

Annual Report 2024

Mt Evelyn & Districts
Financial Services Limited

Community Bank
Mt Evelyn & Districts

ABN 93 096 782 240



Contents

Chairman's report	2
Manager's report	4
Directors' report	5
Auditor's independence declaration	12
Financial statements	13
Notes to the financial statements	17
Directors' declaration	34
Independent audit report	35

Chairman's report

For year ending 30 June 2024

Welcome to my sixth report as Chairman of Mt Evelyn & Districts Financial Services Limited (MEDFSL). This is our 22nd year of operation.

Our values

Mt Evelyn & Districts Financial Services Limited operates by the following values:

- Commitment to exceed customer expectations
- Delivering Bendigo Bank products relevant to our respective customers' lifestyles and needs
- Being a Community Bank that builds long term relationships with our community and customers
- Maintaining trust by always acting in an ethical manner
- Providing convenient access to our services
- Leading and empowering our staff to make a difference: and
- Contributing to the communities in which we operate

Our vision

MEDFSL through its Community Bank operations has, continued to provide profits that underpin enterprise and encourage generational, shareholder and community support for banking services, which in turn will lead to enhanced community and work environments strengthened by ethical governance.

Our mission

To provide banking services that build confidence and trust, thereby engaging the community to ensure long-term sustainability and growth for the business, partnerships, community and shareholders. We aim to achieve this through excellence, equality, integrity, loyalty, respect and trust.

Our current position

The Board is always committed to ensuring we keep our community engagement strong with mutually beneficial outcomes for the organisations and communities we deal with.

The banking and finance sectors continue to be very competitive, and we have seen the continued high interest rates from the previous financial and year along with increased cost of living pressures placing extra stress on mortgage holders and the community in general.

We have focused on improving our local promotional materials, marketing and social media presence to improve the awareness of our Community Bank.

In spite of these challenges our business activity has delivered an annual net profit after tax of \$736,589 compared to \$627,683 last year (see enclosed Financial Statements). Our profit is determined by the makeup of our book, interest rates, our costs and the Bendigo Bank funding model for Community Banks. Given the competition, financial pressures and the market we are operating in we consider this to be a strong result.

Our results have been achieved through the continued dedication and management of our team lead by our new Branch Manager Ann Peters who has taken over from David Watt. Ann has been with us as a senior lender for 13 years prior and has taken over the Branch Manager role from David Watt who retired in January 2024 after a period of Long Service Leave.

A special thanks to our staff who provide the highest standard of service to our customers and I continue to receive many compliments from our customers about the service they provide.

Chairman's report (continued)

Directors

We continue to have a strong Board to deliver the corporate governance, manage risk, meet our Board requirements and protect shareholders' assets. Your Board continues to work as a team to ensure the smooth operation of Mt Evelyn & Districts Financial Services Limited. Each member of the Board has their own area of expertise that gives the Board an important balance and stability.

I would like to acknowledge the work of my other Directors, Gai Williams Deputy Chair, Laura Lilley Company Secretary/Treasurer, Gareth Little-Hales, Lisa Glassborow, Prue Northey, Steve Martin, and Leigh Brown for their continued support.

We welcomed Malcolm Darke to our Board who brings us a strong expertise in community involvement and a broader view on how we can support the community.

Due to increased governance, general workloads and community interaction Elise McGuinness has joined our team as Executive Board Support to assist in providing these various activities.

Our Board is diverse and each member adds their own expertise to the running of our company.

Bendigo and Adelaide Bank Limited

I would like to acknowledge our Bendigo Bank support team. They provide a range of support to our Branch and Director team and this is much appreciated.

A special thanks to Chris Cahir our Regional Manager for his support to the Branch team and myself, Chris is always approachable and helpful in resolving the various matters we deal with in providing the Bendigo Bank requirements.

Sponsorships & Grants

Our financial support in the form of grants and sponsorship to the various not for profit organisations in our community continues to be strong and we have been able to increase the diversity of the groups we support. This includes groups who are helping the community in the current high cost of living environment and youth education.

Community Bank Mt Evelyn has contributed over \$4.1M in sponsorship and grants to community organisations since it opened in 2002.

To continue this great work we need our community, young and old to continue to support us and bring their banking Community Bank Mt Evelyn.

Summary

We have had another strong year in a very competitive environment along with high interest rates and cost of living challenges. However our great team continues to meet these challenges and deliver strong results.

As Chairman I want to thank everyone involved in our Community Bank, whether you are a customer, a shareholder, a staff member, a supplier or a Director for your ongoing support.

The Community Bank Model is unique and gives back to the community like no other banking organisation. For this to continue we need the support of everyone young and old to continue or start their banking with Community Bank Mt Evelyn.

