Annual Report 2024

Narrandera District Investments Limited

Community Bank
Narrandera & District

ABN 58 107 510 494

Contents

Chairman's report

For year ending 30 June 2024

Dear Shareholders, Community Members, and Stakeholders,

I am pleased to present the Chairman's report for Narrandera District Investments Limited for the financial year ending June 2024.

As we celebrate our 20th anniversary, on behalf of all Directors I am filled with immense pride and gratitude for the remarkable journey of Community Bank Narrandera & District. This milestone is a testament to the strength and dedication of our staff, the loyalty of our customers, the unwavering support of our community, and the tireless dedication of our current and past Directors.

Reflecting on Two Decades of Success

Since opening our doors two decades ago, our mission has been clear; that is to provide strong banking services while fostering a deep sense of community engagement. Over the past year, we have continued to build upon this legacy with notable success. Our financial performance has been robust, marked by steady growth on our deposit book, relatively high margins and an expanding customer base. These achievements are not merely numbers on a balance sheet but reflect our ongoing commitment to delivering value and service within our Shire.

Our ability to maintain this level of success is a direct result of the hard work and dedication of our team. Sue, Amy, Rebecca, Rhiannon and Alex have continued their unwavering commitment to our customers and we sincerely thank them for their outstanding contributions.

Strengthening Our Community Ties

One of the core principles that sets us apart is our obligation and dedication to giving back to the community. This year, we continued our strong tradition of community involvement through substantial donations and sponsorships, including fostering a new relationship with the Narrandera Race Club for the coming three years. Furthermore, we made a substantial commitment to the Community Enterprise Foundation in excess of $200,000.00, which will remain managed for future community-based grants. Our support this year has reached various local initiatives, all of which benefit our shareholders, customers and members of our community.

Looking Ahead

As we look to the future, our focus remains on sustaining our growth and deepening our community impact. We are committed to offering strong customer service and products, along with exploring new ways to meet the rural needs of our customers.

In closing, I would like to express my heartfelt thanks to all who have been a part of this journey. Your trust, support, and active participation have been the cornerstone of the success to Community Bank Narrandera & District. As we embark on the next chapter, we remain committed to upholding the values that have defined our first 20 years and to forging a path of continued excellence and community support.

Here's to celebrating two decades of achievements and to many more years of growth and community service.

Jack Langley
Chair

Manager’s report

For year ending 30 June 2024

Dear Shareholders,

I am pleased to present the Branch Manager’s Report for Narrandera District Investments Limited (NDIL) for the financial year ending 2024. This report will provide an overview of our Community Bank Narrandera & District branch’s performance, achievements, challenges and strategic initiatives undertaken during the past year.

This financial year saw a change in staffing in July/August 2023, this bought challenges with lending in the branch, but we were lucky enough to have been supported by a Manager/Lender from another branch which enabled us to be able to service our customers’ needs. This did bring reduced growth in the lending space for the financial year.

The financial year did see an increase in deposit growth of just over twenty ($20) million dollars. This has been a fantastic effort for the past 12 months. This is a result of building great rapport with our customers and hard work from all staff. Our customer satisfaction score is 4.84 to a target of 4.7 which reflects our commitment to service excellence. Initiatives such as customer feedback, service promises, and staff development and teamwork has made all this possible.

With the onboarding of myself, Amy Buchanan (Customer Relationship Manager) and Alex Heckendorf (Customer Service Officer) in 2023, this brought further business to our Community Bank, and we have seen great improvement in the community’s mindset of Community Bank Narrandera & District. This could not have happened without the support of the current staff Rebecca Hanby and Rhiannon French who ran the Community Bank and supported us all while new onboarding commenced in August and October 2023. I would also like to thank the Board of Directors in their support of Rebecca and Rhiannon during July and August as well the great support they have shown myself when I started with NDIL as well as Amy and Alex. All of what we do could not have been done without them. I would also like to sincerely thank all our loyal customers for being very patient and understanding with the changeover of staff this financial year. Our team is the backbone of our success and we have invested in staff training and development with many training sessions and coaching being conducted to ensure our customers receive the best service possible.

We received a Branch Assurance Review in October 2023 and received 84% Satisfactory outcome. Even with new staffing at the beginning of the financial year, the branch maintained strict adherence to regulatory requirements and internal policies. I am very proud of the team’s effort in this space and that showed in the results.

