Annual Report 2024

Manningham Community Enterprises Limited

Community Bank
Doncaster East and Templestowe Village

ABN 69 101 174 270

Contents

Chairman's report

For year ending 30 June 2024

Banking is our business...community is our focus.

Our Community Bank Doncaster East and Templestowe Village branches have again thrived during 2023/2024 in what continues to be a very tough market with competition increasing and the cost-of-living crisis looming as a significant contributor to the perfect storm of issues with which Australians from all walks of life have to contend.

The relationships with local community organisations that we have built over many years have continued to bear fruit and we continue to experience growth that results from the amazing commitment of our Managers and staff as well as the input that our Board continues to provide in terms of constant reinforcement of our business model through attendance at a significant number of community events.

All of our stakeholders should be proud of the work that your Board and staff undertake throughout the year to improve the bottom line of this amazing company. Attendance and presentations at functions and events run by Council, community organisations and sporting clubs is at an all-time high and continues to place our brand in front of a huge number of people every week.

Whilst 2023/2024 has been another year of growth we are focused on further developing our business and will continue to work hard to promote our brand to existing customers whilst looking for every opportunity to entice new business to at least see us as a viable alternative to their existing bankers and to give us the opportunity to be a part of their thinking when they are looking to do any form of banking business.

Despite the struggle to maintain our level of business volume, we did see very moderate growth for the year with our total footings increasing by just $4.7million with our lending portfolio reducing by $24.4million whilst our deposit book grew by $29.1million.

The very significant margin, fee and commission income increases seen in the previous year were unable to be sustained in 2023/2024 with the total decreasing by $643K from $4.486million in 2022/2023 to $3.843million in this financial year despite business volume increasing by $4.7M.

This significant decrease in income resulted in our operating result for 2023/2024 decreasing from $1,357,221 to $1,233,290 with total revenue decreasing by $562,048 despite the increase of $4.7million in our footings.

Expense management remains a key focus of the company and this resulted in total expenses decreasing by $22,955 or 1%.

Despite the decrease in our operating result from $1.357million to $1.233million, this level of profit still enabled your company to provide substantial assistance to organisations such as the Manningham SES, Doncare, Onemda, MannaCare, Kevin Heinze Grow, Living & Learning @ Ajani, CareNet, and the Rotary Club of Manningham City to name just a few, all of whom provide direct support into the Manningham community.

This very strong financial result in 2023/2024 allowed us to provide significant community contributions during the year with a total of $480,592 being allocated in support of the Manningham community, taking our total community support to $5.512 million since Community Bank Doncaster East first opened in March of 2003.

While some of our focus was on increasing our contributions to community, your Board was also intent on continuing to improve our balance sheet while also ensuring that our return to shareholders was reflective of the outstanding performance of the company. The result was that we were able to declare and pay a fully franked dividend of 10 cents per share while also increasing our Total Equity by $712,696 to $2,838,141 after an increase of $907,775 in 2022/2023.

The Board also took the decision to make a strong statement to the community that, unlike other bank brands, we are here in the Manningham community for the long term and as such we undertook a minor but very important upgrade of our branding at Community Bank Templestowe Village.

It was another challenging year for our staff with a number of changes eliciting the usual response from our amazing team as they stepped up to the plate and banded together to ensure that every customer was afforded the same high level of customer service that they have come to expect for such a long time.

Our staff truly are our greatest asset and their amazing commitment, resilience, professionalism, integrity, determination and compassion stands us head and shoulders above not just other banks but above most other businesses.

On behalf of all our stakeholders I thank and congratulate each and every one of them for their outstanding efforts over this past year!

Your Board

I can't help but copy and paste the following words from last year's annual report because I can't find any better way to describe the Board team that leads this incredible company "It is absolutely a recurring theme but yet again I have to express my admiration of all Board members without whom our company would just be run-of-the-mill as opposed to the outstanding Board of community leaders that we have at the helm of Manningham Community Enterprises Limited – your company!"

The commitment, expertise, passion, dedication and professionalism rise to new levels each year and 2023/2024 was no exception and is one of the reasons why our company is not just successful but is an outstanding example of what the Community Bank model can achieve.

My sincere appreciation goes to your 2023/2024 Board of Directors – Geoff Roberts (Vice Chair), Ray Barrington, Rod Davitt (Treasurer), Max Chapman, Simon Lewis, Brad Dodemond, Deirdre Diamante and Victoria Paouros (Company Secretary)".

Board Committees

All of our Board members give an extraordinary amount of their personal time to contribute to the operation of our Board Committees and the dedication, professionalism and expertise that they bring to the table is exemplary and no doubt a leading light amongst the Community Bank Network.

Your Board members represent you at numerous community events across Manningham and continually promote the company in all of these forums and wherever there is an ear willing to listen to the benefits that can be derived by banking with us.

The Marketing Committee of Carly Kluge, Ray Barrington, Lisa Jones, Danielle Puna, Ian Goldsmith and led by Geoff Roberts continues to look for every opportunity to promote our brand in an intensely competitive market.

Post the re-development of Community Bank Doncaster East, a focus on the re-branding of Community Bank Templestowe Village was uppermost on the priority list to ensure that our company was embracing the new livery developed by Bendigo Bank for rollout throughout the network. These works were completed during the 2023/2024 year, and they send a clear message that we are here for the long term, we are vibrant, we are progressive, and we are thriving!

Strong relationships with all of our community partners means that our event calendar is always full and the willingness of our Marketing Committee, Board members and staff to continually give of their time and embrace these events as wonderful marketing opportunities, is an outstanding display of support for our company.

The coordination of our attendance at these events is only possible because of the expertise in relationship development that Carly Kluge brings to our organisation. Carly is instrumental in initiating many of these relationships and it is then her unique set of skills and expertise that enable these relationships to blossom, grow, expand and then bear fruit.

On behalf of all Board members and staff, I thank her sincerely for her ongoing input to the growth and development of MCEL.

The Human Resources Committee of Geoff Roberts, Ray Barrington, Brad Dodemond, Lisa Jones, Ian Goldsmith and led by Simon Lewis continued to support our managers and staff through a turbulent year and ensured that they were able to concentrate their efforts into the operational aspects of our business, knowing that the HR Committee was there to support them.