For our part we will continue to promote Community Bank Mt Evelyn across the community and strive to deliver great results.

I look forward to meeting with you at our 2024 Annual General Meeting which this year will be at the new Mount Evelyn Sports & Community Pavilion in Tramway Rd Mount Evelyn.

When: Tuesday 26th November at 7.00pm

Where: Mt Evelyn Sports & Community Pavilion
Tramway Rd Mount Evelyn.



John Stroud
Chairman

Manager's report

For year ending 30 June 2024

Community Bank Mt Evelyn has now been open for 22 years.

The Community of Mt Evelyn should be proud of the effort that went into creating its own Community Bank and the way it has supported the branch once the front doors were opened back in May 2002.

As at 30th June 2024, the business footings for our branch were \$321,163,453

Those footings are the result of the efforts of our dedicated branch team, our Community Bank Board and fantastic community support.

We are proud of our team being; Bernadette, Issy, Jan, Sharon, Paula, Amy, Charlotte, Lauren & Diane.

Issy our Customer Relationship Manager joined us in October 2023, Lauren commenced September 2023 and Diane started in December 2023 and they have all settled in well within the team

Every single member of our team has made a significant contribution to the growth of our Community Bank , and we thank them for their outstanding efforts.

I was appointed as Branch Manager in August 2023 which has been a challenging year after the retirement Senior Branch Manager, David Watt, thanks to the Team, the Board and Community for their continuing support. To balance our workload, Bernadette moved into the position of Branch Operations Manager to manage our front of house operations.

I would also like to thank John Stroud, Board Chair, and with Gai Williams, Deputy Chair, Laura Lilley, Company Secretary and Treasurer, Prue Northey, Lisa Glassborow, Leigh Brown, Gareth-Little Hales and Steve Martin our Community Company Directors.

John is an inspirational and tireless Chair and leads a dedicated Board whose efforts are without peer.

John and the Board have been more than supportive over the year, and we thank them for their advice and encouragement.

I would also like to thank Bendigo Bank Regional and Operational Support teams.

We thank our Regional Manager, Chris Cahir and Operations Manager, Bryan Greene who has now retired, for their support and encouragement throughout the year.

One of the strengths of the Community Bank movement is the support of the Board of Directors and the Shareholders.

Please continue to play your part in the growth of Community Bank Mt Evelyn by spreading the word about the very personal banking service provided by your local Community Bank .

Ann Peters
Branch Manager

Community support

Community Groups supported by Community Bank Mt Evelyn financial year 2024

Mt Evelyn & Districts Financial Services Ltd (Community Bank Mt Evelyn) have continued to support a diverse range of community groups to enable them to deliver their individual activities. This creates stronger healthier community groups which affects us all in one way or another and makes the Yarra Valley a better place to live. Below is a list of Community Groups supported this financial year:

AFL Outer East Football League	Morrison Men's Shed
Allan Grundy Award - Scholarship	Mountain Top (Olinda) Toy Library
Birmingham Primary School	Mt Evelyn Community House
Bungalook Creek Wildlife Shelter	Mt Evelyn Cricket Club
Calisthenics Victoria	Mt Evelyn Football Netball Club
Coldstream Football Netball Club	Mt Evelyn Girl Guides
Discovery Church Community Care	Mt Evelyn Junior Football Club
Dorset Golf Club	Mt Evelyn Meteors Basketball Club
Eastwood Bowls Club	Mt Evelyn Netball Club
Edinburgh College	Mt Evelyn RSL
Fernhill Preschool	Mt Evelyn Street Party
Holy Fools	Mt Evelyn Tennis Club
Lilydale Bowls Club	Neighbourhood Watch
Lilydale Eagles Soccer Club	Ranges TEC
Montrose Business Support	Rotary Club of Lilydale
Montrose Church of Christ	St Vincent De Paul
Montrose Community Cupboard	Stable One
Montrose Coterie Group	The Eastern Golf Club
Montrose Cricket Club	Very Special Kids Christmas Party
Montrose Football Netball Club	Walmsley Village
Montrose Netball Club	Yarra Hills Secondary College
Montrose Tennis Club	Yarra Ranges Athletics
Montrose Township Group	Yarra Ranges Special Development School
Montrose Vikings Basketball Club	Yarra Valley Business

Directors' report

For the financial year ended 30 June 2024

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

Directors

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

John David Stroud

Title:	Non-executive director
Experience and expertise:	John has a Graduate Certificate of Management and Certificate in Electronics as well as extensive operational and business experience. John is semi-retired after working in the telecommunications industry for 45 years with 30 of those as an operations manager. He is a long-term member of the Mount Evelyn community and has been actively involved with numerous community groups over the years. He played football at Mount Evelyn Football Netball Club and served as president for six years.
Special responsibilities:	Chair, marketing committee representative

