Annual Report 2024

Maroondah Community Enterprises Limited

Community Bank
Ringwood East and Croydon

ABN 91 103 341 993

Contents

Chairman’s report

For year ending 30 June 2024

This year is Maroondah Community Enterprises Limited’s 22nd year of company operation under the Bendigo Bank banner.

In July last year we celebrated 20 years since we opened the doors at Community Bank Ringwood East. We celebrated with entertainment from Lisa Edwards & Mike Brady. We welcomed shareholders, community partners, council staff and Bendigo Bank representatives to celebrate the achievements of the last 20 years.

Highlights over the past 20 years:

- Opening Heathmont and Croydon branches
- Donating over $3.5 million to the Maroondah community
- Donating over $130,000 to Eastern Health for Cancer Unit & Eye specialist at Lilydale
- Donating over $45,000 to SALT
- Purchasing 60 & 62 Railway Ave Ringwood East
- Selling 62 Railway Ave to consolidate our debts, making a $600,000 profit
- Retaining strong cash balances for future growth.

For many Australians the last two years with the cost of living have been challenging for many people. With high interest rates, high energy cost along with high inflation.

The negative has led to banks experiencing exceptional profits due to higher interest rates. As a Community Bank we have a balanced book of deposits & home loan rates therefore reducing the cost of borrowing and increasing our profits.

This year the board have made some tough decisions to ensure our business remains profitable and balance sheet continues to grow.

This year the Board spent a weekend away developing a strong strategy for the next five years. We have had some mentoring assistance from a fellow Community Bank chair and Bendigo Bank representatives to work on developing new sub committees for our company. Running a business of this nature becomes more and more time consuming each year. Dealing with ASIC requirements, changes to the banking landscape, continuing work involved with our community organisation, and developing relationships with council & local government. We continue to explore opportunities for our future growth across the community.

Daniel, our Senior Branch Manager, has been working very closely with the Board to set the branches up for future success recruiting new Branch Managers, developing a fantastic lending team and continuing to upskill and train all branch staff. From the Board’s point of view, we thank all the staff for their continued efforts.

I would like to thank Cathy for her role as Board Executive last year. Cathy has now taken on the role as Community Engagement Officer. We welcome Danielle as our new Board Executive who has adopted the massive workload in her stride. Her experience working in business and other boards have provided an insight and structure to our subcommittee and Board meetings.

It’s been just three years since Bendigo Bank Croydon open its doors at Croydon Central. The branch is still not profitable due to the board’s decision to over staff the branch.

For the branches to continue to grow and increase profits to community we need your help. Bendigo Bank offer the full range of banking services the same as every other bank. We provide face to face service; cash services and we know our customers by name.

The next 12 months will see the redevelopment of 60 Railway Ave hopefully getting under way. The plans are back at council for an amendment to a single level development with the branch moving across behind the coffee shop. The first level will have a larger lending centre with interview rooms for our lenders along with a larger community space. The move will reduce our rental costs and provide a more open and friendly banking environment.

The bus and BBQ trailer continue to be available for hire.

The Branch Manager's report will highlight the banking performances for the last 12 months so please read Daniel's report.

I would like to acknowledge the hard work of all the Board and subcommittees members. We have recruited new Directors who will be up for formal approval tonight.

- Nora Lamont - previous Mayor of Maroondah and councillor for over 10 years.
- Andrew O'Brien a local resident, who comes to the board with an impressive background in business with ASX listed companies.

If you are interested in becoming involved in our sub committees or Board, please do not hesitate to give me a call.

I would also like to thank Darryl Ellis our new Regional Manager at Bendigo Bank. We are fortunate to have these guys as our franchise partners representing Bendigo Bank.

We find ourselves in a strong financial position that enables us to carefully plan our next phase of growth and Community Investment programs.

Stuart Greig
Chairman

Senior Manager’s report

For year ending 30 June 2024

I just want to begin this report by saying thank you to our Board, staff, customers and the wider community for providing me with such a warm welcome in my first year as Senior Manager with Community Bank Ringwood East and Croydon. I have thoroughly enjoyed establishing relationships with you all and I look forward to building on them in the future.

Coming into this financial year our team knew that growing our business wasn’t going to be easy. It’s a tough economic environment and we needed to balance our growth expectations against our profitability to ensure that we can deliver value back to all of our stakeholders, both now and into the future.

We set out on a top-down review, looking at what we do well and finding areas that we could do better. This review led to a variety of changes that were all designed to give a greater level of support to the branch teams, allowing staff to spend more time with our customers and our community.

Underpinning these foundations of change, we established a leadership team across our branches, reset our lending operations to reduce our turnaround times and speed to decision, and we brought in a targeted training program to help staff deliver exceptional customer service across more products.

Financially, we continued our focus of acting commercially and after a $4.4 million contraction in financial year 2022/23, we grew by $25 million this financial year, taking our footings up to $440 million. This wouldn’t have happened without the staff who are on the front line delivering fantastic service day in and day out, led by Ibrahim Bilen at Ringwood East, Jason Doran at Croydon, and Ward O’Riordan in our lending hub. I cannot express how proud I am of the team, the culture they have built, and their efforts over the course of the year.

