Annual Report 2024

Western Port Community Enterprises Limited

Community Bank Hastings & District

ABN 47 129 333 044

Contents

Chair's report

For year ending 30 June 2024

Indeed, it is again my pleasure to report to Shareholders on the performance, and state of Western Port Community Enterprises Limited, their company, for the year ended 30 June 2024.

Like the previous year, this year has been very successful for our Company. With margins holding firm, whilst we continued to manage our costs, the net income allowed us to support our Community in line with our charter, and expectations.

During the year we returned $388,101 to the Community, making a total in excess of $1.2 million since opening the doors to Community Bank Hastings & District in 2008. A great result for our local community to date.

Whilst our final accounts show a small loss of $25,334 this has to be seen in context together with the above distribution to our community.

Importantly, we see this profit trend continuing in the short/medium terms, and certainly our budget for this current financial year reflect this expectation.

During this time we continue to grow our total banking business and look forward to further growth as our community supports us in our endeavours.

Throughout my lifetime, I have lived on the basis of "everything has a use by date" and that date has now come for me.

Having been in the Chair for 18 years, one year with the Steering Committee, 17 years with our Company, it seems to me that now the time is right to pass the reins to the next generation.

I am joined in this quest by John Crough and Steve Dowling, both long time Directors who have played key roles in our Company over many years. On your behalf, I thank them so much for their tireless efforts in getting our Company into the strong position it is today. Without people of this ilk we would not have survived during the hard times.

Therefore at the forthcoming AGM, we three "oldies" will resign in accordance with our Company's constitution, and not seek re-election.

Personally, I would like to thank my fellow Directors, both past and present, and staff, for their incredible support over the years. Without that support I certainly would not have coped.

To you, our Shareholders, I thank you so much for your trust in allowing me to chair our Company over that period. I feel both honoured and privileged to have had that trust.

Thank you all for the enjoyment I have felt as we grew this company together.

It certainly hasn't been without its challenges, but we came out stronger at the end and those challenges we faced from time to time, seem so small now. It has been a wonderful journey!

Onward and upward for our Company.

Vic Rodwell OAM
Chair of the Board of Directors

Manager’s report

For year ending 30 June 2024

It is with pleasure that I submit my annual report to the shareholders of Western Port Community Enterprises Limited for the financial year ended 30June 2024.

I’m proud to share that over the past year our branch achieved our overall business growth target which includes both deposit and lending books. This is a fantastic result considering the ongoing challenges the branch faced throughout the year, with new staff being the biggest challenge area. We now have around 4,400 customer profiles which is an increase of 18.9% from the previous year. Transactions have decreased slightly, however products per customer have increased 23% on last year, which shows quality conversations. The support for our Community Bank has come from all sectors of our community, including personal and business.

Our branch continues to grow, as existing customers become our advocates and promote the benefits of supporting our Community Bank. This advocacy is being led particularly by the many not-for-profit groups that we have partnered since opening. These organisations are already seeing the rewards that banking with the Community Bank can bring to them. Over the next 12 months we remain committed to developing our partnerships with these not-for-profit customers, so that we can all continue to share in the building of a stronger and more financially secure local community. With the support of these groups and our existing customers, I am confident that we can continue to grow our business.

There has been many changes to our team over the years, 2024 was no exception, with two of our experienced staff being internally promoted, and moving on to new challenges, we are now onboarding new and talented team members, all at different stages of their banking journey. The next six months will be an exciting time for Community Bank Hastings & District and I look forward to all the new challenges that it will bring. I would like to recognise the excellent support and service our past and present team members have provided to our customers, our Board, our Regional Support team, and myself.

I would also like to thank my Board of Directors who have worked tirelessly in promoting our Community Bank, along with our Regional Support team. They have all supported both the staff and I in our efforts to continue to grow our business.

Last, but not least, I would like to thank all our customers and shareholders, who have supported our Community Bank this year and in previous years. Without your support we would not have been able to achieve the results we have to date. I continue to ask that you be advocates for our Community Bank and encourage your family, friends, and associates to also support our Community Bank. The difference with the Community Bank model is that every time people bank with our local Community Bank, the bottom-line increases, and as such, community contributions and dividends increase too.

I look forward to the year ahead, and the many challenges I am sure it will bring. Please feel free to contact us anytime at Community Bank Hastings & District.

