Annual Report 2024

Kolan/Perry Community Enterprises Limited

Community Bank
Gin Gin

ABN 21 123 507 844

INDEX

CHAIRMAN'S REPORT

How are we nearly at the end of another year already?

The 23/24 year has seen our little Community Bank crack some significant milestones. The most exciting one is that we have now handed out over $2 million, yes you heard me correctly, $2 million to over 120 local community organisations and groups since we commenced 17 years ago. This is a milestone that we are extremely proud of, and we look forward to continuing to support our local community well into the future.

Although no changes can be seen yet, we are in the final stages of outlining a plan for our new Community Bank and laundromat at 75 – 79 Mulgrave Street. As you can imagine the planning process has been a difficult one as we want to ensure that we are maximising the potential of the space to guarantee we can service our community to the best of our ability.

Our footings presently stand at $139.1 million. We have 6,994 accounts and our staff have opened 773 new accounts over the past year. Unfortunately, due to circumstances out of our control, we have lost the ATM at Biggenden but are still fortunate to be operating ATMs in both Gin Gin and Mt Perry.

By now I am sure most of you have seen and met our new employee Payge, who joined the team in April 2024. Payge has shown great enthusiasm and her contributions to the team have been well received, we are thankful to have her. On behalf of the board, I would like to extend a heartfelt thank you to all the employees at our Community Bank. You all do a fantastic job, and we could not ask for a better team to work with.

We are very lucky to have a fantastic group of people that volunteer their time to sit on this board and for this I would like to thank you all, but a special thank you to Bruce for his extended term as Chair that ended last year. As this is my first year as Chair, I would like to thank the board, shareholders and staff for making my first year such a pleasure.

Philip Finlay - Chairman

BRANCH MANAGER'S REPORT

Since I commenced, each year has brought different challenges that continually change, and 2023/24 wasn't any different. The year commenced the same as 2022/23 with a high volume of customers selling off property to reduce debt from ever increasing interest rates. We found it difficult to write sufficient loans to cover the volume heading out the door.

We ended up with only 46 approved home loans, personal loans and credit cards amounting to $5.043m. This was down on last year where we did 73 approvals for a total of $10.91m. The previous year included lending from Bundaberg Branch which assisted in the higher result. The result saw the lending book decrease by $5.35m. The biggest reason for the lower approvals was from changes to lending policies due to increased cost of living and interest rates. Even though we assessed a large volume of loans, most didn't meet bank standards due to the changes in policy. These policy changes will hopefully ease over the new financial year 2024/25.

The pleasing factors for the year was an increase in deposit funds of $13.79m. This was the funds from property sales. So, where we lost in lending we gained in deposit funds. The previous year we only increased deposits funds by $2.25m. The other great result was that the dedicated staff continued to pass all audit requirements which is a credit to all of them.

It is with the greatest of sincerity that I thank those customers who have stuck with the bank during the past three challenging years. It is also pleasing to welcome our new customers gained during the year, it is after all, the combination of you that make the branch what it is and allow the Board to continue to be able to support the local community.

It has been particularly pleasing that the Board have been able to continue to assist our Not-for-Profit Groups, Emergency Services, Sporting Clubs and other projects with financial support during the year and finally surpass $2.0m in grant funding.

It's true that once a Community Bank Gin Gin customer, always a Community Bank Gin Gin customer. We value every one of our customers who entrust us with their banking.

As Bendigo Bank continues to develop its digital footprint and scam awareness, we are keen to also continue the face-to-face banking our customers have grown to appreciate. This will continue to be the way, offering a choice for how our customers prefer to deal with us.

We are keen to continue to return profits to our shareholders and encourage all shareholders to bring new customers into the branch so that we can continue to grow along with the community. It is also a great opportunity for our shareholders to supply us an introduction to any community groups that you may be involved in. We also actively encourage existing and new customers to refer any family or friends that want to experience the Community Bank difference.

Thank you to the loyal and dedicated staff of the branch for their ongoing commitment to assist every customer. Without them, banking at Community Bank Gin Gin would be very different. We unfortunately lost Kirsty Robertson during the year but gained Payge Karavolos-Dymott.

I would finally like to thank the board, staff and customers. Since commencing in March 2021, it has been challenging, frustrating at times, but most of all rewarding and I intend on being your Branch Manager for many years to come.

