Annual Report 2024

Willaura/Lake Bolac Financial Services Limited

Community Bank
Willaura and Lake Bolac

ABN 83 108 159 422

Contents

Chairman’s report

For year ending 30 June 2024

I am very pleased to present the Annual Report of the Willaura/Lake Bolac Financial Services Limited trading as Community Bank Willaura and Community Bank Lake Bolac, for the financial year ending 30 June 2024.

For the 2023/24 year, our profit before income tax was $203,934, which we are very pleased to advise will allow us to make a dividend to shareholders later this year of 12c per share. Our equity remains strong and our earnings per share for the year ending June 2024 were 26.44 cents per share.

On the 28th November 2024 we will celebrate our 20th birthday. We are immensely proud to have reached this milestone and there is an inordinate number of people who have contributed to our success. In particular, one of our founding Directors Colin McKenzie who proudly remains a committed member of our Board. During this time Community Bank Willaura and Community Bank Lake Bolac have contributed just over $420,000 to 65 organisations. Of course, our success could not be achieved without our customers, and we extend our heartfelt thanks to those who have continued to bank with us for all these years.

We have also deposited a healthy proportion of our profits in Community Enterprise Foundation. These funds are tucked away to make a significant difference to a local project in the not-too-distant future. Our current balance is just over $240,000.

Our community contributions for the 2023/24 financial year totaled just over $68,000.

Name	Amount	Purpose
Lake Bolac Eel Festival	$5,500	Sponsorship of 2024 Festival
Willaura Community Development Group	$1,500	‘Big Night Out’ 2024 event
Lake Bolac Cemetery Trust	$2,730	Cemetery sign
WickliLe Lake Bolac Football Netball Club	$2,000	Lights for netball court
Willaura & District Kindergarten	$5,000	Shade sails
Willaura Healthcare Auxiliary	$1,000	Market day sponsorship
SMW Rovers Football Netball Club	$9,392	Oval lighting upgrade
Willaura Community Development Group	$1,500	‘Big Night Out’ 2025 event
Willaura & District Kindergarten	$3,500	Play equipment
Lake Bolac Memorial Hall	$6,420	New oven
Lake Bolac Bush Nursing Centre	$5,500	95 year anniversary celebrations
Lake Bolac Music Club	$2,000	2024 production
WickliLe Lake Bolac Football Netball Club	$4,470	New drinks fridge
Lake Bolac & District Little Athletics	$2,500	Western Zone Cross-Country event
Lake Bolac Information & Business Centre	$ 440	Sponsorship of Christmas lights competition
Maroona Primary School	$ 250	Energy Breakthrough sponsorship
Lake Bolac College	$ 200	Student Award sponsorship
Lake Bolac Information & Business Centre	$ 440	Shop Local campaign sponsorship
Willaura Community Development Group	$ 400	Farm to Pub event sponsorship
Willaura Community Development Group	$ 400	Harvest celebration sponsorship
Lake Bolac & District Bowling Club	$ 160	Ladies event sponsorship
District News	$ 600	Sponsorship of 2024 newsletters

Community members Karen McIntyre, Andrew Robertson, Lisa Heard, Peter Sporton, Lauren Economou, Remy Economou, Rob Guttler, Daisy McDonald, Mick Murray and Charlotte Millear. Photo: Lea Clark.

Mininera & District Netball Association	$ 500	Sponsorship of squad clothing
Tatyoon Football Netball Club	$2,200	Sponsorship for 2024 season
SMW Rovers Football Netball Club	$2,000	Sponsorship for 2024 season
WickliLe Lake Bolac Football Netball Club	$2,000	Sponsorship for 2024 season
Moyston Willaura Football Netball Club	$2,000	Sponsorship for 2024 season
Woorndoo Mortlake Football Netball Club	$2,000	Sponsorship for 2024 season
Lake Bolac Golf Club	$ 500	Sponsorship of Lake Bolac Cup
Lake Bolac Red Cross Unit	$ 300	Sponsorship of 110 year celebrations
Willaura Healthcare Auxiliary	$ 600	Market day sponsorship
TOTAL	**$68,002**	

