

Annual Report 2024

Katoomba & Upper Blue
Mountains Community
Enterprise Limited

Community Bank
Katoomba & Upper Blue Mountains

ABN 55 134 947 201

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Chairman's report

For year ending 30 June 2024

It is my great pleasure to present my first report as Chairman of Katoomba & Upper Blue Mountains Community Enterprise Limited (the company).

In doing so, I must first pay tribute to my predecessor, Robert Stock, and thank him most warmly for his many years of dedicated leadership and service. Robert has been involved in our Community Bank project since the very beginning, leading the steering committee which after a great deal of hard work, was able to garner community support for the concept of having our own Community Bank. That we now have a very successful enterprise, making a significant contribution to the well-being and vibrancy of the Upper Blue Mountains region, is testament to the efforts of Robert and his team of volunteers.

As we approach the 15th anniversary of the opening of Community Bank Katoomba & Upper Blue Mountains, the wisdom of establishing a Bendigo Community Bank branch is plain to see. By the time this report is published the grand total of the financial support that have been made to a vast range of community groups and events will have exceeded \$900,000. This support would not have been available without our branch, and the large number of individuals and businesses who have entrusted Bendigo Bank with their banking business.

Despite the difficult and uncertain economic climate, the company has had another successful year, with profit only marginally down from the previous year. Our business continues to grow and, after nearly fifteen years, Bendigo Bank is firmly implanted in the financial and business landscape of the Upper Mountains.

As foreshadowed by Robert in his report last year, while we will certainly continue and hopefully expand our current program of sponsorships and grants, we are exploring ways in we might invest some of the considerable funds we have accumulated in a larger project for the benefit of our community.

During the year we have been joined by two new Directors, Lara Moroko and Richard Terry, who bring their professional skills and experience to the Board, along with a clear commitment to serving and assisting our community. I must also express my appreciation to the whole Board for the privilege they have accorded me in entrusting me with the role of Chairman, and for their dedication and hard work in pursuit of our shared vision.

Finally, I must record the Board's sincere thanks to our hard-working staff, under the leadership of Billy Brglevski, for their invaluable contribution to the success of our branch. They have faced the unenviable task of complying with ever-increasing banking regulations professionally and cheerfully, while being the friendly and helpful "face" of our branch. At a time when other banks are closing branches, we are committed to continue to provide those of our customers who prefer to do their banking "face to face" with personal and professional services.

Brooke Broughton
Chairman

Manager's report

For year ending 30 June 2024

Welcome to the annual report for Community Bank Katoomba & Upper Mountains.

I write to you for the first time as your Branch Manager with immense pride and satisfaction of being able to be a part of your community. We have a wonderful platform to support the community, and I want to acknowledge and thank my predecessors Claude Adamati and Brigette McKenzie for the positive impact that they led and had on this great community.

Our Community Bank Katoomba & Upper Blue Mountains is defined by its charter to distribute 80% of operating profits by way of sponsorships and financial support. Detailed later in this report are all the charities, not for profit operations, sporting groups, schools and community events that have been supported this year. Take the time to read through the list, its impressive in terms of how many but also in its diversity.

It is with great pride to share that in the past financial year of 2023/2024 that we gave back an amazing \$127 740 in community grants and sponsorships! We are fast approaching the \$1,000, 000 mark and with the help and support of the community we will pass that mark early in 2025.

When we speak to the groups that we assist it is evident that so many rely on our support and that of others so that they can continue their role in the community. This is the essence of the role that community banking has, an ecosystem that relies on all parts being successful and where you our customers play the most important role.

Community Bank Katoomba & Upper Blue Mountains is a full-service bank available to assist you with your Personal banking such as Accounts, Home Loans, Credit Cards, Insurance, Investing and Financial Planning and we can help you with all your Business Banking with our Accounts, Finance, Card and Payment Services

I would like to thank our wonderful Community Bank team Pat, Kathy, Adele, Tina, Kelly & Monica for their wonderful efforts this year. It is a privilege to see the level of care and understanding that they all provide to their community. In particular I believe it is important to acknowledge Pat who is fast approaching 15 years of service and Adele who celebrated 10 years of service earlier this year, two amazing servants to your community.