Jonathan Smith – Branch Manager

DIRECTOR'S REPORT

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:	Philip John Finlay
Title:	Non-executive director
Experience and expertise:	Philip is a third generation primary producer in the Gin Gin area. He has been involved with the Gin Gin Rugby League Football Club most of his life, including playing on the team and being president for four years. He is currently Vice President and also received a life membership. Philip is also an executive member of the Gin Gin Show Society where he has volunteered for many years.
Special responsibilities:	Chair

Name:	David Bruce Apel
Title:	Non-executive director
Experience and expertise:	David is a Grazier. He Managed family cattle property and business for 27 years, Associate Diploma in Farm Business Management, Member of local Drought Committee, former Kolan Shire councillor and chair of the fire brigade.
Special responsibilities:	Human Resource Committee, Asset Management Committee and Marketing Committee

Name:	Paul Robert Stehbens
Title:	Non-executive director
Experience and expertise:	Paul was a trade qualified Boilermaker who has worked primarily in the Earth Moving industry up until completing his Bachelor of Teaching in 1997. His teaching career began at Rosedale state school in 1998. He was appointed as Head of Department at Gin Gin State High School in 2001 and since then has worked as Deputy Principal and now Principal within the School. He has been part of Kolan Perry Community Enterprises since its inception in 2007 and has held positions of President and Vice President of the Gin Gin Show Society as well as positions within the Gin Gin Primary School P&C Association.
Special responsibilities:	Vice Chair, Human Resource Committee and Marketing Committee

Name:	Margaret Ann Flanders
Title:	Non-executive director
Experience and expertise:	Margaret has been employed over 30 years with CQ University at Bundaberg Campus. She holds a Bachelor of Commerce, Diploma of Tertiary Studies and a Master Applied Science (Res) CQU. Currently a member of ESA International, Gin Gin Branch (member for over 20 years).
Special responsibilities:	Company Secretary, Marketing Committee

Name:	Susan Louise Bengtson
Title:	Chief Operating Officer, Executive Director
Experience and expertise:	Susan is a Marketing/Publicity Officer. Part of the Board of Kolan/Perry Community Enterprises since the steering committee. Canegrowers Isis Limited Director.
Special responsibilities:	Treasurer, Marketing/Publicity Committee and Audit Committee

Name:	Beryl Jean Dingle 'LoA'
Title:	Non-executive director
Experience and expertise:	Beryl is a cattle grazier. Beryl's previous occupations have been involved in many different areas; Enrolled Nurse, Dental Practice Manager, Administration Supervisor of a FIFO Gold Mine in WA, Retail Manager and she is now back to her roots at home in Mount Perry working on her family's cattle property with her parents and brother. Beryl was on the steering committee for the Kolan Perry Community Bank during their two year drive prior to establishment and an inaugural director of the Bank in 2007. She is thrilled to have been asked to return to the Community Bank. Beryl was granted a leave of absence from her role as a non-executive director for five months from the 27 June board meeting.
Special responsibilities:	Nil

Name:	June Maree Larsen
Title:	Non-executive director
Experience and expertise:	Gin Gin Show Society member.
Special responsibilities:	Nil

Name:	Cameron Arthur Dean
Title:	Non-executive director
Experience and expertise:	Managing Director of Gin Gin & Dry, a food manufacturing business in Gin Gin, QLD. Studied at Marcus Oldham College in farm business management.
Special responsibilities:	Nil

Name:	Kris Sebastian Coeurlero
Title:	Non-executive director (resigned 2 August 2023)
Special responsibilities:	Nil

Company secretary
The company secretary is Margaret Flanders. Margaret was appointed to the position of company secretary on 24 November 2010.

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 $85,230 (30 June 2023: $497,145).

Operations have continued to perform in line with expectations.

