Annual Report 2024

Rushworth & District Financial Services Limited

Community Bank
Rushworth & District

ABN 97 101 461 125

Contents

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Chair's report

On behalf of the board of Rushworth & District Financial Services Limited trading as Community Bank Rushworth & District I would like to present this year's Chairmans report

After a brief but impactful tenure, our Branch Manager Bridget Dwyer stepped down, having been offered a well-deserved promotion closer to home. In her short time with us, Bridget made significant contributions to our bank and set a strong foundation for the future. As we said goodbye to Bridget in November, we were excited to welcome Alex Stokes, a young and enthusiastic leader into our ranks. Alex brings fresh ideas, energy, and a passion for innovation, marking the start of an exciting new chapter for our bank.

Our company's board of directors is a diverse group of passionate volunteers, each bringing a wealth of experience from various sectors, including finance, business development, and governance. Their collective expertise has been pivotal in guiding our branch towards consistent growth and success. I would like to thank Christine Borger, Rhonda Risstrom, Lyn Reade, Jenny Bassett, Cate Fraser, Jeff Perry and Michelle Baker who bring valuable insights from their respective fields. Recently, the board has been strengthened with the addition of two new members both with strong business backgrounds. Brett Ould and Colin Moore - together, these new members bring fresh perspectives that will help drive branch's continued growth and innovation.

Throughout the year we have had the opportunity to invest in our communities with a broad sponsorship program. Our marquee support for both the Rushworth Heritage Easter Festival, Moora Working Horse Muster and the Girgarre Moosic Muster has continued - these events celebrate local history, culture, and music. These vibrant community events feature live performances, historical displays, and family-friendly activities, drawing attendees from across the region. They offer a unique blend of entertainment, tradition, and community spirit in rural Victoria and significantly profile ourbranch. Major community investment has also seen $48,500 invested in a tractor for the Colbinabbin Recreation Reserve and $10,000 toward the new score board at Murchison, $5000 towards Girgarre football/netball lights, Rushworth Machinery Preservation /club $18,000 for repairs to the Wizard, and $20,000 to Stanhope Bowls Club for greens renovation.

Our commitment to education has continued - school scholarship awards provide financial support, recognition, and opportunities for students, promoting academic excellence, talent development, and equal access to education. Our Scholarship program has awarded three $3,500 Tertiary scholarships awarded to local students. Primary School scholarship program to Primary Schools Stanhope, Girgarre, Colbinabbin and St Marys Rushworth. Secondary scholarships were awarded to Rushworth P-12 students at Year 10.

In December last year we celebrated our 21st birthday party with an evening of food, and fun. We're honoured this milestone by awarding 21 community groups with $1,000 each to assist each of these groups to continue making a difference in their respective communities.

Financially our company has returned an after-tax profit of $182, 919 and we will pay a dividend of 8 cents fully franked.

I would like to thank our board for their commitment to Community Bank Rushworth & District and to our wonderful young staff whose enthusiastic approach is both refreshing and rewarding – thank you to Jahnae, Bridie, Georgia and Bridget and Alek.

Jan Smith
Chair

Manager's report

It is my privilege to present my first Branch Manager Report for Community Bank Rushworth & District, with my employment with the company beginning in December 2023.

Community Bank's hold a unique but integral part within the landscape of Australian Banking. It is the foundations of how the community banks work that allow us to have, in my view, a strong point of difference to our competitors.

In my time so far with this company I have been a witness to many clubs and organisations across our amazing districts benefit from our community investment. This is something that I am so proud of already, and something that I am very quick to talk about when given the opportunity.

The 2023/24 financial year has been one of both challenge and opportunity for Community Bank Rushworth & District. We saw our previous Branch Manager in Bridget Dwyer take an opportunity to lead the Bendigo Bank Shepparton branch and we also saw our Customer Relationship Manager in Jaclyn Gallo take a new opportunity in Business Banking.

I would like to take this opportunity to thank both Bridget & Jaclyn for their commitment and contribution to our branch.

With this change happening, it allowed Jahnae Parrish to take a new role within our company as a Customer Relationship Officer, partnering with our established Customer Relationship Officer Georgia Waters to create new focus and drive within the branch. It also saw not just myself come onboard, but a new Customer Service Officer in Bridie Baker join our customer focused team at our branch.

