

# Annual Report 2024

Inverloch & District Financial  
Enterprises Limited

Community Bank  
Inverloch & District

ABN 13 117 672 590



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# Chair's report

For year ending 30 June 2024

On behalf of Inverloch & District Financial Enterprises Limited I am pleased to present our report for the 2023/24 financial year. It is pleasing to report that we managed to record a profit in what is still a challenging financial environment. This has enabled us to increase our support to community groups, grow our balance sheet, improve the branch facilities and provide a return for our shareholders.

With a long term franchise agreement and a long term lease in place for our current location we look forward to continuing this long into the future.

## Financial Performance

Overall, the company has had a strong financial result recording a Net Profit after Tax of \$272,887. The company's balance sheet remains strong and continues to grow with net assets growth of 22.7% to \$1,110,653 and growth in cash and term deposits of 15.7% to \$1,034,241.

The branch team have continued to grow Business footings during the year with overall growth of \$17.3 million to \$138.0 million which represents the highest level in the history of the Bank.

Noting the improved financial performance of the company, the Board has decided to pay a fully franked dividend of \$0.115.

## Community Contribution

As a Community Bank we are excited this year to be able to increase the number of contributions back to our local communities by 28 % through a combination of grants, donations, and sponsorships and to a wide variety of groups.

This is what differentiates us as a community bank and we look forward to continuing to increase our level of support over the coming years.

This year we have also been able to reinvest in our branch and improve the facilities for both our community and staff demonstrating our vision of "Being the bank of first choice for the Inverloch and District Community".

## Personnel

None of the financial results or community contributions could be achieved without the significant efforts of our branch team, including Penelope Lyttle and her staff. During the year we saw the departures of some of our long-standing team members and the introduction of some new team members. They all have a strong focus on the customer and the community and are constantly looking for ways to improve the experience and outcomes for them, whilst continuing to grow the business. On behalf of all the Board I would like to sincerely thank them for their efforts.

I would also like to thank and acknowledge the contribution of my fellow Directors and our Executive Officer who are all volunteers, and all participate at both Board and on a number of sub-committees to ensure the success of the company. We are pleased to announce the appointment of four new Directors to the Board, Robert Murphy, Louise Litchfield, Nanette Gibson and Kerrie Giles and thank retiring Directors, Jacqui Colwell, Tom McQualter, Dona Tantirimudalige and Heather Witham who were extremely generous with their time and support of our Community Bank.

Community Bank Inverloch & District is now the only Bank represented in Inverloch with a full banking service. I look forward to the continued support of our customers, shareholders, and the community to enable us to retain this position.



**Mark McCormack**  
Chair

# Manager's report

For year ending 30 June 2024

Community Bank Inverloch & District continued to grow its customer base and business size in its 18th year of trading. A positive increase in our customer growth by 22.2% including a surge in account opening where the branch opened 666 accounts this financial year which is an increase of 35.4% from last year. This demonstrates the community awareness regarding our banking service along with the community model we encompass that includes benefit back to the community. Home loans suffered this financial year due to the rise of interest rates and many customers coming off fixed rates of 1.99% and increases to 6.49%, the cost of living and housing, and the market slowed on purchases. On a positive note, our loan numbers increased 2.5% this financial year. Our deposit growth was strong this year with a growth of 18.6% and finishing the financial year with our footings at \$138 million.

This year we said goodbye to our Chair Jaqui Colwell who has been replaced by Mark McCormack. On behalf of myself and the staff in the branch, I would like to take this opportunity to acknowledge our volunteer Board members and Executive Assistant Gail who have been an amazing support to myself, our staff and community. Their ongoing leadership, time and continued support is invaluable and greatly appreciated.

This year Community Bank Inverloch & District grew our contribution in our community to over \$620,000. This is such a privilege and very rewarding to be able to proudly announce what our contribution has been since inception and the amazing support we give to our community. This year some of our support went to Bass Coast Cycle Challenge, Bass Coast Health Inverloch Art Show Auxiliary, Inverloch Carols Committee, Inverloch Jazz Festival, Mt Hotham Racing Squad Inc, Inverloch RSL Sub Branch, South Gippsland Bridge Club and the Tarwin District Lifestyle and Auto Festival.

I would like to personally thank our dedicated staff for the willingness to go the extra mile, friendly and supportive customer service and drive to get the right solutions for our customers. We said a sad goodbye to Rachael who retired working for Bendigo Bank after 36 years and wish her well in her next endeavours. We welcomed Carolyn & Eamonn to our team and wish them every success in their roles and am sure you will see them out and about in our community.

Our shareholders and customers deserve recognition also as they create the biggest impact in our business. With you, we have been able to invest \$620,000 back into our community.