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

	2024 $	2023 $
Fully franked dividend of 10 cents per share (2023: 10 cents)	73,161	73,161

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 attended by each of the directors' of the company during the financial year were:

	Board		Marketing Committee	
	Eligible	Attended	Eligible	Attended
Philip John Finlay	11	10	2	2
David Bruce Apel	11	10	2	2
Paul Robert Stehbens	11	6	2	1
Margaret Ann Flanders	11	9	2	2
Susan Louise Bengtson	11	11	2	2
Beryl Jean Dingle 'LoA'	11	7	2	-
June Maree Larsen	11	10	2	2
Cameron Arthur Dean	11	9	2	2
Kris Sebastian Coeurlero	1	1	-	-

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

Directors' 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
Philip John Finlay	2,000	-	2,000
David Bruce Apel	28,000	-	28,000
Paul Robert Stehbens	5,001	-	5,001
Margaret Ann Flanders	1,000	-	1,000
Susan Louise Bengtson	5,501	-	5,501
Beryl Jean Dingle 'LoA'	1,001	-	1,001
June Maree Larsen	10,000	-	10,000
Cameron Arthur Dean	-	-	-
Kris Sebastian Coeurlero	-	-	-

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

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

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

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

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

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

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

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

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

Philip John Finlay
Chair

15 September 2024

AUDITOR'S INDEPENDENCE DECLARATION

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

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Kolan/Perry Community Enterprises Limited

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 15 September 2024

Joshua Griffin
Lead Auditor

Statement of profit or loss and other comprehensive income for the year ended 30 June 2024

	Note	2024 $	2023 $
Revenue from contracts with customers	7	1,320,150	1,502,647
Other revenue		1,364	481,902
Finance revenue		28,457	83
Laundromat income	8	188,424	51,118
Total revenue		1,538,395	2,035,750
Employee benefits expense	9	(661,388)	(646,174)
Advertising and marketing costs		(18,014)	(8,011)
Occupancy and associated costs		(45,601)	(62,456)
System costs		(24,107)	(24,353)
Depreciation and amortisation expense	9	(86,080)	(91,135)
Finance costs		(5,996)	(20,120)
General administration expenses		(155,565)	(141,037)
Laundromat expenses	9	(103,134)	(49,758)
Total expenses before community contributions and income tax		(1,099,885)	(1,043,044)
Profit before community contributions and income tax expense		438,510	992,706
Charitable donations and sponsorships expense	9	(320,818)	(323,464)
Profit before income tax expense		117,692	669,242
Income tax expense	10	(32,462)	(172,097)
Profit after income tax expense for the year		85,230	497,145
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		85,230	497,145
		Cents	**Cents**
Basic earnings per share	28	11.65	67.95
Diluted earnings per share	28	11.65	67.95

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

Statement of financial position
for the year ended 30 June 2024

	Note	2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	11	577,399	78,618
Trade and other receivables	12	128,953	1,041,063
Current tax assets	10	4,868	-
Total current assets		711,220	1,119,681
Non-current assets			
Investment properties	15	1,205,680	1,217,835
Property, plant and equipment	13	43,752	68,873
Right-of-use assets	14	50,244	23,851
Intangible assets	16	43,975	57,197
Deferred tax assets	10	30,526	24,664
Total non-current assets		1,374,177	1,392,420
Total assets		2,085,397	2,512,101
Liabilities			
Current liabilities			
Trade and other payables	17	61,038	63,985
Borrowings		8,466	9,201
Lease liabilities	18	27,739	24,185
Current tax liabilities	10	-	99,422
Employee benefits	19	81,649	75,961
Lease make good provision		13,007	14,422
Total current liabilities		191,899	287,176
Non-current liabilities			
Trade and other payables	17	28,552	42,827
Borrowings		6,555	364,443
Lease liabilities	18	25,827	-
Employee benefits	19	12,449	9,609
Total non-current liabilities		73,383	416,879
Total liabilities		265,282	704,055
Net assets		1,820,115	1,808,046
Equity			
Issued capital	20	712,308	712,308
Retained earnings		1,107,807	1,095,738
Total equity		1,820,115	1,808,046

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

Statement of changes in equity
for the year ended 30 June 2024

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2022		712,308	671,754	1,384,062
Profit after income tax expense		-	497,145	497,145
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	497,145	497,145
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	22	-	(73,161)	(73,161)
Balance at 30 June 2023		712,308	1,095,738	1,808,046

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2023		712,308	1,095,738	1,808,046
Profit after income tax expense		-	85,230	85,230
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	85,230	85,230
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	22	-	(73,161)	(73,161)
Balance at 30 June 2024		712,308	1,107,807	1,820,115