The board and staff have contributed significantly to the success we have seen over the last 12 months and for this I would like to thank them to their commitment to not just our business, but our communities.

While the branch and board have worked hard on not just developing our business model but also mindset and approach to business acquisition, I do need to acknowledge that this year is going to be a challenging year. The industry and the way our customers, existing and potential, want to bank is changing rapidly.

My branch and staff are committed, and dedicated to meet our customer's needs with flexibility to ensure we stay relevant to our customers' needs and objectives whilst also ensuring to continue our already excellent level of customer service provided.

I would also like to thank our Chair Jan Smith and Company Secretary Michelle Baker for their endless support upon commencing in this role.

My thanks also go to Regional Managers' Kendall Beattie and Galen Munari for their leadership and guidance during this time, and I look forward to continuing to work with you and developing not just myself and my staff, but also the business.

Finally, a huge thank you to the community and our valued customers. Without your support and contribution, we wouldn't see the success we have seen over the past 21 years of operating. I have felt very welcomed by all our communities and I can not wait to see what 2024/25 bring us.

Alek Stokes
Branch Manager

Rushworth & District Financial Services Limited

ABN: 97 101 461 125

Financial Report

For the year ended
30 June 2024

Directors' Report

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

Directors

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

Janice Anne Smith

Chair, Member of Business Development Committee

Experience and expertise: Diploma of Teaching and Advanced Dip Ed Early Childhood. Kindergarten teacher, partner in a large scale dairy farm, and Chair of Girgarre Development Group.

Christine Ann Borger

Member of Marketing and Sponsorship, Business Development and Governance Committees

Experience and expertise: Farmer, past employee Business Manager Department Education, Rushworth P12 Coopted School Council member, Bowls Club Treasurer, on committee of Community Cottage

Rhonda Ethel Risstrom

Member of Business Development Committee

Experience and expertise: Director, Rushworth and District Financial Services, Fulltime Water Broker for Ruralco Water Brokers Pty Ltd, holding a Sub Agent's Licence. Member of Rushworth Country Women Association and Organist and member of Colbinabbin Uniting Church.

Catherine Mary Fraser

Member of Business Development Committee

Experience and expertise: Primary School Teacher for 40+ years. School Leadership for 20 years. Current Principal of St Mary's School Rushworth for past 10 years. Waranga News Committee, St Mary's Parish Council, St Mary's School Board, St Vincent de Paul. Master of Educational Leadership. Management of staff and students, budgeting, negotiating and facilitating.

Jeffrey Raymond Perry

Member of Business Development Committee

Experience and expertise: Business owner with experience in business management and leadership.

Lynette Margaret Reade

Non-executive director

Experience and expertise: Currently employed as a Quality Analyst for a major software solutions supplier in the Automotive Industry. Previous roles include Software Installation Consultant, Installations Manager and Dealership Accountant. An active member of the Rushworth Easter Heritage Festival committee and the Rushworth Events committee. Completed Bachelor of Business (Accounting) at Monash University.

Jennifer Joy Bassett

Non-executive director

Experience and expertise: Jennifer was a director, secretary and finance officer at JS Brooke & Co for 11 years. She was also the secretary and treasurer for Girgarre Development Group Inc for 17 years. Bookkeeper for Girgarre Community Group Inc for 3 years and treasurer for 3 year. She was also treasurer for numerous other community organisations.

Michelle Louise Baker

Company secretary, Finance, Governance, Marketing and Sponsorship and Business Development Committees

Experience and expertise: Self Employed Company Secretary and Bookkeeper. Previously worked as Operations Manager for an investment banking business in Melbourne. Michelle holds a Bachelor of Arts; Advanced Diploma of Business (Marketing).

Colin Moore

Non-executive director (appointed 7 May 2024)

Experience and expertise: After leaving school Colin worked in the Commonwealth Bank before becoming an electrician. His career then moved into the emergency services field covering oil pollution, marine rescue, chemical handling and firefighting. He has been a director of 4 companies over the past 30 years and is currently the owner and Managing Director of safety services company providing risk management services to the oil and aviation sectors Australia wide. Colin has also been a CFA volunteer for in excess of 25 years.

