Note 13. Property, plant and equipment (continued)

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

	Leasehold improvements \$	Plant and equipment \$	Motor vehicles \$	Total \$
Balance at 1 July 2022	51,999	20,014	13,951	85,964
Depreciation	(10,942)	(2,150)	(10,457)	(23,549)
Balance at 30 June 2023	41,057	17,864	3,494	62,415
Additions	-	-	69,458	69,458
Depreciation	(10,942)	(2,041)	(6,056)	(19,039)
Balance at 30 June 2024	<u>30,115</u>	<u>15,823</u>	<u>66,896</u>	<u>112,834</u>

#### Accounting policy for property, plant and equipment

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

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

Leasehold improvements	2 to 20 years
Plant and equipment	1 to 40 years
Motor vehicles	5 years

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

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

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

### Note 14. Right-of-use assets

	2024 \$	2023 \$
Land and buildings - right-of-use	91,971	90,728
Less: Accumulated depreciation	(53,574)	(40,366)
	<u>38,397</u>	<u>50,362</u>

## Notes to the financial statements (continued)

### Note 14. Right-of-use assets (continued)

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

	Land and buildings \$
Balance at 1 July 2022	62,461
Remeasurement adjustments	605
Depreciation expense	<u>(12,704)</u>
Balance at 30 June 2023	50,362
Remeasurement adjustments	1,243
Depreciation expense	<u>(13,208)</u>
Balance at 30 June 2024	<u><u>38,397</u></u>

#### *Accounting policy for right-of-use assets*

Right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease. Right-of-use assets are subject to impairment and are adjusted for any remeasurement of lease liabilities.

Refer to note 17 for more information on lease arrangements.

### Note 15. Intangible assets

	2024 \$	2023 \$
Rights to revenue share	112,000	112,000
Less: Accumulated amortisation	<u>(108,267)</u>	<u>(85,867)</u>
	3,733	26,133
Franchise fee	43,723	43,723
Less: Accumulated amortisation	<u>(37,512)</u>	<u>(35,875)</u>
	6,211	7,848
Franchise renewal fee	168,616	168,616
Less: Accumulated amortisation	<u>(137,402)</u>	<u>(129,057)</u>
	31,214	39,559
	<u><u>41,158</u></u>	<u><u>73,540</u></u>

## Notes to the financial statements (continued)

### Note 15. Intangible assets (continued)

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

	Rights to revenue share \$	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2022	44,800	10,428	52,143	107,371
Amortisation expense	(18,667)	(2,580)	(12,584)	(33,831)
Balance at 30 June 2023	26,133	7,848	39,559	73,540
Amortisation expense	(22,400)	(1,637)	(8,345)	(32,382)
Balance at 30 June 2024	<u>3,733</u>	<u>6,211</u>	<u>31,214</u>	<u>41,158</u>

#### Accounting policy for intangible assets

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

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

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

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

<u>Asset class</u>	<u>Method</u>	<u>Useful life</u>	<u>Expiry/renewal date</u>
Franchise fee	Straight-line	Over the franchise term (5 years)	May 2027
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	May 2027
Rights to revenue share	Straight-line	5 years	August 2024

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

#### Change in estimates

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

### Note 16. Trade and other payables

	2024 \$	2023 \$
<i>Current liabilities</i>		
Trade payables	5,071	5,071
Other payables and accruals	<u>17,827</u>	<u>16,696</u>
	<u>22,898</u>	<u>21,767</u>
<i>Non-current liabilities</i>		
Other payables and accruals	<u>14,490</u>	<u>28,980</u>

## Notes to the financial statements (continued)

### Note 16. Trade and other payables (continued)

	2024 \$	2023 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	37,388	50,747
add other payables and accruals (net GST refundable from the ATO)	4,887	10,019
	<u>42,275</u>	<u>60,766</u>

### Note 17. Lease liabilities

	2024 \$	2023 \$
<i>Current liabilities</i>		
Land and buildings lease liabilities	<u>14,922</u>	<u>13,431</u>
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	<u>27,189</u>	<u>41,958</u>
<i>Reconciliation of lease liabilities</i>		
	2024 \$	2023 \$
Opening balance	55,389	67,206
Remeasurement adjustments	211	605
Lease interest expense	1,686	2,185
Lease payments - total cash outflow	<u>(15,175)</u>	<u>(14,607)</u>
	<u>42,111</u>	<u>55,389</u>

#### *Accounting policy for lease liabilities*

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

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

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

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise	Lease term end date used in calculations
Inglewood Branch	3.54%	5 years	N/A	N/A	June 2027

## Notes to the financial statements (continued)

### Note 18. Provisions

	2024 \$	2023 \$
Lease make good	19,481	18,771

#### *Lease make good*

In accordance with the branch lease agreement, the company must restore the leased premises to the original condition before the expiry of the lease term. The company has estimated the provision to be \$21,560 for the Inglewood branch lease, based on experience and consideration of the expected future costs to remove all fittings and the ATM as well as the cost to remedy any damages caused during the removal process. The lease is due to expire in June 2027 at which time it is expected the face-value costs to restore the premises will fall due.