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

Statement of cash flows
for the year ended 30 June 2024

	Note	2024 $	2023 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,674,723	1,768,115
Payments to suppliers and employees (inclusive of GST)		(1,467,640)	(1,458,108)
Interest received		18,888	83
Interest and other finance costs paid		(2,398)	(17,682)
Income taxes paid		(142,614)	(36,661)
Net cash provided by operating activities	27	80,959	255,747
Cash flows from investing activities			
Payments for investment properties		(7,700)	-
Payments for property, plant and equipment		(2,060)	(1,274,402)
Payments for intangible assets		(12,978)	(12,978)
Proceeds from disposal of property, plant and equipment		901,146	17,273
Net cash provided by/(used in) investing activities		878,408	(1,270,107)
Cash flows from financing activities			
Interest and other finance costs paid		(2,808)	(1,834)
Repayment of lease liabilities		(25,993)	(27,778)
Proceeds from borrowings		-	765,000
Dividends paid	22	(73,161)	(73,161)
Repayment of borrowings		(358,624)	(399,294)
Net cash provided by/(used in) financing activities		(460,586)	262,933
Net increase/(decrease) in cash and cash equivalents		498,781	(751,427)
Cash and cash equivalents at the beginning of the financial year		78,618	830,045
Cash and cash equivalents at the end of the financial year	11	577,399	78,618

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

NOTES TO FINANCIAL STATEMENTS

Notes to the Financial Statements
for the year ended 30 June 2024

Note 1. Reporting entity

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 63 Mulgrave Street, Gin Gin QLD 4671.

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 15 September 2024. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

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

Adoption of new and revised accounting standards
The 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.

Note 3. Material accounting policy information (continued)

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.

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.

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

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

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

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

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. In determining the present value of the liability, estimates of attrition rates and inflation have been taken into account.

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.

In the absence of sufficient historical employee attrition rates, the company applies a benchmark probability rate from across the Community Bank network to factor in estimating the probability of an employee, at a given date, achieving continuous employment eligible for entitlement in accordance with legislation.

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 December 2027.

Note 5. Economic dependency (continued)

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

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

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

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

Bendigo Bank provides significant assistance in establishing and maintaining the Community Bank franchise operations. It also continues to provide ongoing management and operational support and other assistance and guidance in relation to all aspects of the franchise operation, including advice and assistance in relation to:
- the design, layout and fit out of the Community Bank premises
- training for the branch manager and other employees in banking, management systems and interface protocol
- methods and procedures for the sale of products and provision of services
- security and cash logistic controls
- calculation of company revenue and payment of many operating and administrative expenses
- the formulation and implementation of advertising and promotional programs
- sales techniques and proper customer relations
- providing payroll services.

Note 6. Change to comparative figures

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 $1,204.

Note 7. Revenue from contracts with customers

	2024 $	2023 $
Margin income	1,130,694	1,212,620
Fee income	102,750	104,432
Commission income	86,706	185,595
	1,320,150	1,502,647

Note 7. Revenue from contracts with customers (continued)

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:

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

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

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

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

	Interest paid by customers on loans less interest paid to customers on deposits
plus:	any deposit returns i.e. interest return applied by Bendigo Bank for a deposit
minus:	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.

Note 7. Revenue from contracts with customers (continued)

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.

Note 8. Laundromat income

	2024 $	2023 $
Laundromat income	188,424	51,118

Accounting policy for laundromat income
Revenue for the self-service laundry machines is recognised once funds are deposited.

Note 9. Expenses

Laundromat expenses	2024 $	2023 $
Laundromat expenses	103,134	-

Employee benefits expense

	2024 $	2023 $
Wages and salaries	561,218	546,276
Non-cash benefits	8,672	6,444
Superannuation contributions	59,870	57,404
Expenses related to long service leave	3,912	5,501
Other expenses	27,716	30,549
	661,388	646,174

Note 9. Expenses (continued)

Depreciation and amortisation expense

	2024 $	2023 $
Depreciation of non-current assets		
Buildings	-	4,756
Leasehold improvements	12,666	12,865
Plant and equipment	6,478	6,708
Motor vehicles	8,037	6,801
Investment properties	19,855	18,226
	47,036	49,356
Depreciation of right-of-use assets		
Leased land and buildings	25,822	28,577
Amortisation of intangible assets		
Franchise fee	2,204	2,200
Franchise renewal fee	11,018	11,002
	13,222	13,202
	86,080	91,135

Leases recognition exemption

	2024 $	2023 $
Expenses relating to low-value leases	6,527	7,375
Expenses relating to short-term leases	1,102	1,563
	7,629	8,938

Finance costs

	2024 $	2023 $
Bank loan interest paid or accrued	2,398	17,681
Lease interest expense	2,808	1,834
Unwinding of make-good provision	790	605
	5,996	20,120

Finance costs are recognised as expenses when incurred using the effective interest rate.