The Committee's commitment to ensuring that all HR policies and procedures were under constant review ensured that all Governance aspects of the operations of the Committee remained current throughout the year.

The Governance Committee of Victoria Paouros, Brad Dodemond, Rod Davitt, Ian Goldsmith and led by Deirdre Diamante continued to ensure that the Governance Framework of MCEL was a rigorous one that provided a superb framework for the strategic leadership of the company during 2023/2024 and into the future.

During the year, the Board commenced a Board Performance Review process and as we go to print, arrangements for a facilitated workshop are being finalised so that areas identified for improved performance can be discussed, analysed, and strategies implemented to ensure that we are always employing best practice methodologies.

The Finance Committee of Geoff Roberts,Max Chapman and Ian Goldsmith under the leadership of Rod Davitt and again supported by the expertise, accuracy, commitment, professionalism and integrity of our Bookkeeper Pam Tremlett, has continued to provide rigorous oversight of MCEL's financial operations and Pam's attention to detail and determination to ensure accuracy enhances the company's financial stewardship.

The accurate, timely and relevant financial reporting, analysis and advice that Pam provides to the Committee and the Board is an invaluable asset that ensures that the Board's decision making on financial matters is always undertaken with appropriate data. On behalf of all Board members and staff, I thank Pam for her wonderful commitment to MCEL and the patient and measured way in which she goes about her role.

The Youth Engagement function has been limited in its ability to gain traction over the last twelve months but with the Rotary Club of Manningham City having developed Interact Clubs at Doncaster Secondary College and East Doncaster Secondary College and EarlyAct Clubs at Donburn and Beverley Hills Primary Schools, together with a growing emphasis being placed on Youth matters by Manningham Council, opportunities to make inroads into engaging with Youth across the School's Network will further develop over the coming months and years.

MCEL's Youth Program lead by Brad Dodemond is very well placed to take advantage of these opportunities as they develop into the future.

We are here for YOU, and we are here for GOOD!

2023/2024 was another very challenging year with increasing competition in a market that was constantly being limited by reducing demand in the residential property sector and cost-of-living pressures also hampering growth, but we did experience an increase in demand for deposits with customers taking advantage of higher deposit interest rates.

Despite these challenges we were still able to increase our overall business volume to $564.2M and the Board and staff remain committed to achieving our ultimate goal of exceeding $1B and being the bank of choice in the Manningham community. We have relationships with our community partners that remain extremely strong, and we continue to forge new relationships as people and organisations come to understand the benefits of the Community Bank model.

We continue to have very strong relationships at all levels of Bendigo Bank, and such is the strength of our entire team that a number of our Board members and support staff hold positions with Bendigo Bank, in addition to their local focus.

Our Board remains committed to the Manningham community and further reinforced this with the updating of Community Bank Templestowe Village to bring it in line with the refurbishment previously undertaken at Community Bank Doncaster East.

The decision to update Community Bank Templestowe Village in an ever-increasing world of digital banking was made to clearly recognise the needs of those who cannot or do not wish to access digital banking and that sometimes there simply must be a face-to-face banking alternative to the online world.

Chairman's report (continued)

Your Board remains committed to community and is aware that the best way to fulfill this commitment is to grow our business and to do this we all need to be out and about in the community and continuing to work tirelessly for your Community Bank.

All we ask of each and every one of you is that you help us to help both you and the community by taking every opportunity to advocate on behalf of **YOUR** Bank.

Finally, I once again want to acknowledge all of my fellow Board members, our incredible support staff of Carly and Pam and our branch staff as it is their hard work, expertise, enthusiasm, passion, commitment and professionalism that makes being a part of this amazing banking model such a privilege.

Ian Goldsmith
Chairman

Senior Manager's report

For year ending 30 June 2024

The 2024 financial year was definitely a successful but challenging year with a number of staff changes at both Community Bank Doncaster East and Community Bank Templestowe Village

This started with the retirement in September 2023 of Paul Thompson, who had been our Senior Manager for the past 20 years – his expertise, friendship and great community connections have been missed by all. I started my journey with Bendigo Bank when I was employed at the same time as Paul all those years ago and feel very fortunate to have taken on the role of Senior Manager.

Community Bank Templestowe Village farewelled Lauren Bagala and will welcome back Danielle Puna who took maternity leave to have her first bub.

I would sincerely like to thank all our current staff for their dedication to the business during some trying times with staff shortages. Connor O'Keefe, Catherine Dole, Michelle Ellard, Kim Nihill, Tina O'Shea, Marilyn Peters, Ellie Price and Maryam Hosseini – the way you all banded together to help when needed was truly wonderful and the perfect show of teamwork. We would also like to acknowledge and thank our customers for their patience during these times.

Community Bank Templestowe Village received a mini refurbishment this year, and now boasts the same historical mural that is at Community Bank Doncaster East – but in a much larger format. Both branches look fantastic and provide a wonderful working environment as well as a great place for our customers to do their banking, so please do pop in.

Financially, it was a challenging year for both branches with reduced lending figures due to cost-of-living pressures, however, as at the end of the financial year, our combined total business under management for both branches stands at $564.2 million, with deposits of $342.4 million and lending of $221.8 million maintaining our good mix of business.

Our Purpose is to feed into the prosperity of our customers and communities, not off it – so it's hugely satisfying to report that we've now contributed $5.512 million to the Manningham community since we opened in 2003. A very significant and proud achievement by any measure.

I've already thanked our wonderful staff – a big thank you also to our Board of Directors and in particular to Chairman Ian Goldsmith, HR Chair Simon Lewis and our Treasurer Pam Tremlett for your invaluable advice and support over the last year.

Please continue to spread the word – the more people that support our branches, the more support we can provide to the Manningham community.

