2024

Annual Report

NorCen Financial Services Limited

ABN 32 119 493 113

Kit Holland
Chairperson
& Director

Sheree Tivendale
Treasurer &
Director

Susan Marstaeller
Company Secretary
& Director

Walter Mott
Director

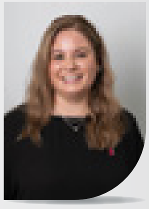
Ortensio Caroli
Director

Benjamin Gregory
Director

David Atkinson
Director

Jane Lovell
Director

Daniel Angelovski
Senior Manager



Natalie White
Lending Manager

Jackie Ginefra
Wallan Branch
Operations
Manager

Casey Smith
Kilmore Branch
Operations
Manager

Nicole Tassone
Community
Engagement &
Communications

Murray Jenkins
Community
& Marketing
Administration

Kirsty Galea
Senior Customer
Relationship
Manager

Rajani Panicker
Customer
Relationship
Manager

Andrew Gough
Customer
Relationship Officer

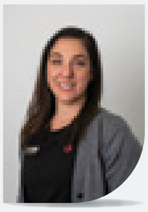
Suellyn Jansen
Customer
Service Officer

Courtney Malesevich
Customer
Relationship
Manager

Andrea Lever
Customer
Service Officer

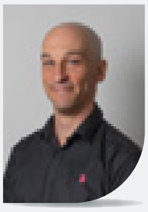
Ebony Chisholm
Customer
Relationship
Manager

Michael O'Gorman
Senior Customer
Relationship
Manager

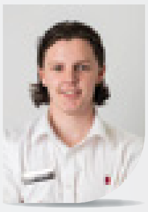


Bianca Taylor
Customer
Relationship Officer

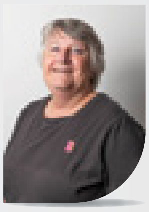
Leanne Paice
Customer
Relationship Officer



Samuel Wood
Customer
Service Officer



Ben Maher
Customer
Service Officer



Leanne Showler
Customer
Service Officer

Ashla Jacobs
Customer
Service Officer

Elizabeth Jarnevic
Customer
Service Officer

Pinky Yadav
Customer
Service Officer

Jackie Leaver
Customer
Service Officer

Contents

Chair Annual Report.

For year ending June 30 2024.

Norcen Financial Services Ltd, your Community Bank in Wallan, Kilmore and Broadford, is now in its seventeenth year of operation.

Our Board of Directors increased by two with the appointment of Ian Jackson in February, and Jane Lovell in March 2024, both bringing with them a skill set to complement other members of the Board. Unfortunately, a deterioration in health required Ian to resign in June – but we thank him for his brief time with us. Jane will stand for ratification at the AGM in November 2024.

I acknowledge the late Sue Marstaeller (see Vale) – Company Secretary and Director for undertaking the extra work that her role required. A founding member of the Steering Committee and serving continuously on the Board, Sue will be sorely missed.

I thank Sheree Tivendale (Treasurer and Director) for her continued contribution and my fellow Directors for their continued diligence, respect, and hard work. I am privileged to be the Chair of this team.

Our Staff at all three branches serve our customers and community with diligence and exceptional service and I thank them for their outstanding contribution.

Staff turnover is a constant in any business; we said farewell to Lee Day in February, and appointed Murray Jenkins and Nicole Tassone to the Community /Marketing roles. Following the resignation of Shelley McLean, Senior manager, to take up the role as Lending Schemes Manager in National Operations in Docklands, we were delighted to appoint Daniel Angelovski to the role of Senior Manager.

Thanks also to our Bendigo Bank team, Leanne Martin our Regional Manager and Ashdon Capp our State Manager - Regional Victoria & Tasmania.

Our year has been one of consolidation, looking and planning forward. On our Strategy Day held in June, our board members engaged in thoughtful discussions, leveraging their experience and insights to set strategic objectives that will guide our organisation's growth and success. I am confident that the outcomes of our Strategy Day will not only align our team, but also provide us with the clarity and direction needed to pave a clear path forward for the future.

We remain committed to your community, to our shareholders and to our community partners. We will continue to have a footprint in your community and to manage the business well as we strive to maintain our relevance to our customers, community, and shareholders.

Community Bank Wallan, Kilmore and Broadford can only continue to add value to your community by providing banking services. And it is only by you giving Bendigo Bank the chance to provide these services at every opportunity; yourself, your family, friends, or business that we can reap the rewards of community banking.

Your Board continues to be committed to ensuring the success of Community Bank Wallan, Kilmore and Broadford into the future and we look forward to welcoming you to our events during the next year.

Kit Holland
Chair

Treasurer’s report 2023-2024

For year ending June 30 2024.

In the financial year ending 30 June 2024, NorCen Financial Services experienced a challenging yet pivotal year, marked by a decline in revenue and comprehensive income. However, the company continues to demonstrate resilience, thanks to the dedication of its staff and the strategic vision of its board.

Total revenue for the year amounted to $4,225,969, down from $5,129,640 in 2023. The decrease is primarily due to lower revenue from contracts with customers, which fell by $845,997. This reflects shifting market conditions and a need to adapt to a more competitive environment.

Total expenses before community contributions and income tax remained relatively stable at $3,057,893, with careful cost management across various categories. Employee benefits expenses increased slightly, reflecting the company’s commitment to supporting its hardworking team, while general administration and marketing costs saw reductions.

Profit before community contributions and income tax totalled $1,168,076, compared to $2,065,438 in the previous year. After community contributions of $173,123, profit before tax was $994,953, with net profit after tax standing at $741,193. Although lower than the previous year, this still reflects the solid financial foundation of NorCen Financial Services.

A loss on the revaluation of land and buildings amounted to $1,237,272, resulting in a total comprehensive income loss of $496,079 for the year.

Despite financial challenges, NorCen Financial Services has been sustained by the great efforts of its staff. Their dedication and hard work have enabled the company to navigate a difficult economic environment while maintaining service quality and operational efficiency. The team’s commitment remains a cornerstone of NorCen’s success.

The board continues to provide strong governance and guidance. They are actively exploring opportunities to drive growth and revenue in the coming years. By focusing on innovation and strategy, the board aims to position NorCen Financial Services for long-term success.

In response to the challenges of 2024, the company is focusing on identifying new growth avenues. The board and management are committed to finding innovative solutions for our customers to ensure a bright future. While the financial year has been marked by lower revenue and revaluation losses, NorCen Financial Services remains well-positioned thanks to the efforts of its exceptional staff.

Sheree Tivendale
Treasurer

Senior Branch Manager's report.