Charitable donations, sponsorships and grants

	2024 $	2023 $
Direct donation, sponsorship and grant payments	20,818	7,675
Contribution to the Community Enterprise Foundation™	300,000	315,789
	320,818	323,464

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

Note 9. Expenses (continued)

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

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

Note 10. Income tax

	2024 $	2023 $
Income tax expense		
Current tax	40,132	136,922
Movement in deferred tax	(5,862)	35,175
Under/over adjustment	(1,808)	-
Aggregate income tax expense	32,462	172,097
Prima facie income tax reconciliation		
Profit before income tax expense	117,692	669,242
Tax at the statutory tax rate of 25%	29,423	167,311
Tax effect of:		
Non-deductible expenses	4,847	4,786
	34,270	172,097
Under/over adjustment	(1,808)	-
Income tax expense	32,462	172,097

	2024 $	2023 $
Deferred tax assets/(liabilities)		
Property, plant and equipment	4,262	(1,418)
Employee benefits	23,525	21,393
Lease liabilities	13,392	6,046
Provision for lease make good	3,252	3,606
Accrued expenses	1,048	1,000
Income accruals	(2,392)	-
Right-of-use assets	(12,561)	(5,963)
Deferred tax asset	30,526	24,664

	2024 $	2023 $
Income tax refund due	4,868	-

	2024 $	2023 $
Provision for income tax	-	99,422

NOTES TO FINANCIAL STATEMENTS cont'd...

Note 10. Income tax (continued)

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	577,399	78,618

Note 12. Trade and other receivables

	2024 $	2023 $
Trade receivables	110,074	1,030,874
Other receivables and accruals	300	300
Accrued income	9,569	-
Prepayments	9,010	9,889
	18,879	10,189
	128,953	1,041,063

Trade receivables
Previous year trade receivables includes a $901,146 receivable for the settlement of the sale of the 55-57 Mulgrave Street property. These fund were received on 7 July 2023.

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. Property, plant and equipment

	2024 $	2023 $
Leasehold improvements - at cost	157,381	157,381
Less: Accumulated depreciation	(157,381)	(144,715)
	-	12,666
Plant and equipment - at cost	110,459	108,399
Less: Accumulated depreciation	(96,345)	(89,867)
	14,114	18,532
Motor vehicles - at cost	40,185	40,185
Less: Accumulated depreciation	(10,547)	(2,510)
	29,638	37,675
	43,752	68,873

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

	Land $	Buildings $	Leasehold improvements $	Plant and equipment $	Capital works in progress $	Motor vehicles $	Total $
Balance at 1 July 2022	325,000	170,479	25,531	22,410	35,114	11,035	589,569
Additions	-	-	-	3,156	-	40,185	43,341
Disposals	(325,000)	(160,723)	-	(326)	(35,114)	(6,744)	(527,907)
Transfers in/(out)	-	(5,000)	-	-	-	-	(5,000)
Depreciation	-	(4,756)	(12,865)	(6,708)	-	(6,801)	(31,130)
Balance at 30 June 2023	-	-	12,666	18,532	-	37,675	68,873
Additions	-	-	-	2,060	-	-	2,060
Depreciation	-	-	(12,666)	(6,478)	-	(8,037)	(27,181)
Balance at 30 June 2024	-	-	-	14,114	-	29,638	43,752

Disposals
During the previous financial year the company disposed of land and building located at 51-53 Mulgrave Street to assist in funding the purchase of the investment properties located at 75-79 Mulgrave Street.