We held another hugely successful 'Connecting Community Night' in October 2023. There were so many people in the branch, that there were people standing out the front. We organised six members of the community, being in business or a community group, to stand up in front of the crowd and talk about their business or group and what they do in the community. There was a lot of positive feedback and we look at holding one of these each year.

The team and I are committed to our customers and community, we are driven by the difference with the Community Bank model and every time people bank with the local community bank, our bottom line increases and community contributions and dividends increase also.

Our vision is to be the bank of choice for our community. Your banking is building a better community: the more our business grows, the bigger the difference we can make in the community. Please refer all your family, friends and work colleagues to Community Bank Inverloch & District to enable us to grow and increase our contributions to the community. Help us be the best bank to our customers, community and our network!

Looking forward to our discussions and contact during the next financial year.



**Penelope Lyttle**  
**Branch Manager**



# It's all about Community



2024 Inverloch Community Expo  
(Inverloch Tourism Association)



Celebrating the Wonthaggi Croquet Club's  
new Club Rooms



2024 Inverloch Community Expo



In the branch and marketing items for local organisations





Careers Expo - Korumburra



Wonthaggi Croquet Club members



Happy new business customer from McCall Mechanical and Tyres



Inverloch Kongwak Primary School Fete



Birthday celebrations



Community Bank Inverloch staff were awarded for their Community Engagement

# Bendigo and Adelaide Bank report

For year ending 30 June 2024

This past year has been particularly significant for Bendigo Bank and the Community Bank network. After five years apart, we had the opportunity to come together in person and connect in Bendigo at our National Conference in September.

It was lovely to see so many familiar faces and to meet many Directors who haven't attended previously. We feel proud to support such an amazing network.

We are committed to our strategy and the qualities that make Bendigo Bank unique, by staying true to our connection with communities, our regional roots, and our position as Australia's most trusted bank.

As Bendigo Bank adapts to the evolving digital landscape and changing customer expectations, the Community Bank Network is organically evolving in response.

Over the past 12 months, we have seen Community Bank companies seek to enhance their presence within their communities more than ever.

This has been through expanding or consolidating branch sites, collaborating with local, state, and national governments to support community initiatives, or by prioritising social value alongside financial performance through Social Trader accreditation.

The anniversary of the Community Bank model, along with changing environmental factors, provides an opportunity to reset and establish a clear pathway towards the next 25 years.

Bendigo Bank's purpose, to feed into the prosperity of communities, and our willingness to ensure our purpose is relevant to the needs of communities in which we are present, is a key contributor to our commercial success.

When we utilise our combined strengths, exercise our imaginations and have the courage to commit to creating our own opportunities, we will be the partner of choice for customers and communities regardless of location or cause.

Community, regional presence, and trust are the distinctive attributes of Bendigo Bank that we have maintained and plan to uphold in the future.

While Bendigo Bank emphasises commercial success, our foundation remains in community values. Our aim is to generate mutual value by providing solutions to local challenges.

On behalf of Bendigo Bank, thank you for being a shareholder in your local Community Bank. Your contribution helps foster economic growth, creates employment opportunities, and provides essential financial services to the members of your community.

Your dedication and support is making a positive impact on your community.

**Justine Minne**  
**Bendigo and Adelaide Bank**



# Community Bank National Council report

For year ending 30 June 2024



COMMUNITY BANK  
NATIONAL COUNCIL

## Community Bank network: celebrating 26 years of empowering communities

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

In the 2022-23 financial year, our Community Bank network gave back more than \$32 million in grants, sponsorships and donations to local community projects and initiatives. Over 26 years, we have returned more than \$324 million to local communities for emergency services; facilities and infrastructure; sport and recreation; education and research; health and wellbeing; art, culture and heritage as well as environment and animal welfare.

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

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

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

The 2024 - 2026 Community Bank National Council Strategic Plan has four key focus areas:

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

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

Warm regards

**Lauren Bean**  
**General Manager**  
**Community Bank National Council**



# Directors' report

**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:	Mark Gerard McCormack
Title:	Non-executive director
Experience and expertise:	Bachelor of Civil Engineering, Chartered Professional Engineer (CPEng), Engineer of Water Supply, Graduate Australian Institute of Company Directors. Over 30 years of experience in engineering and management roles in State Rivers and Water Supply, Mornington Peninsula WaterBoard and Melbourne Water. Various senior executive roles in South East Water. Life member of Forest Hill Cricket Club. Previous positions, committee and association roles in Little Athletics and local football clubs.
Special responsibilities:	Board Chair, member of the Finance & Risk and Business Development, Marketing & Sponsorship Committees
Name:	Tristan Andrew Creed
Title:	Non-executive director
Experience and expertise:	Chartered Accountant & Tax Agent. Director of Feathertop Pty Ltd. Director of Imporex Pty Ltd. Director of Biathlon Australia Ltd. Bachelor of Business (Accountancy). Graduate Diploma (CA).
Special responsibilities:	Treasurer, Finance & Risk and Business Development, Marketing & Sponsorship Committee
Name:	Susan Joy Ruffin
Title:	Non-executive director
Experience and expertise:	Susan is a Legal Practitioner. BA (Honours) LLB.
Special responsibilities:	Finance & Risk Committee
Name:	Kerralie Joy Shaw
Title:	Non-executive director
Experience and expertise:	Bachelor of Arts, Graduate Diploma Market Modelling, Graduate Australian Institute of Company Directors. Kerralie has over 25 years experience consulting to large corporations about customer experience (CX) and marketing strategy. Expertise in consumer buyer behaviour in B2C. Held senior positions client and agency side. Full member The Research Society. Active member Inverloch Lifesaving Club.
Special responsibilities:	Chair of Business Development, Marketing & Sponsorship Committee
Name:	Robert Noel Murphy
Title:	Non-executive director (appointed 24 October 2023)
Experience and expertise:	Bachelor of Engineering (Civil), Post-graduate Diploma (Construction Law and Contract Administration), Masters of Business Administration, Graduate of Australian Institute of Company Directors, Member Engineers Australia, Chartered Professional Engineer, Board member Institute of Water Administrators, Managing Director of South Gippsland Water, previous role as Acting Managing Director Western Water, previous role as committee member and treasurer of junior netball club.
Special responsibilities:	Chair of Finance and Risk Committee
Name:	Louise Martin-Litchfield
Title:	Non-executive director (appointed 30 January 2024)
Experience and expertise:	Communications Consultant, Senior Victorian Public Servant, Civil Celebrant, Bachelor of Arts Degree, Masters Degree, Company Director, Member and Assessor of the of Australian Community Broadcasting Foundation.
Special responsibilities:	Member of the Business Development, Marketing & Sponsorship Committee

## Directors' report (continued)

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Name: Nanette Gibson  
Title: Non-executive director (appointed 11 June 2024)  
Experience and expertise: Nanette is a licenced Real Estate Agent and was the Founder of the first property portal Property.com.au. Her career has been in Education, Commercial Real Estate, Property Development, Property Syndication, Property subdivision, Farming and Rural Agriculture and online businesses. Nanette is a director of Gibson family companies that invest in and operate farming and real estate investments. Qualification include BScEd Melbourne University and AICD.  
Special responsibilities: Nil

Name: Kerrie Ann Giles  
Title: Non-executive director (appointed 11 June 2024)  
Experience and expertise: Retired Real Estate Agent. Formerly Small Business Co-ordinator Melbourne Chamber of Commerce, Manager Leongatha Stadium 4 Cinema. Life Member Leongatha Lyric Theatre, Committee Member Wonthaggi Theatrical Group, Chair Body Corporate Committee 100 Millswyn Street, South Yarra.  
Special responsibilities: Nil

Name: Heather Witham  
Title: Non-executive director (appointed 24 October 2023, resigned 24 March 2024)  
Experience and expertise:

Name: Rosieanne "Dona" Antoinette Eloise Tantirimudalige Dona  
Title: Non-executive director (resigned 30 January 2024)  
Experience and expertise: Bachelor of Engineering (civil – honours), Masters in Public Policy & Management, GAICD, MIEAust, MIWA. Dona has 25+ years of experience in the water sector across a range of leadership roles. She is the current Managing Director of Westernport Water, the Chair of South-East Monash Legal Services, past Chair of Women's Health in the South East, and sits on the Board of the Institute of Water Administrators. She is also a Member of the Australian Institute of Company Directors and an industry board director of Energy and Water Ombudsman of Victoria.  
Special responsibilities: Business Development, Marketing & Sponsorship Committee, Chair of People Committee