For year ending June 30 2024.

Financial Year 23/24 has seen a fast changing and challenging year with the official cash rate being its highest since 2011. The banking environment has continued to remain cautious with a large proportion of customers adjusting to high interest rates and higher cost of living pressures. We have seen a trend of customers seeking competitive interest rates on their home loans and on the flip side deposit customers seeking higher rates for deposits. Our team is continuing to work closely with our customers to ensure we retain relationships and help our customers navigate these uncertain and challenging times.

Our banking team has seen some changes over the year. With the recent departure of Shelley McLean, I have had the privilege of stepping into her role as Senior Manager of Community Bank Wallan, Kilmore and Broadford as of May 2024 after joining NorCen Financial Services Ltd as the lending manager in November 2023. We extend a huge thankyou to Shelley who was a wealth of knowledge, experience and support to all staff in the group. Her ongoing support has established a foundation for our branches to continue to develop and grow. I look forward to building on this foundation and working closely with all staff across the board. We also have Elizabeth Jarnevic off on Parental Leave and we look forward to welcoming her back in 2025. Also new to our Team in 2023 was Leanne Showler who we welcomed to Community Bank Wallan Branch.

We continue to invest in our staff's knowledge and skills to help drive lending and deposits while providing the support to our customers. We are working to continuously educate our customers in protecting themselves online to prevent the ongoing threat of scams.

NorCen Financial Services Ltd has continued its commitment to supporting our local community. Our staff support this commitment by being active in community events, sharing our purpose and helping drive new customers in a growing Shire with the aim to grow our footings and expand our customer base at Community Bank Wallan, Kilmore and Broadford.

A big thank you to our board of directors for their ongoing support to myself and all staff at NorCen Financial Services Limited.

To all our shareholders, customers and community stakeholders, thank you for your ongoing support and relationships we have built, and we look forward to working with you in 2024 and beyond.

Daniel Angelovski
Senior Manager

Community Invesment and Marketing Committee Report. For year ending June 30 2024.

Community Investment and Marketing Committee (CIMC) Annual Report 2024

It has been a busy year with the Community Investment Committee reviewing over 100 applications from our local community groups.

We accepted the challenge from Bendigo Adelaide Bank, to trial the new SmartyGrants portal to move our grant and sponsorship applications from manual/paper to online. Thank you for being patient with us as we implement this new program. If you need help, just ask our friendly staff.

Our Community Engagement & Marketing Officer, Lee Day left our employ late February 2024 to move on to another role closer to her home. We thank Lee for the valued contribution she has made to our organisation and wish her well in her future endeavours. This left us with some scope to change our methodology on how we operate within CIMC. It was decided to separate the Community Investment and Marketing roles. We now welcome Nicole Tassone and Murray Jenkins in the new roles of Community Liaison and Community/Marketing Administration respectively. Please refer to our NorCen website for contact details. If you have any queries or need help filling out grant or sponsorship applications, please feel free to contact our team.

With all these changes, we still managed to invest over a quarter of a million dollars into our local communities this financial year. They have been spread over different community areas such as Community Development, Health and Human services; Sports and Recreation; Arts and Culture, Environment and Education. Some of the larger investment examples this last year, are Love in Action assisting with rent so they can help the community, Sporting scoreboards/PA system, partnering with the Men's Shed in obtaining a dust extraction system and of course our beloved Christmas Carols.

It is great to see some of our prior larger projects, such as the Community Bank Adventure Playground in Wallan and the Community Bank Walking Track in Kilmore being used regularly. The feedback has been positive and can only strengthen our relationships. It is wonderful to see the community investing in NorCen so we can then invest back into the community. With these ongoing grants and sponsorships into our local towns we have created places we can all enjoy.

David Atkinson
Chair, Community Investment Committee

Directors' report.

For year ended 30 June 2023.

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'group') consisting of NorCen Financial Services Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

Directors

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

Name:	**Kathleen Mary Holland**
Title:	Non-executive director
Experience and expertise:	BSc. Owner and Financial Manager of Wallan Family Practice GP clinic for the last 22 years. Past President of the Rotary Club of Southern Mitchell.
Special responsibilities:	Chairperson, member of all board sub-committees
Name:	**Walter Hilaire Mott**
Title:	Non-executive director
Experience and expertise:	60 years in newspaper industry, 37 years in property development investments, 43 years in farming. Chairman of several family companies. Apprenticeship at the Melbourne School of Printing and Graphic Arts. Life Member Whittlesea Agricultural Society.
Special responsibilities:	Chair Project committee, Member CIMC and Governance committee
Name:	**Susan Louise Marstaeller OAM**
Title:	Non-executive director (ceased)
Experience and expertise:	Former Mitchell Shire Councillor 14 years and 3 time mayor. Finance, audit and governance experience. JP of Victoria. Director and Chairman of Central Ranges Local Learning and Employment Network (CRLLEN). Treasurer of a number of local community groups including Country Womens Association (CWA), South Mitchell Neighbourhood Watch (SMNHW), LB Davern Reserve Committee of Management, member Wandong Fire Brigade.
Special responsibilities:	Company Secretary, Chair of Governance, Member of HR, CIMC, Shareholders and Projects Committees
Name:	**Sheree Elise Tivendale**
Title:	Non-executive director
Experience and expertise:	Sheree has extensive experience across many industries and both government and corporate roles. Sheree is passionate about building communities and the benefits of Community Banking. Sheree brings experience to the Board in marketing, governance, and compliance. Sheree has 3 young children and operates a small farm and family business and is a local Civil Celebrant.
Special responsibilities:	Treasurer, Chair Financial Committee, Member CIMC, Audit & Risk, Projects and HR Committees
Name:	**Ortensio Caroli**
Title:	Non-executive director
Experience and expertise:	Career banker spanning 30 years at NAB Business Banking 1988 to 2018 (mainly across the West and North of Melbourne). Current employment – General Manager for a Civil Concrete Precast Company situated close to home in Kilmore. Roles include - HR management and recruitment, financial reporting, capital expense management and negotiation, leasehold management, and everything in between. Skills, training and education developed over the years at NAB have been easily transferable into private enterprise.
Special responsibilities:	Chair HR Committee, Member CIMC, Financial and Audit and Risk Committees