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

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

Leasehold improvements	4 to 40 years
Plant and equipment	1 to 40 years
Motor vehicles	5 years

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

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

Note 13. Property, plant and equipment (continued)

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

Note 14. Right-of-use assets

	2024 $	2023 $
Land and buildings - right-of-use	192,982	140,767
Less: Accumulated depreciation	(142,738)	(116,916)
	50,244	23,851

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	79,289
Remeasurement adjustments	(26,861)
Depreciation expense	(28,577)
Balance at 30 June 2023	23,851
Remeasurement adjustments	52,215
Depreciation expense	(25,822)
Balance at 30 June 2024	50,244

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 15. Investment properties

	2024 $	2023 $
Investment property - at cost	1,243,761	1,236,061
Less: Accumulated depreciation	(38,081)	(18,226)
	1,205,680	1,217,835

Reconciliation
Reconciliation of the beginning and end of the current and previous financial year are set out below:

	2024 $	2023 $
Opening amount	1,217,835	-
Additions	7,700	1,231,061
Transfers in/(out)	-	5,000
Depreciation expense	(19,855)	(18,226)
Closing amount	1,205,680	1,217,835

Additions
During the previous financial year the company purchased land and buildings located at 75-79 Mulgrave Street. The company used a combination of cash reserves and a bank loan to fund the purchase.

Accounting policy for investment properties
Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the company. Investment properties are recognised at cost, less accumulated depreciation.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Investment properties also include properties under construction for future use as investment properties. These are carried at fair value, or at cost where fair value cannot be reliably determined and the construction is incomplete.

Note 16. Intangible assets

	2024 $	2023 $
Franchise fee	43,370	43,370
Less: Accumulated amortisation	(36,041)	(33,837)
	7,329	9,533
Franchise renewal fee	166,852	166,852
Less: Accumulated amortisation	(130,206)	(119,188)
	36,646	47,664
	43,975	57,197

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	918	4,591	5,509
Additions	10,815	54,075	64,890
Amortisation expense	(2,200)	(11,002)	(13,202)
Balance at 30 June 2023	9,533	47,664	57,197
Amortisation expense	(2,204)	(11,018)	(13,222)
Balance at 30 June 2024	7,329	36,646	43,975

Additions
During the previous financial year, the franchise fee was renewed. It is being amortised over five years to December 2027.

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)	December 2027
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	December 2027

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

Note 17. Trade and other payables

	2024 **$**	**2023** **$**
Current liabilities		
Trade payables	16,742	25,573
Other payables and accruals	44,296	38,412
	61,038	63,985
Non-current liabilities		
Other payables and accruals	28,552	42,827

Note 17. Trade and other payables (continued)

	2024 $	2023 $
Financial liabilities at amortised cost classified as trade and other payables		
Total trade and other payables	89,590	106,812
add other payables and accruals - net GST (payable to)/refundable by the ATO	4,593	(4,453)
	94,183	102,359

Note 18. Lease liabilities

	2024 $	2023 $
Current liabilities		
Land and buildings lease liabilities	27,739	24,185
Non-current liabilities		
Land and buildings lease liabilities	25,827	-

Reconciliation of lease liabilities

	2024 $	2023 $
Opening balance	24,185	78,825
Remeasurement adjustments	55,374	(26,862)
Lease interest expense	2,808	1,834
Lease payments - total cash outflow	(28,801)	(29,612)
	53,566	24,185

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
Gin Gin Branch	7.40%	2 years	N/A	N/A	June 2026

Note 19. Employees benefits

	2024 $	2023 $
Current liabilities		
Annual leave	57,145	52,529
Long service leave	24,504	23,432
	81,649	75,961
Non-current liabilities		
Long service leave	12,449	9,609

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 expensed 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.

Note 20. Issued capital

	2024 Shares	2023 Shares	2024 $	2023 $
Ordinary shares - fully paid	731,609	731,609	731,609	731,609
Less: Equity raising costs	-	-	(19,301)	(19,301)
	731,609	731,609	712,308	712,308

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
<u>Voting rights</u>
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.

Note 20. Issued capital (continued)

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:

- 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 275. As at the date of this report, the company had 285 shareholders (2023: 285 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.

Note 21. Capital management (continued)

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.

Note 22. Dividends

Dividends provided for and paid during the period
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 10 cents per share (2023: 10 cents)	73,161	73,161

Franking credits

	2024 $	2023 $
Franking account balance at the beginning of the financial year	419,755	407,481
Franking credits (debits) arising from income taxes paid (refunded)	142,614	36,661
Franking debits from the payment of franked distributions	(24,387)	(24,387)
	537,982	419,755
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	537,982	419,755
Franking credits (debits) that will arise from payment (refund) of income tax	(4,868)	99,422
Franking credits available for future reporting periods	533,114	519,177

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

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

Note 23. Financial risk management

The company's financial instruments include trade receivables and payables, cash and cash equivalents, bank loans, chattel mortgages 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:

Note 23. Financial risk management (continued)

- 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 minimal borrowings.