Brett Ould

Non-executive director (appointed June 2024)

Experience and expertise: Degree in Social Science Presently employed as General Manager greyCare previous position Manager for Aged and Disability Care. He is currently on the Stanhope Development committee and the Stanhope Food and Wine Festival committee. Brett is also a Community Visitor for the Office of the Public Advocate. Brett has a lot of skills boards of management and running committees, he was previously a Councilor on Local Government, having many years of dealing with community groups the private sector and the public sector.

Company Secretary

The company secretary is Michelle Baker. Michelle was appointed to the position of company secretary in 2011.

Principal activity

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

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

Review of operations

The profit for the company after providing for income tax amounted to $182,919 (30 June 2023: $174,241).

Operations have continued to perform in line with expectations.

Dividends

During the financial year, the following dividends were declared.

	2024 $	2023 $
Fully franked dividend of 8 cents per share (2023: 5 cents)	39,660	24,788

Significant changes in the state of affairs

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

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

Matters subsequent to the end of the financial year

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

Likely developments

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

Environmental regulation

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

Directors’ report (continued)

Meetings of directors

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

	Board		Finance Committee		Marketing & Sponsorship Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Janice Anne Smith	11	11	2	2	-	-
Christine Ann Borger	11	10	2	2	3	3
Jeffrey Raymond Perry	11	9	-	-	-	-
Michelle Louise Baker	11	11	2	2	-	-
Rhonda Ethel Risstrom	11	9	-	-	-	-
Catherine Mary Fraser	11	5	-	-	-	-
Jennifer Joy Bassett	11	10	-	-	-	-
Lynette Margaret Reade	11	10	-	-	3	3
Colin Moore	2	2	-	-	-	-
Brett Ould	1	1	-	-	-	-

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

Directors’ benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 23 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.

Shares under option

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

Shares issued on the exercise of options

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

Indemnity and insurance of directors and officers

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

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

Directors’ interests

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Janice Anne Smith	500	-	500
Christine Ann Borger	3,000	-	3,000
Jeffrey Raymond Perry	1,000	-	1,000
Michelle Louise Baker	1,400	-	1,400
Rhonda Ethel Risstrom	1,000	-	1,000
Catherine Mary Fraser	-	-	-
Jennifer Joy Bassett	-	-	-
Lynette Margaret Reade	-	-	-
Colin Moore	-	-	-
Brett Ould	-	-	-

Proceedings on behalf of the company

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

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

Indemnity and insurance of auditor

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

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

Directors' report (continued)

Non-audit services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 24 to the accounts.

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

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

Auditor's independence declaration

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

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

On behalf of the directors

Janine Anne Smith
Chair

16 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 Rushworth & District Financial Services Limited

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 16 September 2024

Lachlan Tatt
Lead Auditor

afsbendigo.com.au

Financial statements

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2024

	Note	2024 $	2023 $
Revenue from contracts with customers	7	903,757	1,044,471
Other revenue		-	10,000
Finance revenue		24,226	9,019
Total revenue		927,983	1,063,490
Employee benefits expense	8	(338,753)	(317,907)
Advertising and marketing costs		(24,347)	(14,361)
Occupancy and associated costs		(17,357)	(23,562)
System costs		(16,175)	(13,999)
Depreciation and amortisation expense	8	(44,862)	(42,628)
Finance costs		(3,696)	(4,163)
General administration expenses		(106,037)	(134,860)
Total expenses before community contributions and income tax expense		(551,227)	(551,480)
Profit before community contributions and income tax expense		376,756	512,010
Charitable donations and sponsorships expense	8	(133,796)	(279,508)
Profit before income tax expense		242,960	232,502
Income tax expense	9	(60,041)	(58,261)
Profit after income tax expense for the year		182,919	174,241
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		182,919	174,241
		Cents	**Cents**
Basic earnings per share	26	36.90	35.15
Diluted earnings per share	26	36.90	35.15

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

Financial statements (continued)