Bendigo Bank

Name:	**Benjamin John Gregory**
Title:	Non-executive director
Experience and expertise:	Social media expert, tv, radio. Director at private company. Certificate III Events, Certificate III Drone/Aviation. Photo, videographer.
Special responsibilities:	Chair Events Committee, Member CIMC committee
Name:	**David Ian Atkinson**
Title:	Non-executive director
Experience and expertise:	Accountant, BAS Agent, B.Bus G.A.I.C.D. Current; Treasurer and Secretary Mitchell Lodge#929, Past: Secretary BEAM Mitchell Environment Group, Secretary Kilmore & District Mens Shed. Treasurer and Secretary Mitchell Lodge#929, Treasurer BEAM Mitchell Environment Group, Treasurer/Secretary/President and District Governor of Mitchell Apex Club. Committee member of Kilmore Guide and Scout hall committee, Treasurer of Kilmore Miniature Railway Club, Assisted Kilmore Little Athletics and Junior football Club.
Special responsibilities:	Deputy Chair, Chair Audit and Risk Committee, Chair CIMC Committee and Member Financial Committees
Name:	**Jane Lovell**
Title:	Non-executive director (appointed 26 March 2024)
Name:	**David Allan Wheeler**
Title:	Non-executive director (resigned 20 July 2023)
Experience and expertise:	25 years self employed in small business, prior post office licensee, past treasurer for Valley Financial Services Ltd, currently chairperson, served as member of all sub-committees.
Special responsibilities:	Chairperson, member of all board sub-committees
Name:	**Ian Jackson**
Title:	Non-executive director (appointed 29 January 2024, resigned 24 June 2024)

Directors' report.

(Continued)

Company secretary

The company secretary is Susan Louise Marstaeller OAM. Susan was appointed to the position of company secretary on 27 January 2022.

Principal activity

The principal activity of the group 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 group after providing for income tax amounted to $741,193 (30 June 2023: $1,151,154).

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.

	Consolidated	
	2024 $	2023 $
Interim fully franked dividend of 3 cents per share (2023: 3 cents)	189,371	189,371
Final fully franked dividend of 3 cents per share (2023: 2 cents)	189,371	126,247
	378,742	**315,618**

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 group 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 group's operations, the results of those operations, or the group's state of affairs in future financial years.

Likely developments

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

Environmental regulation

The group 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	
Director	**Eligible**	**Attended**
Kathleen Mary Holland	12	12
Walter Hilaire Mott	12	11
Susan Louise Marstaeller OAM	12	10
Sheree Elise Tivendale	12	11
Ortensio Caroli	12	12
Benjamin John Gregory	12	8
David Ian Atkinson	12	12
Jane Lovell	4	4
David Allan Wheeler	-	-
Ian Jackson	4	4

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 25 and note 26 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 start of year	Changes	Balance at end of year
Kathleen Mary Holland	6,840	-	6,840
Walter Hilaire Mott	491,378	-	491,378
Susan Louise Marstaeller OAM	17,107	-	17,107
Sheree Elise Tivendale	27,360	-	27,360
Ortensio Caroli	4,420	-	4,420
Benjamin John Gregory	1,000	-	1,000
David Ian Atkinson	109,098	-	109,098
Jane Lovell	-	-	-
David Allan Wheeler	39,672	-	39,672
Ian Jackson	-	-	-

Shares under option

There were no unissued ordinary shares of NorCen Financial Services Ltd under option outstanding at the date of this report.

Shares issued on the exercise of options

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

Directors' report.

(Continued)

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 group may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the group 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 27 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 group, 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

KM Holland

Kathleen Mary Holland
Chairperson

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 NorCen Financial Services Ltd

As lead auditor for the audit of NorCen Financial Services Ltd 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: 25 September 2024

Adrian Downing
Lead Auditor

afsbendigo.com.au

Financial statements.

Consolidated statement of profit or loss and other comprehensive income.
For the year ended 30 June 2024.

	Consolidated		
	Note	2024 $	2023 $
Revenue from contracts with customers	7	4,001,008	4,847,005
Other revenue	8	223,978	281,425
Finance revenue		983	1,210
Total revenue		4,225,969	5,129,640
Employee benefits expense	9	(2,029,054)	(1,926,918)
Advertising and marketing costs		(35,761)	(52,161)
Occupancy and associated costs		(134,649)	(182,476)
System costs		(90,590)	(77,527)
Depreciation and amortisation expense	9	(360,092)	(368,964)
Impairment of assets	9	(26,761)	-
Finance costs	9	(112,851)	(125,263)
General administration expenses		(268,135)	(330,893)
Total expenses before community contributions and income tax		**(3,057,893)**	**(3,064,202)**
Profit before community contributions and income tax expense		**1,168,076**	**2,065,438**
Charitable donations, sponsorships and grants expense		(173,123)	(512,488)
Profit before income tax expense		**994,953**	**1,552,950**
Income tax expense	10	(253,760)	(401,796)
Profit after income tax expense for the year		**741,193**	**1,151,154**

Other comprehensive income

Items that will not be reclassified subsequently to profit or loss			
Loss on the revaluation of land and buildings, net of tax		(1,237,272)	-
Other comprehensive income for the year, net of tax		(1,237,272)	-
Total comprehensive income for the year		**(496,079)**	**1,151,154**

		Cents	Cents
Basic earnings per share	29	11.74	18.24
Diluted earnings per share	29	11.74	18.24

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

Consolidated statement of financial position.
As at 30 June 2024.

	Consolidated		
Assets	Note	2024 $	2023 $
Current assets			
Cash and cash equivalents	11	282,848	328,079
Trade and other receivables	12	374,150	420,901
Total current assets		**656,998**	**748,980**
Non-current assets			
Investment properties	15	6,620	26,093
Property, plant and equipment	13	6,260,996	8,169,606
Right-of-use assets	14	192,351	226,521
Intangible assets	16	19,280	55,933
Total non-current assets		**6,479,247**	**8,478,153**
Total assets		**7,136,245**	**9,227,133**
Liabilities			
Current liabilities			
Trade and other payables	17	190,431	319,154
Borrowings	18	558,021	1,044,336
Lease liabilities	19	69,293	75,017
Current tax liabilities	10	86,014	294,493
Employee benefits		85,997	105,545
Total current liabilities		**989,756**	**1,838,545**
Non-current liabilities			
Trade and other payables	17	8,204	8,202
Borrowings	18	796,841	680,099
Lease liabilities	19	176,169	225,435
Deferred tax liabilities	10	161,026	599,602
Employee benefits		14,407	12,056
Provisions		31,734	30,265
Total non-current liabilities		**1,188,381**	**1,555,659**
Total liabilities		**2,178,137**	**3,394,204**
Net assets		**4,958,108**	**5,832,929**
Equity			
Issued capital	20	1,003,089	1,003,089
Reserves		442,194	1,679,466
Retained earnings		3,512,825	3,150,374
Total equity		**4,958,108**	**5,832,929**

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

Financial statements. (continued)

Consolidated statement of changes in equity.
For the year ended 30 June 2024.