Lisa Jones
Senior Manager

Community contributions 2023-24

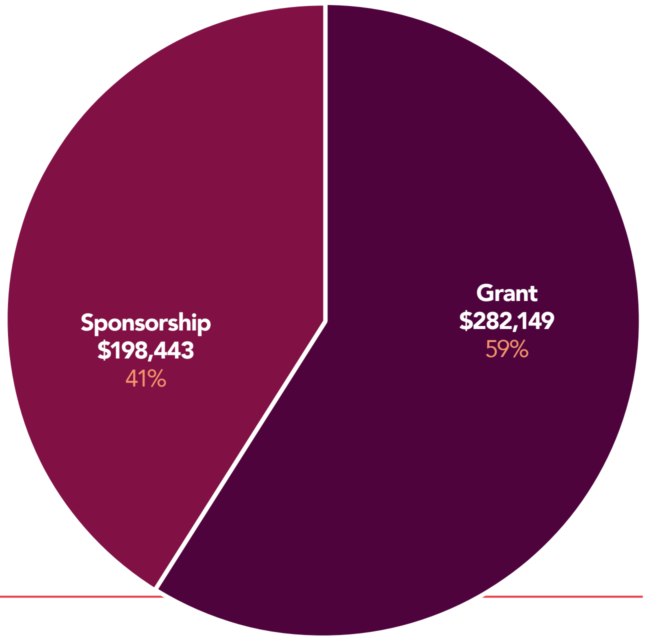
Manningham Community Enterprises Limited

57
Projects Funded

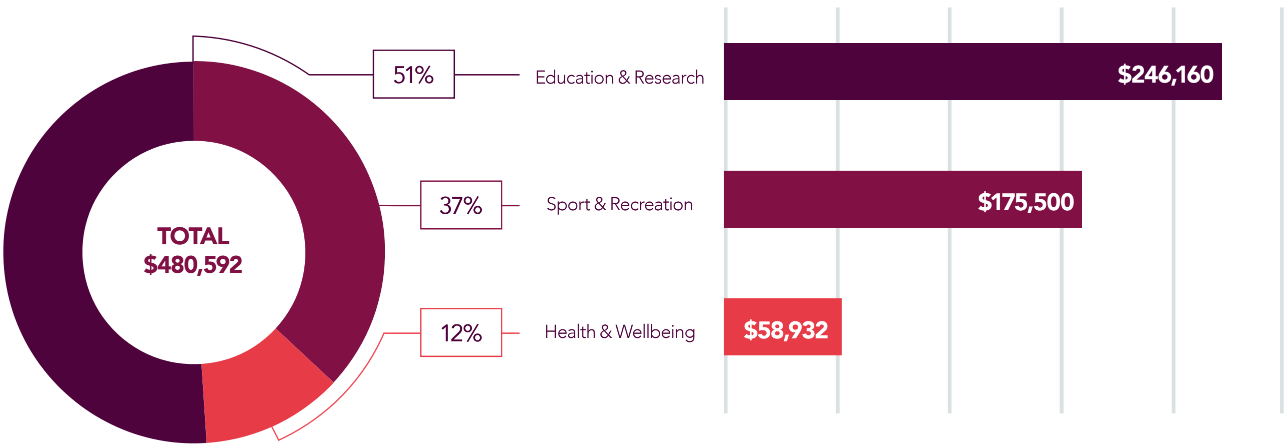
$480,592
Total Value

National Contribution

Total Investments by Kind



Total Investments by Sector



Bendigo Bank

Community Bank

Making an impact in our local community

COMMUNITY INVESTMENT

$5 million
over the past
22 years

The 2023/24 year was another 12 months of significant investment in the local community from Manningham Community Enterprises Limited. Pictured over the next few pages is a snapshot of some of the projects, initiatives and sporting clubs that we've supported.

▲ Senior Branch Manager Lisa Jones presents Gurpreet Miglani with a cheque to support the activities and events of The Australian Indian Cultural Society (AICSI). The pro-active group run monthly events including sports days, educational sessions and health initiatives.

▲ Pines Learning provide a workshop series called "Toward Independent Living" to assist people living with disabilities to transition to independent living. Community Bank Doncaster East & Templestowe Village provide a grant and also the expertise of local team member Michelle who runs a session on budgeting as part of the program.

▲ The talented musicians that support the Laughing All Abilities Really Friendly Singers (LAARFS), a volunteer-driven group that meet each week at the Templestowe Baptist Church to sing and laugh and enjoy some afternoon tea.

▲ In 2024 we teamed up with Marshall White Manningham and RJ Legal to run a session on property and home buying for the clubs at Zerbes Reserve.

▲ The Beverley Hills Junior Football Club have a strong history of producing AFL stars who embrace the opportunity to come back to the club for their annual family day.

▶ The LAARFS singers comprise a diverse group of people each facing various health issues including Parkinsons, lung disease, Ostiogenesis, cancers, heart disease, grief, chronic loneliness, stroke, dementia, ABI, neurodiversity, rheumatoid arthritis, kidney disease, chronic fatigue, PTSD and idiopathic pain. They also have carer members who regularly join the two-hour singing session for respite.

Making an impact in our local community (continued)

▲ MannaCare have created the "Timeless Tea" Café to provide a place for families and carers to meet with residents. Branch Manager Lisa Jones and Director Ray Barrington attended the official opening..

▲ Our support of CareNet continues and this year was no exception. As well as continued funding for the refrigerated van, our branches run annual food and Christmas gifts drives in-branch for distribution via CareNet. We are grateful for the generosity of our customers in their support of these initiatives.

▲ Geoff Roberts OAM presents the 2023 Ray Lord Community Award to the recipient, Jim Pahos, for his many years of service to the local community including the Beverley Hills Junior Football Club, Doncaster Templestowe Swim Club and local kindergartens.

▲ The Doncaster Bowling Club played host to our 2023 Community Partners Night and we are grateful to members Peter Hanson and Trevor Dawson for their efforts to make our team and our guests feel welcome.

▲ The team from Community Bank Doncaster East & Templestowe Village

▲ MCEL's Ian Goldsmith and Geoff Roberts OAM were thrilled to hand over a cheque for a staggering $140,669 to the SES Manningham to fully fund a new emergency vehicle for the unit. Vincent Ciardulla and Jen Selmore proudly accepted the grant on behalf of the hard working local SES volunteers.

▲ Community Bank Doncaster East & Templestowe Village provided a grant for Koonung Cottage to host a series of Devonshire teas to bring the community together. Attendance at the Neighbourhood House had suffered as a result of COVID so the initiative was to encourage locals to re-engage.

▲ Kraig from the Bulleen Boomers dropped into the Templestowe Village branch to present Lauren and Amy with a signed playing guernsey.