In October last year we welcomed new Branch Manager Suzanne Neumann to lead our team. Suzanne worked previously with us as a Customer Service Officer and with Rural Bank in Hamilton. In February we added a new Customer Service Officer, Sonia Gerrard, and Simone McDonald recently reached her 10-year anniversary with us. Along with Jo Byron and Lia Slattery our branch staff are a competent and well-rounded team focused on serving our customers to the best of their ability. The board recognises and thanks them for their commitment.We are thrilled to welcome Kate Carmody to Bendigo Bank. Kate will be working closely with Jason Chuck in the Agribusiness sector of our banking, and we encourage our rural customers to contact the branch with any enquiries in this field. Our dedicated Board of Directors continue to volunteer their time and energyto ensure Community Bank Willaura and Community Bank Lake Bolac remains a strong and viable entity by providing responsible and thoughtful decision making. My sincere thanks to all the Board members for their contribution. In September 2023 we welcomed a new Director, Will Abbott, who has an extensive international banking and finance background which I am sure will come in useful! Lisa Wills was appointed as Company Secretary in March 2023 and Clare Hill (Financial & Administration Support) was also appointed as a Company Secretary in June 2024. We extend our thanks to our shareholders, for without your commitment we would not have been able to establish the business and continue to provide a banking service to our local community for the last 20 years. We look forward to continuing to grow and encourage all of our shareholders and customers to tell our story and ensure a prosperous future – the more you bank with us the more we can return to the community.

Rowland Paterson
Chairman

Manager’s report

For year ending 30 June 2024

I am pleased the present my first report as Branch Manager of the Community Bank Willaura and Community Bank Lake Bolac branches After working as a Customer Service Officer with the branch and then spending nine months working with Rural Bank, I was thrilled to accept the role and extend my thanks to the Board for their support and faith in me. The last 10 months has been a joy as well as a challenge and I am looking forward to the future.

Our deposit growth remained strong this year which shows that our customers believe in our savings and wealth products. We are always happy and willing to have holistic conversations with our customers about their plans and how we can help achieve them.

The financial year was volatile in the lending space but with Simone McDonald as our dedicated Customer Relationship Manager we have weathered the storm. After nearly 10 years with the Community Bank, Simone is an integral and valuable part of our team.

Earlier this year we welcomed new staff member Sonia Gerrard as a Customer Service Officer. Sonia joins Lia Slattery and Jo Byron as the team of staff who are your first port of call when visiting or calling the branches.

We ended the financial year with a strong profit which has allowed us to give back to the community through our annual Grants program but also through the Manager’s Sponsorship Fund. This allows me to help community groups with smaller projects or events that are held throughout the year.

I would like to take this opportunity to thank the staff who have helped me settle into my new role and continue to do their best for our customers and the community every day. We all live locally and support our community by being involved in a variety of ways.

I would like to end my report by recognising that this November we will celebrate 20 years of business as Community Bank Willaura and Community Bank Lake Bolac. It is important to acknowledge the support our customers and shareholders have given our branches by continuing to bank with us. Your contribution makes it possible for us to be able to give back to the community. We look forward to seeing you all at our 20th birthday celebrations and to the next 20 years of banking!

Suzanne Neumann

Suzanne Neumann
Branch Manager
Community Bank Willaura and Community Bank Lake Bolac

Bendigo and Adelaide Bank report

For year ending 30 June 2024

This past year has been particularly significant for Bendigo Bank and the Community Bank network. After five years apart, we had the opportunity to come together in person and connect in Bendigo at our National Conference in September.

It was lovely to see so many familiar faces and to meet many directors who haven't attended previously. We feel proud to support such an amazing network.

We are committed to our strategy and the qualities that make Bendigo Bank unique, by staying true to our connection with communities, our regional roots, and our position as Australia's most trusted bank.

As Bendigo Bank adapts to the evolving digital landscape and changing customer expectations, the Community Bank Network is organically evolving in response.

Over the past 12 months, we have seen Community Bank companies seek to enhance their presence within their communities more than ever.

This has been through expanding or consolidating branch sites, collaborating with local, state, and national governments to support community initiatives, or by prioritising social value alongside financial performance through Social Trader accreditation.

The anniversary of the Community Bank model, along with changing environmental factors, provides an opportunity to reset and establish a clear pathway towards the next 25 years.

Bendigo Bank's purpose, to feed into the prosperity of communities, and our willingness to ensure our purpose is relevant to the needs of communities in which we are present, is a key contributor to our commercial success.