We have charted the course in year one of our plan, now we will move to consolidate our refreshed operational approach, reviewing and adjusting, as we take on the challenge of a new financial year.

Thank you to our Board, we appreciate your support and guidance, and we certainly wouldn’t have achieved such fantastic outcomes without you. Thank you also to our community customers, without your loyalty we wouldn’t be able to deliver so much back into the heart of Maroondah - we truly couldn’t do any of this without you!

Daniel Dakic
Senior Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2024

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

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

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

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

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

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

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

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

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

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

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

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

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

Justine Minne
Bendigo and Adelaide Bank

Community Bank National Council report

For year ending 30 June 2024

Community Bank network: celebrating 26 years of empowering communities

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

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

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

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

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

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

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

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

Warm regards

Lauren Bean
General Manager
Community Bank National Council

Directors' report

For the financial year ended 30 June 2024

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

Directors

The directors of the company who held office during the financial year and to the date of this report are:

Stuart Robert Greig

Chairman

Occupation: Business Development Manager

Qualifications, experience and expertise: Stuart has been the Chairman of the company since inception and is actively involved in community activities including the Ringwood East Traders Association. Stuart has worked in the real estate & building industry for 30 years and is on the sponsorship committee of Norwood Football Club.

Special responsibilities: Board Chairman, Special Projects Committee, Finance and Audit Committee and Governance Committee.

Interest in shares: Nil

Christopher Henry Monaghan

Deputy Chairman

Occupation: Advertising Consultant

Qualifications, experience and expertise: Chris has extensive experience in the media industry managing Operations, Sales and Distribution Divisions. He has managed large scale projects and large teams of people to achieve positive results. For many years Chris also ran a Management Consultancy business working with state and local Government. Locally Chris has worked with MCEL to assist in establishing the Heathmont branch and continues to be involved in local sporting clubs.

Special responsibilities: Deputy Board Chair and Governance Committee.

Interest in shares: 500

William Pirie Sutherland

Director

Occupation: Retired

Qualifications, experience and expertise: Bill has recently retired as a Financial Controller having previously been in banking for 29 years and a retail owner for 13.5 years. He holds a degree in Banking (ABIA) and has been involved in both local Lions and Rotary Clubs for 18 years. Current member of the Probus Club, Lilydale.

Special responsibilities: Community Engagement Committee.

Interest in shares: 11,002

Directors (continued)

Anthony Morris Hart

Director

Occupation: Building Insurance Consultant

Qualifications, experience and expertise: Tony is a Cafe / Restaurant owner for the past 5 years and a Bakers Delight owner in Heathmont for the past 18 years. His previous experience includes a senior position with National Australia Bank for over 30 years. A commissioned officer with the Australian Defence Force, full time and reserve for 15 years. He is currently the Vice President of the Ringwood Chamber of Commerce and a member of Heathmont Lions Club.

Special responsibilities: Governance Committee, Community Engagement Committee and Finance and Audit Committee.

Interest in shares: 1,000

Arthur Michael Corcoris

(Resigned 8/11/2023)

Director

Occupation: Retired

Qualifications, experience and expertise: Arthur was one of the founding director's of the company and has been involved in the local community of Ringwood for over 42 years and Heathmont for 9 years through ownership of supermarket businesses. Arthur is the proprietor of the Local IGA Supermarkets in Ringwood East and Heathmont, overseeing the running of the businesses to supply to the local community the best products and especially locally produced and manufactured goods at the best price.

Special responsibilities: None

Interest in shares: 40,002

Matthew Mark Cannon

Treasurer and Secretary

Occupation: Certified Practising Accountant

Qualifications, experience and expertise: Matthew is a Certified Practising Account, Registered Tax Agent and holds a Masters in Applied Finance. He has held senior finance positions within listed corporate companies and also has experience in business service advisory and virtual CFO consulting in the small and medium business services industry.

Special responsibilities: Finance and Audit Committee Chair, Special Projects Committee Chair and Treasurer.

Interest in shares: Nil

Rhonda Gailey

(Resigned 8/11/2023)

Director

Occupation: Manager Corporate Development

Qualifications, experience and expertise: Rhonda is a business professional with all-round management experience within the accounting and health & medical device sectors. She recently completed her Masters of Business Administration from Deakin University and also holds a Graduate Diploma in Accounting (Monash University) and a BA (LaTrobe University). Rhonda and her family are active locals of the Heathmont and wider communities.

Special responsibilities: None

Interest in shares: Nil

Directors (continued)

Daryl Leslie Minter

Director

Occupation: General Manager/Migration

Qualifications, experience and expertise: Daryl's journey has taken him through multi-national and ASX-listed enterprises, as well as private businesses across a diverse array of sectors, including rail, construction, retail, distribution, agriculture, transport, and the digital realm.