We are supported by an amazing Board of Directors who volunteer their time and expertise to ensure we remain successful and who all have the needs of the wider community at heart, it is a privilege to see the care and affection that they have for their community. Thank you to all of our shareholders, the Bendigo Bank Support Team and most importantly you our customers for choosing to bank with us and contributing to our continued success

Health and Happiness

Billy Brglevski
Branch Manager

2023-24 Sponsorships



During the year ended 30 June 2024 financial support, totalling \$127,740, was provided to the following organisations and community projects. Our support contributed to projects and activities with a total cost of almost \$500,000.

Wallerawang Football Club for playing costs, equipment replacement and gear purchases	Leura Public School P&C Association for their Under the Stars Movie Night
Varuna - The Writers House (Eleanor Dark Foundation) for the 2023 Blue Mountains Writers' Festival	Blue Mountains District Darts Association for their Deaf Darts Challenge Weekend
Cancer Wellness Support for the purchase of defibrillators	Frogmouth Films for their Unstoppable Change project
Springwood Neighbourhood Centre for the Blue Fringe Art and Literature Festival	Blue Mountains Quilters Inc. for their 2024 Quilt Show
Blue Mountains Food Co-operative for their market garden project	Blue Mountains Health Trust for their Medical Scholarship program
Blue Mountains Croquet Club for the purchase of a defibrillator	Kindlehill School for their Katoomba Street Cafes Send Plastic Packing project
Leura Village Association for the 2023 Leura Village Fair	Leura Gardens Festival Inc. for the 2024 Leura Gardens Festival
Junction 142 for their Junction 142 Operation Strengthen Services project	Lawson Bowling Club for the promotion of lawn bowls in the community
Bub Hub Blue Mountains to assist with insurance for their centres	Mountain Youth Services Team for the upgrade of their Cooking Lifeskills Program
Wentworth Falls Public School P&C Association for their 2023 Artfest	Belong Blue Mountains for their Elders' Lunch
Mountain Productions Inc for their 2024 Blackheath Chamber Music Festival	Can Assist Blue Mountains Branch to assist with ongoing operations
Cornerstone Community Care Food Solutions for their Distribution of Free Food Project	Katoomba Junior Rugby League Club for the purchase of Game Day apparel and training gear
Society of Mountain Artists for their 2023 Annual Spring Exhibition	The Heathens Choir for their annual appeal
Anglican Parish of Lawson for the Central Blue Mountains Free Christmas Lunch	Blue Mountains Police Officer Committee for their Police Officer of the Year Awards ceremony
Mountains Fencing Club for the purchase of fencing pistes	Katoomba North Public School P&C Association for their School Breakfast Club
Blue Mountains Public Broadcasting Society for their Christmas Raffle	Mountain Productions Inc. for their 2025 Blackheath Chamber Music Festival
Belong Blue Mountains for their Nature Inspired Art Therapeutic workshops	Zonta Club Blue Mountains for their Breast Care Cushions project
Blackheath Area Neighbourhood Centre for their Community Christmas Day Lunch	Varuna - The Writers House (Eleanor Dark Foundation) for their Free Festival Events for the Community
Rotary District 9685 for their Youth Leadership Awards	Hazelbrook Public School P&C Association for the 2024 Mid-Mountains Garden Festival
Wentworth Falls Football Club to assist with ongoing operations	Megalong Valley Comm & Landowners' Association for their Bush Gymkhana
BentArt Inc. for their 2024 BentArt Exhibition	Megalong Valley Pony Club for the purchase of a marquee
Shared Reading NSW for their Blackheath Healing and Reading Together project	Greater Blue Mountains Creative Arts Organisation for their Regenesi Anthology 2024: Weaving Connections Book project
Megalong Valley Community & Landowners' Association for their Megalong Makers Market	Society of Mountain Artists for their 2024 Annual Spring Exhibition
Mountain of Youth for their Stories Through the Mist project	Shared Reading NSW for their Life, the Universe and Stories Volunteer Training project
Leura Golf Club for annual Tee sponsorship	Hazelbrook Women's Bowling Club for their Triples Competition
Academy Singers for their 2024 Concert Series	
Blue Mountains Food Co-operative for the 2024 Blue Mountains Edible Garden Trail	

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 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

For the financial year ended 30 June 2024

The Directors present their report, together with the financial statements, on Katoomba and Upper Blue Mountains Community Enterprise Limited for the financial year ended 30 June 2024.