As a Community Bank we provided sponsorships and grants to several events/groups/teams. We had a total of $236,818.00 given in Community Grants and $13,733.00 in Sponsorships Totalling $250,551.00. $55,000.00 was donated to the Narrandera Tennis Club which we were lucky enough to have some photos with and show on our Facebook page. We were lucky to be able to spread these funds over 17 organisations/groups/teams and feel very fortunate that we are in a position to do this for our community.

In conclusion, the past year has been one of significant growth and development for our branch. Despite some challenges, we have achieved strong financial performance, enhanced customer satisfaction, and laid the groundwork for continued success in the future. I would like to extend my heartfelt thanks to the entire team for their hard work and dedication, as well as to our customers for their continued trust and loyalty.

It has been a privilege to lead this new team and I look forward to working together in achieving even greater success in the coming year and take the Community Bank Narrandera & Districts to even greater success than ever before.

Sue Limbrick
Branch Manager

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:

Jack Kennings Langley

Title:	Non-executive director
Experience and expertise:	Jack holds a Bachelor of Laws and is currently employed as a Solicitor at Narrandera's local law firm, Farrell Goode Solicitors. He practices primarily in commercial law, succession planning, wills and estates, and conveyancing. In 2023, Jack was appointed to the working group of Grain Growers for the Innovation Generation conference. Jack has previously been the Secretary of the Narrandera Town Band and the annual John O'Brien Festival. His family owns a cropping and merino sheep property north of Narrandera which he assists on. Jack is excited to be part of the board and looks forward to supporting the town and surrounding districts. Jack was a participant in the 2024 Australian Grain Leadership Program by GrainGrowers.
Special responsibilities:	Chair

Susan Patricia Foley

Title:	Non-executive director
Experience and expertise:	Susan is a Part Time Admin Assistant. Susan's previous employment includes, Shire Visitor information Centre Coordinator and Administration at Auswild & Broad Accountancy office. Susan has experience owning her own business. She is also a former staff member of Narrandera Bendigo Community Bank. Susan has a Diploma of Teaching Early Childhood and was a Preschool Director.
Special responsibilities:	Nil

Kerry Terese Sproston

Title:	Non-executive director
Experience and expertise:	Kerry is a bookkeeper. Teaching qualifications were completed in 1974, Accounting qualifications in 1994. BSP for Tax Professionals Board. Committee and Treasurer for NSW Women's Rural Gathering Narrandera 2017. Currently Vice President of Narrandera Ex-Servicemen's Club. Trustee of Narrandera Racecourse Land Managers.
Special responsibilities:	Treasurer

Directors (continued)

Graham Kenneth Bock

Title:	Non-executive director
Experience and expertise:	Graham is a Plant & Workshop Manager at Narrandera Shire. Graham spent 13 years being a Mechanic at the local Ford Dealership. He has over 17 years experience as a truck driver and maintenance for a local feedlot. Graham was owner and driver of a small trucking business for 5 years. He also owned his own beef cattle farm for 35 years. He has been a member of the Lions Club for 10 years, 3 of which he has held the title of President.
Special responsibilities:	Nil

Vickie Lynnette Lander

Title:	Non-executive director (resigned 10 October 2023)
Experience and expertise:	Vickie is retired. Registered Nurse. Registered Midwife. Child and Family Health Nurse. Women's Health Nurse. Lactation Consultant. Clinical Nurse Consultant and Antenatal Care Coordinator for Adolescent Health, Justice Health & Forensic Mental Health Network, NSW Ministry of Health.
Special responsibilities:	Nil

Company secretary

Joy Lenore Rollason was appointed company secretary on 28 March 2023. Joy holds a bachelor's degree in Information Services (Librarianship), a graduate diploma in Applied Corporate Governance and a diploma in Project Management. She has more than twenty years of company secretarial experience with unlisted public companies.

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 $215,018 (30 June 2023: $338,864).

Operations have continued to perform in line with expectations.