Special Responsibilities: Governance Committee Chair and Finance and Audit Committee.

Interest in Shares: Nil

Andrew O'Brien

(Appointed 2/07/2024)

Director

Occupation: Head of Engineering

Qualifications, experience and expertise: Andrew has spent 24 years in engineering projects and services across a variety of industries, progressing to senior management roles with a commercial, growth and operations focus. He holds an honours degree in engineering and an MBA from Melbourne Business School. He and his family have been in the Maroondah area since 2014 with involvement in the Ringwood Scout group and Croydon Soccer club.

Special responsibilities: Governance Committee.

Interest in shares: Nil

Nora Clare Lamont

(Appointed 8/08/2024)

Director

Occupation: Immigration Consultant

Qualifications, experience and expertise: Nora served as a Councillor, Mayor and Deputy Mayor at Maroondah City Council from 2008-2021. She has vast experience on various boards including the Maroondah Foundation, Women's Health East and METEC driver education. Nora also chaired many committees at Maroondah City Council including the Disability Advisory Committee and the Heritage Advisory Committee. She was a member of the Maroondah Partners in Health, Safety and Wellbeing, the Community Safety Committee, Maroondah Business Advisory Committee, Municipal Association of Victoria, Audit Committee, Eastern Region Group of Councils, Maroondah Access, Inclusion and Equity Committee and the Maroondah Livability, safety and Amenity Committee. She has also served on the Adult Parole Board of Victoria and was appointed by the Attorney General of Australia as a Member at the Administrative Appeals Tribunal from 2017-2024 and re-appointed as a Member in 2024 until 2029. Nora holds a Bachelor of Arts degree in Political Science , a Master of arts degree in Public Administration and policy and is completing a Juris Doctorate degree.

Special responsibilities: Community Engagement Chair.

Interest in shares: Nil

Company Secretary

The company secretary is Matthew Mark Cannon. Matthew was appointed to the position of secretary on 09/03/2017.

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 these activities during the financial year.

Operating results

Operations have continued to perform in line with expectations. The profit of the company for the financial year after provision for income tax was:

	Year ended 30 June 2024 $	Year ended 30 June 2023 $
	946,355	1,194,149

Directors' interests

	Fully paid ordinary shares		
	Balance at start of the year	Changes during the year	Balance at end of the year
Stuart Robert Greig	-	-	-
Christopher Henry Monaghan	500	-	500
William Pirie Sutherland	10,000	1,002	11,002
Anthony Morris Hart	1,000	-	1,000
Matthew Mark Cannon	-	-	-
Daryl Leslie Minter	-	-	-
Rhonda Gailey (Resigned 8/11/2023)	-	-	-
Arthur Michael Corcoris (Resigned 8/11/2023)	40,002	-	40,002
Andrew O'Brien (Appointed 2/07/2024)	-	-	-
Nora Clare Lamont (Appointed 8/08/2024)	-	-	-

Dividends

	Year ended 30 June 2024	
	Cents	$
Dividends:		
- Fully franked dividends provided for and paid in the year	7.00	126,586

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 that occurred 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.

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 29 and 30 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.

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.

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.

Meetings of directors

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

	Board Meetings Attended	
	E	A
Stuart Robert Greig	11	11
Christopher Henry Monaghan	11	9
William Pirie Sutherland	11	9
Anthony Morris Hart	11	10
Matthew Mark Cannon	11	10
Daryl Leslie Minter	11	11
Rhonda Gailey (Resigned 8/11/2023)	5	-
Arthur Michael Corcoris (Resigned 8/11/2023)	5	-
Andrew O'Brien (Appointed 2/07/2024)	-	-
Nora Clare Lamont (Appointed 8/08/2024)	-	-

E - eligible to attend
A - number attended

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.

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 28 to the accounts.

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

- all non-audit services have been reviewed by the board of directors to ensure they do not impact on the impartiality, integrity and objectivity of the auditor; and
- 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

Staurt Robert Greig, Chair

26 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 Maroondah Community Enterprises Limited

As lead auditor for the audit of Maroondah 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: 26 September 2024

Joshua Griffin
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	2,995,834	3,334,588
Other revenue	8	37,898	16,890
Finance revenue	9	116,764	25,437
Total revenue		**3,150,496**	**3,376,915**
Employee benefit expenses	10	(1,201,626)	(1,107,629)
Advertising and marketing costs		(17,392)	(26,722)
Occupancy and associated costs		(82,679)	(65,418)
Systems costs		(43,765)	(43,292)
Depreciation and amortisation expense	10	(185,202)	(174,545)
Finance costs	10	(11,257)	(10,323)
General administration expenses		(214,515)	(186,382)
Total expenses before community contributions and income tax		**(1,756,436)**	**(1,614,311)**
Profit before community contributions and income tax expense		**1,394,060**	**1,762,604**
Charitable donations and sponsorships expense	10	(136,166)	(167,450)
Profit before income tax expense		**1,257,894**	**1,595,154**
Income tax expense	11	(311,539)	(401,005)
Profit after income tax expense		**946,355**	**1,194,149**
Total comprehensive income for the year attributable to the ordinary shareholders of the company:		**946,355**	**1,194,149**
Earnings per share		**¢**	**¢**
- Basic and diluted earnings per share:	31	52.34	66.04