Laura Elizabeth Lilley

Title:	Non-executive director
Experience and expertise:	Laura currently works as a Business Analyst with a Large Not for profit organisation. Laura has Bachelor of Business/Arts (Korean) and is a Chartered Accountant with over 20 years experience. Laura has been a resident of Mt Evelyn since 2005. Born and raised in Lilydale (on the border of Mt Evelyn) where her parents still reside and has a strong sense of connection with the local area. Over the years has been involved in many community groups, from Tennis, Basketball and Scouts when growing up and continues this involvement now through her family's activities
Special responsibilities:	Treasurer and Company Secretary.

Gai Williams

Title:	Non-executive director
Experience and expertise:	Bachelor of Pharmacy, A.F.A.I.P.M. Retired Pharmacist Owner and Operator for 26 years. Previously Chair of the Board of Guardian Pharmacies Australia.
Special responsibilities:	Vice-Chairman

Directors' report (continued)

Directors (continued)

Lisa Maree Glassborow

Title: Non-executive director

Experience and expertise: Lisa has over 20 years' experience both in the corporate and not for profit (or 'for purpose') sectors working in strategy, marketing communications, fundraising, events and relationship management and now runs her own small business. Lisa has lived in the local area all of her life (other than 2 years in sunny Darwin) and is grateful for her involvement with a number of local community groups over the years. Lisa is the past President of Birmingham Primary School and Fernhill Pre-school, was the Assistant Principal of Yarra Valley Calisthenics College for 11 years and has worked with the committees of Coldstream and Silvan Football Clubs over the year. Her children play basketball for Mt Evelyn Meteors, netball for Mt Evelyn Netball Club and football for Mt Evelyn Junior Football Club. Lisa believes strongly that good relationships make businesses and organisations great places to be part of and when we have lots of great places that people feel connected to, we have stronger, healthier communities. Lisa is also Company Secretary at Darlingford Wates Marina Pty Ltd and sits on the Advisory Board of Humphris Nursery.

Special responsibilities: Nil

Steven Colin Martin

Title: Non-executive director

Experience and expertise: Steve holds Diploma in Emergency Management (fire fighting) he is a Senior Station Officer working for FRV, a career he has enjoyed for over 13 years. Prior to joining the fire brigade, Steve was a carpenter holding a Certificate IV in Building and Construction. Steve worked in the industry for 8 years, starting as an apprentice for a local company and currently owns and manages a small building company, focused on property development. Steve is a long time member of the Mount Evelyn Community, and has been active, particularly within the Mount Evelyn Junior Club, previously coaching Auskick and junior teams. Steve is a member of the Mt Evelyn Sports Community Hub committee who are responsible for the redevelopment of the Tramway road master plan. Steve has four young children who attend school and kindergarten in Mount Evelyn.

Special responsibilities: Nil

Leigh Matthew Brown

Title: Non-executive director

Experience and expertise: Leigh is the Regional Manager Australia South in the construction sector. His previous roles include General Manager Operations Volume Residential Builders (18 years), Operations Manager London, UK (5 years). Leigh was born and raised in Mt Evelyn and has been actively involved in many community sports, both playing, supporting and now actively with his two children. Leigh has been an Executive Committee member of the Wandin FNC for the past 10 years, including numerous other roles and has been a Life Member since 1998. Leigh really enjoys the community-based culture within local sporting clubs and sees this as a great environment for his family to be actively engaged and develop in.

Special responsibilities: Nil

Directors' report (continued)

Directors (continued)

Prue Cathley Northey

Title:	Non-executive director
Experience and expertise:	Prue Northey is an accomplished Senior Community Relations and Stakeholder Advisor within an international engineering firm, known for her expertise in forging strong connections between organisations and communities. She previously held roles as the Manager of Membership and Programs for a national association and as an Event Coordinator at an iconic sports centre. With a Diploma of Business, and an ongoing pursuit of a Master of Business Administration, Prue combines academic knowledge with practical experience. Passionate about communities, Prue is committed to leveraging her expertise in community relations, strategic planning, and project management. Her strategic thinking and collaborative approach drive positive change and foster impactful partnerships.
Special responsibilities:	Nil