▲ Marilyn was pleased to present a defibrillator to David Dyason from the Manningham Netball Association. The unit will be located at the Parker Street courts.

▲ A collaboration between the Community Bank Doncaster East & Templestowe Village, Beverley Hills Junior Football Club, East Doncaster Football Club and East Doncaster Cricket Club resulted in the impressive new electronic scoreboard being constructed at Zerbes Reserve.

Making an impact in our local community (continued)

▲ Catherine Dole proudly presents the BIG CHEQUE for 2023 highlighting the overall community contribution for the year of $546,990.43.

▲ MCEL Director Ray Barrington proudly presented Helen and Barbara from the Women's Friendship Group with a grant for their Water Aerobics program where women attend Aquarena each week.

▲ Bendigo Bank's Chief Economist David Robertson joined us again for the annual Business Breakfast at the Manningham Function Centre. Over 120 guests attended the breakfast with Manningham Cr and MCEL director Deirdre Diamante, Mayor Cr Carli Lange, Community Bank Branch Manager Lisa Jones and Manningham Council CEO Andrew Day.

▲ The East Doncaster Cricket Club's No Boundaries Cricket Program offers a unique cricket training experience for individuals with disabilities. Working in conjunction with the team from Onemda, club coaches run training each week and finish the season with a presentation event.

▲ The Rotary Club Manningham City's Charity Golf Day continues to go from strength to strength. The fundraiser for Prostate Cancer Research raised $42,000 and we were thrilled to support these efforts with sponsorship for the day.

▲ The Primary Schools Speech competition showcased the skills and talents of many of the young people in our Community. We proudly support this program which is run enthusiastically by the Rotary Club of Manningham City.

▲ We are very proud supporters of Café Kevin, a training facility and café located in the nursery garden at Kevin Heinze Grow on Wetherby Road. The café trains participants with intellectual disabilities in hospitality skills including cooking, barista skills and customer service.

▲ We were thrilled to donate a garden shed to the residents at The Domaine Residential Village in Doncaster. The group have recently created a community garden and needed somewhere to store their tools.

▲ The Community Bank Doncaster East & Templestowe Village were proud sponsors of Manningham's first Diwali Festival, run by the Australian Indian Cultural Society at the Ajani Centre.

▲ Our commitment to ensuring that all local clubs have access to life-saving defibrillators continues. Lisa presents a unit to the Beverley Hills Junior Football Club.

▲ The Manningham United Blues Football Club continues to go from strength to strength.

▲ Catherine He of Doncaster was one of two recipients of the Jim Christie Scholarship Award. Catherine is an active volunteer and dedicated student, studying a double degree of Engineering/Arts at Monash University. MCEL Director Brad Dodemond presented Catherine with her award.

▲ Tennis great and mental health advocate Jelena Dokic was the guest speaker at Doncare's annual "Women Empowering Women" event. Her story of strength and resilience is truly remarkable, with Jelena receiving a standing ovation from event guests at Bramleigh Estate.

▲ Templestowe Valley Primary School received a grant for $10,000 for the student garden program, funding garden beds and seeds for the project. Lauren was on hand to present the cheque to the Sustainability Leaders at the school.

▲ The Board and the Executive of the Bendigo and Adelaide Bank paid a visit to Manningham to witness first-hand some of the community projects we are supporting, including Café Kevin at Kevin Heinze Grow.

▲ Manningham City Council hosted an International Women's Day breakfast with football journalist Caroline Wilson as guest speaker.

◀ The Manningham Walking Group for Carers is a privately run peer support group for unpaid carers of children and young adults with disabilities and mental illness from multicultural backgrounds. They support each other's wellbeing through fun positive activities in a supportive and relaxed environment, including monthly lunches, outings and exercise.

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

Directors' report

For the financial year ended 30 June 2024

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

Directors

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

Ian Graham Goldsmith

Title:	Non-executive director
Experience and expertise:	Ian has over 45 years' experience in the hospital, aged care, ambulance and health insurance sectors in senior executive positions. He is a Certified Practising Accountant (CPA) and is the Treasurer of the Rotary Club of Manningham City, Treasurer of the Business Excellence Awards of Manningham, Treasurer of the Kind Cuts for Kids Foundation and has been a Rotarian for 25 years and a Board Member for 24 years. Ian is also currently a Member of the Board of Java Dale Pty Ltd and Annimaci Pty Ltd both Residential Aged Care providers and is the Chair of the Board of Sequel Home Care and a Member of the Manningham Council's Healthy Ageing Advisory Committee.
Special responsibilities:	Chair of the board, Member of Marketing Committee, Governance Committee, Finance Committee and Human Resources Committee.

Geoffrey Bruce Roberts

Title:	Non-executive director
Experience and expertise:	Geoff has had over forty years of experience in the manufacturing, distribution, clothing and footwear industries having worked as a Senior Marketing Executive with the McPherson Group of companies, Director with the Yakka Group and more recently with Oliver Footwear. Whilst in these roles he also sat on many Industry boards. He has significant community involvement with his work with Rotary International. His qualifications include a Graduate Diploma of Business studies and has attended many professional development programs over the years.
Special responsibilities:	Deputy Chair of the board. Chair of Marketing Committee, Member of Finance Committee, Member of Human Resources Committee

Directors (continued)

Victoria George Paouros

Title:	Non-executive director
Experience and expertise:	Victoria has over 6 years' experience serving the wider Australian community as a federal public servant. She is currently employed as a Senior Analyst in the Australian Competition and Consumer Commission's Supermarkets Inquiry Branch. Victoria has been part of the MCEL team since she participated in the Company's inaugural Junior Observer Program in 2009. Since then, she has occupied a number of roles including: Minute Secretary, Company Secretary, Youth Engagement Committee Chair and Director. She holds a number of qualifications, including a Bachelor of Laws (Hons), an Advanced Diploma of Management (HR), a Diploma of Business, a Certificate IV in Training and Education and a Certificate in Governance Practice. Victoria is also currently undertaking a Certificate IV in Government Investigations.
Special responsibilities:	Company Secretary. Member of Governance Committee.