The accompanying notes form part of these financial statements

Statement of financial position
as at 30 June 2024

	Note	2024 $	2023 $
ASSETS			
Current assets			
Cash and cash equivalents	12	3,554,121	2,880,658
Trade and other receivables	13	315,710	361,275
Total current assets		**3,869,831**	**3,241,933**
Non-current assets			
Investments	14	14,303	13,886
Property, plant and equipment	15	1,064,537	1,081,040
Right-of-use assets	16	143,075	212,847
Intangible assets	17	128,197	13,285
Deferred tax asset	11	87,651	81,107
Total non-current assets		**1,437,763**	**1,402,165**
Total assets		**5,307,594**	**4,644,098**
LIABILITIES			
Current liabilities			
Trade and other payables	18	141,688	103,722
Current tax liabilities	11	97,172	344,553
Loans and borrowings	19	6,868	-
Lease liabilities	20	68,417	94,603
Employee benefits	21	77,616	105,244
Total current liabilities		**391,761**	**648,122**
Non-current liabilities			
Trade and other payables	18	91,365	-
Loans and borrowings	19	26,099	-
Lease liabilities	20	70,226	118,768
Employee benefits	21	36,242	8,236
Provisions	22	52,654	49,512
Total non-current liabilities		**276,586**	**176,516**
Total liabilities		**668,347**	**824,638**
Net assets		**4,639,247**	**3,819,460**
EQUITY			
Issued capital	23	1,073,286	1,073,286
Retained earnings		3,565,961	2,746,174
Total equity		**4,639,247**	**3,819,460**

The accompanying notes form part of these financial statements

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

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2022		1,073,286	1,642,431	2,715,717
Total comprehensive income for the year		-	1,194,149	1,194,149
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	25	-	(90,406)	(90,406)
Balance at 30 June 2023		**1,073,286**	**2,746,174**	**3,819,460**
Balance at 1 July 2023		1,073,286	2,746,174	3,819,460
Total comprehensive income for the year		-	946,355	946,355
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	25	-	(126,568)	(126,568)
Balance at 30 June 2024		**1,073,286**	**3,565,961**	**4,639,247**

The accompanying notes form part of these financial statements

Statement of cash flows
for the year ended 30 June 2024

	Note	2024 $	2023 $
Cash flows from operating activities			
Receipts from customers		3,346,768	3,558,387
Payments to suppliers and employees		(1,938,955)	(1,919,390)
Interest received		112,878	19,483
Lease payments not included in the measurement of lease liabilities		(14,125)	(15,733)
Rent Received		11,704	11,704
Income taxes paid		(565,465)	(23,699)
Net cash provided by operating activities	**27**	**952,805**	**1,630,752**
Cash flows from investing activities			
Payments for property, plant and equipment		(41,689)	(23,261)
Redemption of/(investment in) term deposits		-	(13,886)
Payments for intangible assets		(30,455)	(25,621)
Net cash used in investing activities		**(72,144)**	**(62,768)**
Cash flows from financing activities			
Proceeds from loans and borrowings		37,800	-
Repayment of loans and borrowings		(4,833)	-
Repayment of lease liabilities		(113,597)	(111,543)
Dividends paid	25	(126,568)	(90,406)
Net cash used in financing activities		**(207,198)**	**(201,949)**
Net cash increase in cash held		**673,463**	**1,366,035**
Cash and cash equivalents at the beginning of the financial year		2,880,658	1,514,623
Cash and cash equivalents at the end of the financial year	**12**	**3,554,121**	**2,880,658**

The accompanying notes form part of these financial statements

Notes to the financial statements

For the year ended 30 June 2024

Note 1. Reporting entity

This is the financial report for Maroondah Community Enterprises Limited (the company). The company is a for profit entity limited by shares, and incorporated and domiciled in Australia. The registered office and principal place of business is:

Registered Office	**Principal Place of Business**
Level 3 175 Maroondah HWY RINGWOOD VIC 3134	62 Railway Avenue RINGWOOD EAST VIC 3135

Further information on the nature of the operations and principal activity of the company is provided in the directors' report. Information on the company's related party relationships is provided in Note 30.

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

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.

These financial statements for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the directors.

Note 3. Material accounting policy information

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

Adoption of new and revised accounting standards

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

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

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

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

Accounting standards issued but not yet effective

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

Note 3. Material accounting policy information (continued)

Current and non-current classification

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

Impairment of non-financial assets

At each reporting date, the company reviews the carrying amounts of its tangible assets and intangible asset 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 the impairment loss (if any).