Malcolm Scott Darke

Title:	Non-executive director (appointed 28 June 2024)
Experience and expertise:	Malcolm (Mal) has been employed in the Victorian Public Sector for over 30 years and for the last 10 years as a senior manager. Mal has extensive Project Management, Emergency Management, OH&S and Risk Management experience. Mal is a long-term member of the Mt-Evelyn Community and has been extensively involved in Community and Corporate roles which include President of the Mt-Evelyn Junior Football Club (2015-2017) and AFL Outer East Commissioner (2018-2020). Mal is the current President of the Mt-Evelyn Sports & Recreation Hub (Redevelopment and continuing management of the Mt-Evelyn Sporting Pavilion) a project that Mal commenced as President of the Junior Football Club in 2015 and led to completion in 2023.
Special responsibilities:	Nil

Tamara Jayne Scott

Title:	Non-executive director (appointed 9 July 2024)
Experience and expertise:	Tammy has a Bachelor of Applied Biology/Biotechnology (with Honours), an Advanced Diploma in Public Safety (Emergency Management), and numerous leadership courses. Tammy has worked in the Emergency Services sector for the past 25 years and is currently a Manager of Community Safety, for the Country Fire Authority's North East Region. Tammy has lived in the local area for 30 years and enjoys interacting with local businesses, sporting clubs, and the general community spirit. Tammy is passionate about community development and resilience; and she is actively involved in supporting local community groups.
Special responsibilities:	Nil

Directors' report (continued)

Directors (continued)

Gareth Little-Hales

Title:	Non-executive director (resigned 28 May 2024)
Experience and expertise:	Bachelor of Science (Honours), Environmental Health, Dip. Business. Over 30 years experience in local government. Emigrated from the UK in 2002 where he was a Fellow of the Institute of Home Safety. Has served on a number of community boards in UK and Australia. Past President Montrose Township Group and prior Chair of Montrose Community Bank Branch Steering Committee, and an active member of various community organisations.
Special responsibilities:	Social media manager

Company secretary

The Company secretary is Laura Elizabeth Lilley. Laura was appointed to the position of Company secretary on 12 February 2019.

Principal activity

The principal activity of the company during the financial year was facilitating Community Bank services under management rights of Bendigo and Adelaide Bank Limited (Bendigo Bank).

There have been no significant changes in the nature of this activity during the financial year.

Review of operations

The profit for the company after providing for income tax amounted to \$736,589 (30 June 2023: \$627,683).

Operations have continued to perform in line with expectations.

Dividends

During the financial year, the following dividends were declared.

	2024 \$	2023 \$
Fully franked dividend of 10.5 cents per share (2023: 5 cents)	308,709	147,004

Significant changes in the state of affairs

On 1 July 2023, Bendigo Bank updated the Funds Transfer Pricing (FTP) base rate on certain deposits which has reduced the income earned on these products.

There were no other significant changes in the state of affairs of the company during the financial year.

Matters subsequent to the end of the financial year

Subsequent to 30 June 2024 the company signed a contract for the refurbishment of the Mt Evelyn branch. The financial impact of the refurbishment is an increase to the company's property, plant and equipment and decrease to the cash and cash equivalents of \$458,347.

No other 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' report (continued)

Likely developments

No matter, circumstance or likely development in operations has arisen during or since the end of the financial year that has significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

Environmental regulation

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Meetings of directors

The number of directors meetings (including meetings of committees of directors) attended by each of the directors of the company during the financial year were:

	Board		Audit Committee		Human Resources Committee		Marketing Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
John David Stroud	11	11	3	3	4	4	3	3
Laura Elizabeth Lilley	11	9	3	3	4	4	-	-
Gai Williams	11	7	3	3	4	3	-	-
Lisa Maree Glassborow	11	9	-	-	-	-	3	3
Steven Colin Martin	11	6	-	-	-	-	3	2
Leigh Matthew Brown	11	7	-	-	-	-	-	-
Prue Cathley Northey	11	10	-	-	-	-	-	-
Malcolm Scott Darke	1	1	-	-	-	-	-	-
Tamara Jayne Scott	-	-	-	-	-	-	-	-
Gareth Little-Hales	11	9	-	-	-	-	3	1

Eligible: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

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 21 and note 22 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Directors' report (continued)

Directors' interests

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
John David Stroud	5,000	-	5,000
Laura Elizabeth Lilley	-	-	-
Gai Williams	27,000	-	27,000
Lisa Maree Glassborow	-	-	-
Steven Colin Martin	-	-	-
Leigh Matthew Brown	-	-	-
Prue Cathley Northey	-	-	-
Malcolm Scott Darke	-	-	-
Tamara Jayne Scott	-	-	-
Gareth Little-Hales	1,500	-	1,500

Shares under option

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

Shares issued on the exercise of options

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

Indemnity and insurance of directors and officers

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

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

Proceedings on behalf of the company

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

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

Indemnity and insurance of auditor

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

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

Directors' report (continued)

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 23 to the accounts.