Name: Jacqueline Anne Colwell  
Title: Non-executive director (resigned 30 November 2023)  
Experience and expertise: Bachelor of Economics, GAICD, FFINSIA. An experienced non-executive director and executive with 30 years experience in the financial services industry including 10 years board level experience. Extensive experience in utilising risk, regulatory and compliance, financial oversight, governance, and business transformation skills. She is also a non-executive director of other institutions in the financial services industry including Wise Australia, where she is also Chair of the Risk Committee, a non-executive director of Catholic Development Fund where she is also a member of the Finance committee. She also holds a number of roles in the not-for-profit sector. In an executive capacity Jacqui was the Co-Founder and Chief Risk Officer of market disrupter Judo Bank, where she was responsible for the oversight of all aspects of Risk Management and part of the executive team that designed, developed, and executed the strategy that built a bank from a start-up to a Bank that is ASX listed. Jacqui has also held senior executive roles at NAB where she was the Chief Risk Officer of Retail Banking and was also the State General Manager for NAB's Business Bank for Victoria, Tasmania, and SA/NT.  
Special responsibilities: Chair (appointed 22 November 2022), Finance & Risk Committee, People Committee and Business Development, Marketing & Sponsorship Committee

## Directors' report (continued)

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Name:	Thomas James McQualter
Title:	Non-executive director (resigned 27 September 2023)
Experience and expertise:	Bachelor of Laws / Bachelor of Arts. Masters of Organisations Leadership. Has held senior management positions within local government, water industry and private industry. His skills are in the field of governance, finance, risk, organisational development and leadership. Current member of Inverloch Kongwak Football Netball Club and Inverloch Cricket Club.
Special responsibilities:	Chair of Finance & Risk Committee

### Company secretary

The company secretary is Mark Gerard McCormack. Mark was appointed to the position of company secretary on 5 December 2018.

### 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 \$272,887 (30 June 2023: \$337,797).

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.

	<b>2024</b>
	\$
Fully franked dividend of 9 cents per share	<u>67,501</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:



## Directors' report (continued)

	Board		Finance & Risk Committee		Business Development, Marketing & Sponsorship Committee		People Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Mark Gerard McCormack	11	7	5	3	4	4	-	-
Tristan Andrew Creed	11	10	5	5	3	3	-	-
Susan Joy Ruffin	11	9	5	2	-	-	-	-
Kerralie Joy Shaw	11	10	-	-	7	7	-	-
Robert Noel Murphy	7	7	3	3	-	-	-	-
Louise Martin-Litchfield	5	3	-	-	3	3	-	-
Nanette Gibson	-	-	-	-	-	-	-	-
Kerrie Ann Giles	-	-	-	-	-	-	-	-
Heather Witham	3	2	-	-	2	2	-	-
Rosieanne "Dona" Antoinette Eloise Tantirimudalige Dona	5	5	-	-	3	3	1	1
Jacqueline Anne Colwell	4	3	2	-	3	1	1	1
Thomas James McQualter	2	2	2	2	-	-	-	-

### Directors' benefits

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

### Directors' interests

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Mark Gerard McCormack	-	-	-
Tristan Andrew Creed	5,000	14,000	19,000
Susan Joy Ruffin	-	-	-
Kerralie Joy Shaw	-	-	-
Robert Noel Murphy	-	-	-
Louise Martin-Litchfield	-	-	-
Nanette Gibson	-	-	-
Kerrie Ann Giles	-	-	-
Heather Witham	-	-	-
Rosieanne "Dona" Antoinette Eloise Tantirimudalige Dona	-	-	-
Jacqueline Anne Colwell	-	-	-
Thomas James McQualter	-	-	-

### Shares under option

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

## Directors' report (continued)

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### 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 26 to the accounts.

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

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

### Auditor's independence declaration

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

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

On behalf of the directors



Mark Gerard McCormack  
Chair

27 August 2024

# Auditor's independence declaration



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

## Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Inverloch & District Financial Enterprises Limited

As lead auditor for the audit of Inverloch & District Financial 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: 27 August 2024

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

**Adrian Downing**  
Lead Auditor



# Financial statements

## Inverloch & District Financial 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	922,715	946,259
Other revenue		-	10,000
Finance revenue	8	35,566	16,944
Total revenue		<u>958,281</u>	<u>973,203</u>
Employee benefits expense	9	(357,039)	(312,325)
Advertising and marketing costs		(12,187)	(9,870)
Occupancy and associated costs		(21,588)	(21,308)
System costs		(19,759)	(16,418)
Depreciation and amortisation expense	9	(67,356)	(63,602)
Loss on disposal of assets		(1,820)	-
Finance costs		(3,289)	(4,932)
General administration expenses		(97,983)	(82,606)
Total expenses before community contributions and income tax		<u>(581,021)</u>	<u>(511,061)</u>
<b>Profit before community contributions and income tax expense</b>		377,260	462,142
Charitable donations and sponsorships expense		<u>(14,300)</u>	<u>(11,204)</u>
<b>Profit before income tax expense</b>		362,960	450,938
Income tax expense	10	<u>(90,073)</u>	<u>(113,141)</u>
<b>Profit after income tax expense for the year</b>		272,887	337,797
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u><u>272,887</u></u>	<u><u>337,797</u></u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	28	36.38	45.04
Diluted earnings per share	28	36.38	45.04