Board of Directors

The following persons were Directors of Katoomba and Upper Blue Mountains Community Enterprise Limited during the whole of the financial year up to the date of this report, unless otherwise stated:

Robert Nicholas Stock

Title: Former Chairman. Resigned 1 December 2023.
Qualifications: B.Science (Architecture), Dip Ed.
Experience & Expertise: Former councillor of the Blue Mountains City Council. Director of Kimbert Holdings P/L.

Charles Brooke Broughton

Title: Chairman. Appointed 21 December 2023.
Qualifications: LL.B (Auckland)
Experience & Expertise: Retired professional association executive. Past president of the Leura Gardens Festival.

Mark John Jarvis

Title: Treasurer
Qualifications: B. Commerce (UNSW)
Experience & Expertise: Manager of the Carrington Hotel. President of the Katoomba Chamber of Commerce.

Peter Newton Carroll

Title: Non-Executive Director. Chair of Sponsorship Committee.
Qualifications: B. Rural Science, Master of Rural Science (UNE)
Experience & Expertise: Retired international banker. Vice president of Katoomba Chamber.

Jennifer Joy Ross

Title: Company Secretary. Appointed 25 January 2024.
Qualifications: Dip.Teaching (Mitchell College).
Experience & Expertise: Teacher (18 years); Convenor of "Friends of Blackheath Pool"
Centrelink manager (retired)

Directors' report (continued)

Board of Directors (continued)

Tanya Kathryn James

Title: Non-Executive Director
Qualifications: Masters in Business Leadership & Communication Management
Experience & Expertise: Principal of Positive Change & Development, executive coach to McKinsey Academy.

Bernard Philip Fehon OAM

Title: Non-Executive Director. Resigned 20 July 2023.
Qualifications: BE (Mech), M.Sc. (I.D.), DFP, GAICD
Experience & Expertise: Founder - Vinnies CEO Sleepout. Former CEO of Blue Mtns Economic Enterprise.

Jennifer Anne Scott AM

Title: Non-Executive Director
Qualifications: BAB Legs (Macq); LLM (Macq); MDR (WSU)
Experience & Expertise: Lawyer (40 yrs); Mediator, Arbitrator, Conflict Coach, BMCC - Planning panel member

Michael Santo Brischetto

Title: Non-Executive Director. Appointed 20 July 2023.
Qualifications: LREA: Liquor Licensee - Balpar Pty Ltd
Experience & Expertise: Property industry (27 years); Co-owner Carrington Hotel Katoomba

Richard Wayne Terry

Title: Non-Executive Director. Appointed 25 January 2024
Qualifications: B. Architecture (UTS)
Experience & Expertise: Architecture - Interiors, Hotel, Corporate and Urban Planning (32 years); Retirement and Seniors Living Architecture (18 years); Six years as a Director.

Dr Lara Moroko

Title: Non-Executive Director. Appointed 21 March 2024
Qualifications: B.Bus (Hons, UTS), M.Com, PhD (UNSW)
Experience & Expertise: CEO, Financial service executive (15 years); Business mentor and strategist (25 years).

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

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

Directors' report (continued)

Directors' Meetings

Attendances by each Director during the year were as follows:

Director	Board Meetings	
	A	B
Robert Nicholas Stock	10	5
Charles Brooke Broughton	12	12
Mark John Jarvis	12	12
Peter Newton Carroll	12	8
Jennifer Joy Ross	12	12
Tanya Kathryn James	12	6
Bernard Philip Fehon OAM	1	1
Jennifer Anne Scott AM	12	11
Michael Santo Brischetto	11	7
Richard Wayne Terry	5	3
Dr Lara Moroko	2	2

A - The number of meetings eligible to attend.

B - The number of meetings attended.

Company Secretary

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

Jennifer Joy Ross

Qualifications: Dip.Teaching (Mitchell College).

Experience & Expertise: Teacher (18 years); Convenor of "Friends of Blackheath Pool"; Centrelink manager (retired)

Principal Activities

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

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

Operating Results

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

	30 June 2024 (\$)	30 June 2023 (\$)	Movement
Profit After Tax	465,042	480,575	-3%

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.