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

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

Auditor's independence declaration

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

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

On behalf of the directors



John David Stroud
Chair

25 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 Mt Evelyn & Districts Financial Services Limited

As lead auditor for the audit of Mt Evelyn & Districts Financial Services Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

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

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 25 September 2024

A handwritten signature in black ink, appearing to read 'Lachlan Tatt'.

Lachlan Tatt
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	2,552,036	3,158,695
Other revenue		13,136	11,993
Finance revenue		110,202	43,985
Total revenue		2,675,374	3,214,673
Employee benefits expense	8	(933,989)	(1,031,989)
Advertising and marketing costs		(26,717)	(8,798)
Occupancy and associated costs		(29,625)	(24,508)
System costs		(28,352)	(26,878)
Depreciation and amortisation expense	8	(34,058)	(64,048)
Loss on disposal of assets		(2,321)	(634)
General administration expenses		(116,835)	(143,177)
Total expenses before community contributions and income tax expense		(1,171,897)	(1,300,032)
Profit before community contributions and income tax expense		1,503,477	1,914,641
Charitable donations, sponsorships and grants expense	8	(523,732)	(1,077,639)
Profit before income tax expense		979,745	837,002
Income tax expense	9	(243,156)	(209,319)
Profit after income tax expense for the year		736,589	627,683
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		736,589	627,683
		Cents	Cents
Basic earnings per share	25	25.05	21.35
Diluted earnings per share	25	25.05	21.35

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

Financial statements (continued)

Statement of financial position As at 30 June 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	10	83,351	150,356
Trade and other receivables	11	272,522	310,454
Investments	12	2,846,575	2,359,947
Total current assets		3,202,448	2,820,757
Non-current assets			
Property, plant and equipment	13	784,995	794,627
Intangible assets	14	36,591	49,569
Deferred tax assets	9	16,903	35,039
Total non-current assets		838,489	879,235
Total assets		4,040,937	3,699,992
Liabilities			
Current liabilities			
Trade and other payables	15	63,200	88,421
Current tax liabilities	9	70,288	82,251
Employee benefits	16	96,890	145,246
Total current liabilities		230,378	315,918
Non-current liabilities			
Employee benefits	16	1,011	2,406
Total non-current liabilities		1,011	2,406
Total liabilities		231,389	318,324
Net assets		3,809,548	3,381,668
Equity			
Issued capital	17	1,527,561	1,527,561
Retained earnings		2,281,987	1,854,107
Total equity		3,809,548	3,381,668

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

Financial statements (continued)

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

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2022		1,527,561	1,373,428	2,900,989
Profit after income tax expense		-	627,683	627,683
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	627,683	627,683
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	19	-	(147,004)	(147,004)
Balance at 30 June 2023		1,527,561	1,854,107	3,381,668
Balance at 1 July 2023		1,527,561	1,854,107	3,381,668
Profit after income tax expense		-	736,589	736,589
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	736,589	736,589
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	19	-	(308,709)	(308,709)
Balance at 30 June 2024		1,527,561	2,281,987	3,809,548

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

Financial statements (continued)

Statement of cash flows For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,882,399	3,401,396
Payments to suppliers and employees (inclusive of GST)		(1,961,667)	(2,674,704)
Interest received		87,452	12,933
Income taxes paid		(266,083)	(142,760)
Net cash provided by operating activities	24	742,101	596,865
Cash flows from investing activities			
Payments for investments		(486,628)	(711,761)
Payments for property, plant and equipment		(13,769)	-
Net cash used in investing activities		(500,397)	(711,761)
Cash flows from financing activities			
Dividends paid	19	(308,709)	(147,004)
Net cash used in financing activities		(308,709)	(147,004)
Net decrease in cash and cash equivalents		(67,005)	(261,900)
Cash and cash equivalents at the beginning of the financial year		150,356	412,256
Cash and cash equivalents at the end of the financial year	10	83,351	150,356

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

Notes to the financial statements

For the year ended 30 June 2024

Note 1. Reporting entity

The financial statements cover Mt Evelyn & Districts Financial Services Limited (the company) as an individual entity, which is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 37 Wray Crescent, Mt Evelyn VIC 3796.

A description of the nature of the company's operations and its principal activity is included in the directors' report, which is not part of the financial statements.

Note 2. Basis of preparation and statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB). The financial statements have been prepared on an accrual and historical cost basis and are presented in Australian dollars, which is the company's functional and presentation currency.