Dividends

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

	2024 $	2023 $
Fully franked dividend of 6 cents per share (2023: 5 cents)	**38,671**	**32,225**

Significant changes in the state of affairs

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

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

Matters subsequent to the end of the financial year

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

Likely developments and expected results of operations

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

Environmental regulation

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

Meetings of directors

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

	Board	
	Eligible	Attended
Jack Kennings Langley	11	10
Susan Patricia Foley	11	11
Kerry Terese Sproston	11	11
Graham Kenneth Bock	11	11
Vickie Lynnette Lander	3	-

Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in 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' 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
Jack Kennings Langley	100	-	100
Susan Patricia Foley	100	2,900	3,000
Kerry Terese Sproston	1,000	-	1,000
Graham Kenneth Bock	1,000	-	1,000
Vickie Lynnette Lander	-	-	-

Shares under option

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

Shares issued on the exercise of options

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

Indemnity and insurance of directors and officers

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

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

Proceedings on behalf of the company

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

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

Indemnity and insurance of auditor

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

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

Non-audit services

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

Jack Kennings Langley
Chair

30 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 Narrandera District Investments Limited

As lead auditor for the audit of Narrandera District Investments 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: 30 September 2024

Jessica Ritchie
Lead Auditor

Financial statements

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

	Note	2024 $	2023 $
Revenue from contracts with customers	7	1,184,661	1,329,302
Other revenue		-	10,000
Finance revenue		14,752	1,204
Total revenue		**1,199,413**	**1,340,506**
Employee benefits expense	8	(407,860)	(423,140)
Advertising and marketing costs		(23,938)	(42,889)
Occupancy and associated costs		(14,945)	(24,324)
System costs		(16,222)	(18,095)
Depreciation and amortisation expense	8	(81,215)	(77,823)
Finance costs	8	(2,591)	(21,225)
General administration expenses		(137,349)	(84,735)
Total expenses before community contributions and income tax expense		**(684,120)**	**(692,231)**
Profit before community contributions and income tax expense		515,293	648,275
Charitable donations and sponsorships expense	8	(229,310)	(196,057)
Profit before income tax expense		**285,983**	**452,218**
Income tax expense	9	(70,965)	(113,354)
Profit after income tax expense for the year		**215,018**	**338,864**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**215,018**	**338,864**
		Cents	**Cents**
Basic earnings per share	25	33.36	52.58
Diluted earnings per share	25	33.36	52.58

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

Statement of financial position
As at 30 June 2024

	Note	2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	10	369,733	252,978
Trade and other receivables	11	103,672	99,780
Investments	12	314,923	300,364
Total current assets		**788,328**	**653,122**
Non-current assets			
Property, plant and equipment	13	807,189	867,073
Intangible assets	14	70,307	13,185
Total non-current assets		**877,496**	**880,258**
Total assets		**1,665,824**	**1,533,380**
Liabilities			
Current liabilities			
Trade and other payables	15	43,177	30,945
Current tax liabilities	9	53,292	97,104
Employee benefits	16	8,743	7,016
Total current liabilities		**105,212**	**135,065**
Non-current liabilities			
Trade and other payables	15	61,870	-
Borrowings		7,928	72,853
Deferred tax liabilities	9	36,840	48,228
Employee benefits	16	674	281
Total non-current liabilities		**107,312**	**121,362**
Total liabilities		**212,524**	**256,427**
Net assets		**1,453,300**	**1,276,953**
Equity			
Issued capital	17	644,509	644,509
Retained earnings		808,791	632,444
Total equity		**1,453,300**	**1,276,953**

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

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

	Note	Issued capital $	Retained earnings/ $	Total equity $
Balance at 1 July 2022		**644,509**	**325,805**	**970,314**
Profit after income tax expense		-	338,864	338,864
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		**-**	**338,864**	**338,864**
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	19	-	(32,225)	(32,225)
Balance at 30 June 2023		**644,509**	**632,444**	**1,276,953**
Balance at 1 July 2023		**644,509**	**632,444**	**1,276,953**
Profit after income tax expense		-	215,018	215,018
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		**-**	**215,018**	**215,018**
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	19	-	(38,671)	(38,671)
Balance at 30 June 2024		**644,509**	**808,791**	**1,453,300**