When we utilise our combined strengths, exercise our imaginations and have the courage to commit to creating our own opportunities, we will be the partner of choice for customers and communities regardless of location or cause.

Community, regional presence, and trust are the distinctive attributes of Bendigo Bank that we have maintained and plan to uphold in the future.

While Bendigo Bank emphasises commercial success, our foundation remains in community values. Our aim is to generate mutual value by providing solutions to local challenges.

On behalf of Bendigo Bank, thank you for being a shareholder in your local Community Bank. Your contribution helps foster economic growth, creates employment opportunities, and provides essential financial services to the members of your community.

Your dedication and support is making a positive impact on your community.

Justine Minne
Bendigo and Adelaide Bank

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:	Rowland Woolcock Paterson
Title:	Non-executive director
Experience and expertise:	Rowland is self employed as a farmer and media owner. He is also a member of the CFA. Dip Farm Manager. He is also a Director of Commercial Radio Australia (CRA).
Special responsibilities:	Chair

Name:	Colin Robert McKenzie
Title:	Non-executive director
Experience and expertise:	Past chairman Willaura/Lake Bolac Financial Services, Chair Scots Uniting Church Lake Bolac, Chair Lake Bolac & District Historical Society. Life Member Lake Bolac Music Club, life member Lake Bolac Tennis Club. Past Chair Mininera Tennis Association. Past Councillor and Mayor Ararat Rural City Council. Involved in various sporting, cultural and community activities.
Special responsibilities:	Nil

Name:	David Allan Hucker
Title:	Non-executive director
Experience and expertise:	David is a Veterinary Consultant and Primary producer. He holds a Bachelor of Veterinary Science (Hons) and is a member of MANZCVS. For the past 40 years David has managed veterinary laboratories and a sheep and grains property. Whilst working as a veterinarian he has also held positions of national president and policy councillor of the Australian Sheep Veterinarians. Locally he has been a Board member of the Lake Bolac Bush Nursing Centre for the past 27 years and was President for 20 years.
Special responsibilities:	Treasurer

Name:	Jane Blackburn
Title:	Non-executive director
Experience and expertise:	Solicitor. Senior Commercial Litigation and Employment lawyer, practicing for 15+years. Has a Bachelor of Law and Commerce. Involved in the local farming enterprise with family. Involved in numerous local sporting groups.
Special responsibilities:	Vice Chair

Name:	Lisa Wills
Title:	Non-executive director
Experience and expertise:	Lisa works in primary production. Corporate management, strategic planning and project delivery. President, Skipton Kindergarten Committee.
Special responsibilities:	Secretary

Name:	Andrea Virginia Armytage
Title:	Non-executive director
Experience and expertise:	Farmer. Bachelor of Laws, past occupation Solicitor from 2005 to 2012. Current Secretary of Upper Hopkins Land Management Group.
Special responsibilities:	Nil

Name:	Timothy Keith McDougall
Title:	Non-executive director
Experience and expertise:	4 Years Economic Development at Ararat Rural City Council, 5 Years - Tourism Industry – Ararat Rural City Council, 3 years - Pyrenees Newspapers Group in Graphic Design, Degree in Graphic Design and Multimedia. Diploma of Business Management. Player and community member of the Tatyoon Football and Netball Club.
Special responsibilities:	Nil

Name:	Edward Kelly Philip Weatherly
Title:	Non-executive director
Experience and expertise:	Farm Business Owner and Manager. Diploma of Farm Business Management.
Special responsibilities:	Nil

Name:	Hannah Jenkinson
Title:	Non-executive director
Experience and expertise:	Bachelor of Science. Born and raised on a farm in Willaura and now farms with her husband and two children at Glenthompson. Lifelong interest in the agriculture industry. Over the years has been involved in many community organisations, currently the Secretary/Treasurer of Bornes Hill Rural Fire Brigade and the Treasurer of the Willaura Health care Auxiliary.
Special responsibilities:	Nil

Name:	William George Charles Abbott
Title:	Non-executive director (appointed 23 September 2023)
Experience and expertise:	William holds a Bachelor of Economics & Philosophy from University of Melbourne. Will has an extensive international banking and finance background having worked in several management roles which covered private and wealth management, commercial and corporate banking at ANZ.
Special responsibilities:	Nil.