The directors have a reasonable expectation that the company has adequate resources to pay its debts as and when they fall due for the foreseeable future. For these reasons, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 September 2024. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

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

Adoption of new and revised accounting standards

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

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

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

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

Accounting standards issued but not yet effective

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

Notes to the financial statements (continued)

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.

Investments

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

Impairment of financial assets

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

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

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

Impairment of non-financial assets

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

Timing of revenue recognition associated with trail commission

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

Notes to the financial statements (continued)

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

Allowance for expected credit losses on trade and other receivables

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

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

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

Impairment of non-financial assets

The company assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. The directors did not identify any impairment indications during the financial year.

Recovery of deferred tax assets

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

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.

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.

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

Note 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in April 2027.

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.

Notes to the financial statements (continued)

Note 5. Economic dependency (continued)

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 comparative figures to reclassify term deposits with initial investment periods greater than three months as current investments instead of cash and cash equivalents in the Statement of financial position.

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

- Cash and cash equivalents decreased and investments increased by \$2,359,947 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.

Notes to the financial statements (continued)

Note 7. Revenue from contracts with customers

	2024 \$	2023 \$
Margin income	2,319,733	2,902,597
Fee income	125,534	127,928
Commission income	106,769	128,170
	2,552,036	3,158,695

Accounting policy for revenue from contracts with customers

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

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

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

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

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

Revenue calculation

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

Margin income

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

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

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

Commission income

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

Fee income

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

Notes to the financial statements (continued)

Note 7. Revenue from contracts with customers (continued)

Core banking products

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

Ability to change financial return

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

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

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

Note 8. Expenses

Employee benefits expense

	2024 \$	2023 \$
Wages and salaries	808,280	876,968
Superannuation contributions	131,881	122,272
Expenses related to long service leave	(43,801)	(10,430)
Other expenses	37,629	43,179
	933,989	1,031,989

Depreciation and amortisation expense

	2024 \$	2023 \$
<i>Depreciation of non-current assets</i>		
Buildings	11,885	11,886
Improvements	3,419	34,370
Plant and equipment	5,776	4,815
	21,080	51,071
<i>Amortisation of intangible assets</i>		
Franchise fee	2,163	2,163
Franchise renewal fee	10,815	10,814
	12,978	12,977
	34,058	64,048

Leases recognition exemption

	2024 \$	2023 \$
Expenses relating to low-value leases	8,122	8,960

Notes to the financial statements (continued)

Note 8. Expenses (continued)

Charitable donations, sponsorships and grants expense

	2024 \$	2023 \$
Direct donation, sponsorship and grant payments	223,732	304,912
Contribution to the Community Enterprise Foundation™	300,000	772,727
	523,732	1,077,639

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

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

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

Note 9. Income tax

	2024 \$	2023 \$
<i>Income tax expense</i>		
Current tax	226,800	198,652
Movement in deferred tax	18,136	10,667
Under/over adjustment	(1,780)	-
Aggregate income tax expense	243,156	209,319
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	979,745	837,002
Tax at the statutory tax rate of 25%	244,936	209,251
Tax effect of:		
Non-deductible expenses	-	68
	244,936	209,319
Under/over adjustment	(1,780)	-
Income tax expense	243,156	209,319

	2024 \$	2023 \$
<i>Deferred tax assets/(liabilities)</i>		
Employee benefits	24,475	36,913
Accrued expenses	1,127	1,127
Income accruals	(14,166)	(8,478)
Property, plant and equipment	5,467	5,477
Deferred tax asset	16,903	35,039

Notes to the financial statements (continued)

Note 9. Income tax (continued)

	2024 \$	2023 \$
Provision for income tax	70,288	82,251

Accounting policy for income tax

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

Accounting policy for current tax

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

Accounting policy for deferred tax

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

Note 10. Cash and cash equivalents

	2024 \$	2023 \$
Cash at bank and on hand	83,351	150,356

Note 11. Trade and other receivables

	2024 \$	2023 \$
Trade receivables	209,039	269,749
Other receivables and accruals	56,663	33,911
Prepayments	6,820	6,794
	63,483	40,705
	272,522	310,454

Accounting policy for trade and other receivables

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

Note 12. Investments

	2024 \$	2023 \$
<i>Current assets</i>		
Term deposits	2,846,575	2,359,947

Notes to the financial statements (continued)

Note 13. Property, plant and equipment

	2024 \$	2023 \$
Land - at cost	378,030	378,030
Buildings - at cost	475,422	475,422
Less: Accumulated depreciation	(195,084)	(183,199)
	280,338	292,223
Improvements - at cost	136,756	193,357
Less: Accumulated depreciation	(45,757)	(98,939)
	90,999	94,418
Plant and equipment - at cost	207,436	198,677
Less: Accumulated depreciation	(171,808)	(168,721)
	35,628	29,956
	784,995	794,627