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. Significant 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

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

Timing of revenue recognition associated with trail commission

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

Allowance for expected credit losses on trade and other receivables

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

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

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

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

Judgements (continued)

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 lives or assets that have been abandoned or sold will be written off or written down.

Incremental borrowing rate

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

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and inflation have been taken into account.

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

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

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

Estimates and assumptions (continued)

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 February 2029.

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 financial statements even if they had initial investment periods greater than three months.

In the preparation of the financial statements for the current financial year, the directors updated its accounting policy to align to the requirements of AASB 107, restating 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.

Note 6. Change to comparative figures (continued)

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

- Cash and cash equivalents decreased and investments increased by $13,886 at 30 June 2023 as reported in the Statement of financial position.
- Opening and closing cash balances were reduced to exclude term deposits with initial investment periods greater than three months as reported in the Statement of cash flows.
- Investments in and redemptions of term deposits with initial investment periods greater than three months are now classified within investment activities as reported in the Statement of cash flows.

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

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

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

During the financial year the company recorded a change in accounting policy, whereby it elected to recognise the right-of-use asset net of accumulated depreciation on initial adoption of AASB 16. The change in accounting policy had no impact on the company's net profit or net asset position, however it did reduce the company's right-of-use asset cost and accumulated depreciation at 30 June 2023 by $373,247.

Note 7. Revenue from contracts with customers

	2024 $	2023 $
Revenue:		
- Revenue from contracts with customers	2,995,834	3,334,588
	2,995,834	**3,334,588**
Disaggregation of revenue from contracts with customers		
At a point in time:		
Margin income	2,729,738	3,052,609
Fee income	115,318	108,957
Commission income	150,778	155,522
Market development fund	-	17,500
	2,995,834	**3,334,588**

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 Goods and Services Tax (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 – margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services. The revenue earned by the company is dependent on the business that it generates.

Margin income

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

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

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

Commission income

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

Fee income

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

Core banking products

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

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. Other revenue

	2024 $	2023 $
Sub-leasing income	11,704	11,704
Other income	26,194	5,186
	37,898	**16,890**

Accounting policy for other revenue

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

Note 8. Other revenue (continued)

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

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

Note 9. Finance revenue

	2024 $	2023 $
Term deposit interest income	116,764	25,437
	116,764	**25,437**

Accounting policy for finance revenue

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

Note 10. Expenses

Employee benefit expenses

	2024 $	2023 $
Wages and salaries	1,018,403	933,521
Non-cash benefits	7,074	1,639
Contributions to defined contribution plans	101,952	92,237
Expenses related to long service leave	8,647	(1,862)
Other expenses	65,550	82,094
	1,201,626	**1,107,629**

Depreciation and amortisation expense

	2024 $	2023 $
Depreciation of non-current assets:		
Buildings	18,224	18,224
Leasehold improvements	20,945	20,912
Plant and equipment	15,051	14,533
Motor vehicles	3,972	735
	58,192	**54,404**
Depreciation of right-of-use assets		
Leased land and buildings	103,490	97,033
	103,490	**97,033**
Amortisation of intangible assets:		
Franchise fee	3,713	3,183
Franchise renewal adjustment	-	2,026
Franchise renewal process fee	15,452	10,987
Establishment fee	4,355	6,912
	23,520	**23,108**
Total depreciation and amortisation expense	**185,202**	**174,545**

Note 10. Expenses (continued)

	2024 $	2023 $
Finance costs		
Lease interest expense	8,026	8,144
Unwinding of make-good provision	3,081	2,100
Interest Expense	150	79
	11,257	**10,323**

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

Charitable donations, sponsorship, advertising and promotion

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 sponsorships, grants and donations).

	2024 $	2023 $
Direct sponsorships, grants and donations	136,166	167,450
	136,166	**167,450**

Note 11. Income tax expense

Amounts recognised in profit or loss

	2024 $	2023 $
Current tax expense/(credit)		
Current tax	322,171	399,583
Movement in deferred tax	(6,543)	1,422
Under/(over) provision of income tax in the prior year	(4,089)	-
	311,539	**401,005**

Prima facie income tax reconciliation

	2024 $	2023 $
Operating profit before taxation	1,257,894	1,595,154
Prima facie tax on profit/(loss) from ordinary activities at 25% (2023: 25%)	314,474	398,789
Tax effect of:		
Non-deductible expenses	1,154	2,216
Under/(over) provision of income tax in the prior year	(4,089)	-
	311,539	**401,005**

Note 11. Income tax expense (continued)

Deferred tax

	2024 $	2023 $
Deferred tax assets		
expense accruals	181	-
employee provisions	28,464	28,370
make-good provision	13,164	12,378
lease liability	37,027	56,049
property, plant and equipment	63,544	56,913
Total deferred tax assets	**142,380**	**153,710**
Deferred tax liabilities		
property, plant and equipment	18,961	19,391
right-of-use assets	35,768	53,212
Total deferred tax liabilities	**54,729**	**72,603**
Deferred taxes brought to account	**-**	**-**
Net deferred tax assets (liabilities)	**87,651**	**81,107**