Company secretary
There have been two company secretaries holding the position during the financial year:

- Lisa Wills was appointed company secretary on 23 February 2023.
- Clare Hill was appointed as company secretary on 27 June 2024.

Experience and expertise:	Certificate of Applied Art (Interior Decoration). Office & Imports Manager, St James Furnishings. Commercial Sales Manager, Brunschwig & Fils (Aust). Customer Service Officer for 9 years with Community Bank Willaura and Lake Bolac. Finance Officer for Willaura Lake Bolac Financial Services Ltd since 2017.
Community involvement:	Secretary/Treasurer of Lake Bolac Rural Fire Brigade. Secretary/Treasurer of Westmere Group Fire Brigades. Treasurer of Lake Bolac Red Cross Unit. Manager of Lake Bolac Community Op Shop 'Treasure Hunter's Hall'. Editor of the 'District News'.

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 $154,142 (30 June 2023: $231,723).

Operations have continued to perform in line with expectations.

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

	2024 $	2023 $
Fully franked dividend of 10 cents per share (2023: 5 cents)	58,291	29,145

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
Since the end of the financial year the directors have signed a Franchise Renewal Agreement with Bendigo Bank to renew the franchise relationship for an additional five-year term commencing 26 November 2024.

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

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
Rowland Woolcock Paterson	11	10
Colin Robert McKenzie	11	10
David Allan Hucker	11	10
Jane Blackburn	11	11
Lisa Wills	11	9
Andrea Virginia Armytage*	6	4
Timothy Keith McDougall	11	7
Edward Kelly Philip Weatherly	11	3
Hannah Jenkinson	11	8
William George Charles Abbott	8	8

* Leave of absence from February - June

Directors' benefits
No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 25 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
Rowland Woolcock Paterson	5,000	-	5,000
Colin Robert McKenzie	15,001	-	15,001
David Allan Hucker	5,000	-	5,000
Jane Blackburn	-	-	-
Lisa Wills	-	-	-
Andrea Virginia Armytage	1,000	-	1,000
Timothy Keith McDougall	-	-	-
Edward Kelly Philip Weatherly	-	-	-
Hannah Jenkinson	-	-	-
William George Charles Abbott	-	-	-

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.

The company has indemnified all directors and the manager in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or manager 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 26 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

Rowland Woolcock Paterson
Chair

6 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 Willaura/Lake Bolac Financial Services Limited

As lead auditor for the audit of Willaura/Lake Bolac 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: 6 September 2024

Joshua Griffin
Lead Auditor

Willaura/Lake Bolac Financial Services 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	794,240	839,599
Other revenue		5,179	11,510
Finance revenue		25,843	8,592
Total revenue		825,262	859,701
Employee benefits expense	8	(261,661)	(250,816)
Advertising and marketing costs		(12,030)	(10,295)
Occupancy and associated costs		(17,042)	(17,337)
System costs		(25,677)	(25,394)
Depreciation and amortisation expense	8	(42,232)	(37,112)
Finance costs	8	(4,552)	(5,356)
General administration expenses		(86,915)	(73,264)
Total expenses before community contributions		(450,109)	(419,574)
Profit before community contributions and income tax expense		375,153	440,127
Charitable donations and sponsorships expense		(171,220)	(130,908)
Profit before income tax expense		203,933	309,219
Income tax expense	9	(49,791)	(77,496)
Profit after income tax expense for the year		154,142	231,723
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		154,142	231,723
		Cents	**Cents**
Basic earnings per share	28	26.44	39.75
Diluted earnings per share	28	26.44	39.75

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

Willaura/Lake Bolac Financial Services Limited
Statement of financial position
As at 30 June 2024