Statement of financial position

As at June 30 2024

	Note	2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	10	271,862	381,548
Trade and other receivables	11	74,924	87,584
Investments	12	459,007	186,310
Total current assets		805,793	655,442
Non-current assets			
Property, plant and equipment	13	76,015	88,121
Right-of-use assets	14	50,800	63,027
Intangible assets	15	42,399	56,364
Deferred tax assets	9	6,929	3,123
Total non-current assets		176,143	210,635
Total assets		981,936	866,077
Liabilities			
Current liabilities			
Trade and other payables	16	67,852	30,185
Lease liabilities	17	18,050	14,923
Current tax liabilities	9	13,810	51,492
Employee benefits		773	2,087
Total current liabilities		100,485	98,687
Non-current liabilities			
Trade and other payables	16	29,362	44,043
Lease liabilities	17	40,614	56,082
Employee benefits		208	318
Provisions		23,824	22,763
Total non-current liabilities		94,008	123,206
Total liabilities		194,493	221,893
Net assets		787,443	644,184
Equity			
Issued capital	18	495,750	495,750
Retained earnings		291,693	148,434
Total equity		787,443	644,184

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

Financial statements (continued)

Statement of changes in equity

For the year ended 30 June 2024

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2022		495,750	(1,019)	494,731
Profit after income tax expense		-	174,241	174,241
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	174,241	174,241
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	20	-	(24,788)	(24,788)
Balance at 30 June 2023		495,750	148,434	644,184

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2023		495,750	148,434	644,184
Profit after income tax expense		-	182,919	182,919
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	182,919	182,919
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	20	-	(39,660)	(39,660)
Balance at 30 June 2024		495,750	291,693	787,443

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

Financial statements (continued)

Statement of cash flows

For the year ended 30 June 2024

	Note	2024 $	2023 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,004,745	1,117,400
Payments to suppliers and employees (inclusive of GST)		(701,076)	(886,741)
Interest received		25,403	5,813
Interest and other finance costs paid		-	(35)
Income taxes paid		(90,787)	(7,574)
Net cash provided by operating activities	25	238,285	228,863
Cash flows from investing activities			
Redemption of/(investment in) term deposits		(272,697)	(1,845)
Payments for property, plant and equipment		(4,228)	(3,254)
Payments for intangible assets		(13,347)	(13,347)
Net cash used in investing activities		(290,272)	(18,446)
Cash flows from financing activities			
Interest and other finance costs paid		(2,714)	(3,174)
Dividends paid	20	(39,660)	(24,788)
Repayment of lease liabilities		(15,325)	(13,910)
Net cash used in financing activities		(57,699)	(41,872)
Net increase/(decrease) in cash and cash equivalents		(109,686)	168,545
Cash and cash equivalents at the beginning of the financial year		381,548	213,003
Cash and cash equivalents at the end of the financial year	10	271,862	381,548

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

Notes to the financial statements

For the year ended 30 June 2024

Note 1. Reporting entity

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 23 High Street, Rushworth VIC 3612.

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

Note 2. Basis of preparation and statement of compliance

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 16 September 2024. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

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

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

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

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

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

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

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

Note 3. Material accounting policy information (continued)

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

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

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

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

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

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

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

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

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

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

Estimates and assumptions

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

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

Note 5. Economic dependency

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

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

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.

Notes to the Financial statements (continued)
For the year ended 30 June 2024

Note 5. Economic dependency (continued)

Bendigo Bank provides significant assistance in establishing and maintaining the Community Bank franchise operations. It also continues to provide ongoing management and operational support and other assistance and guidance in relation to all aspects of the franchise operation, including advice and assistance in relation to:
- the design, layout and fit out of the Community Bank premises
- training for the branch manager and other employees in banking, management systems and interface protocol
- methods and procedures for the sale of products and provision of services
- security and cash logistic controls
- calculation of company revenue and payment of many operating and administrative expenses
- the formulation and implementation of advertising and promotional programs
- sales techniques and proper customer relations
- providing payroll services.

Note 6. Change to comparative figures

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

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

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

- Cash and cash equivalents decreased and investments increased by $186,310 at 30 June 2023 as reported in the Statement of financial position.
- Opening and closing cash balances were reduced to exclude term deposits with initial investment periods greater than three months as reported in the Statement of cash flows.
- Investments in and redemptions of term deposits with initial investment periods greater than three months are now classified within investment activities as reported in the Statement of cash flows.

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

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

During the financial year the company recorded a change in accounting policy, whereby it elected to recognise the right-of-use asset net of accumulated depreciation on initial adoption of AASB 16. The change in accounting policy had no impact on the company's net profit or net asset position, however it did reduce the company's right-of-use asset cost and accumulated depreciation at 30 June 2023 by $138,325.