Raymond Bruce Barrington

Title:	Non-executive director
Experience and expertise:	Raymond has had 10 years banking and finance experience in ES&A and ANZ Bank. He has a wealth of experience in small business having run the family business for 20 years. He has been a Board Member of Mannacare from 2009 to present.
Special responsibilities:	Member of Human Resources Committee and Marketing Committee.

Colin Roderick Davitt

Title:	Non-executive director
Experience and expertise:	Rod brings extensive experience across a range of industries following more than 30 years working with leading Australian and international blue chip companies, including those in banking and finance. Rod's skill base includes corporate governance, accounting, business and strategic planning and risk management. He holds degrees in Business (Accounting) and Economics, is a Fellow of CPA Australia (FCPA), a graduate of the Australian Institute of Company Directors (GAICD) and holds a Certificate in Governance Practice from the Governance Institute of Australia.
Special responsibilities:	Chair of Finance Committee, Member of Governance Committee

Simon David Lewis

Title:	Non-executive director
Experience and expertise:	Simon has developed extensive leadership and knowledge with over 25 years' experience in community health and disability sectors. As current CEO of a disability provider, Simon has had many roles focusing on forging strategic partnerships and developing relationships and opportunities with the tertiary sector, communities, governments and local enterprise to raise awareness and to enhance the valued status of people with a disability. In 2001, Simon was awarded the Ethel Tembley Study Scholarship, and in 2004 he completed a Graduate Diploma in Disability Studies (Leadership). In 2015, he was awarded the Winston Churchill Fellowship which enabled him to undertake a study tour to Canada, USA and Peru. In 2023, Simon completed his Master of Business Management (Leadership & Innovation) at Ducere Global Business School and Torrens University. Simon has held various roles throughout his career on a range of local, regional and national advisory committees.
Special responsibilities:	Chair of Human Resources Committee.

Directors (continued)

Bradley William Dodemond

Title:	Non-executive director
Experience and expertise:	Brad has over 12 years experience as a Human Resources professional both in Australia and North America. He currently works as a Senior Human Resources Business Partner at Eastern Health. He possesses a number of qualifications including a Master of Business Management (MBA), Master of Human Resources Management and a Bachelor of Business (Human Resources). Brad commenced his MCEL journey in January 2018 as part of the Company's inaugural Future Directors Program offered in partnership with La Trobe University.
Special responsibilities:	Member of Human Resources Committee and Governance Committee.

Deirdre Elizabeth Diamante

Title:	Non-executive director
Experience and expertise:	Deirdre Diamante is the founder and principal of MIA Consulting Services, a government advisory firm, providing procurement, probity and government advisory services to public and private sector clients. Deirdre serves as Co-Founder and Director of the #TechDiversity Foundation and serves on its Board. Deirdre is a councillor for Manningham City Council, elected in 2018.
Special responsibilities:	Chair of Governance Committee

Maxwell John Chapman

Title:	Non-executive director
Experience and expertise:	Max has a Bachelor of Commerce, Graduate Diploma of Accounting, CPA. Retail, Franchising and Retail Property Consultant for 20 years specialising in Large Format Retail. Max has lived in Manningham for over 35 years, initially in Lower Templestowe, and now Donvale. He has been a Committee Member of Doncaster All Abilities Basketball Club for over 16 years and is currently the Treasurer. The Club provides a Basketball Competition for Children and Young Adults with an Intellectual Disability. The Club has over 300 participants ranging from those developing basis skills to those who have been able to represent Victoria and Australian at National International Competitions.
Special responsibilities:	Member of the Finance Committee

Company secretary

The Company secretary is Victoria George Paouros. Victoria was appointed to the position of Company secretary on 14 November 2013.

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 $928,742 (30 June 2023: $1,015,798).

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: 5 cents)	216,046	108,023

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

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 meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Board		Marketing		Governance		Finance		Human Resources	
	E	A	E	A	E	A	E	A	E	A
Ian Graham Goldsmith	11	11	11	7	4	4	6	4	4	4
Geoffrey Bruce Roberts	11	10	11	11	-	-	6	6	4	3
Victoria George Paouros	11	9	-	-	4	3	-	-	-	-
Raymond Bruce Barrington	11	9	11	9	-	-	-	-	4	4
Colin Roderick Davitt	11	10	-	-	4	4	6	6	-	-
Simon David Lewis	11	10	-	-	-	-	-	-	4	4
Bradley William Dodemond	11	9	-	-	4	3	-	-	4	2
Deirdre Elizabeth Diamante	11	7	-	-	4	4	-	-	-	-
Maxwell John Chapman	11	10	-	-	-	-	6	6	-	-

E = Eligible
A = Attended

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 and note 25 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Directors' interests

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Ian Graham Goldsmith	32,500	-	32,500
Geoffrey Bruce Roberts	5,000	-	5,000
Victoria George Paouros	-	-	-
Raymond Bruce Barrington	7,501	-	7,501
Colin Roderick Davitt	-	-	-
Simon David Lewis	-	-	-
Bradley William Dodemond	-	-	-
Deirdre Elizabeth Diamante	-	-	-
Maxwell John Chapman	-	-	-

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 Finance Committee 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

Ian Graham Goldsmith
Chair

9 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 Manningham Community Enterprises Limited

As lead auditor for the audit of Manningham 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: 9 September 2024

Jessica Ritchie
Lead Auditor

Financial statements

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	3,842,846	4,485,729
Other revenue		32,140	726
Finance revenue		74,919	25,498
Total revenue		**3,949,905**	**4,511,953**
Employee benefits expense	8	(1,197,242)	(1,256,592)
Advertising and marketing costs		(259,568)	(242,167)
Occupancy and associated costs		(76,687)	(68,145)
System costs		(67,956)	(70,591)
Depreciation and amortisation expense	8	(372,285)	(346,281)
Finance costs	8	(120,904)	(103,508)
General administration expenses		(207,904)	(238,217)
Total expenses before community contributions and income tax expense		**(2,302,546)**	**(2,325,501)**
Profit before community contributions and income tax expense		1,647,359	2,186,452
Charitable donations and sponsorships expense	8	(414,069)	(829,231)
Profit before income tax expense		**1,233,290**	**1,357,221**
Income tax expense	9	(304,548)	(341,423)
Profit after income tax expense for the year		**928,742**	**1,015,798**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**928,742**	**1,015,798**
		Cents	**Cents**
Basic earnings per share	28	42.99	47.02
Diluted earnings per share	28	42.99	47.02