Directors' report (continued)

Director's Interests

Director	Fully Paid Ordinary Shares		
	Balance at 1 July 2023	Changes During the Year	Balance at 30 June 2024
Robert Nicholas Stock	12,001	-	12,001
Charles Brooke Broughton	3,501	-	3,501
Mark John Jarvis	101,703	-	101,703
Peter Newton Carroll	10,001	-	10,001
Jennifer Joy Ross	501	-	501
Tanya Kathryn James	501	-	501
Bernard Philip Fehon OAM	501	(1)	500
Jennifer Anne Scott AM	10,000	1	10,001
Michael Santo Brischetto	4,000	1	4,001
Richard Wayne Terry	-	-	-
Dr Lara Moroko	-	-	-

Dividends

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

	Cents per Share	Total Amount (\$)
Final fully franked dividend	13.00	\$143,001
Total Amount	13.00	\$143,001

Options

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

Significant Changes in the State of Affairs

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

Events Since the end of the Financial Year

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

Likely Developments

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

Environmental Regulations

The Company is not subject to any significant environmental regulation.

Directors' report (continued)

Indemnification & Insurance of Directors & Officers

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

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

Proceedings on Behalf of the Company


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

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

Auditor's Independence Declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 12 of this financial report.

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



Charles Brooke Broughton
Chair

Dated this 19th day of September, 2024

Auditor's independence declaration



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

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Auditors Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors of Katoomba and Upper Blue Mountains Community Enterprise Limited

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

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.

RSD Audit

A handwritten signature in black ink, appearing to be 'JP', written over a light grey circular background.

Josh Porker
Principal

41A Breen Street
Bendigo VIC 3550

Dated: 20 September 2024

RSD Audit Pty Ltd
ABN 85 619 186 908
Liability limited by a scheme approved under Professional Standards Legislation

Financial statements

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

	Note	2024 \$	2023 \$
Revenue			
Revenue from contracts with customers	7	1,389,229	1,467,543
Other revenue	8	-	2,038
Finance income	9	36,844	9,025
		1,426,073	1,478,606
Expenses			
Employee benefits expense	10	(459,247)	(409,041)
Depreciation and amortisation	10	(28,738)	(28,738)
Agents commission		(29,547)	(50,594)
IT expenses		(26,946)	(26,189)
Insurance		(14,486)	(16,573)
Freight, cartage and delivery		(10,758)	(13,396)
Professional fees - payroll, accounting, audit and share registry		(13,795)	(12,602)
Printing and stationery		(7,340)	(8,256)
Repairs and maintenance - buildings, furniture and fittings		(35,016)	(5,324)
Cash delivery		(5,174)	(7,651)
ATM expenses including equipment lease		(6,593)	(7,538)
Staff training		(6,600)	(6,624)
Other expenses		(34,006)	(44,925)
		(678,246)	(637,451)
Operating profit before charitable donations and sponsorship		747,827	841,155
Charitable donations and sponsorship	10	(127,740)	(200,388)
Profit before income tax		620,087	640,767
Income tax expense	11	(155,045)	(160,192)
Profit for the year after income tax		465,042	480,575
Other comprehensive income		-	-
Total comprehensive income for the year		465,042	480,575
Profit attributable to the ordinary shareholders of the company		465,042	480,575
Total comprehensive income attributable to ordinary shareholders of the company		465,042	480,575
Earnings per share		¢	¢
- basic and diluted earnings per share	28	42.28	43.69

The accompanying notes form part of these financial statements

Financial statements (continued)

Statement of Financial Position as at 30 June 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	12	237,508	199,334
Trade and other receivables	13	141,246	119,896
Financial assets	14	926,812	659,025
Other assets	15	5,516	13,478
Total current assets		1,311,082	991,733
Non-current assets			
Property, plant and equipment	16	836,767	852,437
Intangible assets	17	5,445	18,513
Deferred tax assets	18	6,181	14,907
Total non-current assets		848,393	885,857
Total assets		2,159,475	1,877,590
Liabilities			
Current liabilities			
Trade and other payables	19	41,177	30,636
Current tax liability	18	16,255	51,104
Employee benefits	20	43,780	59,628
Total current liabilities		101,212	141,368
Total liabilities		101,212	141,368
Net assets		2,058,263	1,736,222
Equity			
Issued capital	21	1,090,278	1,090,278
Retained earnings	22	967,985	645,944
Total equity		2,058,263	1,736,222

The accompanying notes form part of these financial statements

Financial statements (continued)