Note 7. Revenue from contracts with customers

	2024 $	2023 $
Margin income	777,987	906,067
Fee income	43,016	46,715
Commission income	82,754	91,689
	903,757	1,044,471

Notes to the Financial statements (continued)

For the year ended 30 June 2024

Note 7. Revenue from contracts with customers (continued)

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

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

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

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

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

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

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

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

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

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

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

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.

Notes to the Financial statements (continued)

For the year ended 30 June 2024

Note 7. Revenue from contracts with customers (continued)

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

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

Note 8. Expenses

Employee benefits expense

	2024 $	2023 $
Wages and salaries	281,754	264,816
Non-cash benefits	-	(1,581)
Superannuation contributions	31,402	27,549
Expenses related to long service leave	4,410	5,073
Other expenses	21,187	22,050
	338,753	317,907

Depreciation and amortisation expense

	2024 $	2023 $
Depreciation of non-current assets		
Leasehold improvements	9,129	9,130
Plant and equipment	4,043	4,460
Furniture and fittings	2,921	2,924
Computer software	241	-
	16,334	16,514
Depreciation of right-of-use assets		
Leased land and buildings	14,563	13,217
Amortisation of intangible assets		
Franchise fee	2,139	2,139
Franchise renewal fee	11,826	10,758
	13,965	12,897
	44,862	42,628

Leases recognition exemption

	2024 $	2023 $
Expenses relating to low-value leases	4,510	4,651

Notes to the Financial statements (continued)

For the year ended 30 June 2024

Note 8. Expenses (continued)

Charitable donations and sponsorships expense

	2024 $	2023 $
Direct donation, sponsorship and grant payments	133,796	79,508
Contribution to the Community Enterprise Foundation™	-	200,000
	133,796	279,508

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

Note 9. Income tax

	2024 $	2023 $
Income tax expense		
Current tax	64,811	59,521
Movement in deferred tax	(3,807)	(1,260)
Under/over adjustment	(963)	-
Aggregate income tax expense	60,041	58,261
Prima facie income tax reconciliation		
Profit before income tax expense	242,960	232,502
Tax at the statutory tax rate of 25%	60,740	58,126
Tax effect of:		
Non-deductible expenses	264	135
Under/over adjustment	(963)	-
Income tax expense	60,041	58,261

	2024 $	2023 $
Deferred tax assets/(liabilities)		
Property, plant and equipment	(1,831)	(5,412)
Employee benefits	245	601
Provision for lease make good	5,956	5,691
Accrued expenses	1,100	249
Income accruals	(507)	-
Lease liabilities	14,666	17,751
Right-of-use assets	(12,700)	(15,757)
Deferred tax asset	6,929	3,123

	2024 $	2023 $
Provision for income tax	13,810	51,492

Note 9. Income tax (continued)

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.

Note 10. Cash and cash equivalents

	2024 $	2023 $
Cash at bank and on hand	271,862	381,548

Note 11. Trade and other receivables

	2024 $	2023 $
Trade receivables	66,711	77,892
Accrued income	2,029	3,206
Prepayments	6,184	6,486
	8,213	9,692
	74,924	87,584

	2024 $	2023 $
Financial assets at amortised cost classified as trade and other receivables		
Total trade receivables and other receivables	68,740	81,098
Less: other receivables (net GST receivable to the ATO)	-	(4,229)
	68,740	76,869

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

Note 12. Investments

	2024 $	2023 $
Current assets		
Term deposits	459,007	186,310

Note 13. Property, plant and equipment

	2024 $	2023 $
Leasehold improvements - at cost	174,483	174,483
Less: Accumulated depreciation	(126,759)	(117,630)
	47,724	56,853
Plant and equipment - at cost	78,576	78,576
Less: Accumulated depreciation	(61,164)	(57,121)
	17,412	21,455
Furniture and fittings - at cost	17,056	17,056
Less: Accumulated depreciation	(10,164)	(7,243)
	6,892	9,813
Computer equipment - at cost	4,228	-
Less: Accumulated depreciation	(241)	-
	3,987	-
	76,015	88,121