Current tax

	2024 $	2023 $
Income tax payable/(refundable)	**97,172**	**344,553**

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 12. Cash and cash equivalents

	2024 $	2023 $
Cash at bank and on hand	482,296	371,710
Term deposits	3,071,825	2,508,948
	3,554,121	**2,880,658**

Note 13. Trade and other receivables

	2024 $	2023 $
Current assets		
Trade receivables	269,026	305,011
Prepayments	23,362	27,604
Other receivables and accruals	23,322	28,660
	315,710	**361,275**

Note 14. Investments

	2024 $	2023 $
Term deposits	**14,303**	**13,886**

Note 15. Property, plant and equipment

	2024 $	2023 $
Land		
At cost	285,000	285,000
	285,000	**285,000**
Buildings		
At cost	728,952	728,952
Less: accumulated depreciation	(207,355)	(189,131)
	521,597	**539,821**
Leasehold improvements		
At cost	387,492	387,192
Less: accumulated depreciation	(270,271)	(249,326)
	117,221	**137,866**
Plant and equipment		
At cost	314,703	307,900
Less: accumulated depreciation	(205,364)	(190,313)
	109,339	**117,587**
Motor vehicles		
At cost	138,117	103,531
Less: accumulated depreciation	(106,737)	(102,765)
	31,380	**766**
Total written down amount	**1,064,537**	**1,081,040**

Note 15. 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:

	2024 $	2023 $
Land		
Carrying amount at beginning	285,000	285,000
	285,000	**285,000**
Buildings		
Carrying amount at beginning	539,821	558,045
Depreciation	(18,224)	(18,224)
	521,597	**539,821**
Leasehold improvements		
Carrying amount at beginning	137,866	154,591
Additions	300	4,187
Depreciation	(20,945)	(20,912)
	117,221	**137,866**
Plant and equipment		
Carrying amount at beginning	117,587	113,045
Additions	6,803	19,075
Depreciation	(15,051)	(14,533)
	109,339	**117,587**
Motor vehicles		
Carrying amount at beginning	766	1,501
Additions	34,586	-
Depreciation	(3,972)	(735)
	31,380	**766**
Total written down amount	**1,064,537**	**1,081,040**

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 or diminishing value basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Asset class	Method	Useful life
Building	Straight-line	40 years
Leasehold improvements	Straight-line	over the lease term
Plant and equipment	Straight-line and diminishing value	2 to 10 years
Motor vehicles	Straight-line	3 to 8 years

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

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

Note 15. Property, plant and equipment (continued)

Changes in estimates

During the financial year, the company assessed estimates used for property, plant and equipment including useful lives, residual values, and depreciation methods. There were no changes in estimates for the current reporting period.

Note 16. Right-of-use assets

	2024 $	2023 $
Leased land and buildings		
At cost	561,346	254,134
Less: accumulated depreciation and impairment	(418,271)	(41,287)
Total written down amount	**143,075**	**212,847**

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

	2024 $	2023 $
Leased land and buildings		
Carrying amount at beginning	212,847	242,863
Remeasurement adjustments	33,718	67,017
Depreciation	(103,490)	(97,033)
Total written down amount	**143,075**	**212,847**

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 20 for more information on lease arrangements.

Note 17. Intangible assets

	2024 $	2023 $
Franchise fee		
At cost	49,881	26,812
Less: accumulated amortisation	(28,518)	(24,805)
	21,363	**2,007**
Franchise establishment fee		
At cost	21,000	21,000
Less: accumulated amortisation	(21,000)	(16,645)
	-	**4,355**

Note 17. Intangible assets (continued)

	2024 $	2023 $
Franchise renewal process fee		
At cost	234,420	119,057
Less: accumulated amortisation	(127,586)	(112,134)
	106,834	**6,923**
Total written down amount	**128,197**	**13,285**

Reconciliations of the carrying values at the beginning and end of the current and previous financial year are set out below:		
Franchise fee		
Carrying amount at beginning	2,007	5,191
Additions	23,069	-
Amortisation	(3,713)	(3,183)
	21,363	**2,007**
Franchise establishment fee		
Carrying amount at beginning	4,355	11,267
Amortisation	(4,355)	(6,912)
	-	**4,355**
Franchise renewal process fee		
Carrying amount at beginning	6,923	17,910
Additions	115,363	-
Amortisation	(15,452)	(10,987)
	106,834	**6,923**
Total written down amount	**128,197**	**13,285**

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 dates
Franchise establishment fee	Straight-line	Over the franchise term (5 years)	2024
Franchise fee	Straight-line	Over the franchise term (5 years)	February 2029
Franchise renewal process fee	Straight-line	Over the franchise term (5 years)	February 2029

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

Changes 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 18. Trade and other payables

	2024 $	2023 $
Current liabilities		
Trade creditors	27,293	16,248
Other payables and accruals	114,395	87,474
	141,688	**103,722**
Non-current liabilities		
Other payables and accruals	91,365	-
	91,365	**-**

	2024 $	2023 $
Financial liabilities at amortised cost classified as trade and other payables		
Total trade and other payables	233,053	103,722
less other payables and accruals (net GST payable to the ATO)	(21,017)	(22,255)
	212,036	**81,467**

Accounting policy for trade and other payables

Where the company is liable to settle an amount within 12 months of reporting date, the liability is classified as current. All other obligations are classified as non-current.