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

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2022		1,090,278	253,369	1,343,647
Comprehensive income for the year				
Profit for the year		-	480,575	480,575
Transactions with owners in their capacity as owners				
Dividends paid or provided	27	-	(88,000)	(88,000)
Balance at 30 June 2023		1,090,278	645,944	1,736,222
Balance at 1 July 2023		1,090,278	645,944	1,736,222
Comprehensive income for the year				
Profit for the year		-	465,042	465,042
Transactions with owners in their capacity as owners				
Dividends paid or provided	27	-	(143,001)	(143,001)
Balance at 30 June 2024		1,090,278	967,985	2,058,263

The accompanying notes form part of these financial statements

Financial statements (continued)

Statement of Cash Flows for the year ended 30 June 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers		1,386,935	1,433,964
Payments to suppliers and employees		(774,592)	(804,898)
Interest received		17,787	9,025
Income tax paid		(181,168)	(126,442)
Net cash flows provided by operating activities	23b	448,962	511,649
Cash flows from investing activities			
Purchase of investments		(267,787)	(309,025)
Net cash flows used in investing activities		(267,787)	(309,025)
Cash flows from financing activities			
Dividends paid		(143,001)	(88,000)
Net cash flows used in financing activities		(143,001)	(88,000)
Net increase in cash held		38,174	114,624
Cash and cash equivalents at beginning of financial year		199,334	84,710
Cash and cash equivalents at end of financial year	23a	237,508	199,334

The accompanying notes form part of these financial statements

Notes to the financial statements

For the year ended 30 June 2024

Note 1. Corporate Information

These financial statements and notes represent those of Katoomba and Upper Blue Mountains Community Enterprise Limited (the Company) as an individual entity. Katoomba and Upper Blue Mountains Community Enterprise Limited is a company limited by shares, incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on 22nd August 2024.

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

Note 2. Basis of Preparation

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

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

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

Note 3. Summary of Significant Accounting Policies

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

(a) Economic Dependency

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

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

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

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

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

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

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

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

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

(b) Revenue From Contracts With Customers

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

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

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

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

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

Revenue Calculation

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

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

Margin

Margin is arrived at through the following calculation:

Interest paid by customers on loans, less interest paid to customers on deposits

plus

Deposit returns (i.e. interest return applied by BABL on deposits)

minus

Any costs of funds (i.e. interest applied by BABL to fund a loan)

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

Commission

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

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

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

Fee Income

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

Core Banking Products

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

Ability to Change Financial Return

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

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

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

(c) Other Revenue

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

Revenue	Revenue Recognition Policy
Other income	All other revenues that did not contain contracts with customers are recognised as goods and services are provided.

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

(d) Employee Benefits

Short-term Employee Benefits

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

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

Other Long-term Employee Benefits

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

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

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

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

(e) Tax

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

Current Income Tax

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

Deferred Tax

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

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

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

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

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

Goods & Services Tax

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

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

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

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

(f) Cash & Cash Equivalents

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

(g) Property, Plant & Equipment

Recognition & Measurement

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

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

Subsequent Expenditure

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

Depreciation

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

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

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

Asset Class	Method	Useful Life
Buildings	Straight line	40 years

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

(h) Intangible Assets

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

Recognition & Measurement

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

Subsequent Expenditure

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

Amortisation

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

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

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

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

(i) Financial Instruments

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

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

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

Recognition & Initial Measurement

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

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

Classification & Subsequent Measurement

Financial Assets

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

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

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

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

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

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

Financial Assets - Business Model Assessment

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

Financial Assets - Subsequent Measurement, Gains & Losses

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

Financial Liabilities - Classification, Subsequent Measurement, Gains & Losses

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

Non-financial Assets

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

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

(j) Issued Capital

Ordinary Shares

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

(k) Standards Issued But Not Yet Effective

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

Note 4. Significant Accounting Judgements, Estimates & Assumptions

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

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

Notes to the financial statements (continued)

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

(a) Judgements

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

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

(b) Assumptions & Estimation Uncertainty

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

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

Note 5. Financial Risk Management

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

- credit risk
- liquidity risk
- market risk

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

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

(a) Credit Risk

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

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

(b) Liquidity Risk

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

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

(c) Market Risk

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

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

Notes to the financial statements (continued)

Note 5. Financial Risk Management (continued)

Price Risk

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

Cash Flow & Fair Values Interest Rate Risk

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

The Company held cash and cash equivalents of \$237,508 at 30 June 2024 (2023: \$199,334). The cash and cash equivalents are held with Bendigo & Adelaide Bank, which are rated A- on Standard & Poor's credit ratings.