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

Statement of financial position
as at 30 June 2024

	Note	2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	10	1,116,863	715,003
Trade and other receivables	11	352,591	406,352
Investments	12	1,417,875	1,567,875
Total current assets		**2,887,329**	**2,689,230**
Non-current assets			
Property, plant and equipment	13	791,074	881,472
Right-of-use assets	14	1,988,376	2,177,764
Intangible assets	15	98,990	125,991
Deferred tax assets	9	98,858	72,171
Total non-current assets		**2,977,298**	**3,257,398**
Total assets		**5,864,627**	**5,946,628**
Liabilities			
Current liabilities			
Trade and other payables	16	414,864	849,412
Lease liabilities	17	267,113	144,415
Current tax liabilities	9	92,012	247,811
Employee benefits	18	97,819	143,207
Total current liabilities		**871,808**	**1,384,845**
Non-current liabilities			
Trade and other payables	16	59,394	89,091
Lease liabilities	17	2,025,880	2,278,854
Employee benefits	18	6,900	9,642
Provisions	19	62,504	58,751
Total non-current liabilities		**2,154,678**	**2,436,338**
Total liabilities		**3,026,486**	**3,821,183**
Net assets		**2,838,141**	**2,125,445**
Equity			
Issued capital	20	1,138,759	1,138,759
Retained earnings		1,699,382	986,686
Total equity		**2,838,141**	**2,125,445**

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		1,138,759	78,911	1,217,670
Profit after income tax expense		-	1,015,798	1,015,798
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		**-**	**1,015,798**	**1,015,798**
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	22	-	(108,023)	(108,023)
Balance at 30 June 2023		**1,138,759**	**986,686**	**2,125,445**
Balance at 1 July 2023		1,138,759	986,686	2,125,445
Profit after income tax expense		-	928,742	928,742
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		**-**	**928,742**	**928,742**
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	22	-	(216,046)	(216,046)
Balance at 30 June 2024		**1,138,759**	**1,699,382**	**2,838,141**

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)		4,300,158	4,785,600
Payments to suppliers and employees (inclusive of GST)		(3,108,111)	(2,468,577)
Interest received		67,201	12,070
Income taxes paid		(487,034)	(98,640)
Net cash from operating activities	**27**	**772,214**	**2,230,453**
Cash flows from investing activities			
Redemption of/(investment in) term deposits		150,000	(500,000)
Payments for property, plant and equipment		(123,358)	(866,846)
Payments for intangibles assets		(26,997)	(26,997)
Proceeds from disposal of property, plant and equipment		111,372	-
Net cash from/(used in) investing activities		**111,017**	**(1,393,843)**
Cash flows from financing activities			
Interest and other finance costs paid		(117,955)	(101,154)
Dividends paid	22	(216,046)	(108,023)
Repayment of lease liabilities		(147,370)	(159,768)
Net cash used in financing activities		**(481,371)**	**(368,945)**
Net increase in cash and cash equivalents		401,860	467,665
Cash and cash equivalents at the beginning of the financial year		715,003	247,338
Cash and cash equivalents at the end of the financial year	**10**	**1,116,863**	**715,003**

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

Notes to the financial statements

For the year ended 30 June 2024

Note 1. Reporting entity

The financial statements cover Manningham Community Enterprises Limited (the company) as an individual entity.

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Registered office	**Principal place of business**
900 - 902 Doncaster Road, Doncaster East VIC 3109	900 - 902 Doncaster Road, Doncaster East VIC 3109
	128 James Street, Templestowe VIC 3106

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 9 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.

Note 3. Material accounting policy information (continued)

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.

Impairment of financial assets

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

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

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.

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

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 consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. The directors did not identify any impairment indications during the financial year.

Recovery of deferred tax assets

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

Lease term

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

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

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

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 estimate the probability of an employee, at a given date, achieving continuous employment and be eligible for entitlement in accordance with legislation.

Lease make good provision

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

Note 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in March 2028.

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

Classification of term deposits

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

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

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

- Cash and cash equivalents decreased and investments increased by $1,567,875 at 30 June 2023 as reported in the Statement of financial position.
- Opening and closing cash balances were reduced to exclude term deposits with initial investment periods greater than three months as reported in the Statement of cash flows.
- Investments in and redemptions of term deposits with initial investment periods greater than three months are now classified within investment activities as reported in the Statement of cash flows.

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

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

On adoption of *AASB 16 Leases* on 1 July 2019, the company 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 $1,550,171.

Note 7. Revenue from contracts with customers

	2024 $	2023 $
Margin income	3,430,344	4,075,259
Fee income	184,713	165,441
Commission income	227,789	245,029
	3,842,846	**4,485,729**

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.

Note 7. Revenue from contracts with customers (continued)

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 it generates, interest rates, funds transfer pricing and other factors, such as economic and local conditions.

Margin income

Margin income 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.

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. Expenses

Employee benefit expenses

	2024 $	2023 $
Wages and salaries	983,802	1,056,147
Non-cash benefits	7,061	15,000
Superannuation contributions	104,150	107,457
Expenses related to long service leave	(41,010)	6,290
Other expenses	143,239	71,698
	1,197,242	**1,256,592**

Note 8. Expenses (continued)

Depreciation and amortisation expense

	2024 $	2023 $
Depreciation of non-current assets		
Leasehold improvements	103,893	88,465
Plant and equipment	27,826	22,485
Motor vehicles	2,805	7,843
	134,524	**118,793**
Depreciation of right-of-use assets		
Leased land and buildings	**210,760**	**200,811**
Amortisation of intangible assets		
Franchise fee	4,503	4,446
Franchise renewal fee	22,498	22,231
	27,001	**26,677**
	372,285	**346,281**

Finance costs

	2024 $	2023 $
Lease interest expense	117,955	101,154
Unwinding of make-good provision	2,949	2,354
	120,904	**103,508**

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

Leases recognition exemption

	2024 $	2023 $
Expenses relating to low-value leases	**26,445**	**34,795**

Charitable donations, sponsorships and grants

	2024 $	2023 $
Direct donation, sponsorship and grant costs	203,543	229,231
Contribution to the Community Enterprise Foundation™	210,526	600,000
	414,069	**829,231**

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).