Note 19. Loans and borrowings

	2024 $	2023 $
Current liabilities		
Chattel mortgage	6,868	-
	6,868	**-**
Non-current liabilities		
Chattel mortgage	26,099	-
	26,099	**-**

Terms and repayment schedule

			30 June 2024		30 June 2023	
	Nominal interest rate	Year of maturity	Face value	Carrying value	Face value	Carrying value
Chattel mortgage	7.55%	2029	32,967	32,967	-	-

Note 20. Lease liabilities

	2024 $	2023 $
Current liabilities		
Property lease liabilities	**68,417**	**94,603**
Non-current liabilities		
Property lease liabilities	**70,226**	**118,768**
Reconciliation of lease liabilities		
Balance at the beginning	213,371	248,523
Remeasurement adjustments	30,843	68,247
Lease interest expense	8,026	8,144
Lease payments - total cash outflow	(113,597)	(111,543)
	138,643	**213,371**

Note 21. Employee benefits

	2024 $	2023 $
Current liabilities		
Provision for annual leave	38,917	47,186
Provision for long service leave	38,699	58,058
	77,616	**105,244**
Non-current liabilities		
Provision for long service leave	36,242	8,236
	36,242	**8,236**

Accounting policy for short-term employee benefits

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

Accounting policy for other long-term employee benefits

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

Note 22. Provisions

	2024 $	2023 $
Non-current liabilities		
Make-good on leased premises	**52,654**	**49,512**

In accordance with the branch lease agreements, the company must restore the leased premises to their original condition before the expiry of the lease term. The company has estimated the provision to be $54,860 based on experience and consideration of the expected future costs to remove all fittings and the ATM as well as the cost to remedy any damages caused during the removal process. Lease expiry dates are per below, at which time it is expected the face-value costs to restore the premises will fall due.

Note 23. Issued capital

	2024		2023	
	Number	$	Number	$
Ordinary shares - fully paid	1,808,118	1,148,109	1,808,118	1,148,109
Less: equity raising costs	-	(74,823)	-	(74,823)
	1,808,118	**1,073,286**	**1,808,118**	**1,073,286**

Accounting policy for issued capital

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

Rights attached to issued capital

Ordinary shares

Voting rights

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

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

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

Dividends

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

Transfer

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

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

Prohibited shareholding interest

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

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

- 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 386. As at the date of this report, the company had 367 shareholders (2023: 366 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.

Note 23. Issued capital (continued)

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 24. Capital management

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

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

The distribution limit is the greater of:

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

The board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2024 can be seen in the statement of profit or loss and other comprehensive Income.

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

Note 25. Dividends provided for or paid

Dividends provided for and paid during the period

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

	30 June 2024		30 June 2023	
	Cents	$	Cents	$
Fully franked dividend	7.00	126,568	5.00	90,406
Total dividends provided for and paid during the financial year	**7.00**	**126,568**	**5.00**	**90,406**

The tax rate at which dividends have been franked is 25%.

	2024 $	2023 $
Franking account balance		
Franking credits available for subsequent reporting periods		
Franking account balance at the beginning of the financial year	860,632	867,068
Franking transactions during the financial year:		
- Franking credits (debits) arising from income taxes paid (refunded)	565,464	23,699
- Franking debits from the payment of franked distributions	(42,189)	(30,135)
Franking account balance at the end of the financial year	**1,383,907**	**860,632**

Note 25. Dividends provided for or paid (continued)

	2024 $	2023 $
Franking transactions that will arise subsequent to the financial year end:		
- Franking credits (debits) that will arise from payment (refund) of income tax	97,171	344,553
Franking credits available for future reporting periods	**1,481,078**	**1,205,185**

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

Note 26. 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.

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

	Note	2024 $	2023 $
Financial assets			
Trade and other receivables	13	315,710	361,275
Cash and cash equivalents	12	482,296	371,710
Investments	14	14,303	13,886
Term Deposits	12	3,071,825	2,508,948
		3,884,134	**3,255,819**
Financial liabilities			
Trade and other payables	18	212,036	81,467
Loans and borrowings	19	32,967	-
Lease liabilities	20	138,643	213,371
		383,646	**294,838**

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

Note 26. Financial risk management (continued)

Accounting policy for financial instruments

Financial assets

Classification

The company classifies its financial assets into the following categories:

- Amortised cost

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

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

Derecognition

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

Impairment of trade and other receivables

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

Financial liabilities

Classification

The company classifies its financial liabilities at amortised cost.

Derecognition

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

Market risk

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

Interest-bearing assets and liabilities are held with Bendigo Bank and subject to movements in market interest.