Note 6. Capital Management

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

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

The distribution limit is the greater of:

- 20% of the profit or funds of the Company otherwise available for distribution to shareholders in that 12 month period (after adding back Community Contributions and Accumulated Profits); 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 year ended 30 June 2024 can be seen in the statement of profit or loss and other comprehensive income.

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

Note 7. Revenue From Contracts With Customers

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

	2024 \$	2023 \$
Revenue		
- Revenue from contracts with customers	1,389,229	1,467,543
<i>Disaggregation of Revenue From Contracts With Customers</i>		
- Margin income	1,257,240	1,338,984
- Fee income	56,047	53,111
- Commission income	75,942	75,448
	1,389,229	1,467,543

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

Notes to the financial statements (continued)

Note 8. Other Revenue

The Company generates other sources of revenue as outlined below.

	2024 \$	2023 \$
Other Revenue		
- Other income	-	2,038
	-	2,038

Note 9. Finance Income

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

	2024 \$	2023 \$
Finance Income		
- Interest from term deposits	36,844	9,025
	36,844	9,025

Note 10. Expenses

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

(a) Employee Benefits Expense

	2024 \$	2023 \$
<i>Employee Benefits Expense</i>		
- Wages & salaries	421,099	355,303
- Superannuation costs	51,513	36,391
- Other expenses related to employees	(13,365)	17,347
	459,247	409,041

(b) Depreciation & Amortisation Expense

	2024 \$	2023 \$
<i>Depreciation of Non-current Assets</i>		
- buildings	15,670	15,670
	15,670	15,670
<i>Amortisation of Intangible Assets</i>		
- franchise fees	13,068	13,068
	13,068	13,068
Total depreciation & amortisation expense	28,738	28,738

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

(c) Community Investments & Sponsorship

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

Notes to the financial statements (continued)

Note 10. Expenses (continued)

	Note	2024 \$	2023 \$
<i>Community Investments & Sponsorship</i>			
- Direct sponsorship and grant payments		127,740	100,388
- Contribution to the Community Enterprise Foundation™	10(d)	-	100,000
		127,740	200,388

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

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

(d) Community Enterprise Foundation™ (CEF) Contributions

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

	Note	2024 \$	2023 \$
<i>Disaggregation of CEF Funds</i>			
Opening balance		126,119	25,000
Contributions paid	10(c)	-	115,789
Interest received		5,751	1,118
GST paid		-	(10,526)
Management fees incurred		-	(5,262)
Balance available for distribution		131,870	126,119

Note 11. Income Tax Expense

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

(a) The Components of Tax Expense

	2024 \$	2023 \$
Current tax expense	146,319	163,604
Deferred tax expense	8,726	(3,412)
	155,045	160,192

(b) Prima Facie Tax Payable

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

	2024 \$	2023 \$
Prima facie tax on profit before income tax at 25% (2023: 25%)	155,022	160,192
Add Tax Effect Of:		
- Non-deductible expenses	23	-
Income tax attributable to the entity	155,045	160,192

The applicable weighted average effective tax rate is:	25.00%	25.00%
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Notes to the financial statements (continued)

Note 12. Cash & Cash Equivalents

	2024 \$	2023 \$
Cash at bank and on hand	237,508	199,334
	237,508	199,334

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less. Any bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

Note 13. Trade & Other Receivables

	2024 \$	2023 \$
Current		
Trade receivable	122,190	119,896
Other receivable - accrued interest	19,057	-
	141,246	119,896

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

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

Note 14. Financial Assets

	2024 \$	2023 \$
Term deposits	926,812	659,025
	926,812	659,025

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

Note 15. Other Assets

	2024 \$	2023 \$
Prepayments	5,516	13,478
	5,516	13,478

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

Notes to the financial statements (continued)