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

Statement of cash flows
For the year ended 30 June 2024

	Note	2024 $	2023 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,304,487	1,481,213
Payments to suppliers and employees (inclusive of GST)		(934,177)	(941,668)
Interest received		14,752	1,204
Interest and other finance costs paid		(2,591)	(21,225)
Income taxes refunded/(paid)		(126,165)	90,691
Net cash provided by operating activities	**24**	**256,306**	**610,215**
Cash flows from investing activities			
Redemption of/(investment in) term deposits		(14,559)	63,967
Payments for property, plant and equipment	13	(8,212)	(21,438)
Payments for intangible assets		(13,184)	(13,184)
Net cash provided by/(used in) investing activities		**(35,955)**	**29,345**
Cash flows from financing activities			
Repayment of borrowings		(64,925)	(477,689)
Dividends paid	19	(38,671)	(32,225)
Net cash used in financing activities		**(103,596)**	**(509,914)**
Net increase in cash and cash equivalents		116,755	129,646
Cash and cash equivalents at the beginning of the financial year		252,978	123,332
Cash and cash equivalents at the end of the financial year	**10**	**369,733**	**252,978**

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 Narrandera District Investments Limited (the company) as an individual entity.

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

Registered office	Principal place of business
Unit 1, 185 Morgan Street Wagga Wagga NSW 2650	116 East Street Narrandera NSW 2700

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 presentational 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 30 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.

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 financial assets

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

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

Impairment of non-financial assets

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

Timing of revenue recognition associated with trail commission

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

Allowance for expected credit losses on trade and other receivables

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

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

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

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

Impairment of non-financial assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the 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.

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.

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

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

Note 5. Economic dependency

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

Note 5. Economic dependency (continued)

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

- the design, layout and fit out of the Community Bank premises
- training for the branch manager and other employees in banking, management systems and interface protocol
- methods and procedures for the sale of products and provision of services
- 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.

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

- Cash and cash equivalents decreased and investments increased by $300,364 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.

Note 7. Revenue from contracts with customers

	2024 $	2023 $
Margin income	1,084,768	1,218,804
Fee income	55,355	60,860
Commission income	44,538	49,638
	1,184,661	**1,329,302**

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.

Note 7. Revenue from contracts with customers (continued)

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

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

plus: any deposit returns i.e. interest return applied by Bendigo Bank for a deposit

minus: any costs of funds i.e. interest applied by Bendigo Bank to fund a loan.

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

Commission income

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

Fee income

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

Core banking products

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

Ability to change financial return

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

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

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

Note 8. Expenses

Employee benefits expense

	2024 $	2023 $
Wages and salaries	339,905	329,674
Non-cash benefits	-	(2,083)
Superannuation contributions	37,686	35,180
Other expenses	30,269	60,369
	407,860	**423,140**

Depreciation and amortisation expense

	2024 $	2023 $
Depreciation of non-current assets		
Buildings	50,214	50,626
Leasehold improvements	10,675	10,193
Plant and equipment	6,018	2,609
Furniture and fittings	1,123	1,212
	68,030	**64,640**
Amortisation of intangible assets		
Franchise fee	2,199	2,197
Franchise renewal fee	10,986	10,986
	13,185	**13,183**
	81,215	**77,823**

Finance costs

	2024 $	2023 $
Bank loan interest paid	**2,591**	**21,225**

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

Leases recognition exemption

	2024 $	2023 $
Expenses relating to low-value leases	**5,393**	**8,135**

Charitable donations, sponsorships and grants

	2024 $	2023 $
Direct donation, sponsorship and grant payments	13,075	14,925
Contribution to the Community Enterprise Foundation™	216,235	181,132
	229,310	**196,057**

Note 8. Expenses (continued)

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 and held by the Community Enterprise Foundation™ (CEF) remove 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 $
Income tax expense		
Current tax	83,536	115,312
Movement in deferred tax	(11,388)	(1,958)
Under/over adjustment	(1,183)	-
Aggregate income tax expense	**70,965**	**113,354**
Prima facie income tax reconciliation		
Profit before income tax expense	**285,983**	**452,218**
Tax at the statutory tax rate of 25%	71,496	113,055
Tax effect of:		
Non-deductible expenses	652	299
	72,148	**113,354**
Under/over adjustment	(1,183)	-
Income tax expense	**70,965**	**113,354**

	2024 $	2023 $
Deferred tax liabilities/(assets)		
expense accruals	(375)	(375)
employee provisions	(2,354)	(1,824)
property, plant and equipment	39,569	50,427
Deferred tax liability	**36,840**	**48,228**

	2024 $	2023 $
Provision for income tax	**53,292**	**97,104**

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.