Consolidated	Notes	Issued capital $	Revaluation reserve $	Retained earnings $	Total equity $
Balance at 1 July 2022		**1,003,089**	**1,679,466**	**2,314,838**	**4,997,393**
Profit after income tax expense		-	-	1,151,154	1,151,154
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		**-**	**-**	**1,151,154**	**1,151,154**
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	**22**	**-**	**-**	**(315,618)**	**(315,618)**
Balance at 30 June 2023		**1,003,089**	**1,679,466**	**3,150,374**	**5,832,929**

Consolidated	Notes	Issued capital $	Revaluation reserve $	Retained earnings $	Total equity $
Balance at 1 July 2023		**1,003,089**	**1,679,466**	**3,150,374**	**5,832,929**
Profit after income tax expense		-	-	741,193	741,193
Other comprehensive income, net of tax		-	(1,237,272)	-	(1,237,272)
Total comprehensive income		-	(1,237,272)	741,193	(496,079)
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	**22**	**-**	**-**	**(378,742)**	**(378,742)**
Balance at 30 June 2024		**1,003,089**	**442,194**	**3,512,825**	**4,958,108**

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

Consolidated statement of cash flows.
For the year ended 30 June 2024.

	Consolidated		
	Note	2024 $	2023 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		4,696,360	5,591,949
Payments to suppliers and employees (inclusive of GST)		(3,259,037)	(3,527,477)
Interest received		983	1,210
Interest and other finance costs paid		(97,833)	(108,812)
Income taxes paid		(489,058)	(292,552)
Net cash provided by operating activities	**28**	**851,415**	**1,664,318**
Cash flows from investing activities			
Payments for property, plant and equipment	13	(14,144)	(739,275)
Payments for intangible assets		(41,074)	(41,074)
Net cash used in investing activities		**(55,218)**	**(780,349)**
Cash flows from financing activities			
Proceeds from borrowings		625,640	464,000
Repayment of lease liabilities		(79,549)	(63,258)
Interest and other finance costs paid		(13,564)	(15,038)
Dividends paid	22	(378,742)	(315,618)
Repayment of borrowings		(995,213)	(899,066)
Net cash used in financing activities		**(841,428)**	**(828,980)**
Net increase/(decrease) in cash and cash equivalents		**(45,231)**	**54,989**
Cash and cash equivalents at the beginning of the financial year		328,079	273,090
Cash and cash equivalents at the end of the financial year	11	282,848	328,079

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

Notes to the financial statements.

Notes to the consolidated financial statements. For the year ended 30 June 2024.

Note 1. Reporting entity

The consolidated financial report for NorCen Financial Services Ltd (the company) and its subsidiaries (together referred to as the group), 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 Unit 3, 59 High Street, Wallan, VIC 3756.

A description of the nature of the group'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 group 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 group 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 group 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 group 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 group in the preparation of the 30 June 2024 financial statements.

AASB 2021-2 includes amendments to AASB 101 *Presentation of Financial Statements*, requiring the group 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 group's financial statements. Rather, adoption has required the group 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 group 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 group in future financial years.

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the group only. Supplementary information about the parent entity is disclosed in note 33.

Note 3. Material accounting policy information. (continued)

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of NorCen Financial Services Ltd ('company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. NorCen Financial Services Ltd and its subsidiaries together are referred to in these financial statements as the 'group'.

Subsidiaries are all those entities over which the company has control. The company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the company. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the company loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The company recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Current and non-current classification

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

Impairment of non-financial assets

At each reporting date, the group 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.

Notes to the consolidated financial statements. For the year ended 30 June 2024.

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.

Fair value measurement hierarchy

The group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: inputs are based on the quoted market price at the close of business at the end of the reporting period

Level 2: inputs are based on a valuation performed by a third party qualified valuer using quoted prices for similar assets in an active market

Level 3: unobservable inputs for the asset or liability.

Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Impairment of non-financial assets

The group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Recovery of deferred tax assets

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

Lease term

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

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

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

The company includes extension options applicable to the lease of branch premises in its calculations of both the right-of-use asset and lease liability except where the company is reasonably certain it will not exercise the extension option. This is due to the significant disruption of relocating premises and the loss on disposal of leasehold improvements fitted out in the leased premises.

Estimates and assumptions

Estimation of useful lives of assets

The group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives or assets that have been abandoned or sold will be written off or written down.

Incremental borrowing rate

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

Note 5. Economic dependency

The group has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in December 2024.

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

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

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

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

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

- the design, layout and fit out of the Community Bank premises
- training for the branch manager and other employees in banking, management systems and interface protocol
- methods and procedures for the sale of products and provision of services
- security and cash logistic controls
- calculation of company revenue and payment of many operating and administrative expenses
- the formulation and implementation of advertising and promotional programs
- sales techniques and proper customer relations
- providing payroll services.

Notes to the financial statements.

Notes to the consolidated financial statements. For the year ended 30 June 2024.

Note 6. Change to comparative figures

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

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

During the financial year the company recorded a change in accounting policy, whereby it elected to recognise the right-of-use asset net of accumulated depreciation on initial adoption of AASB 16. The change in accounting policy had no impact on the company's net profit or net asset position, however it did reduce the company's right-of-use asset cost and accumulated depreciation at 30 June 2023 by $151,042.

Note 7. Revenue from contracts with customers

	Consolidated	
	2024 $	2023 $
Margin income	3,594,901	4,429,521
Fee income	230,405	244,457
Commission income	175,702	173,027
	4,001,008	**4,847,005**

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 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.

Note 7. Revenue from contracts with customers. (continued)

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

Commission income

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

Fee income

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

Core banking products

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

Ability to change financial return

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

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

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

Note 8. Other revenue

	Consolidated	
	2024 $	2023 $
Market development fund	-	32,500
Rental income	220,672	247,009
Other income	3,306	1,916
	223,978	**281,425**

Accounting policy for market development fund

In previous years Bendigo Bank made market development fund (MDF) payments to the company, which has been based on the volume of business attributed to a branch. The purpose of the discretionary payments is to assist with local market development activities, including community sponsorships and grants. It is for the board to decide how to use the MDF. The payments from Bendigo Bank are discretionary and may change the amount or stop making them at any time. Bendigo Bank ceased the MDF during the previous year and therefore the company did not receive any contributions during the current financial year.