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

	Land \$	Buildings \$	Improvements \$	Plant and equipment \$	Total \$
Balance at 1 July 2022	378,030	304,109	128,788	23,798	834,725
Additions	-	-	-	11,607	11,607
Disposals	-	-	-	(634)	(634)
Depreciation	-	(11,886)	(34,370)	(4,815)	(51,071)
Balance at 30 June 2023	378,030	292,223	94,418	29,956	794,627
Additions	-	-	-	13,769	13,769
Disposals	-	-	-	(2,321)	(2,321)
Depreciation	-	(11,885)	(3,419)	(5,776)	(21,080)
Balance at 30 June 2024	378,030	280,338	90,999	35,628	784,995

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

Building	40 years
Improvements	40 years
Plant and equipment	2.5 to 40 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.

Notes to the financial statements (continued)

Note 14. Intangible assets

	2024 \$	2023 \$
Franchise fee	79,775	79,775
Less: Accumulated amortisation	(73,286)	(71,123)
	6,489	8,652
Franchise renewal fee	110,036	110,036
Less: Accumulated amortisation	(79,934)	(69,119)
	30,102	40,917
	36,591	49,569

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

	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2022	10,815	51,731	62,546
Amortisation expense	(2,163)	(10,814)	(12,977)
Balance at 30 June 2023	8,652	40,917	49,569
Amortisation expense	(2,163)	(10,815)	(12,978)
Balance at 30 June 2024	6,489	30,102	36,591

Accounting policy for intangible assets

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

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

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

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

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	April 2027
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	April 2027

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

Note 15. Trade and other payables

	2024 \$	2023 \$
<i>Current liabilities</i>		
Trade payables	3,881	69,251
Other payables and accruals	59,319	19,170
	63,200	88,421

Notes to the financial statements (continued)

Note 15. Trade and other payables (continued)

	2024 \$	2023 \$
Financial liabilities at amortised cost classified as trade and other payables		
Total trade and other payables	63,200	88,421
Less: other payables and accruals - net GST (payable to)/refundable by the ATO	(19,741)	9,577
	43,459	97,998

Note 16. Employee benefits

	2024 \$	2023 \$
<i>Current liabilities</i>		
Annual leave	35,175	40,985
Long service leave	61,715	104,261
	96,890	145,246
<i>Non-current liabilities</i>		
Long service leave	1,011	2,406

Accounting policy for short-term employee benefits

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

Accounting policy for other long-term employee benefits

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

Note 17. Issued capital

	2024 Shares	2023 Shares	2024 \$	2023 \$
Ordinary shares - fully paid	1,527,561	1,527,561	1,527,561	1,527,561
Bonus shares - fully paid (2:1)	1,412,520	1,412,520	-	-
	2,940,081	2,940,081	1,527,561	1,527,561

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.

Notes to the financial statements (continued)

Note 17. Issued capital (continued)

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 412. As at the date of this report, the company had 494 shareholders (2023: 500 shareholders).

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

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

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

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

Notes to the financial statements (continued)

Note 18. Capital management

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

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

The distribution limit is the greater of:

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

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

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

Note 19. Dividends

The following dividends were provided for and paid to shareholders during the financial year as presented in the Statement of changes in equity and Statement of cash flows.

	2024 \$	2023 \$
Fully franked dividend of 10.5 cents per share (2023: 5 cents)	308,709	147,004

Accounting policy for dividends

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

Franking credits

	2024 \$	2023 \$
Franking account balance at the beginning of the financial year	612,130	518,371
Franking credits (debits) arising from income taxes paid (refunded)	266,083	142,760
Franking debits from the payment of franked distributions	(102,903)	(49,001)
	775,310	612,130
<i>Franking transactions that will arise subsequent to the financial year end:</i>		
Balance at the end of the financial year	775,310	612,130
Franking credits (debits) that will arise from payment (refund) of income tax	70,288	82,251
Franking credits available for future reporting periods	845,598	694,381

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%.

Notes to the financial statements (continued)

Note 20. Financial risk management

Financial risk management objectives

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

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

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

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

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

	2024 \$	2023 \$
Financial assets		
Trade and other receivables (note 11)	265,702	303,660
Cash and cash equivalents (note 10)	83,351	150,356
Investments (note 12)	2,846,575	2,359,947
	3,195,628	2,813,963
Financial liabilities		
Trade and other payables (note 15)	43,459	97,998

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

Accounting policy for financial instruments

Financial assets

Classification

The company classifies its financial assets at amortised cost.