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 and is net of grant costs.

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

Note 9. Income tax

	2024 $	2023 $
Income tax expense		
Current tax	336,399	312,570
Movement in deferred tax	(26,686)	28,853
Under provision in respect to prior year	(5,165)	-
Aggregate income tax expense	**304,548**	**341,423**
Prima facie income tax reconciliation		
Profit before income tax expense	**1,233,290**	**1,357,221**
Tax at the statutory tax rate of 25%	308,323	339,305
Tax effect of:		
Non-deductible expenses	1,390	2,118
Under provision in respect to prior year	(5,165)	-
Income tax expense	**304,548**	**341,423**

	2024 $	2023 $
Deferred tax assets		
Lease liabilities	573,248	605,818
Provision for lease make good	15,626	14,688
Employee provisions	26,180	38,212
Accrued expenses	1,300	1,375
Income accruals	(5,498)	(3,600)
Right-of-use assets	(497,094)	(544,441)
Property, plant and equipment	(14,904)	(39,881)
Deferred tax asset	**98,858**	**72,171**

	2024 $	2023 $
Provision for income tax	**92,012**	**247,811**

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 10. Cash and cash equivalents

	2024 $	2023 $
Cash at bank and on hand	**1,116,863**	**715,003**

Note 11. Trade and other receivables

	2024 $	2023 $
Trade receivables	**322,128**	**387,201**
Accrued income	21,991	14,397
Prepayments	8,472	4,754
	30,463	**19,151**
	352,591	**406,352**

Accounting policy for trade and other receivables

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

Note 12. Investments

	2024 $	2023 $
Current assets		
Term deposits	**1,417,875**	**1,567,875**

Note 13. Property, plant and equipment

	2024 $	2023 $
Leasehold improvements - at cost	1,018,475	978,822
Less: Accumulated depreciation	(355,222)	(251,328)
	663,253	**727,494**
Plant and equipment - at cost	217,543	202,683
Less: Accumulated depreciation	(89,722)	(61,896)
	127,821	**140,787**
Motor vehicles - at cost	-	84,942
Less: Accumulated depreciation	-	(71,751)
	-	**13,191**
	791,074	**881,472**

Note 13. Property, plant and equipment (continued)

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

	Leasehold improvements $	Plant and equipment $	Motor vehicles $	Total $
Balance at 1 July 2022	115,238	28,845	17,034	161,117
Additions	714,284	148,562	4,000	866,846
Disposals	(13,563)	(14,135)	-	(27,698)
Depreciation	(88,465)	(22,485)	(7,843)	(118,793)
Balance at 30 June 2023	**727,494**	**140,787**	**13,191**	**881,472**
Additions	39,652	14,860	68,846	123,358
Disposals	-	-	(79,232)	(79,232)
Depreciation	(103,893)	(27,826)	(2,805)	(134,524)
Balance at 30 June 2024	**663,253**	**127,821**	**-**	**791,074**

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	5 to 20 years
Plant and equipment	5 to 20 years
Motor vehicles	5 years

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

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

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

Note 14. Right-of-use assets

	2024 $	2023 $
Land and buildings - right-of-use	2,860,322	2,838,955
Less: Accumulated depreciation	(871,946)	(661,191)
	1,988,376	**2,177,764**

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

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

	Land and buildings $
Balance at 1 July 2022	1,562,611
Remeasurement adjustments	815,964
Depreciation expense	(200,811)
Balance at 30 June 2023	**2,177,764**
Remeasurement adjustments	21,372
Depreciation expense	(210,760)
Balance at 30 June 2024	**1,988,376**

Accounting policy for right-of-use assets

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

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

Refer to note 17 for more information on lease arrangements.

Note 15. Intangible assets

	2024 $	2023 $
Franchise fee	145,672	145,672
Less: Accumulated amortisation	(129,174)	(124,671)
	16,498	**21,001**
Franchise renewal fee	383,933	383,933
Less: Accumulated amortisation	(301,441)	(278,943)
	82,492	**104,990**
	98,990	**125,991**

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	2,949	14,732	17,681
Additions	22,498	112,489	134,987
Amortisation expense	(4,446)	(22,231)	(26,677)
Balance at 30 June 2023	**21,001**	**104,990**	**125,991**
Amortisation expense	(4,503)	(22,498)	(27,001)
Balance at 30 June 2024	**16,498**	**82,492**	**98,990**

Note 15. Intangible assets (continued)

Accounting policy for intangible assets

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

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

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

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

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	March 2028
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	March 2028

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

Change in estimates

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

Note 16. Trade and other payables

	2024 $	2023 $
Current liabilities		
Trade payables	282,238	743,745
Other payables and accruals	132,626	105,667
	414,864	**849,412**
Non-current liabilities		
Other payables and accruals	**59,394**	**89,091**

	2024 $	2023 $
Financial liabilities at amortised cost classified as trade and other payables		
Total trade and other payables	474,258	938,503
less GST payable to the ATO, included within other payables and accruals	(40,990)	(13,188)
	433,268	**925,315**

Note 17. Lease liabilities

	2024 $	2023 $
Current liabilities		
Land and buildings lease liabilities	**267,113**	**144,415**
Non-current liabilities		
Land and buildings lease liabilities	**2,025,880**	**2,278,854**

Note 17. Lease liabilities (continued)

	2024 $	2023 $
Reconciliation of lease liabilities		
Opening balance	2,423,269	1,770,878
Remeasurement adjustments	17,094	812,159
Lease interest expense	117,955	101,154
Lease payments - total cash outflow	(265,325)	(260,922)
	2,292,993	**2,423,269**

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
Templestowe Village branch	6.25%	5 years	2 x 5 years	Yes	March 2035
Doncaster East branch	4.29%	5 years	1 x 5 years	Yes	March 2033

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.

Note 18. Employee benefits

	2024 $	2023 $
Current liabilities		
Annual leave	40,555	55,372
Long service leave	57,264	87,835
	97,819	**143,207**
Non-current liabilities		
Long service leave	**6,900**	**9,642**

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.