Scott Kruger
Branch Manager

Directors' report

30 June 2024

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

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

Name:	Victor Charles Rodwell OAM
Title:	Non-executive director
Experience and expertise:	Holds a CPA, Small Business Owner for 40 years. Treasurer of W.C.C.I and President of W.C.C.I on two occasions.
Special responsibilities:	Chair, Company Secretary, Assistant Treasurer
Name:	Trevor Donald Coleman
Title:	Non-executive director
Experience and expertise:	Previously worked in Finance and Insurance industries. Vast experience with management and sales in both industries. Prior to retirement Trevor had his own company which specialised in sales training and management.
Special responsibilities:	Community Investment Sub-Committee and HR
Name:	John Thomas Crough
Title:	Non-executive director
Experience and expertise:	Worked in the finance industry for over 41 years, held the position of Victorian State Manager in a major bank and similar positions in Western Australia and Queensland, as well as being the Chief Executive Officer's representative for the state of Western Australia. Was a Member on a retail board of management for 10 years and a Director of various internal companies.
Special responsibilities:	Treasurer
Name:	Jason Shaun Dowler
Title:	Non-executive director
Experience and expertise:	Real Estate business owner, Sales person 17 years, Business Degree (Marketing), Licenced Estate Agent President of the Westernport Chamber of Commerce and Industry, involvement 8 years.
Special responsibilities:	Business Development Committee
Name:	Stephen Robert Dowling
Title:	Non-executive director
Experience and expertise:	Steve is a successful businessman with extensive experience in both retail & wholesale operations. A director of his own companies in Australia and New Zealand for many years. His background of community service includes working with both community groups and NFPs. He was President of 4WD Victoria for 4 years, was a Military Officer and a Scout leader, is a supporter of The Royal Flying Doctor Service, a former Director of the Gawler Foundation and currently involved with a start up NFP which will work on innovation programs.
Special responsibilities:	Vice-Chair and Community Investment Sub Committee Chair
Name:	Amy Campion
Title:	Non-executive director
Experience and expertise:	Marketing and Communications Consultant, Writer. BA (Hons) Communication Arts; Post Grad Cert in Strategic Foresight. An experienced marketing and communications specialist across a wide range of industries with a focus on values driven and ethical organisations. A published writer, radio host on local station RPP FM. Involved in voluntary roles including Poets Corner, Mornington Peninsula Women in Business and Art Red Hill.
Special responsibilities:	Marketing Sub-Committee

Name:	Andrew Venturini
Title:	Non-executive director
Experience and expertise:	Diploma of Business, Former Real Estate Agent, Management in Trade/Plumbing Hardware. Owner/Operator of Small Business and Manager of Electrical/Air Conditioning Business.
Special responsibilities:	Community Investment & Building Sub-Committees
Name:	Alice Victoria Mary Hughes
Title:	Non-executive director (appointed 25 October 2023)
Experience and expertise:	Alice holds a Master's in Marketing & Communications (Strategy), a Bachelor of Business, and a Bachelor of Communication Design. She is currently the Marketing & Communications Manager at the Western Port Chamber of Commerce and has served as President of the Bellevue Hill Preschool Committee since 2022. Alice's previous roles include Marketing & Communications Consultant at IWDA Australia and Caulfield Grammar, and Marketing & Production Manager at Sussan Group.
Special responsibilities:	Marketing Sub-Committee
Name:	Alexandra Kabuschat
Title:	Non-executive director (appointed 25 October 2023)
Experience and expertise:	Alexandra holds a Bachelor of Arts in International Cultural and Business Studies. They have specialised experience in hotel and catering services with Hilton Munich Park, and has worked as an Event, Marketing, and Sponsoring Coordinator at BMW Motorsport. Additionally, Alexandra has experience in administration.
Special responsibilities:	Nil

No directors have material interest in contracts or proposed contracts with the company.

Company secretary
The company secretary is Victor Charles Rodwell OAM. Victor was appointed to the position of company secretary on 30 November 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 loss for the company after providing for income tax amounted to $25,334 (30 June 2023: profit of $318,573).

Operations have continued to perform in line with expectations.