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

	Leasehold improvements $	Plant and equipment $	Furniture and fittings $	Computer equipment $	Total $
Balance at 1 July 2022	65,983	22,661	12,737	-	101,381
Additions	-	3,254	-	-	3,254
Depreciation	(9,130)	(4,460)	(2,924)	-	(16,514)
Balance at 30 June 2023	56,853	21,455	9,813	-	88,121
Additions	-	-	-	4,228	4,228
Depreciation	(9,129)	(4,043)	(2,921)	(241)	(16,334)
Balance at 30 June 2024	47,724	17,412	6,892	3,987	76,015

Accounting policy for property, plant and equipment
Property, plant and equipment are measured at cost or fair value as applicable, less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	5 to 10 years
Plant and equipment	2 to 10 years
Furniture and fittings	5 to 7 years
Computer equipment	5 years

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

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

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

Note 14. Right-of-use assets

	2024 $	2023 $
Land and buildings - right-of-use	104,253	101,917
Less: Accumulated depreciation	(53,453)	(38,890)
	50,800	63,027

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

	Land and buildings $
Balance at 1 July 2022	70,457
Remeasurement adjustments	5,787
Depreciation expense	(13,217)
Balance at 30 June 2023	63,027
Remeasurement adjustments	2,336
Depreciation expense	(14,563)
Balance at 30 June 2024	50,800

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

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

Refer to note 17 for more information on lease arrangements.

Note 15. Intangible assets

	2024 $	2023 $
Franchise fee	43,678	43,678
Less: Accumulated amortisation	(36,821)	(34,682)
	6,857	8,996
Franchise renewal fee	185,834	185,834
Less: Accumulated amortisation	(150,292)	(138,466)
	35,542	47,368
	42,399	56,364

Note 15. Intangible assets (continued)

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

	Franchise fee $	Franchise renewal fee $	Total $
Balance at 1 July 2022	12	2,515	2,527
Additions	11,123	55,611	66,734
Amortisation expense	(2,139)	(10,758)	(12,897)
Balance at 30 June 2023	8,996	47,368	56,364
Amortisation expense	(2,139)	(11,826)	(13,965)
Balance at 30 June 2024	6,857	35,542	42,399

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 2027
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	December 2027

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

Note 16. Trade and other payables

	2024 $	2023 $
Current liabilities		
Trade payables	35,114	1,940
Other payables and accruals	32,738	28,245
	67,852	30,185
Non-current liabilities		
Other payables and accruals	29,362	44,043

	2024 $	2023 $
Financial liabilities at amortised cost classified as trade and other payables		
Total trade and other payables	97,214	74,228
Less: other payables and accruals (net GST payable to the ATO)	(14,801)	-
	82,413	74,228

Note 17. Lease liabilities

	2024 $	2023 $
Current liabilities		
Land and buildings lease liabilities	18,050	14,923
Non-current liabilities		
Land and buildings lease liabilities	40,614	56,082

Reconciliation of lease liabilities

	2024 $	2023 $
Opening balance	71,005	79,128
Remeasurement adjustments	2,984	5,787
Lease interest expense	2,714	3,174
Lease payments - total cash outflow	(18,039)	(17,084)
	58,664	71,005

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	Lease term end date used in calculations
Rushworth Branch	4.29%	5 years	November 2027

Note 18. Issued capital

	2024 Shares	2023 Shares	2024 $	2023 $
Ordinary shares - fully paid	495,750	495,750	495,750	495,750

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

Rights attached to issued capital

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

Note 18. Issued capital (continued)

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

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

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

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

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

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where a person has a prohibited shareholding interest, the voting and dividend rights attaching to the shares in which the person (and his or her associates) have a prohibited shareholding interest, are suspended.

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

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

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

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

Notes to the Financial statements (continued)
For the year ended 30 June 2024

Note 19. Capital management

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

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

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

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

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

Note 20. Dividends

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

	2024 $	2023 $
Fully franked dividend of 8 cents per share (2023: 5 cents)	39,660	24,788

Franking credits

	2024 $	2023 $
Franking account balance at the beginning of the financial year	41,239	41,852
Franking credits (debits) arising from income taxes paid (refunded)	90,786	7,650
Franking debits from the payment of franked distributions	(13,220)	(8,263)
	118,805	41,239
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	118,805	41,239
Franking credits (debits) that will arise from payment (refund) of income tax	13,810	53,499
Franking credits available for future reporting periods	132,615	94,738

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 21. 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.