Rental income

Rental income from owned investment properties and right-of-use assets subleased is accounted for on a straight-line basis over the lease term. If not received at balance date, revenue is reflected on the balance sheet as a receivable and carried at its recoverable amount.

Thanks to your support we have given back over

$4.6 million

to our local community

Vale Sue.

A Legacy of Dedication and Leadership: Remembering Sue Marstaeller OAM:

Sue Marstaeller leaves behind a lasting legacy in our local community. Her impact on the Community Bank from the initial steering committee to establishing three branches in Wallan, Kilmore and Broadford and serving continuously on the Board of Directors for 18 years is a contribution that has been extremely valued at NorCen Financial Services Limited.

Sue has inspired countless lives that she has touched as advocate, mentor and friend and the impact will never be forgotten. Sue's absence will be felt deeply by the entire Board, all of our staff and many community members, in fact all those who had the privilege of knowing her.

Chair of the NorCen Board, Kit Holland reflected that it was a great honor to accept an invitation from Sue Marstaeller, the then Chair of NorCen Financial Services Limited to join the Board 10 years ago in March 2014. Sue was genuinely delighted to welcome a second female member to the Board, recognising that it would bring greater gender balance and inclusivity in representing our community. At that time, our organisation was operating a single Community Bank branch in Wallan but had ambitious plans to open a second branch in Kilmore — a vision that Sue helped bring to life, later followed by our Broadford Branch.

Sue Marstaeller was always passionate about the Community Bank model and deeply believed in its benefits for local people and businesses. Sue dedicated herself tirelessly to its success and was always available to assist others. Her commitment was evident in everything she did, from her professional work to her personal interactions. Sue was more than just a colleague; she became a trusted friend and mentor not just in the Community Bank but in the wider community and the many organisations she supported. Sue offered guidance and support with a generosity of spirit that was uniquely hers.

Sue had expertise in finance, audit, and governance as this was valued by all of the Board of Directors. Sue's leadership was marked by a meticulous attention to detail, an unwavering commitment to integrity, and a deep understanding of what was necessary to ensure the Community Bank thrived. In her time as the Chairperson, Sue held special responsibilities on the Human Resources, Procurement and Properties, and Budget and Finance Committees, demonstrating a profound understanding of the complex workings of these areas. In the last few years Sue has held the position of Company Secretary.

Sue cared deeply about people, especially those facing difficult situations, and was always striving to improve things for the betterment of the community. Even as her health began to deteriorate, she never wavered in her dedication. She always made herself available for discussions and advice, whether at formal meetings or informal gatherings. Her home and kitchen table became a place where we could share tea, talk openly, and find solutions together. Sue had an incredible ability to make everyone feel heard and valued, and her insights were always accompanied by a warmth that made her both approachable and deeply respected.

Beyond her professional life, Sue was profoundly connected to her home town of Wandong and Heathcote Junction. Sue relished time with her family, her children and grandchildren were her pride and joy. She loved her community dearly. A creative soul, she enjoyed scrapbooking and crafts, finding joy in every small detail of her creations. Sue was also deeply involved in many local groups and provided many years of dedication to the CFA, CWA, Neighbourhood Watch, Central Ranges LLEN and in the community as a Justice of the Peace. Sue also made significant contributions to the Mitchell Shire Council where she was formerly the Mayor. Sue's leadership and dedication were equally valued by every community group she devoted her time to. Sue was acknowledged for her contribution to the community with an Order of Australia Medal.

Sue Marstaeller leaves behind a lasting legacy in our community. Her impact on the Community Bank and the countless lives she touched will not be forgotten. Her absence will be felt deeply by all those who had the privilege of knowing her.

Rest in peace, Sue Marstaeller OAM. You will be sorely missed, but your spirit and contributions will live on in the work and the community you so dearly loved.

Vale Sue.

Note 9. Expenses

Employee benefits expense

	Consolidated	
	2024 $	2023 $
Wages and salaries	1,748,984	1,578,803
Superannuation contributions	188,732	173,434
Expenses related to long service leave	(11,212)	2,780
Other expenses	102,550	171,901
	2,029,054	**1,926,918**

Depreciation and amortisation expense

	Consolidated	
Depreciation of non-current assets	2024 $	2023 $
Buildings	138,304	149,240
Leasehold improvements	64,587	58,911
Plant and equipment	41,284	49,025
Furniture and fittings	2,789	12,387
	246,964	**269,563**
Depreciation of right-of-use assets		
Leased land and buildings	56,749	41,461
Investment property	19,726	18,749
	76,475	**60,210**
Amortisation of intangible assets		
Franchise fee	6,121	6,520
Franchise renewal fee	30,532	32,671
	36,653	**39,191**
	360,092	**368,964**

Impairment losses

	Consolidated	
	2024 $	2023 $
Land and buildings	26,761	-

Notes to the financial statements.

Notes to the consolidated financial statements. For the year ended 30 June 2024.

Note 9. Expenses. (Continued)

Finance costs

	Consolidated	
	2024 $	2023 $
Bank loan interest paid or accrued	97,833	108,812
Lease interest expense	13,564	15,038
Unwinding of make good provision	1,454	1,413
	112,851	**125,263**

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

Note 10. Income tax

	Consolidated	
Income tax expense	2024 $	2023 $
Current tax	285,583	428,647
Movement in deferred tax	(435,576)	(26,851)
Under/over adjustment in respect for prior periods	(5,005)	-
Deferred tax recognised at FVTOCI	408,758	-
Aggregate income tax expense	253,760	401,796
Prima facie income tax reconciliation		
Profit before income tax expense	994,953	1,552,950
Tax at the statutory tax rate of 25%	248,738	388,238
Tax effect of:		
Non-deductible expenses	3,543	3,267
	252,281	**391,505**
Under/over adjustment in respect for prior periods	(5,005)	-
Difference in subsidiary tax rates	6,484	10,291
Income tax expense	**253,760**	**401,796**

The subsidiary of the company is taxed at 30%. The effect of the difference in tax rates on income tax expense is $6,484 (2023: $10,291).

Note 10. Income tax. (continued)

Deferred tax liabilities/(assets)	Consolidated 2024 $	Consolidated 2023 $
Property, plant and equipment	207,159	649,578
Right-of-use assets	49,743	63,154
Lease liabilities	(61,366)	(75,113)
Employee benefits	(25,101)	(29,400)
Provision for lease make good	(7,933)	(7,566)
Accrued expenses	(1,476)	(1,051)
Deferred tax liability	**161,026**	**599,602**

	Consolidated 2024 $	Consolidated 2023 $
Provision for income tax	86,014	294,493

Accounting policy for income tax

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

Accounting policy for current tax

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

Accounting policy for deferred tax

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

Note 11. Cash and cash equivalents

	Consolidated 2024 $	Consolidated 2023 $
Cash at bank and on hand	282,848	328,079

Note 12. Trade and other receivables

	Consolidated 2024 $	Consolidated 2023 $
Trade receivables	337,195	393,771
Other receivables and accruals	7,181	7,170
Prepayments	29,774	19,960
	36,955	**27,130**
	374,150	**420,901**

Notes to the financial statements.