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.

Financial liability	Contractual cash flows			
30 June 2024	Carrying amount	Not later than 12 months	Between 12 months and five years	Greater than five years
Chattel Mortgage	32,967	6,868	26,099	-
Lease liabilities	138,643	68,417	70,226	-
Trade payables	212,036	141,688	91,365	-
	383,646	**216,973**	**187,690**	**-**

Note 26. Financial risk management (continued)

Financial liability	Contractual cash flows			
30 June 2023	Carrying amount	Not later than 12 months	Between 12 months and five years	Greater than five years
Lease liabilities	213,371	94,603	118,768	-
Trade payables	81,467	81,467	-	-
	294,838	**176,070**	**118,768**	**-**

Note 27. Reconciliation of cash flows from operating activities

	2024 $	2023 $
Net profit after tax from ordinary activities	946,355	1,194,149
Adjustments for:		
- Depreciation	161,682	151,437
- Amortisation	23,520	23,108
- Sundry Expenses	(4,170)	-
- Donations	(3,034)	-
Changes in assets and liabilities:		
- (Increase)/decrease in trade and other receivables	33,688	(103,932)
- (Increase)/decrease in other assets	10,858	(11,114)
- Increase/(decrease) in trade and other payables	21,283	12,093
- Increase/(decrease) in deferred tax assets	6,544	1,422
- Increase/(decrease) in employee benefits	379	(14,395)
- Increase/(decrease) in provisions	3,081	2,100
- Increase/(decrease) in tax liabilities	(247,381)	375,884
Net cash flows provided by operating activities	**952,805**	**1,630,752**

Note 28. Auditor's remuneration

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

	2024 $	2023 $
Audit and review services		
- Audit and review of financial statements	9,250	8,000
Non audit services		
- General advisory services	800	300
- Share registry services	5,832	5,147
Total auditor's remuneration	**15,882**	**13,447**

Note 29. Key management personnel disclosures

The directors of the company who held office during the financial year and to the date of this report are:

Stuart Robert Greig
Christopher Henry Monaghan
William Pirie Sutherland
Anthony Morris Hart
Arthur Michael Corcoris (Resigned 8/11/2023)
Matthew Mark Cannon
Rhonda Gailey (Resigned 8/11/2023)
Daryl Leslie Minter
Andrew O'Brien (Appointed 2/07/2024)
Nora Clare Lamont (Appointed 8/08/2024)

Key management personnel compensation comprised the following.

	2024 $	2023 $
Short-term employee benefits	32,604	31,493
Post-employment benefits	396	391
	33,000	**31,884**

Compensation of the company's key management personnel includes salaries, non-cash benefits, contributions to a post-employment defined contribution plan, and long service leave entitlements.

Note 30. Related party transactions

Transactions with related parties

The following transactions occurred with related parties:

	2024 $	2023 $
- Greig Real Estate Pty Ltd, a company associated with Stuart Robert Greig, supplied services or goods to the value of:	15,000	15,000
- Focus Financial Group Pty Ltd, a company associated with Matthew Mark Cannon, supplied services or goods to the value of:	38,520	38,380
Total transactions with related parties	**53,520**	**53,380**

Note 31. Earnings per share

	2024 $	2023 $
Profit attributable to ordinary shareholders	**946,355**	**1,194,149**

	Number	Number
Weighted-average number of ordinary shares	1,808,118	1,808,118
Basic and diluted earnings per share	**52.34**	**66.04**

Accounting policy for earnings per share

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

Note 32. Commitments

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

Note 33. Contingencies

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

Note 34. Events after the reporting period

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

Directors' declaration

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.

Staurt Robert Greig, Chair

26 September 2024

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

Independent auditor's report to the Directors of Maroondah Community Enterprises Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Maroondah 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 Maroondah Community Enterprises Limited, is in accordance with the *Corporations Act 2001*, including:

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

Basis for Opinion

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

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

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

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

Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's responsibilities for the Audit of the Financial Report

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 26 September 2024

Joshua Griffin
Lead Auditor

Community Bank · Ringwood East
62 Railway Avenue,
Ringwood East VIC 3135
Phone: (03) 9870 3655
Web: bendigobank.com.au/ringwood-east

Bendigo Bank · Croydon
Shop 5, 5-15 Kent Avenue,
Crodyon VIC 3136
Phone: (03) 8739 9448
Web: bendigobank.com.au/croydon

Franchisee: Maroondah Community Enterprises Limited
ABN: 91 103 341 993
62 Railway Avenue,
Ringwood East VIC 3156
Email: ringwoodeastcb3135@outlook.com

Share Registry:
AFS & Associates Pty Ltd
PO Box 454, Bendigo VIC 3552
Phone: (03) 5443 0344
Fax: (03) 5443 5304
Email: shareregistry@afsbendigo.com.au

/communitybankringwoodeastheathmontcroydon

/communitybank_re_hmnt_croydon

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Bendigo Bank