Note 18. Employee benefits (continued)

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 19. Provisions

	2024 $	2023 $
Lease make good	**62,504**	**58,751**

Lease make good

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

Lease	Lease term expiry date per AASB 16	Provisions
Templestowe Village Branch	March 2035	$40,000
Doncaster East Branch	March 2033	$60,000

Note 20. Issued capital

	2024 Shares	2023 Shares	2024 $	2023 $
Ordinary shares - fully paid	1,185,461	1,185,461	1,185,461	1,185,461
Bonus shares - fully paid	975,000	975,000	-	-
Less: Equity raising costs	-	-	(46,702)	(46,702)
	2,160,461	**2,160,461**	**1,138,759**	**1,138,759**

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 288. As at the date of this report, the company had 342 shareholders (2023: 340 shareholders).

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

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

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

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

Note 21. Capital management

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

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

The distribution limit is the greater of:

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

Note 20. Issued capital (continued)

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

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: 5 cents)	**216,046**	**108,023**

Franking credits

	2024 $	2023 $
Franking account balance at the beginning of the financial year	278,632	216,000
Franking credits (debits) arising from income taxes paid (refunded)	487,034	98,640
Franking debits from the payment of franked distributions	(72,015)	(36,008)
	693,651	**278,632**
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	693,651	278,632
Franking credits (debits) that will arise from payment (refund) of income tax	92,012	247,811
Franking credits available for future reporting periods	**785,663**	**526,443**

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, investments and lease liabilities. The company does not have any derivatives.

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

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

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

Note 23. Financial risk management

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 11)	344,119	401,598
Cash and cash equivalents (note 10)	1,116,863	715,003
Investments (note 12)	1,417,875	1,567,875
	2,878,857	**2,684,476**
Financial liabilities		
Trade and other payables (note 16)	433,268	925,315
Lease liabilities (note 17)	2,292,993	2,423,269
	2,726,261	**3,348,584**

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

Accounting policy for financial instruments

Financial assets

Classification

The company measures its financial assets at amortised cost.

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

Derecognition

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

Impairment of trade and other receivables

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

Financial liabilities

Classification

The company classifies its financial liabilities at amortised cost.

Derecognition

The company's financial liabilities measured at amortised cost comprise trade and other payables and lease liabilities.

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 earnings on those are subject to movements in market interest rate. The company held cash and cash equivalents of $1,116,863 and investments of $ 1,417,875 at 30 June 2024 (2023: $715,003 and $1,567,875).

Price risk

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

Note 23. Financial risk management (continued)

Liquidity risk

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

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

	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
2024				
Trade and other payables	373,874	59,394	-	433,268
Lease liabilities	273,301	1,174,022	1,474,920	2,922,243
Total non-derivatives	**647,175**	**1,233,416**	**1,474,920**	**3,355,511**

	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
2023				
Trade and other payables	836,224	89,091	-	925,315
Lease liabilities	265,321	1,143,988	1,791,499	3,200,808
Total non-derivatives	**1,101,545**	**1,233,079**	**1,791,499**	**4,126,123**

Note 24. Key management personnel disclosures

The following persons were directors of Manningham Community Enterprises Limited during the financial year and up to the date of signing of these Financial Statements:

Ian Graham Goldsmith
Geoffrey Bruce Roberts
Victoria George Paouros
Raymond Bruce Barrington
Colin Roderick Davitt
Simon David Lewis
Bradley William Dodemond
Deirdre Elizabeth Diamante
Maxwell John Chapman

Compensation

Key management personnel compensation comprised the following.

	2024 $	2023 $
Short-term employee benefits	67,567	67,874
Post-employment benefits	7,433	7,126
	75,000	**75,000**

Compensation of the company's key management personnel includes salaries and contributions to a post-employment superannuation fund.

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 $
Ian Goldsmith is the Co-President and Treasurer of the Rotary Club of Manningham City who were the recipient of multiple sponsorships and grants	12,768	-
Raymond Barrington is a Director of MannaCare Inc., who were the recipient of a grant	20,000	-
Raymond Barrington is associated with Lil Ray Catering, who provided catering services	6,217	-
Simon Lewis is the CEO of Onemda, who were the recipient of a grant via the CEF	15,500	-

Note 26. Auditor's remuneration

Amount received or due and receivable by the auditor of the company for the financial year:

	2024 $	2023 $
Audit services		
Audit or review of the financial statements	**8,340**	**7,035**
Other services		
Taxation advice and tax compliance services	2,444	1,813
General advisory services	4,020	5,100
Share registry services	7,197	4,885
	13,661	**11,798**
	22,001	**18,833**

Note 27. Reconciliation of profit after income tax to net cash from operating activities

	2024 $	2023 $
Profit after income tax expense for the year	928,742	1,015,798
Adjustments for:		
Depreciation and amortisation	372,285	346,281
Net loss/(gain) on disposal of non-current assets	(32,140)	27,698
Lease liabilities interest	117,955	101,154
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	53,761	(149,428)
Decrease/(increase) in deferred tax assets	(26,687)	28,853
Increase/(decrease) in trade and other payables	(441,459)	659,487
Increase/(decrease) in provision for income tax	(155,799)	213,930
Decrease in employee benefits	(48,130)	(19,475)
Increase in other provisions	3,686	6,155
Net cash from operating activities	**772,214**	**2,230,453**

Note 28. Earnings per share

	2024 $	2023 $
Profit after income tax	**928,742**	**1,015,798**

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	2,160,461	2,160,461
Weighted average number of ordinary shares used in calculating diluted earnings per share	**2,160,461**	**2,160,461**

	Cents	Cents
Basic earnings per share	42.99	47.02
Diluted earnings per share	42.99	47.02

Accounting policy for earnings per share

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

Note 29. Commitments

The company has no contracted commitments 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.

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Directors' declaration

For the financial year ended 30 June 2024

In the directors' opinion:

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

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

On behalf of the directors

Ian Graham Goldsmith
Chair

9 September 2024

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
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Independent auditor's report to the Directors of Manningham Community Enterprises Limited

Report on the Audit of the Financial Report

Opinion

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

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

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

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

Basis for Opinion

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

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

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

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Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's responsibilities for the Audit of the Financial Report

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

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

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 9 September 2024

Jessica Ritchie
Lead Auditor

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