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

## Financial statements (continued)

### Inverloch & District Financial 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	11	34,241	393,954
Trade and other receivables	12	95,373	100,620
Investments	13	1,000,000	500,000
Total current assets		<u>1,129,614</u>	<u>994,574</u>
<b>Non-current assets</b>			
Property, plant and equipment	14	49,864	44,185
Right-of-use assets	15	69,252	111,897
Intangible assets	16	22,024	34,686
Total non-current assets		<u>141,140</u>	<u>190,768</u>
<b>Total assets</b>		<u>1,270,754</u>	<u>1,185,342</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	17	47,490	47,835
Lease liabilities	18	45,305	42,580
Current tax liabilities	10	29,980	93,695
Employee benefits	19	203	5,264
Total current liabilities		<u>122,978</u>	<u>189,374</u>
<b>Non-current liabilities</b>			
Trade and other payables	17	-	14,233
Lease liabilities	18	29,339	69,933
Deferred tax liabilities	10	7,784	6,535
Total non-current liabilities		<u>37,123</u>	<u>90,701</u>
<b>Total liabilities</b>		<u>160,101</u>	<u>280,075</u>
<b>Net assets</b>		<u>1,110,653</u>	<u>905,267</u>
<b>Equity</b>			
Issued capital	20	729,547	729,547
Retained earnings		<u>381,106</u>	<u>175,720</u>
<b>Total equity</b>		<u>1,110,653</u>	<u>905,267</u>

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

## Financial statements (continued)

### Inverloch & District Financial 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>		729,547	(124,577)	604,970
Profit after income tax expense		-	337,797	337,797
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	337,797	337,797
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	22	-	(37,500)	(37,500)
<b>Balance at 30 June 2023</b>		<u>729,547</u>	<u>175,720</u>	<u>905,267</u>
<b>Balance at 1 July 2023</b>		729,547	175,720	905,267
Profit after income tax expense		-	272,887	272,887
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	272,887	272,887
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	22	-	(67,501)	(67,501)
<b>Balance at 30 June 2024</b>		<u>729,547</u>	<u>381,106</u>	<u>1,110,653</u>

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



## Financial statements (continued)

### Inverloch & District Financial 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)		1,002,723	1,002,263
Payments to suppliers and employees (inclusive of GST)		(585,737)	(527,024)
Interest received		22,819	2,748
Income taxes paid		(152,539)	-
Net cash provided by operating activities	27	<u>287,266</u>	<u>477,987</u>
<b>Cash flows from investing activities</b>			
Redemption of/(investment in) term deposits		(500,000)	(35,000)
Payments for property, plant and equipment		(20,505)	(15,247)
Payments for intangible assets		(12,939)	(12,939)
Net cash used in investing activities		<u>(533,444)</u>	<u>(63,186)</u>
<b>Cash flows from financing activities</b>			
Interest and other finance costs paid		(3,289)	(4,932)
Dividends paid	22	(67,501)	(37,500)
Repayment of lease liabilities		(42,745)	(41,703)
Net cash used in financing activities		<u>(113,535)</u>	<u>(84,135)</u>
Net increase/(decrease) in cash and cash equivalents		(359,713)	330,666
Cash and cash equivalents at the beginning of the financial year		<u>393,954</u>	<u>63,288</u>
Cash and cash equivalents at the end of the financial year	11	<u><u>34,241</u></u>	<u><u>393,954</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 Inverloch & District Financial 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 16C Williams Street, Inverloch VIC.

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 27 August 2024. The directors have the power to amend and reissue the financial statements.

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

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

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

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

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

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

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

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

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

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

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

# Notes to the financial statements (continued)

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

### *Investments*

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

### *Impairment of financial assets*

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

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

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

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

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

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

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

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

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

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

### **Judgements**

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

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



## Notes to the financial statements (continued)

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

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

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

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

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

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

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the 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'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.

### **Estimates and assumptions**

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

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

# Notes to the financial statements (continued)

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

### *Incremental borrowing rate*

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

### *Employee benefits provision*

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date.

## 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 March 2026.

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

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

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

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

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

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

## Note 6. Change to comparative figures

### *Classification of term deposits*

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

## Notes to the financial statements (continued)

### Note 6. Change to comparative figures (continued)

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 \$500,000 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 \$17,279.

### Note 7. Revenue from contracts with customers

	2024	2023
	\$	\$
Margin income	821,388	861,753
Fee income	42,312	34,529
Commission income	59,015	49,977
	<u>922,715</u>	<u>946,259</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.