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

	2024 $	2023 $
Financial assets at amortised cost		
Trade and other receivables (note 12)	119,943	1,031,174
Cash and cash equivalents (note 11)	577,399	78,618
	697,342	1,109,792
Financial liabilities		
Trade and other payables (note 17)	94,183	102,359
Lease liabilities (note 18)	53,566	24,185
Bank loans	578	351,304
Chattel mortgage	14,443	22,340
	162,770	500,188

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.

Note 23. Financial risk management (continued)

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. 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 $577,399 at 30 June 2024 (2023: $78,618).

As at the reporting date, the company had the following variable rate borrowings outstanding:

	2024		2023	
	Nominal interest rate %	**Balance $**	**Nominal interest rate %**	**Balance $**
Bank loans	7.60%	578	7.26%	351,304
Net exposure to cash flow interest rate risk		578		351,304

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.

2024	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Chattel mortgage	8,466	5,977	-	14,443
Bank loans	-	578	-	578
Trade and other payables	61,038	28,552	-	89,590
Lease liabilities	28,659	28,659	-	57,318
Total non-derivatives	98,163	63,766	-	161,929

2023	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Chattel mortgage	9,201	13,139	-	22,340
Bank loans	-	351,304	-	351,304
Trade and other payables	63,985	42,827	-	106,812
Lease liabilities	24,706	-	-	24,706
Total non-derivatives	97,892	407,270	-	505,162

Note 24. Key management personnel disclosures

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

Philip John Finlay
David Bruce Apel
Paul Robert Stehbens
Margaret Ann Flanders
Susan Louise Bengtson
Beryl Jean Dingle 'LoA'
June Maree Larsen
Cameron Arthur Dean
Kris Sebastian Coeurlero

Compensation
Key management personnel compensation comprised the following.

	2024 $	2023 $
Short-term employee benefits	51,922	51,136
Post-employment benefits	5,711	5,369
	57,633	56,505

Compensation of the company's key management personnel includes salaries, superannuation and other leave entitlements.

Employee benefits relate to remuneration of Susan Bengston who is remunerated for her role as the company's Chief Operating Officer.

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.

Transactions with related parties
The following transactions occurred with related parties:

	2024 $	2023 $
The company made sponsorships to community groups where company directors also hold roles as presidents and committee members.	28,750	-

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 $
Audit services		
Audit or review of the financial statements	6,950	5,400
Other services		
Taxation advice and tax compliance services	1,514	1,433
General advisory services	4,520	3,670
Share registry services	4,768	4,120
	10,802	9,223
	17,752	14,623

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	85,230	497,145
Adjustments for:		
Depreciation and amortisation	86,080	91,135
Net gain on disposal of non-current assets	(901,146)	(390,512)
Lease liabilities interest	2,808	1,834
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	912,110	(32,691)
Decrease/(increase) in income tax refund due	(4,868)	839
Decrease/(increase) in deferred tax assets	(5,862)	35,175
Decrease in trade and other payables	(3,298)	(58,084)
Increase/(decrease) in provision for income tax	(99,422)	99,422
Increase in employee benefits	8,528	10,880
Increase in other provisions	799	604
Net cash provided by operating activities	80,959	255,747

Note 28. Earnings per share

	2024 $	2023 $
Profit after income tax	85,230	497,145
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	731,609	731,609
Weighted average number of ordinary shares used in calculating diluted earnings per share	731,609	731,609

Note 28. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	11.65	67.95
Diluted earnings per share	11.65	67.95

Accounting policy for earnings per share
Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Kolan/Perry Community 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.

DIRECTOR'S DECLARATION

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

Philip John Finlay
Chair

15 September 2024

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 Kolan/Perry Community Enterprises Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Kolan/Perry Community Enterprises Limited (the company), which comprises:

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

In our opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report*,* the accompanying financial report of Kolan/Perry Community Enterprises Limited, is in accordance with the *Corporations Act 2001*, including:

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

Basis for Qualified Opinion

As is common for cash businesses, it was not practical for the company to establish accounting control over the receipt of the cash from the laundromat business acquired during the financial year, prior to the receipt in the accounting records and recognition of income. Accordingly, it was not practical in relation to the laundromat income to extend our examination beyond the amounts recorded in the accounting records of the company, and as such our audit in relation to this revenue was limited to the amounts recorded.