Notes to the consolidated financial statements. For the year ended 30 June 2024.

Note 12. Trade and other receivables. (continued)

Accounting policy for trade and other receivables

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

Note 13. Property, plant and equipment

	Consolidated	
	2024 $	2023 $
Land - at fair value	1,770,000	1,621,606
Buildings - at fair value	3,976,491	5,885,476
Less: Accumulated depreciation	(60,791)	(156,223)
	3,915,700	**5,729,253**
Leasehold improvements - at cost	605,989	600,844
Less: Accumulated depreciation	(415,010)	(350,423)
	190,979	**250,421**
Plant and equipment - at fair value	383,509	552,966
Less: Accumulated depreciation	(12,466)	(49,054)
	371,043	**503,912**
Furniture and fittings - at cost	116,514	186,898
Less: Accumulated depreciation	(103,240)	(122,484)
	13,274	**64,414**
	6,260,996	**8,169,606**

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

Consolidated	Land $	Buildings $	Leasement improvements $	Plant and equipment $	Furniture and fittings $	Total $
Balance at 1 July 2022	**1,320,269**	**5,508,490**	**249,067**	**552,937**	**69,131**	**7,699,894**
Additions	301,337	370,003	60,265	-	7,670	739,275
Depreciation expense	**-**	**(149,240)**	**(58,911)**	**(49,025)**	**(12,387)**	**(269,563)**
Balance at 30 June 2023	**1,621,606**	**5,729,253**	**250,421**	**503,912**	**64,414**	**8,169,606**
Additions	-	-	5,145	7,636	1,363	14,144
Revaluation increments	159,731	-	-	-	-	159,731
Revaluation decrements	-	(1,660,097)	-	(148,663)	-	(1,808,760)
Impairment of assets	(11,337)	(15,152)	-	(272)	-	(26,761)
Transfers in/(out)	-	-	-	49,714	(49,714)	-
Depreciation expense	**-**	**(138,304)**	**(64,587)**	**(41,284)**	**(2,789)**	**(246,964)**
Balance at 30 June 2024	**1,770,000**	**3,915,700**	**190,979**	**371,043**	**13,274**	**6,260,996**

Note 13. Property, plant and equipment. (continued)

Fair value

The fair value of land and buildings was determined by external, independent property valuers, having recognised professional qualifications and recent experience in the location and category of the property being valued. Independent valuers provide the fair value of the company's investment property portfolio every 3 years.

The company's 63 High Street, Broadford property was independently valued effective 11 January 2024 by Knight Frank Valuation & Advisory Victoria. The valuations resulted in an increment to the carrying amount of the property resulting in a revaluation gain of $85,384 in the statement of profit or loss and other comprehensive income.

The company's 59 High Street, Wallan property was independently valued effective 11 January 2024 by Knight Frank Valuation & Advisory Victoria. The valuations resulted in a decrement to the carrying amount of the property resulting in an revaluation loss of $1,329,655 in the statement of profit or loss and other comprehensive income.

The company's 16 McLeod Court, Wallan property was independently valued effective 19 December 2023 by Town & Country Property Services. The valuations resulted in a decrement to the carrying amount of the property resulting in an impairment loss of $26,761 in the statement of profit or loss and other comprehensive income.

The company's R1 Wellington Street, Wallan property was independently valued effective 12 January 2024 by Hendrey Consulting Pty Ltd. The valuations resulted in an increment to the carrying amount of the property resulting in a revaluation gain of $14,000 in the statement of profit or loss and other comprehensive income.

Since the independent valuation in January 2024, the directors have assessed market changes and determined that there have been no material changes in fair value.

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
- **Leasehold improvements:** 4 to 10 years
- **Plant and equipment:** 1 to 20 years
- **Furniture and fittings:** 1 to 40 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 group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Note 14. Right-of-use assets

	Consolidated	
	2024 $	2023 $
Land and buildings - right-of-use	384,251	361,671
Less: Accumulated depreciation	(191,900)	(135,150)
	192,351	**226,521**

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

Notes to the financial statements.

Notes to the consolidated financial statements. For the year ended 30 June 2024.

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

Consolidated	Leased land and buildings $
Balance at 1 July 2022	**256,669**
Remeasurement adjustments	11,313
Depreciation expense	(41,461)
Balance at 30 June 2023	**226,521**
Additions	22,579
Depreciation expense	(56,749)
Balance at 30 June 2024	**192,351**

Accounting policy for right-of-use assets

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

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

Refer to note 19 for more information on lease arrangements.

Note 15. Investment properties

	Consolidated	
	2024 $	2023 $
Investment property - sublease - at cost	53,843	53,590
Less: Accumulated depreciation	(47,223)	(27,497)
	6,620	**26,093**

Reconciliation

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

Opening amount	26,093	-
Additions	-	40,827
Remeasurement adjustments	253	4,015
Depreciation expense	(19,726)	(18,749)
Closing amount	**6,620**	**26,093**

The operating sublease is a monthly periodic lease which commenced January 2022 and due to expire November 2024.

Accounting policy for investment properties - sublease

The company subleases some of its property. The company initially measures the head lease in accordance with the accounting polices in note 19 'Lease liabilities' and note 14 'Right-of-use assets' before separately identifying the sublease portion under AASB 140: Investment property. The investment property is initially measured at cost under AASB 16: leases and subsequently measured at cost less accumulated depreciation under AASB 140: investment properties.
The separately identifiable portion is calculated based on the sublease term and size of subleased area as a percentage of the head lease term and area.

Note 15. *Investment properties. (continued)*

Accounting policy for subleases

When the company acts as a lessor, it determines at lease inception whether each lease is a finance or operating lease.

During the sublease term the company recognises sublease income in other revenue when earned. Depreciation on the right-of-use asset and interest on the lease liability is recognised under the head lease. The company recognise the sublease portion of the right-of-use asset within investment property.