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

## Notes to the financial statements (continued)

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

<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*

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. Finance revenue

	2024 \$	2023 \$
Interest income	<u>35,566</u>	<u>16,944</u>

Finance income is recognised when earned using the effective interest rate method.

### Note 9. Expenses

#### Employee benefits expense

	2024 \$	2023 \$
Wages and salaries	295,420	250,565
Superannuation contributions	33,200	26,630
Expenses related to long service leave	2,649	2,505
Other expenses	<u>25,770</u>	<u>32,625</u>
	<u>357,039</u>	<u>312,325</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.

#### Depreciation and amortisation expense

	2024 \$	2023 \$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	7,383	7,488
Plant and equipment	<u>5,623</u>	<u>1,487</u>
	<u>13,006</u>	<u>8,975</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	<u>41,688</u>	<u>41,962</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	2,110	2,111
Franchise renewal process fee	<u>10,552</u>	<u>10,554</u>
	<u>12,662</u>	<u>12,665</u>
	<u>67,356</u>	<u>63,602</u>

#### Leases recognition exemption

	2024 \$	2023 \$
Expenses relating to low-value leases	<u>6,692</u>	<u>5,301</u>

## Notes to the financial statements (continued)

### Note 10. Income tax

	2024 \$	2023 \$
<i>Income tax expense</i>		
Current tax	89,980	93,696
Movement in deferred tax	1,249	4,173
Under/over adjustment	(1,156)	-
Recoupment of prior year tax losses	-	15,272
	<u>90,073</u>	<u>113,141</u>
<i>Aggregate income tax expense</i>		
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	362,960	450,938
Tax at the statutory tax rate of 25%	90,740	112,735
Tax effect of:		
Non-deductible expenses	489	406
	91,229	113,141
Under/over adjustment	(1,156)	-
Income tax expense	<u>90,073</u>	<u>113,141</u>
	<b>2024</b> \$	<b>2023</b> \$
<i>Deferred tax attributable to:</i>		
expense accruals	1,103	1,049
employee provisions	(64)	1,316
lease liabilities	18,661	28,128
income accruals	(6,940)	(3,753)
property, plant and equipment	(3,231)	(5,301)
right-of-use assets	(17,313)	(27,974)
Deferred tax asset/(liability)	<u>(7,784)</u>	<u>(6,535)</u>
	<b>2024</b> \$	<b>2023</b> \$
Provision for income tax	<u>29,980</u>	<u>93,695</u>

#### *Accounting policy for income tax*

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

#### *Accounting policy for current tax*

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

#### *Accounting policy for deferred tax*

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

### Note 11. Cash and cash equivalents

	2024 \$	2023 \$
Cash at bank and on hand	<u>34,241</u>	<u>393,954</u>

## Notes to the financial statements (continued)

### Note 12. Trade and other receivables

	2024 \$	2023 \$
Trade receivables	60,380	79,408
Other receivables	458	-
Accrued income	27,761	15,014
Prepayments	6,774	6,198
	<u>34,993</u>	<u>21,212</u>
	<u>95,373</u>	<u>100,620</u>

#### Accounting policy for trade and other receivables

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

### Note 13. Investments

	2024 \$	2023 \$
<i>Current assets</i>		
Term deposits	<u>1,000,000</u>	<u>500,000</u>

### Note 14. Property, plant and equipment

	2024 \$	2023 \$
Leasehold improvements - at cost	119,048	114,583
Less: Accumulated depreciation	<u>(90,375)</u>	<u>(92,992)</u>
	28,673	21,591
Plant and equipment - at cost	76,631	74,152
Less: Accumulated depreciation	<u>(55,440)</u>	<u>(51,558)</u>
	21,191	22,594
	<u>49,864</u>	<u>44,185</u>

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 \$	Total \$
Balance at 1 July 2022	29,079	8,834	37,913
Additions	-	15,247	15,247
Depreciation	<u>(7,488)</u>	<u>(1,487)</u>	<u>(8,975)</u>
Balance at 30 June 2023	21,591	22,594	44,185
Additions	16,285	4,220	20,505
Disposals	(1,820)	-	(1,820)
Depreciation	<u>(7,383)</u>	<u>(5,623)</u>	<u>(13,006)</u>
Balance at 30 June 2024	<u>28,673</u>	<u>21,191</u>	<u>49,864</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.