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

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.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 15 September 2024

Joshua Griffin
Lead Auditor

KOLAN/PERRY COMMUNITY ENTERPRISES LTD.

Sponsorship / Grant Recipients Round 2, September 2023

Applications	Projects	Approved
Associations, Churches, Society's.		
Biggenden women's Shed.	$3 735 – 2 laptops, mouse, printer	$3 735 Approved
Gin Gin Men's Shed	$4 844 - Cyclone Dust Extractor	$4 844 Approved
Gin Gin A P & I Society	$6 000 - Purchase of 4 (6m x 3m) Marquees'	$3 250 Approved
Mt Perry Rodeo	$19 376 - Improve layout of camp draft yard	$10 000 Approved as Challenge Grant
Clubs / Recreation		
Hinterland Enduro Junior Development club Inc.	$16 250 – 3 x Two Mobile Toilet Units on trailers plus rego	$16 250 Approved
Gin Gin & District Pony Club Inc.	$500 - Gymkhana	$500 Approved – GGCB funds
Kindergartens, Schools and Educational Life Skill Programs		
Gin Gin Kindy	$3 000 - Lunch Box Challenge	$3 000 Approved
Mt Perry School P&C Association	$21 194 – lighting and Sound equipment	$10 000 Approved as Challenge Grant

Total Funds distributed by Gin Gin Community Bank into the Community this round is $ 52 579.

Total Sponsorship funds distributed into the Community in the 22/23 year was $ 119 913

Sponsorship / Grant Recipients Round 1, April 2024

Applications	Projects	Approved
Associations & Society's.		
Gin Gin A P & I Society	$14 500 - Fireworks, woodchop comp & new shed	$1 500 Approved
Biggenden District Agricultural & Pastoral Society Inc.	$2 809 - Mower charges & Science Exhibit	$1 500 Approved
Mt Perry A P & I Society	$12 000 Grandstands	$10 000 Challenge Grant
Clubs / Recreation		
Gin Gin Bowls Club	$1 800 Purchase of safe	$1 800 Approved
Gin Gin Rec Area	$20 000 wild animal exclusion fence	$20 000 Challenge Grant
Biggenden Women's Shed	$9 499 Ride On Mower	$5 000 Challenge Grant
Paradise Fishing	$1 000 - Catch a Catty family fishing Comp	$1 000 Approved
Monduran Fishing Club	$3 500 Prizes for fishing Comp	$1 500 Approved
Gin Gin Landcare	$5 466 Ride on Mower	$5 466 Approved
Gin Gin Historical Society	$13 677 - commercial ride on mover	$10 000 Approved
Kindergartens, Schools and Educational Life Skill Programs		
Gin Gin State High School P & C Association	$5 500 Road Craft	$5 500 Approved
Wallaville State School P & C Association	$1 000 Healthy Cooking Program and Woodwork skills program	$1 000 Approved
Scripture Union Australia - Chaplaincy	$15 000 Chaplaincy in local Schools	$15 000 Approved
Gin Gin Kindy	$12 500 bike loop, ramp & signage	$4 800 Approved for ramp & signage
Other		
Gin Gin Tourism	$1 607 Tourist Centre Improvements	$1 607 Approved

The total amount of sponsorship grants given to our community this round was $50 173, plus the addition $35 000 in challenge grants bringing the total to $85 173.

Gin Gin Community Bank's total contribution over the past 17 years to Gin Gin and surrounding Communities is just over $2 million.

Community Bank · Gin Gin
63 Mulgrave Street,
Gin Gin QLD 4671
Phone: 07 4157 3469`

Franchisee: Kolan/Perry Community Enterprises Limited
ABN: 21 123 507 844
63 Mulgrave St,
Gin Gin, Qld, 4671
Phone: 07 4157 3469
Email: ggcbank@gmail.com

Share Registry:
AFS & Associates Pty Ltd
PO Box 454, Bendigo VIC 3552
Phone: 5443 0344
Fax: 5443 5304
Email: shareregistry@afsbendigo.com.au

facebook.com/communitybankgingin

This Annual Report has been printed on 100% Recycled Paper

Bendigo Bank