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

	2024 $	2023 $
Unfranked dividend of 7 cents per share (2023: 5 cents)	54,723	39,088

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

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

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

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

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

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

	Board	
	Eligible	Attended
Victor Charles Rodwell OAM	11	10
Trevor Donald Coleman	11	11
John Thomas Crough	11	5
Jason Shaun Dowler	11	10
Stephen Robert Dowling	11	7
Amy Campion	11	11
Andrew Venturini	11	10
Alice Victoria Mary Hughes	7	5
Alexandra Kabuschat	7	4

Directors' benefits
No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 21 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Directors' interests
The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Victor Charles Rodwell OAM	50,001	-	50,001
Trevor Donald Coleman	-	-	-
John Thomas Crough	-	-	-
Jason Shaun Dowler	-	-	-
Stephen Robert Dowling	10,000	-	10,000
Amy Campion	-	-	-
Andrew Venturini	20,000	-	20,000
Alice Victoria Mary Hughes	-	-	-
Alexandra Kabuschat	-	-	-

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

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

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

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

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

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

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

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

Non-audit services
The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 23 to the accounts.

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

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

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

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

On behalf of the directors

Victor Charles Rodwell OAM
Chairman

28 August 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 Western Port Community Enterprises Limited

As lead auditor for the audit of Western Port Community Enterprises Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 28 August 2024

Adrian Downing
Lead Auditor

Financial statements

Western Port Community Enterprises Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	2024 $	2023 $
Revenue from contracts with customers	7	1,250,022	1,245,191
Other revenue		-	8,333
Total revenue		1,250,022	1,253,524
Employee benefits expense	8	(621,404)	(424,405)
Advertising and marketing costs		(10,173)	(8,677)
Occupancy and associated costs		(22,286)	(47,337)
System costs		(25,491)	(24,686)
Depreciation and amortisation expense	8	(70,066)	(66,892)
Finance costs	8	(26,997)	(13,463)
General administration expenses		(119,218)	(74,351)
Total expenses before community contributions and income tax expense		(895,635)	(659,811)
Profit before community contributions and income tax expense		354,387	593,713
Charitable donations, sponsorships and grants expense	8	(388,101)	(168,949)
Profit/(loss) before income tax (expense)/benefit		(33,714)	424,764
Income tax (expense)/benefit	9	8,380	(106,191)
Profit/(loss) after income tax (expense)/benefit for the year		(25,334)	318,573
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(25,334)	318,573
		Cents	**Cents**
Basic earnings per share	25	(3.24)	40.75
Diluted earnings per share	25	(3.24)	40.75

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

Western Port Community Enterprises Limited
Statement of financial position
As at 30 June 2024

	Note	2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	10	417,809	502,737
Trade and other receivables	11	93,240	125,314
Total current assets		511,049	628,051
Non-current assets			
Property, plant and equipment	12	60,419	70,937
Right-of-use assets	13	338,751	358,589
Intangible assets	14	55,759	69,698
Deferred tax assets	9	18,938	10,558
Total non-current assets		473,867	509,782
Total assets		984,916	1,137,833
Liabilities			
Current liabilities			
Trade and other payables	15	49,661	86,843
Lease liabilities	16	53,609	22,890
Employee benefits		14,972	7,823
Total current liabilities		118,242	117,556
Non-current liabilities			
Trade and other payables	15	30,667	61,334
Lease liabilities	16	314,935	354,476
Employee benefits		11,189	15,705
Lease make good provision		13,313	12,135
Total non-current liabilities		370,104	443,650
Total liabilities		488,346	561,206
Net assets		496,570	576,627
Equity			
Issued capital	17	769,898	769,898
Accumulated losses		(273,328)	(193,271)
Total equity		496,570	576,627

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

Western Port Community Enterprises Limited
Statement of changes in equity
For the year ended 30 June 2024

	Note	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 July 2022		769,898	(472,756)	297,142
Profit after income tax expense		-	318,573	318,573
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	318,573	318,573
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	19	-	(39,088)	(39,088)
Balance at 30 June 2023		769,898	(193,271)	576,627
Balance at 1 July 2023		769,898	(193,271)	576,627
Loss after income tax		-	(25,334)	(25,334)
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	(25,334)	(25,334)
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	19	-	(54,723)	(54,723)
Balance at 30 June 2024		769,898	(273,328)	496,570