Note 16. Intangible assets

	Consolidated	
	2024 $	2023 $
Franchise fee	69,275	69,275
Less: Accumulated amortisation	(66,062)	(59,941)
	3,213	**9,334**
Franchise renewal fee	188,607	188,607
Less: Accumulated amortisation	(172,540)	(142,008)
	16,067	**46,599**
	19,280	**55,933**

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

Consolidated	Franchise fee $	Franchise renewal fee $	Total $
Balance at 1 July 2022	**15,854**	**79,270**	**95,124**
Amortisation expense	(6,520)	(32,671)	(39,191)
Balance at 30 June 2023	**9,334**	**46,599**	**55,933**
Amortisation expense	(6,121)	(30,532)	(36,653)
Balance at 30 June 2024	**3,213**	**16,067**	**19,280**

Accounting policy for intangible assets

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

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

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

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

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	December 2024
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	December 2024

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

Notes to the financial statements.

Notes to the consolidated financial statements.
For the year ended 30 June 2024.

Note 17. Trade and other payables

	Consolidated	
Current liabilities	2024 $	2023 $
Trade payables	1,886	56,867
Other payables and accruals	188,545	262,287
	190,431	**319,154**
Non-current liabilities		
Other payables and accruals	8,204	8,202

	Consolidated	
Current liabilities	2024 $	2023 $
Financial liabilities at amortised cost classified as trade and other payables	1,886	56,867
Total trade and other payables	198,635	327,356
less other payables and accruals (net GST payable to the ATO)	(88,748)	(92,157)
	109,887	**235,199**

Note 18. Borrowings

	Consolidated	
Current liabilities	2024 $	2023 $
Bank loans	558,021	1,044,336
Non-current liabilities		
Bank loans	796,841	680,099

Bank loans

Bank loans are repayable monthly. Interest is recognised at rate of 6.601% (2023: 5.967%). The loans are secured by a fixed and floating charge over the company's assets.

Accounting policy for borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 19. Lease liabilities

	Consolidated	
Current liabilities	2024 $	2023 $
Land and buildings lease liabilities	69,293	75,017
Non-current liabilities		
Land and buildings lease liabilities	176,169	225,435

	Consolidated	
Reconciliation of lease liabilities	2024 $	2023 $
Opening balance	300,452	307,555
Remeasurement adjustments	24,559	56,155
Lease interest expense	13,564	15,038
Lease payments - total cash outflow	(93,113)	(78,296)
	245,462	**300,452**

Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially measured at the present value of the lease payments to be made over the term of the lease, including renewal options if the company is reasonably certain to exercise such options, discounted using the company's incremental borrowing rate.

The company has applied the following accounting policy choices in relation to lease liabilities:

- The company has elected not to separate lease and non-lease components when calculating the lease liability for property leases.
- The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases and low-value assets, which include the company's lease of information technology equipment. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Kilmore Branch	4.79%	5 years	N/A	N/A	30 April 2029
60 Wellington Street	4.29%	5 years	N/A	N/A	31 October 2024
84 Stanley Streety	6.75%	2 years	N/A	N/A	31 January 2025

Leases as lessor

The group leases out its property. The group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income recognised by the group during the financial year was $220,672 (2023: $247,009).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

Notes to the financial statements.

Notes to the consolidated financial statements. For the year ended 30 June 2024.

Note 19. Lease liabilities. (continued)

	Consolidated	
	2024 $	2023 $
Within 12 months	63,870	135,298
Between one and two years	20,000	63,870
Between two and three years	5,833	20,000
Between three and four years	-	5,833
Total undiscounted lease receivable	**89,703**	**225,001**

Note 20. Issued capital

	Consolidated			
	2024 Shares	2023 Shares	2024 $	2023 $
Ordinary shares - fully paid	1,028,710	1,028,710	1,028,710	1,028,710
Bonus shares - fully paid	5,283,657	5,283,657	-	-
Less: Equity raising costs	-	-	(25,621)	(25,621)
	6,312,367	**6,312,367**	**1,003,089**	**1,003,089**

Accounting policy for issued capital

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

Rights attached to issued capital

Ordinary shares

Voting rights

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

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

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

Dividends

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

Transfer

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

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

Note 19. Lease liabilities. (continued)

Prohibited shareholding interest

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 386. As at the date of this report, the company had 411 shareholders (2023: 414 shareholders).

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

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

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

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

Note 21. Capital management

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

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

The distribution limit is the greater of:

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

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.

Notes to the financial statements.

Notes to the consolidated financial statements.
For the year ended 30 June 2024.

Note 22. Dividends

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

	Consolidated	
	2024 $	2023 $
Interim fully franked dividend of 3 cents per share (2023: 3 cents)	189,371	189,371
Final fully franked dividend of 3 cents per share (2023: 2 cents)	189,371	126,247
	378,742	**315,618**

	Consolidated	
Franking credits	2024 $	2023 $
Franking account balance at the beginning of the financial year	911,012	723,667
Franking credits (debits) arising from income taxes paid (refunded)	489,057	292,551
Franking debits from the payment of franked distributions	(126,247)	(105,206)
	1,273,822	**911,012**

Franking transactions that will arise subsequent to the financial year end:

Balance at the end of the financial year	1,273,822	911,012
Franking credits (debits) that will arise from payment (refund) of income tax	86,014	294,493
Franking credits available for future reporting periods	**1,359,836**	**1,205,505**

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

Accounting policy for dividends

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

Note 23. Financial risk management

Financial risk management objectives

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

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

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

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

Note 23. *Financial risk management. (continued)*

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

	Consolidated		
Financial assets at amortised cost	NOTE	2024 $	2023 $
Trade and other receivables	12	344,376	400,941
Cash and cash equivalents	11	282,848	328,079
		627,224	**729,020**
Financial liabilities			
Trade and other payables	17	109,887	235,199
Lease liabilities	19	245,462	300,452
Bank loans	18	1,354,862	1,724,435
		1,710,211	**2,260,086**

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 and cash and cash equivalents.

Derecognition

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

Impairment of trade and other receivables

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

Financial liabilities

Classification

The company classifies its financial liabilities at amortised cost.

Derecognition

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

Notes to the financial statements.

Notes to the consolidated financial statements. For the year ended 30 June 2024.

Note 23. Financial risk management. (continued)

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 liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest-rate risk, however currently all bank loans are interest free. The company held borrowings of $1,354,862 at 30 June 2024 (2023: $1,724,435).

Interest-bearing assets 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 $282,848 at 30 June 2024 (2023: $328,079).

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.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

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.

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.

Exposure to liquidity risk

The following are the group'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.