### Note 19. Issued capital

	2024 Shares	2023 Shares	2024 \$	2023 \$
Ordinary shares - fully paid	505,412	505,412	505,412	505,412
Less: Equity raising costs	-	-	(16,896)	(16,896)
	<u>505,412</u>	<u>505,412</u>	<u>488,516</u>	<u>488,516</u>

#### *Accounting policy for issued capital*

Ordinary shares are recognised at the fair value of the consideration received by the company being \$1 per share. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

#### *Rights attached to issued capital*

##### *Ordinary shares*

##### Voting rights

Subject to some limited exceptions, each member has the right to vote at a general meeting.

On a show of hands or a poll, each member attending the meeting (whether they are attending the meeting in person or by attorney, corporate representative or proxy) has one vote, regardless of the number of shares held. However, where a person attends a meeting in person and is entitled to vote in more than one capacity (for example, the person is a member and has also been appointed as proxy for another member) that person may only exercise one vote on a show of hands. On a poll, that person may exercise one vote as a member and one vote for each other member that person represents as duly appointed attorney, corporate representative or proxy.

The purpose of giving each member only one vote, regardless of the number of shares held, is to reflect the nature of the company as a community based company, by providing that all members of the community who have contributed to the establishment and ongoing operation of the Community Bank branch have the same ability to influence the operation of the company.

##### Dividends

Generally, dividends are payable to members in proportion to the amount of the share capital paid up on the shares held by them, subject to any special rights and restrictions for the time being attaching to shares. The franchise agreement with Bendigo Bank contains a limit on the level of profits or funds that may be distributed to shareholders. There is also a restriction on the payment of dividends to certain shareholders if they have a prohibited shareholding interest (see below).

##### Transfer

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

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

## Notes to the financial statements (continued)

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### Note 19. Issued capital (continued)

#### *Prohibited shareholding interest*

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").

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

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

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

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

### Note 20. Capital management

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

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

The distribution limit is the greater of:

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

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

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



## Notes to the financial statements (continued)

### Note 21. Dividends

The following dividends were provided for and paid to shareholders during the financial year as presented in the Statement of changes in equity and Statement of cash flows.

	2024 \$	2023 \$
Fully franked dividend of 5 cents per share (2023: 5 cents)	<u>25,271</u>	<u>25,271</u>

### Franking credits

	2024 \$	2023 \$
Franking account balance at the beginning of the financial year	66,734	46,952
Franking credits (debits) arising from income taxes paid (refunded)	86,675	28,206
Franking debits from the payment of franked distributions	<u>(8,424)</u>	<u>(8,424)</u>
	<u>144,985</u>	<u>66,734</u>
<i>Franking transactions that will arise subsequent to the financial year end:</i>		
Balance at the end of the financial year	144,985	66,734
Franking credits (debits) that will arise from payment (refund) of income tax	<u>26,446</u>	<u>41,726</u>
Franking credits available for future reporting periods	<u>171,431</u>	<u>108,460</u>

The ability to utilise franking credits is dependent upon the company's ability to declare dividends. The tax rate at which future dividends will be franked is 25%.

### Accounting policy for dividends

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

### Note 22. Financial risk management

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

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

The directors have identified that the only significant financial risk exposures of the company are liquidity and market (price) risk. Other financial risks are not significant to the company due to the following factors:

- The company has no foreign exchange risk as all of its account balances and transactions are in Australian Dollars.
- The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo Bank. The company monitors credit worthiness through review of credit ratings, Bendigo Bank is rated BBB+ on Standard & Poor's credit ratings.
- The company has no direct exposure to movements in commodity prices.
- The company's interest-bearing instruments are held at amortised cost which have fair values that approximate their carrying value since all cash and payables have maturity dates within 12 months.
- The company has no borrowings.

Further details regarding the categories of financial instruments held by the company that hold such exposure are detailed below.

## Notes to the financial statements (continued)

### Note 22. Financial risk management (continued)

	2024	2023
	\$	\$
<b>Financial assets at amortised cost</b>		
Trade and other receivables (note 11)	50,930	51,764
Cash and cash equivalents (note 10)	153,612	72,105
Term deposits (note 12)	451,185	412,545
	<u>655,727</u>	<u>536,414</u>
<b>Financial liabilities at amortised cost</b>		
Trade and other payables (note 16)	42,275	60,766
Lease liabilities (note 17)	42,111	55,389
	<u>84,386</u>	<u>116,155</u>

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

#### *Accounting policy for financial instruments*

#### **Financial assets**

##### *Classification*

The company classifies its financial assets at amortised cost.