Note 9. Income tax (continued)

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	**369,733**	**252,978**

Note 11. Trade and other receivables

	2024 $	2023 $
Trade receivables	100,167	96,275
Prepayments	3,505	3,505
	103,672	**99,780**

Accounting policy for trade and other receivables

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

Note 12. Investments

	2024 $	2023 $
Current assets		
Term deposits	**314,923**	**300,364**

Note 13. Property, plant and equipment

	2024 $	2023 $
Land - at cost	39,600	39,600
Buildings - at cost	840,964	840,964
Less: Accumulated depreciation	(133,949)	(83,735)
	707,015	**757,229**
Improvements - at cost	50,175	50,175
Less: Accumulated depreciation	(22,894)	(12,219)
	27,281	**37,956**
Plant and equipment - at cost	38,960	30,740
Less: Accumulated depreciation	(9,141)	(3,115)
	29,819	**27,625**
Fixtures and fittings - at cost	8,474	9,089
Less: Accumulated depreciation	(5,000)	(4,426)
	3,474	**4,663**
	807,189	**867,073**

Note 13. Property, plant and equipment (continued)

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

	Land $	Buildings $	Improvements $	Plant and equipment $	Furniture and fittings $	Total $
Balance at 1 July 2022	39,600	807,855	46,819	10,125	5,875	910,274
Additions	-	-	1,330	20,109	-	21,439
Depreciation	-	(50,626)	(10,193)	(2,609)	(1,212)	(64,640)
Balance at 30 June 2023	**39,600**	**757,229**	**37,956**	**27,625**	**4,663**	**867,073**
Additions	-	-	-	8,212	-	8,212
Disposals	-	-	-	-	(66)	(66)
Depreciation	-	(50,214)	(10,675)	(6,018)	(1,123)	(68,030)
Balance at 30 June 2024	**39,600**	**707,015**	**27,281**	**29,819**	**3,474**	**807,189**

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:

Buildings	10 to 40 years
Leasehold improvements	5 to 10 years
Plant and equipment	4 to 10 years
Furniture, fixtures and fittings	4 to 20 years

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

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

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

Note 14. Intangible assets

	2024 $	2023 $
Franchise fee	34,158	22,440
Less: Accumulated amortisation	(22,440)	(20,241)
	11,718	**2,199**
Franchise renewal fee	170,781	112,192
Less: Accumulated amortisation	(112,192)	(101,206)
	58,589	**10,986**
	70,307	**13,185**

Note 14. Intangible assets (continued)

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

	Franchise fee $	Franchise renewal fee $	Total $
Balance at 1 July 2022	4,396	21,972	26,368
Amortisation expense	(2,197)	(10,986)	(13,183)
Balance at 30 June 2023	**2,199**	**10,986**	**13,185**
Additions	11,718	58,589	70,307
Amortisation expense	(2,199)	(10,986)	(13,185)
Balance at 30 June 2024	**11,718**	**58,589**	**70,307**

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)	June 2029
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	June 2029

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

Change in estimates

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

Note 15. Trade and other payables

	2024 $	2023 $
Current liabilities		
Other payables and accruals	**43,177**	**30,945**
Non-current liabilities		
Other payables and accruals	**61,870**	**-**

	2024 $	2023 $
Financial liabilities at amortised cost classified as trade and other payables		
Total trade and other payables	105,047	30,945
less GST payable to the ATO, included in trade and other payables	(3,388)	(7,631)
	101,659	**23,314**

Note 16. Employee benefits

	2024 $	2023 $
Current liabilities		
Annual leave	**8,743**	**7,016**
Non-current liabilities		
Long service leave	**674**	**281**

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.

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

Note 17. Issued capital

	2024 Shares	2023 Shares	2024 $	2023 $
Ordinary shares - fully paid	**644,509**	**644,509**	**644,509**	**644,509**

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).

Note 17. Issued capital (continued)

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").