Consolidated - 2024	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade payables	190,431	8,204	-	198,635
Bank loans	558,021	796,841	-	1,354,862
Lease liabilities	70,620	201,814	-	272,434
Total non-derivatives	**819,072**	**1,006,859**	**-**	**1,825,931**

Consolidated - 2023	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade payables	319,154	8,202	-	327,356
Bank loans	1,044,336	680,099	-	1,724,435
Lease liability	88,201	211,089	39,878	339,168
Total non-derivatives	**1,451,691**	**899,390**	**39,878**	**2,390,959**

Note 24. Fair value measurement

Consolidated - 2024	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Land and buildings	-	6,130,000	-	6,130,000
Total assets	**-**	**6,130,000**	**-**	**6,130,000**

Consolidated - 2023	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Land and buildings	-	7,959,870	-	7,959,870
Total assets	**-**	**7,959,870**	**-**	**7,959,870**

There were no transfers between levels during the financial year.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Correction of error

The 30 June 2023 financial statements incorrectly classified the fair value of Land and Buildings as being $7,647,022. Upon further review it is noted this balance includes accumulated depreciation on the various assets, rather than the base fair value which is the correct classification for this note. We considered this discrepancy material to users of the financial report and the necessary corrections to the 30 June 2023 disclosures have been made accordingly.

Notes to the financial statements.

Notes to the consolidated financial statements.
For the year ended 30 June 2024.

Note 25. Key management personnel disclosures

The following persons were directors of NorCen Financial Services Ltd during the financial year and/or up to the date of signing of these Financial Statements.

- Kathleen Mary Holland
- Walter Hilaire Mott
- Susan Louise Marstaeller OAM
- Sheree Elise Tivendale
- Ortensio Caroli
- Benjamin John Gregory
- David Ian Atkinson
- Jane Lovell
- David Allan Wheeler
- Ian Jackson

Compensation

Key management personnel compensation comprised the following.

	Consolidated	
	2024 $	2023 $
Short-term employee benefits	76,604	83,554
Post-employment benefits	8,426	8,771
	85,030	**92,325**

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

Note 26. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 25.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2024 $	2023 $
The company used the marketing services of one of its directors.		
The total benefit received was:	-	12,539
The company used the advertising through the weekly newspaper in which one of the directors has significant influence over.		
The total benefit received was:	-	30,937
Other goods and services	-	195

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.

Note 27. 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:

	Consolidated	
	2024 $	2023 $
Audit services		
Audit or review of the financial statements	12,550	9,400
Other services		
Taxation advice and tax compliance services	7,250	8,016
General advisory services	6,175	7,215
Share registry services	8,760	7,015
	22,185	**22,246**
	34,735	**31,646**

Notes to the financial statements.

Notes to the consolidated financial statements.
For the year ended 30 June 2024.

Note 28. Reconciliation of profit after income tax to net cash provided by operating activities

	Consolidated	
	2024 $	**2023 $**
Profit after income tax expense for the year	741,193	1,151,154
Adjustments for:		
Depreciation and amortisation	360,092	368,964
Impairment	26,761	-
Lease liabilities interest	13,564	15,038
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	46,751	(45,541)
Increase/(decrease) in trade and other payables	(85,905)	50,964
Increase/(decrease) in provision for income tax	(208,479)	136,096
Decrease in deferred tax liabilities	(26,819)	(26,852)
Increase/(decrease) in employee benefits	(17,197)	13,082
Increase in other provisions	1,454	1,413
Net cash provided by operating activities	**851,415**	**1,664,318**

Note 29. Earnings per share

	Consolidated	
	2024 $	2023 $
Profit after income tax	741,193	1,151,154

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	6,312,367	6,312,367
Weighted average number of ordinary shares used in calculating diluted earnings per share	6,312,367	6,312,367

	Cents	Cents
Basic earnings per share	11.74	18.24
Diluted earnings per share	11.74	18.24

Note 30. Commitments

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

Note 31. Contingencies

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

Note 32. Events after the reporting period

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

Notes to the financial statements.

Notes to the consolidated financial statements. For the year ended 30 June 2024.

Note 33. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income	Parent	
	2024 $	2023 $
Profit after income tax	650,410	1,007,069
Total comprehensive income	650,410	1,007,069

Statement of financial position

	Parent	
	2024 $	2023 $
Total current assets	**650,162**	**676,211**
Total assets	**7,069,421**	**9,114,377**
Total current liabilities	**1,578,473**	**2,270,545**
Total liabilities	**2,752,650**	**3,818,002**
Equity		
Issued capital	1,003,089	1,003,089
Revaluation surplus reserve	428,194	1,679,466
Retained earnings	2,885,488	2,613,820
Total equity	**4,316,771**	**5,296,375**

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2024.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2024.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 .

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the group, as disclosed in note 3, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Director's declaration.

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;
- the attached financial statements and notes give a true and fair view of the group'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 information disclosed in the attached consolidated entity disclosure statement is true and correct.

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

KM Holland

Kathleen Mary Holland
Chairperson
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 NorCen Financial Services Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of NorCen Financial Services Ltd (the consolidated group), which comprises:

- Consolidated Statement of financial position as at 30 June 2024
- Consolidated Statement of profit or loss and other comprehensive income for the year then ended
- Consolidated Statement of changes in equity for the year then ended
- Consolidated 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 NorCen Financial Services Ltd, is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the consolidated group’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 consolidated group 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: 85 684 604 390
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 consolidated group'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 consolidated group 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 consolidated group'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 consolidated group 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.

Independent audit report. (continued)

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 consolidated group'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 consolidated group'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 consolidated group 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: 25 September 2024

Adrian Downing
Lead Auditor

afsbendigo.com.au

Notes.

Bendigo Bank

Community Bank – Wallan
1/59 High Street, Wallan VIC 3756
P: 03 5783 2422
E: wallan@bendigoadelaide.com.au
W: bendigobank.com.au/wallan

Community Bank – Kilmore
75A Sydney Street, Kilmore VIC 3764
P: 03 5781 0066
E: kilmore@bendigoadelaide.com.au
W: bendigobank.com.au/Kilmore

Broadford Branch
63 High Street, Broadford VIC 3658
P: 03 5454 1233
E: broadford@bendigoadelaide.com.au
W: bendigobank.com.au/broadford

Franchisee:

NorCen Financial Services Limited
ABN: 32 119 493 113
3/59 High Street, Wallan VIC 3756
P: 03 5783 3306
E: secretary@NorCen.com.au

Share Registry:

AFS & Associates Pty Ltd
PO Box 454, Bendigo VIC 3552
P: 03 5443 0344 - Fax: 03 5443 5304
E: shareregistry@afsbendigo.com.au

facebook@communitybankwallankilmorebroadford

communitybankwkb