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

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

##### *Derecognition*

A financial asset is derecognised when the company's contractual right to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

##### *Impairment of trade and other receivables*

Impairment of trade receivables is determined using the simplified approach which uses an estimation of lifetime expected credit losses. The company has not recognised an allowance for expected credit losses in relation to trade and other receivables. Refer to note 4 for further information.

#### **Financial liabilities**

##### *Classification*

The company classifies its financial liabilities at amortised cost.

##### *Derecognition*

A financial liability is derecognised when it is extinguished, cancelled or expires.

#### **Market risk**

Market risk is the risk that changes in market prices - e.g. foreign exchange rates, interest rates, and equity prices - will affect the company's income or the value of its holdings in financial instruments.

Interest-bearing assets and liabilities are held with Bendigo Bank and subject to movements in market interest rates. The company held cash and cash equivalents of \$153,612 at 30 June 2024 (2023: \$72,105) and term deposits of \$451,185 at 30 June 2024 (2023: \$412,545).

#### **Price risk**

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

## Notes to the financial statements (continued)

### Note 22. Financial risk management (continued)

#### Liquidity risk

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

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

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>2024</b>				
Trade and other payables	27,785	14,490	-	42,275
Lease liabilities	15,162	29,061	-	44,223
Total non-derivatives	42,947	43,551	-	86,498
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>2023</b>				
Trade and other payables	31,786	28,980	-	60,766
Lease liabilities	15,324	44,695	-	60,019
Total non-derivatives	47,110	73,675	-	120,785

### Note 23. Key management personnel disclosures

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

Linda Joy Younghusband	George Arthur Wyatt
Jillian Burdett	Timothy Malcolm Birthisel
Prue Janelle Milgate	Maxwell Charles Higgs
Colleen Mary Condliffe	Annette Maree Higgs
Stewart Dean Luckman	Carol Anne Canfield

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

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

### Note 24. Related party transactions

#### Key management personnel

Disclosures relating to key management personnel are set out in note 23.

#### Receivable from and payable to related parties

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

#### Terms and conditions of transactions with related parties

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

## Notes to the financial statements (continued)

### Note 24. Related party transactions (continued)

#### *Transactions with related parties*

The following transactions occurred with related parties:

	2024 \$	2023 \$
The company made contributions either directly or through the Community Enterprise Foundation to entities where company directors are also committee members. The total benefit was:	33,471	2,601

### Note 25. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Andrew Frewin Stewart, the auditor of the company:

	2024 \$	2023 \$
<i>Audit services</i>		
Audit or review of the financial statements	6,650	5,400
<i>Other services</i>		
Taxation advice and tax compliance services	700	860
General advisory services	2,610	2,470
Share registry services	5,558	4,477
	<u>8,868</u>	<u>7,807</u>
	<u>15,518</u>	<u>13,207</u>

### Note 26. Reconciliation of profit after income tax to net cash provided by operating activities

	2024 \$	2023 \$
Profit after income tax expense for the year	189,550	140,251
Adjustments for:		
Depreciation and amortisation	64,629	70,084
Net gain on disposal of non-current assets	(21,818)	-
Lease liabilities interest	1,686	2,185
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	1,743	(17,533)
Increase in deferred tax assets	(671)	-
Decrease in trade and other payables	(1,171)	(25,134)
Increase/(decrease) in provision for income tax	(15,280)	31,137
Decrease in deferred tax liabilities	(1,427)	(6,017)
Increase in employee benefits	3,502	2,506
Increase in other provisions	668	651
Net cash provided by operating activities	<u>221,411</u>	<u>198,130</u>

## Notes to the financial statements (continued)

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### Note 27. Earnings per share

	2024	2023
	\$	\$
Profit after income tax	<u>189,550</u>	<u>140,251</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>505,412</u>	<u>505,412</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>505,412</u>	<u>505,412</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	37.50	27.75
Diluted earnings per share	37.50	27.75

#### *Accounting policy for earnings per share*

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

### Note 28. Commitments

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

### Note 29. Contingencies

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

### Note 30. Events after the reporting period

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

# Directors' declaration

**30 June 2024**

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the company does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, a consolidated entity disclosure statement has not been included as section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

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

On behalf of the directors



Linda Joy Younghusband  
Chair

24 September 2024

# Independent audit report



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

## Independent auditor's report to the Directors of Inglewood & Districts Community Enterprises Limited

### Report on the Audit of the Financial Report

#### Opinion

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

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

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

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

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

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

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



Andrew Frewin Stewart  
61 Bull Street Bendigo VIC 3550  
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## Other Information

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

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

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

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

## Responsibilities of the Directors for the Financial Report

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

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

## Auditor's responsibilities for the Audit of the Financial Report

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





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

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

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

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

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

**Andrew Frewin Stewart**  
61 Bull Street, Bendigo, Vic, 3550  
Dated: 24 September 2024

A handwritten signature in black ink, appearing to read 'Lachlan Tatt'.

**Lachlan Tatt**  
Lead Auditor

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Share Registry:  
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 **Bendigo Bank**