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

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

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

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

Note 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

Dividends provided for and paid during the period

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

	2024 $	2023 $
Fully franked dividend of 6 cents per share (2023: 5 cents)	**38,671**	**32,225**

Franking credits

	2024 $	2023 $
Franking account balance at the beginning of the financial year	241,856	325,437
Franking credits (debits) arising from income taxes paid (refunded)	126,165	(72,839)
Franking debits from the payment of franked distributions	(12,890)	(10,742)
	355,131	**241,856**
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	355,131	241,856
Franking credits (debits) that will arise from payment (refund) of income tax	53,292	97,104
Franking credits available for future reporting periods	**408,423**	**338,960**

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

Accounting policy for dividends

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

Note 20. Financial risk management

The company's financial instruments include trade receivables and payables, cash and cash equivalents, investments and borrowings. 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 A- 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.

Note 20. Financial risk management (continued)

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 excluding prepayments (note 11)	100,167	96,275
Cash and cash equivalents (note 10)	369,733	252,978
Investments (note 12)	314,923	300,364
	784,823	**649,617**
Financial liabilities		
Trade and other payables (note 15)	101,659	23,314
Bank loans	7,928	72,853
	109,587	**96,167**

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

Accounting policy for financial instruments

Financial assets

Classification

The company measures its financial assets at amortised cost.

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

Derecognition

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

Impairment of trade and other receivables

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

Financial liabilities

Classification

The company measures its financial liabilities at amortised cost.

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

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.

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of $369,733 and investments of $314,923 at 30 June 2024 (2023: $252,978 and 300,364).

Note 20. Financial risk management (continued)

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

	2024		2023	
	Nominal interest rate %	Balance $	Nominal interest rate %	Balance $
Bank loans	8.64%	7,928	7.25%	72,853
Net exposure to cash flow interest rate risk		**7,928**		**72,853**

An analysis by remaining contractual maturities is shown in 'liquidity risk' below.

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.

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

2024	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Bank loans	-	7,928	-	7,928
Trade and other payables	36,401	61,870	-	98,271
Total non-derivatives	**36,401**	**69,798**	**-**	**106,199**

2023	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Bank loans	-	72,853	-	72,853
Trade and other payables	23,314	-	-	23,314
Total non-derivatives	**23,314**	**72,853**	**-**	**96,167**

Note 21. Key management personnel disclosures

The following persons were directors of Narrandera District Investments Limited during the financial year and/or up to the date of signing these Financial Statements.

Jack Kennings Langley
Susan Patricia Foley
Kerry Terese Sproston
Graham Kenneth Bock
Vickie Lynnette Lander

No director of the company receives remuneration for services as a company director or committee member.

There are no executives within the company whose remuneration is required to be disclosed.

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 $
Joy Rollason is the senior executive and manager for CB Virtual Solutions, which the bank used for secretarial and support services. The total amount paid was:	37,283	-
The company used the bookkeeping/accounting services of one of its directors. The total benefit received was:	4,162	4,166

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 $
Audit services		
Audit or review of the financial statements	**7,476**	**5,400**
Other services		
Taxation advice and tax compliance services	1,130	960
General advisory services	2,170	4,455
Share registry services	6,367	4,689
	9,667	**10,104**
	17,143	**15,504**

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	215,018	338,864
Adjustments for:		
Depreciation and amortisation	81,215	77,823
Net loss on disposal of non-current assets	66	-
Change in operating assets and liabilities:		
Decrease in trade and other receivables	(3,892)	6,973
Decrease in income tax refund due	-	108,898
Increase in trade and other payables	16,979	1,428
Increase in provision for income tax	(43,812)	97,104
Decrease in deferred tax liabilities	(11,388)	(1,957)
Increase in employee benefits	2,120	1,082
Decrease in other provisions	-	(20,000)
Net cash provided by operating activities	**256,306**	**610,215**

Note 25. Earnings per share

	2024 $	2023 $
Profit after income tax	**215,018**	**338,864**

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	644,509	644,509
Weighted average number of ordinary shares used in calculating diluted earnings per share	**644,509**	**644,509**

	Cents	Cents
Basic earnings per share	33.36	52.58
Diluted earnings per share	33.36	52.58

Accounting policy for earnings per share

Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Narrandera District Investments 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

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*.

On behalf of the directors

Jack Kennings Langley
Chair

30 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 Narrandera District Investments Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Narrandera District Investments 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 Narrandera District Investments 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
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Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 30 September 2024

Jessica Ritchie
Lead Auditor

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Bendigo Bank