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

Western Port Community Enterprises Limited
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)		1,407,099	1,308,201
Payments to suppliers and employees (inclusive of GST)		(1,360,088)	(853,608)
Interest and other finance costs paid		-	(499)
Net cash provided by operating activities	24	47,011	454,094
Cash flows from investing activities			
Payments for property, plant and equipment	12	(9,269)	(30,408)
Payments for intangible assets		(13,940)	-
Net cash used in investing activities		(23,209)	(30,408)
Cash flows from financing activities			
Interest and other finance costs paid		(26,095)	(12,045)
Dividends paid	19	(54,723)	(39,088)
Repayment of lease liabilities		(27,912)	(40,073)
Net cash used in financing activities		(108,730)	(91,206)
Net increase/(decrease) in cash and cash equivalents		(84,928)	332,480
Cash and cash equivalents at the beginning of the financial year		502,737	170,257
Cash and cash equivalents at the end of the financial year	10	417,809	502,737

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

Notes to the financial statements

30 June 2024

Note 1. Reporting entity

The financial statements cover Western Port Community Enterprises 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 2 High Street, Hastings VIC 3915.

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 28 August 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 company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. The directors did not identify any impairment indications during the financial year.

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

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

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

In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations, comparison of terms and conditions to prevailing market rates, incurrence of significant penalties, existence of significant leasehold improvements and the costs and disruption to replace the asset. The 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 June 2028.

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.

Note 5. Economic dependency (continued)

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

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

Note 6. Change to comparative figures

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 $39,364.

Note 7. Revenue from contracts with customers

	2024 $	2023 $
Margin income	1,142,892	1,139,572
Fee income	42,037	41,822
Commission income	57,977	57,801
ATM income	7,116	5,996
	1,250,022	1,245,191

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:

Note 7. Revenue from contracts with customers (continued)

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.

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	556,296	361,759
Superannuation contributions	55,711	39,167
Expenses related to long service leave	(4,516)	12,156
Other expenses	13,913	11,323
	621,404	424,405

Depreciation and amortisation expense

	2024 $	2023 $
Depreciation of non-current assets		
Leasehold improvements	9,628	9,785
Plant and equipment	959	361
Furniture and fittings	2,139	195
Computer equipment	10	18
Motor vehicles	7,051	432
	19,787	10,791
Depreciation of right-of-use assets		
Leased land and buildings	36,340	42,879
Amortisation of intangible assets		
Franchise fee	2,323	2,204
Franchise renewal fee	11,616	11,018
	13,939	13,222
	70,066	66,892

Finance costs

	2024 $	2023 $
Lease interest expense	26,095	12,045
Unwinding of make-good provision	902	919
Other	-	499
	26,997	13,463

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

Leases recognition exemption

	2024 $	2023 $
Expenses relating to low-value leases	8,957	10,538

Note 8. Expenses (continued)

Charitable donations, sponsorships and grants expense

	2024 $	2023 $
Direct donation, sponsorship and grant payments	138,101	88,949
Contribution to the Community Enterprise Foundation™	250,000	80,000
	388,101	168,949

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

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

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

Note 9. Income tax

	2024 $	2023 $
Income tax expense/(benefit)		
Movement in deferred tax	(5,721)	5,999
Recoupment of prior year tax losses	-	100,192
Future income tax benefit attributable to losses	(2,659)	-
Aggregate income tax expense/(benefit)	(8,380)	106,191
Prima facie income tax reconciliation		
Profit/(loss) before income tax (expense)/benefit	(33,714)	424,764
Tax at the statutory tax rate of 25%	(8,429)	106,191
Tax effect of:		
Non-deductible expenses	49	-
Income tax expense/(benefit)	(8,380)	106,191

	2024 $	2023 $
Deferred tax assets/(liabilities)		
Tax losses	6,184	3,525
Employee benefits	6,540	5,882
Lease liabilities	92,136	94,342
Provision for lease make good	3,328	3,034
Accrued expenses	988	908
Right-of-use assets	(84,688)	(89,647)
Property, plant and equipment	(5,550)	(7,486)
Deferred tax asset	18,938	10,558

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.

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

Note 10. Cash and cash equivalents

	2024 $	2023 $
Cash at bank and on hand	417,809	502,737

Note 11. Trade and other receivables

	2024 $	2023 $
Trade receivables	93,240	119,885
Prepayments	-	5,429
	93,240	125,314

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. Property, plant and equipment

	2024 $	2023 $
Leasehold improvements - at cost	313,361	313,361
Less: Accumulated depreciation	(284,099)	(274,471)
	29,262	38,890
Plant and equipment - at cost	6,144	6,144
Less: Accumulated depreciation	(4,059)	(3,100)
	2,085	3,044
Furniture and fittings - at cost	12,679	3,411
Less: Accumulated depreciation	(4,769)	(2,631)
	7,910	780
Motor vehicles - at cost	28,636	28,636
Less: Accumulated depreciation	(7,483)	(432)
	21,153	28,204
Computer equipment - at cost	3,307	3,307
Less: Accumulated depreciation	(3,298)	(3,288)
	9	19
	60,419	70,937