## Notes to the financial statements (continued)

### Note 14. Property, plant and equipment (continued)

Depreciation is calculated on a diminishing value and 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	6 to 40 years
Plant and equipment	1 to 20 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 15. Right-of-use assets

	2024 \$	2023 \$
Land and buildings - right-of-use	264,217	265,175
Less: Accumulated depreciation	<u>(194,965)</u>	<u>(153,278)</u>
	<u>69,252</u>	<u>111,897</u>

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

	Land and buildings \$
Balance at 1 July 2022	153,859
Depreciation expense	<u>(41,962)</u>
Balance at 30 June 2023	111,897
Remeasurement adjustments	(957)
Depreciation expense	<u>(41,688)</u>
Balance at 30 June 2024	<u>69,252</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 18 for more information on lease arrangements.

### Note 16. Intangible assets

	2024 \$	2023 \$
Franchise fee	43,421	43,421
Less: Accumulated amortisation	<u>(39,750)</u>	<u>(37,640)</u>
	<u>3,671</u>	<u>5,781</u>
Franchise renewal fee	167,105	167,105
Less: Accumulated amortisation	<u>(148,752)</u>	<u>(138,200)</u>
	<u>18,353</u>	<u>28,905</u>
	<u>22,024</u>	<u>34,686</u>

## Notes to the financial statements (continued)

### Note 16. Intangible assets (continued)

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

	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2022	7,892	39,459	47,351
Amortisation expense	(2,111)	(10,554)	(12,665)
Balance at 30 June 2023	5,781	28,905	34,686
Amortisation expense	(2,110)	(10,552)	(12,662)
Balance at 30 June 2024	<u>3,671</u>	<u>18,353</u>	<u>22,024</u>

#### Accounting policy for intangible assets

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

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

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

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

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	March 2026
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	March 2026

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 17. Trade and other payables

	2024 \$	2023 \$
<i>Current liabilities</i>		
Trade payables	14,169	6,656
Other payables and accruals	33,321	41,179
	<u>47,490</u>	<u>47,835</u>
<i>Non-current liabilities</i>		
Other payables and accruals	-	14,233
	<u>-</u>	<u>14,233</u>
	2024 \$	2023 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	47,490	62,068
less other payables and accruals (net GST payable to the ATO)	(14,191)	(18,229)
	<u>33,299</u>	<u>43,839</u>



## Notes to the financial statements (continued)

### Note 18. Lease liabilities

	2024 \$	2023 \$
<i>Current liabilities</i>		
Land and buildings lease liabilities	45,305	42,580
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	29,339	69,933
<i>Reconciliation of lease liabilities</i>		
Opening balance	112,513	154,216
Remeasurement adjustments	4,876	-
Lease interest expense	3,289	4,932
Lease payments - total cash outflow	(46,034)	(46,635)
	<u>74,644</u>	<u>112,513</u>

#### *Accounting policy for lease liabilities*

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

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

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

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Inverloch branch	3.54%	5 years	1 x 5 years	No	February 2026

### Note 19. Employee benefits

	2024 \$	2023 \$
<i>Current liabilities</i>		
Annual leave	-	5,264
Long service leave	203	-
	<u>203</u>	<u>5,264</u>

#### *Accounting policy for short-term employee benefits*

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

#### *Accounting policy for other long-term employee benefits*

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

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

## Notes to the financial statements (continued)

### Note 19. Employee benefits (continued)

#### *Accounting policy for seconded staff*

Bendigo Bank seconded some employees to work for the company. Bendigo Bank charges the cost of these employees through the monthly profit share arrangement. The company recognises these expenses when recording the monthly invoice. No annual leave or long service leave liabilities are recognised for the company as these are Bendigo Bank employees.

### Note 20. Issued capital

	2024 Shares	2023 Shares	2024 \$	2023 \$
Ordinary shares - fully paid	750,010	750,010	750,010	750,010
Less: Equity raising costs	-	-	(20,463)	(20,463)
	<u>750,010</u>	<u>750,010</u>	<u>729,547</u>	<u>729,547</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*.

##### *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:

## Notes to the financial statements (continued)

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### Note 20. Issued capital (continued)

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 187. As at the date of this report, the company had 198 shareholders (2023: 197 shareholders).

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

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

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

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

### Note 21. Capital management

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

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

The distribution limit is the greater of:

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

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

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

## Notes to the financial statements (continued)

### Note 22. Dividends

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 9 cents per share	67,501	-
Unfranked dividend of 5 cents per share	-	37,500
	<u>67,501</u>	<u>37,500</u>

#### *Accounting policy for dividends*

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

### Franking credits

	2024 \$	2023 \$
Franking credits (debits) arising from income taxes paid (refunded)	152,539	-
Franking debits from the payment of franked distributions	(22,500)	-
	<u>130,039</u>	<u>-</u>
<i>Franking transactions that will arise subsequent to the financial year end:</i>		
Franking credits (debits) that will arise from payment (refund) of income tax	<u>29,980</u>	<u>93,695</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%.