Note 16. Property, Plant & Equipment

(a) Carrying Amounts

	2024 \$			2023 \$		
	At Cost / Valuation	Accumulated Depreciation	Written Down Value	At Cost / Valuation	Accumulated Depreciation	Written Down Value
Land	304,000	-	304,000	304,000	-	304,000
Buildings	626,785	94,018	532,767	626,785	78,348	548,437
Leasehold improvements	211,515	211,515	-	211,515	211,515	-
Furniture & fittings	54,236	54,236	-	54,236	54,236	-
Total	1,196,536	359,769	836,767	1,196,536	344,099	852,437

(b) Movements in Carrying Amounts

	2024 \$	2023 \$
Buildings		
Opening carrying value	852,437	868,107
Depreciation expense	(15,670)	(15,670)
Closing carrying value	836,767	852,437

(c) Capital Expenditure Commitments

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

(d) Changes in Estimates

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

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

Note 17. Intangible Assets

(a) Carrying Amounts

	2024			2023		
	At Cost / Valuation	Accumulated Amortisation	Written Down Value	At Cost / Valuation	Accumulated Amortisation	Written Down Value
Franchise fee	65,340	59,895	5,445	65,340	46,827	18,513
	65,340	59,895	5,445	65,340	46,827	18,513

(b) Movements in Carrying Amounts

	2024 \$	2023 \$
Franchise Fee		
Opening carrying value	18,513	31,581
Depreciation expense	(13,068)	(13,068)
Closing carrying value	5,445	18,513

Notes to the financial statements (continued)

Note 18. Tax Assets & Liabilities

(a) Current Tax

	2024 \$	2023 \$
Income tax payable	16,255	51,104

(b) Deferred Tax

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

	30 June 2023 \$	Recognised in P & L \$	30 June 2024 \$
<i>Deferred Tax Assets</i>			
- Employee provisions	14,907	3,962	10,945
Total deferred tax assets	14,907	3,962	10,945
<i>Deferred Tax Liabilities</i>			
- Accrued income	-	(4,764)	(4,764)
Total deferred tax liabilities	-	(4,764)	(4,764)
Net deferred tax assets	14,907	(802)	6,181

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

	30 June 2022 \$	Recognised in P & L \$	30 June 2023 \$
<i>Deferred Tax Assets</i>			
- Employee provisions	11,495	3,412	14,907
Total deferred tax assets	11,495	3,412	14,907
Net deferred tax assets	11,495	3,412	14,907

Note 19. Trade & Other Payables

	2024 \$	2023 \$
Current		
Trade creditors	538	117
Other creditors and accruals	40,639	30,519
	41,177	30,636

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

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

Notes to the financial statements (continued)

Note 20. Employee Benefits

	2024 \$	2023 \$
Current		
Provision for annual leave	22,006	34,630
Provision for long service leave	21,774	24,998
	43,780	59,628

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

Employee Attrition Rates

The Company uses historical employee attrition rates in determining the probability of an employee, at a given date, achieving continuous employment eligible for entitlement in accordance with long service leave legislation.

Note 21. Issued Capital

(a) Issued Capital

	2024		2023	
	Number	\$	Number	\$
Ordinary shares - fully paid	1,100,010	1,100,010	1,100,010	1,100,010
Less: equity raising costs	-	(9,732)	-	(9,732)
	1,100,010	1,090,278	1,100,010	1,090,278

Ordinary shares are classified as equity.

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

(b) Movements in share capital

	2024 \$	2023 \$
<i>Fully paid ordinary shares:</i>		
At the beginning of the reporting period	1,100,010	1,100,010
At the end of the reporting period	1,100,010	1,100,010

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

Note 22. Retained Earnings

	Note	2024 \$	2023 \$
Balance at the beginning of the reporting period		645,944	253,369
Profit for the year after income tax		465,042	480,575
Dividends paid	27	(143,001)	(88,000)
Balance at the end of the reporting period		967,985	645,944

Notes to the financial statements (continued)

Note 23. Cash Flow Information

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

	Note	2024 \$	2023 \$
Cash and cash equivalents	12	237,508	199,334
As per the Statement of Cash Flows		237,508	199,334

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

	2024 \$	2023 \$
Profit for the year after income tax	465,042	480,575
<i>Non-cash flows in profit</i>		
- Depreciation	15,670	15,670
- Amortisation	13,068	13,068
<i>Changes in assets and liabilities</i>		
- (Increase) / decrease in trade and other receivables	(21,350)	(35,617)
- (Increase) / decrease in prepayments and other assets	7,962	(7,504)
- (Increase) / decrease in deferred tax asset	8,726	(3,412)
- Increase / (decrease) in trade and other payables	10,541	(1,942)
- Increase / (decrease) in current tax liability	(34,849)	37,162
- Increase / (decrease) in provisions	(15,848)	13,649
Net cash flows from operating activities	448,962	511,649