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 $	Motor vehicle $	Total $
Balance at 1 July 2022	48,675	1,633	975	37	-	51,320
Additions	-	1,772	-	-	28,636	30,408
Depreciation	(9,785)	(361)	(195)	(18)	(432)	(10,791)
Balance at 30 June 2023	38,890	3,044	780	19	28,204	70,937
Additions	-	-	9,269	-	-	9,269
Depreciation	(9,628)	(959)	(2,139)	(10)	(7,051)	(19,787)
Balance at 30 June 2024	29,262	2,085	7,910	9	21,153	60,419

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:

Leasehold improvements	5 to 20 years
Plant and equipment	5 years
Furniture, fixtures and fittings	2 to 5 years
Computer equipment	2 years
Motor vehicle	4 years

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

Note 12. Property, plant and equipment (continued)

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 13. Right-of-use assets

	2024 $	2023 $
Land and buildings - right-of-use	539,775	563,840
Less: Accumulated depreciation	(201,024)	(205,251)
	338,751	358,589

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	248,729
Remeasurement adjustments	152,739
Depreciation expense	(42,879)
Balance at 30 June 2023	358,589
Remeasurement adjustments	16,502
Depreciation expense	(36,340)
Balance at 30 June 2024	338,751

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 16 for more information on lease arrangements.

Note 14. Intangible assets

	2024 $	2023 $
Franchise fee	44,171	44,171
Less: Accumulated amortisation	(34,878)	(32,555)
	9,293	11,616
Franchise renewal fee	170,859	170,859
Less: Accumulated amortisation	(124,393)	(112,777)
	46,466	58,082
	55,759	69,698

Note 14. Intangible assets (continued)

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

	Franchise fee $	Franchise renewal fee $	Total $
Balance at 1 July 2022	2,204	11,018	13,222
Additions	11,616	58,082	69,698
Amortisation expense	(2,204)	(11,018)	(13,222)
Balance at 30 June 2023	11,616	58,082	69,698
Amortisation expense	(2,323)	(11,616)	(13,939)
Balance at 30 June 2024	9,293	46,466	55,759

Additions
During the previous financial year the Hastings & District franchise fee was renewed. This is to be amortised over five years to June 2028.

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

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

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

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

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	June 2028
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	June 2028

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

Note 15. Trade and other payables

	2024 $	**2023 $**
Current liabilities		
Trade payables	1,100	37,752
Other payables and accruals	48,561	49,091
	49,661	86,843
Non-current liabilities		
Other payables and accruals	30,667	61,334

Note 15. Trade and other payables (continued)

	2024 $	2023 $
Financial liabilities at amortised cost classified as trade and other payables		
Total trade and other payables	80,328	148,177
add other payables and accruals (net GST refundable by the ATO)	3,615	(8,497)
	83,943	139,680

Note 16. Lease liabilities

	2024 $	2023 $
Current liabilities		
Land and buildings lease liabilities	53,609	22,890
Non-current liabilities		
Land and buildings lease liabilities	314,935	354,476

Reconciliation of lease liabilities

	2024 $	2023 $
Opening balance	377,366	257,150
Remeasurement adjustments	19,090	160,289
Lease interest expense	26,095	12,045
Lease payments - total cash outflow	(54,007)	(52,118)
	368,544	377,366

Maturity analysis

	2024 $	2023 $
Not later than 12 months	55,619	49,661
Between 12 months and 5 years	222,477	214,953
Greater than 5 years	218,614	268,692
	496,710	533,306

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.

Note 16. Lease liabilities (continued)

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
Hastings branch	7.25%	5 years	1 x 5 years	Yes	June 2033

Additions
During the previous financial year the company renewed their lease for the branch premises. As such an adjustment was required for the recognition of an additional lease liability and right-of-use asset.