### Note 23. Financial risk management

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

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

The directors have identified that the only significant financial risk exposures of the 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 23. Financial risk management (continued)

	2024 \$	2023 \$
<b>Financial assets at amortised cost</b>		
Trade and other receivables (note 12)	88,141	94,422
Cash and cash equivalents (note 11)	34,241	393,954
Investments (note 13)	1,000,000	500,000
	<u>1,122,382</u>	<u>988,376</u>
<b>Financial liabilities at amortised cost</b>		
Trade and other payables (note 17)	33,299	43,839
Lease liabilities (note 18)	74,644	112,513
	<u>107,943</u>	<u>156,352</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 then it is extinguished, cancelled or expires.

#### **Market risk**

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

Interest-bearing assets and liabilities are held with Bendigo Bank and subject to movements in market interest rates. The company held cash and cash equivalents of \$34,241 and term deposits of \$1,000,000 at 30 June 2024 (2023: \$393,954 and \$500,000).

#### **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 23. 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>				
<b>Non-derivatives</b>				
Trade and other payables	47,490	-	-	47,490
Lease liabilities	46,034	30,690	-	76,724
Total non-derivatives	93,524	30,690	-	124,214
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>2023</b>				
<b>Non-derivatives</b>				
Trade and other payables	47,835	14,233	-	62,068
Lease liabilities	46,034	72,287	-	118,321
Total non-derivatives	93,869	86,520	-	180,389

### Note 24. Key management personnel disclosures

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

Mark Gerard McCormack	Nanette Gibson
Tristan Andrew Creed	Kerrie Ann Giles
Susan Joy Ruffin	Philip David Clark
Kerralie Joy Shaw	Rosieanne "Dona" Antoinette Eloise Tantirimudalige Dona
Robert Noel Murphy	Jacqueline Anne Colwell
Louise Martin-Litchfield	Thomas James McQualter

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

### Note 25. Related party transactions

#### Key management personnel

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

#### Receivable from and payable to related parties

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

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

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

## Notes to the financial statements (continued)

### Note 25. Related party transactions (continued)

#### *Transactions with related parties*

The following transactions occurred with related parties:

	2024 \$	2023 \$
Tristan Andrew Creed received remuneration for accounting services carried out by Feathertop Business Services. The total benefit received was:	15,678	15,619
Mt Hotham Racing Squad Inc received a sponsorship for a Defibrillator Unit. A director is a related party.	1,795	-

### Note 26. Remuneration of auditors

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

	2024 \$	2023 \$
<i>Audit services</i>		
Audit or review of the financial statements	6,650	5,400
<i>Other services</i>		
Taxation advice and tax compliance services	250	660
General advisory services	3,870	2,100
Share registry services	5,339	4,221
	9,459	6,981
	<u>16,109</u>	<u>12,381</u>

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

	2024 \$	2023 \$
Profit after income tax expense for the year	272,887	337,797
Adjustments for:		
Depreciation and amortisation	67,356	63,602
Net loss on disposal of non-current assets	1,820	-
Lease liabilities interest	3,289	4,932
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	5,247	(62,915)
Decrease in deferred tax assets	-	12,910
Increase in trade and other payables	4,194	18,024
Increase/(decrease) in provision for income tax	(63,715)	93,695
Increase in deferred tax liabilities	1,249	6,535
Increase/(decrease) in employee benefits	(5,061)	3,407
Net cash provided by operating activities	<u>287,266</u>	<u>477,987</u>

## Notes to the financial statements (continued)

### Note 28. Earnings per share

	2024 \$	2023 \$
Profit after income tax	<u>272,887</u>	<u>337,797</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>750,010</u>	<u>750,010</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>750,010</u>	<u>750,010</u>
	Cents	Cents
Basic earnings per share	36.38	45.04
Diluted earnings per share	36.38	45.04

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

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

### Note 29. Commitments

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

### Note 30. Contingencies

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

### Note 31. Events after the reporting period

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

# Directors' declaration

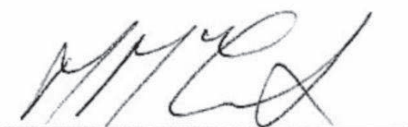
**30 June 2024**

In the directors' opinion:

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

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

On behalf of the directors



Mark Gerard McCormack  
Chair

27 August 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 Inverloch & District Financial Enterprises Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Inverloch & District Financial 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 Inverloch & District Financial 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  
ABN: 65 684 604 390  
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03 5443 0344

## 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: 27 August 2024

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

**Adrian Downing**  
Lead Auditor

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 **Bendigo Bank**