Note 24. Financial Instruments

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

	Note	2024 \$	2023 \$
Financial Assets			
Trade and other receivables	13	141,246	119,896
Cash and cash equivalents	12	237,508	199,334
Term deposits	14	926,812	659,025
		1,305,566	978,255
Financial Liabilities			
Trade and other payables	19	41,177	30,636
		41,177	30,636

Note 25. Related Parties

(a) Key Management Personnel

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

Notes to the financial statements (continued)

Note 25. Related Parties (continued)

(b) Key Management Personnel Compensation

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

	2024 \$	2023 \$
Short-term employee benefits	140,236	94,266
Post-employment benefits	11,693	9,898
Other long-term benefits	1,077	1,561
Total key management personnel compensation	153,006	105,725

Short-term Employee Benefits

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

Post-employment Benefits

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

Other Long-term Benefits

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

(c) Other Related Parties

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

(d) Transactions With Key Management Personnel & Related Parties

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

Name of Related Party	Description of Goods or Services Provided	Value \$
Mark Jarvis, Michael Brischetto	Hotel services	3,520

(e) Key Management Personnel Shareholdings

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

(f) Other Key Management Transactions

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

Note 26. Auditor's Remuneration

The appointed auditor of Katoomba and Upper Blue Mountains Community Enterprise Limited for the year ended 30 June 2024 is RSD Audit. Amounts paid or due and payable to the auditor are outlined below.

	2024 \$	2023 \$
<i>Audit & Review Services</i>		
Audit and review of financial statements (RSD Audit)	6,200	5,750
Total auditor's remuneration	6,200	5,750

Notes to the financial statements (continued)

Note 27. Dividends

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

	2024		2023	
	Number	\$	Number	\$
Fully franked dividend	1,100,010	143,001	1,100,010	88,000
Dividends provided for and paid during the year	1,100,010	143,001	1,100,010	88,000

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

Note 28. Earnings Per Share

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

	2024	2023
	\$	\$
Profit attributable to ordinary shareholders	465,042	480,575

	Number	Number
	Weighted average number of ordinary shares	1,100,010

	¢	¢
	Basic and diluted earnings per share	42.28

Note 29. Events After the Reporting Period

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

Note 30. Commitments & Contingencies

Details about any capital commitments are detailed in Note 16(c).

The Company has no other commitments requiring disclosure.

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

Note 31. Company Details

The registered office of the Company is: 117 Katoomba Street KATOOMBA NSW 2780

The principal place of business is: 117 Katoomba Street KATOOMBA NSW 2780

Consolidated Entity Disclosure Statement

For the year ended 30 June 2024

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

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

Directors' declaration


For the financial year ended 30 June 2024

In accordance with a resolution of the directors of Katoomba and Upper Blue Mountains Community Enterprise Limited, we state that:

In the opinion of the directors:

- (a) The financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) the information disclosed in the attached consolidated entity disclosure statement, on page 34, is true and correct.

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



Charles Brooke Broughton
Chair

Dated this 19th day of September, 2024

Independent audit report



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KATOOMBA AND UPPER BLUE MOUNTAINS COMMUNITY ENTERPRISE LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Katoomba and Upper Blue Mountains Community Enterprise Limited (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, the consolidated entity disclosure statement and other explanatory information, and the directors' declaration.

In our opinion the accompanying financial report of Katoomba and Upper Blue Mountains Community Enterprise Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance and its cash flows for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

Director's Responsibility for the Financial Report

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

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

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

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

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



Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Auditor's Responsibility for the Audit of the Financial Report

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

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

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

We identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Independence

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

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

RSD Audit

A handwritten signature in black ink, appearing to be 'JP', written over a light grey circular stamp.

Josh Porker
Principal

41A Breen Street
Bendigo VIC 3550

Dated: 20 September 2024

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Blackheath
Blackheath Newsagency
245 Great Western Highway, Blackheath NSW 2785
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ABN: 55 134 947 201
117 Katoomba Street, Katoomba NSW 2780
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 /communitybankkatoomba

 **Bendigo Bank**