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

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

Derecognition

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

Impairment of trade and other receivables

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

Notes to the financial statements (continued)

Note 20. Financial risk management (continued)

Financial liabilities

Classification

The company classifies its financial liabilities at amortised cost.

Derecognition

A financial liability is derecognised when 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.

The company held cash and cash equivalents of \$83,351 at 30 June 2024 (2023: \$150,356) and investments of \$2,846,575 at 30 June 2024 (2023: \$2,359,947).

Price risk

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

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.

2024	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Trade and other payable	43,459	-	-	43,459
Total non-derivatives	43,459	-	-	43,459

2023	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Trade and other payable	97,998	-	-	97,998
Total non-derivatives	97,998	-	-	97,998

Note 21. Key management personnel disclosures

The following persons were directors of Mt Evelyn & Districts Financial Services Limited during the financial year or up to the date of signing of these Financial Statements.

John David Stroud	Leigh Matthew Brown
Laura Elizabeth Lilley	Prue Cathley Northey
Gai Williams	Malcolm Scott Darke
Lisa Maree Glassborow	Tamara Jayne Scott
Steven Colin Martin	Gareth Little-Hales

Notes to the financial statements (continued)

Note 21. Key management personnel disclosures (continued)

Compensation

Key management personnel compensation comprised the following.

	2024 \$	2023 \$
Short-term employee benefits	72,438	68,685
Post-employment benefits	18,069	16,456
	90,507	85,141

Compensation of the company's key management personnel includes salaries and superannuation.

Note 22. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 21.

Receivable from and payable to related parties

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

Terms and conditions of transactions with related parties

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

Transactions with related parties

The following transactions occurred with related parties:

	2024 \$	2023 \$
The company used the graphic design services of a director's son during the period.	4,063	500
The company provided sponsorships and capital works funding to related parties of directors.	43,283	-

The capital works funding was provided to assist a community group to make upgrades to their facilities and does not contain any specific conditions other than the funds are expended on the specified upgrades. These funds are not recallable.

Note 23. Remuneration of auditors

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

	2024 \$	2023 \$
<i>Audit services</i>		
Audit or review of the financial statements	6,450	5,400
Taxation advice and tax compliance services	700	1,060
General advisory services	1,845	1,990
Share registry services	6,440	5,762
	8,985	8,812
	15,435	14,212

Notes to the financial statements (continued)

Note 24. Reconciliation of profit after income tax to net cash provided by operating activities

	2024 \$	2023 \$
Profit after income tax expense for the year	736,589	627,683
Adjustments for:		
Depreciation and amortisation	34,058	64,048
Net loss on disposal of non-current assets	2,321	634
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	37,932	(114,768)
Decrease in deferred tax assets	18,136	10,667
Decrease in trade and other payables	(25,221)	(6,647)
Increase/(decrease) in current tax liabilities	(11,963)	26,792
Decrease in employee benefits	(49,751)	(11,544)
Net cash provided by operating activities	742,101	596,865

Note 25. Earnings per share

	2024 \$	2023 \$
Profit after income tax	736,589	627,683

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	2,940,081	2,940,081
Weighted average number of ordinary shares used in calculating diluted earnings per share	2,940,081	2,940,081

	Cents	Cents
Basic earnings per share	25.05	21.35
Diluted earnings per share	25.05	21.35

Accounting policy for earnings per share

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

Note 26. Commitments

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

Note 27. Contingencies

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

Note 28. Events after the reporting period

Subsequent to 30 June 2024 the company signed a contract for the refurbishment of the Mt Evelyn branch. The financial impact of the refurbishment is an increase to the company's property, plant and equipment and decrease to the cash and cash equivalents of \$458,347.

No other 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*.

On behalf of the directors



John David Stroud
Chair

25 September 2024

Independent audit report



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

Independent auditor's report to the Directors of Mt Evelyn & Districts Financial Services Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Mt Evelyn & Districts Financial Services 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 Mt Evelyn & Districts Financial Services 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.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 25 September 2024

A handwritten signature in black ink, appearing to read 'Lachlan Tatt'.

Lachlan Tatt
Lead Auditor

Community Bank - Mt Evelyn & Districts
Shop 2, 35-39 Wray Crescent, Mt Evelyn VIC 3796
Phone: 03 9737 1833 Fax: 03 9737 1844
Web: bendigobank.com.au/mtevelyn

Franchisee: Mt Evelyn & Districts Financial Services Limited
ABN: 93 096 782 240
Shop 2, 35-39 Wray Crescent, Mt Evelyn VIC 3796

 /communitybankmtevelyn

 **Bendigo Bank**