Note 21. Financial risk management (continued)

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

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

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

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

	2024 $	2023 $
Financial assets at amortised cost		
Trade and other receivables (note 11)	68,740	76,869
Cash and cash equivalents (note 10)	271,862	381,548
Term deposits (note 12)	459,007	186,310
	799,609	644,727
Financial liabilities		
Trade and other payables (note 16)	82,413	74,228
Lease liabilities (note 17)	58,664	71,005
	141,077	145,233

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 at amortised cost.

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

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

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

Financial liabilities

Note 21. Financial risk management (continued)

Classification
The company classifies its financial liabilities at amortised cost.

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

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of $271,862 at 30 June 2024 (2023: $381,548) and term deposits of $459,007 at 30 June 2024 (2023: $186,310).

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
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.

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

2024	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives				
Trade and other payables	67,852	29,362	-	97,214
Lease liabilities	18,401	44,469	-	62,870
Total non-derivatives	86,253	73,831	-	160,084

2023	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives				
Trade and other payables	30,185	44,043	-	74,228
Lease liabilities	17,677	60,393	-	78,070
Total non-derivatives	47,862	104,436	-	152,298

Note 22. Key management personnel disclosures

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

Janice Anne Smith	Catherine Mary Fraser
Christine Ann Borger	Jennifer Joy Bassett
Jeffrey Raymond Perry	Lynette Margaret Reade
Michelle Louise Baker	Colin Moore
Rhonda Ethel Risstrom	Brett Ould

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

Note 23. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 22.

Receivable from and payable to related parties
At 30 June 2024, the company recorded trade payables of $3,173 (2023:$3,060) payable to Michelle Baker, for secretarial and bookkeeping/accounting services provided to the company.

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

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

Transactions with related parties
The company paid $37,553 to Michelle Baker during the financial year who is both a director and company secretary of the company for secretarial, bookkeeping and accounting services.

The company also made $35,410 donations and grants to local community groups where directors or their close family members are on the committee or part of management.

Note 24. Remuneration of auditors

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

	2024 $	2023 $
Audit services		
Audit or review of the financial statements	6,650	5,200
Other services		
Taxation advice and tax compliance services	700	860
General advisory services	3,070	2,305
Share registry services	4,263	4,058
	8,033	7,223
	14,683	12,423

Note 25. Reconciliation of profit after income tax to net cash provided by operating activities

	2024 $	2023 $
Profit after income tax expense for the year	182,919	174,241
Adjustments for:		
Depreciation and amortisation	44,862	42,627
Lease liabilities interest	2,714	3,174
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	12,660	(43,371)
Decrease in income tax refund due	-	455
Increase in deferred tax assets	(3,806)	(1,260)
Increase in trade and other payables	37,059	5,060
Increase/(decrease) in provision for current tax liability	(37,682)	51,492
Decrease in employee benefits	(1,424)	(4,509)
Increase in provisions	983	954
Net cash provided by operating activities	238,285	228,863

Note 26. Earnings per share

	2024 $	2023 $
Profit after income tax	182,919	174,241
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	495,750	495,750
Weighted average number of ordinary shares used in calculating diluted earnings per share	495,750	495,750
	Cents	**Cents**
Basic earnings per share	36.90	35.15
Diluted earnings per share	36.90	35.15

Note 27. Commitments

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

Note 28. Contingencies

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

Note 29. Events after the reporting period

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

Directors' declaration

In the directors' opinion:

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

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

On behalf of the directors

Janice Anne Smith
Chair

16 September 2024

Independent audit report

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
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03 5443 0344

Independent auditor's report to the Directors of Rushworth & District Financial Services Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Rushworth & District Financial Services Limited (the company), which comprises:

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

In our opinion, the accompanying financial report of Rushworth & District Financial Services Limited, is in accordance with the *Corporations Act 2001*, including:

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

Basis for Opinion

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

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

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

Independent audit report (continued)

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
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Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 16 September 2024

Lachlan Tatt
Lead Auditor

Liability limited by a scheme approved under Professional Standards Legislation.

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Bendigo Bank