Note 17. Issued capital

	2024 Shares	2023 Shares	2024 $	2023 $
Ordinary shares - fully paid	781,762	781,762	781,762	781,762
Less: Equity raising costs	-	-	(11,864)	(11,864)
	781,762	781,762	769,898	769,898

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

Rights attached to issued capital

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

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

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

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

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

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

Note 17. Issued capital (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 190. As at the date of this report, the company had 201 shareholders (2023: 201 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 18. Capital management

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

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

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

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

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

Note 19. Dividends

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

	2024 $	2023 $
Unfranked dividend of 7 cents per share (2023: 5 cents)	54,723	39,088

Note 20. Financial risk management

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

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

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

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

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

	2024 $	2023 $
Financial assets at amortised cost		
Trade and other receivables (note 11)	93,240	119,885
Cash and cash equivalents (note 10)	417,809	502,737
	511,049	622,622
Financial liabilities		
Trade and other payables (note 15)	83,943	139,680
Lease liabilities (note 16)	368,544	377,366
	452,487	517,046

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.

Note 20. Financial risk management (continued)

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

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

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

Financial liabilities

Classification
The company classifies its financial liabilities at amortised cost.

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

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of $417,809 at 30 June 2024 (2023: $502,737).

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

Liquidity risk
Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

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

2024	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	49,661	30,667	-	80,328
Lease liabilities	55,619	222,477	218,614	496,710
Total non-derivatives	105,280	253,144	218,614	577,038

2023	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	86,843	61,334	-	148,177
Lease liabilities	49,661	214,953	268,692	533,306
Total non-derivatives	136,504	276,287	268,692	681,483

Note 21. Key management personnel disclosures

The following persons were directors of Western Port Community Enterprises Limited during the financial year and/or up to the date of signing of these Financial Statements.

Victor Charles Rodwell OAM	Trevor Donald Coleman
John Thomas Crough	Jason Shaun Dowler
Stephen Robert Dowling	Amy Campion
Andrew Venturini	Alice Victoria Mary Hughes
Alexandra Kabuschat	

Key management personnel compensation comprised the following.

	2024 $	2023 $
Short-term employee benefits	45,000	-

Compensation of the company's key management personnel includes salaries paid to directors.

Note 22. Related party transactions

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

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

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Note 23. Remuneration of auditors

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

	2024 $	2023 $
Audit services		
Audit or review of the financial statements	6,650	5,400
Other services		
General advisory services	3,720	3,030
Share registry services	4,451	3,833
	8,171	6,863
	14,821	12,263

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

	2024 $	2023 $
Profit/(loss) after income tax (expense)/benefit for the year	(25,334)	318,573
Adjustments for:		
Depreciation and amortisation	70,066	66,892
Lease liabilities interest	26,095	12,045
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	32,074	(70,675)
Decrease/(increase) in deferred tax assets	(8,380)	106,191
Increase/(decrease) in trade and other payables	(51,045)	17,270
Increase in employee benefits	2,633	2,880
Increase in other provisions	902	918
Net cash provided by operating activities	47,011	454,094

Note 25. Earnings per share

	2024 $	2023 $
Profit/(loss) after income tax	(25,334)	318,573

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	781,762	781,762
Weighted average number of ordinary shares used in calculating diluted earnings per share	781,762	781,762

	Cents	Cents
Basic earnings per share	(3.24)	40.75
Diluted earnings per share	(3.24)	40.75

Accounting policy for earnings per share
Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Western Port Community Enterprises Limited, by the weighted average number of ordinary shares outstanding during the financial year.

Note 26. Commitments

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

Note 27. Contingencies

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

Note 28. Events after the reporting period

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

Directors' declaration

30 June 2024

In the directors' opinion:

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

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

On behalf of the directors

Victor Charles Rodwell OAM
Chairman

28 August 2024

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

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Western Port Community Enterprises Limited (the company), which comprises:

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

In our opinion, the accompanying financial report of Western Port Community Enterprises Limited, is in accordance with the *Corporations Act 2001*, including:

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

Basis for Opinion

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

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

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

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

Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's responsibilities for the Audit of the Financial Report

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

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 28 August 2024

Adrian Downing
Lead Auditor

Community Bank · Hastings & District
96 High Street, Hastings VIC 3915
Phone: 03 5979 2075 Fax: 03 5979 8535
Email: hastings@bendigoadelaide.com.au
Web: bendigobank.com.au/hastings

Franchisee: Western Port Community Enterprises Limited
ABN: 47 129 333 044
96 High Street, Hastings VIC 3915
Phone: 03 5979 2075 Fax: 03 5979 8535

/communitybankhastings

Bendigo Bank