	Note	2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	10	234,873	229,811
Trade and other receivables	11	90,516	92,876
Investments	12	599,503	446,816
Current tax assets	9	15,528	-
Total current assets		940,420	769,503
Non-current assets			
Property, plant and equipment	13	85,392	88,333
Right-of-use assets	14	45,242	56,250
Intangible assets	15	9,257	22,325
Deferred tax assets	9	2,688	5,852
Total non-current assets		142,579	172,760
Total assets		1,082,999	942,263
Liabilities			
Current liabilities			
Trade and other payables	16	190,942	60,215
Lease liabilities	17	14,318	11,397
Current tax liabilities	9	-	73,577
Employee benefits	18	23,401	24,735
Total current liabilities		228,661	169,924
Non-current liabilities			
Lease liabilities	17	54,854	68,729
Employee benefits	18	3,974	5,191
Provisions	19	23,371	22,131
Total non-current liabilities		82,199	96,051
Total liabilities		310,860	265,975
Net assets		772,139	676,288
Equity			
Issued capital	20	565,866	565,866
Retained earnings		206,273	110,422
Total equity		772,139	676,288

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

Willaura/Lake Bolac Financial Services Limited
Statement of changes in equity
For the year ended 30 June 2024

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2022		565,866	(92,156)	473,710
Profit after income tax expense		-	231,723	231,723
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	231,723	231,723
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	22	-	(29,145)	(29,145)
Balance at 30 June 2023		565,866	110,422	676,288

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2023		565,866	110,422	676,288
Profit after income tax expense		-	154,142	154,142
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	154,142	154,142
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	22	-	(58,291)	(58,291)
Balance at 30 June 2024		565,866	206,273	772,139

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

Willaura/Lake Bolac Financial Services 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)		893,792	903,333
Payments to suppliers and employees (inclusive of GST)		(509,093)	(577,335)
Interest received		13,139	430
Income taxes paid		(135,732)	(12,390)
Net cash provided by operating activities	27	262,106	314,038
Cash flows from investing activities			
Payments for investments		(152,687)	(200,429)
Payments for property, plant and equipment	13	(17,728)	(1,879)
Payments for intangible assets		(13,710)	(13,710)
Net cash used in investing activities		(184,125)	(216,018)
Cash flows from financing activities			
Interest and other finance costs paid		(3,481)	(4,347)
Dividends paid	22	(58,291)	(29,145)
Repayment of lease liabilities		(11,147)	(10,282)
Net cash used in financing activities		(72,919)	(43,774)
Net increase in cash and cash equivalents		5,062	54,246
Cash and cash equivalents at the beginning of the financial year		229,811	175,565
Cash and cash equivalents at the end of the financial year	10	234,873	229,811

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 Willaura/Lake Bolac 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 70 Main Street, Willaura VIC 3379.

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 6 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)

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

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

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

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

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

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

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

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

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

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

Impairment of non-financial assets
The company assesses impairment of non-financial assets 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. The directors did not identify any impairment indications during the financial year.

Going concern
At each reporting date management must asses the company's ability to continue as a going concern are appropriate. Management's decision will be underpinned by assumptions and judgements about future events.

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 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 assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined as the higher of its fair value less costs of disposal or value-in-use, each of which incorporate a number of key estimates and assumptions.

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

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.

Employee benefits provision
The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and inflation have been taken into account.

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

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

Note 5. Economic dependency

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

As described in note 31, subsequent to year end the directors have singed a signed a Franchise Renewal Agreement with Bendigo Bank to renew the franchise relationship for an additional five-year term commencing 26 November 2024.

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

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

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

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

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

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 $446,816 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 $131,879.

Note 7. Revenue from contracts with customers

	2024 $	2023 $
Margin income	613,522	657,776
Fee income	20,959	20,471
Commission income	159,759	161,352
	794,240	839,599

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
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
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	220,156	205,175
Non-cash benefits	6,003	7,104
Superannuation contributions	23,570	21,861
Expenses related to long service leave	1,119	5,774
Other expenses	10,813	10,902
	261,661	250,816

Depreciation and amortisation expense

	2024 $	2023 $
Depreciation of non-current assets		
Leasehold improvements	5,489	5,968
Plant and equipment	2,200	1,431
Motor vehicles	12,980	12,979
	20,669	20,378
Depreciation of right-of-use assets		
Leased land and buildings	8,495	8,882
Amortisation of intangible assets		
Franchise fee	2,178	1,309
Franchise renewal fee	10,890	6,543
	13,068	7,852
	42,232	37,112

Finance costs

	2024 $	2023 $
Lease interest expense	3,481	4,347
Unwinding of make-good provision	1,071	1,009
	4,552	5,356

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

Leases recognition exemption

	2024 $	2023 $
Expenses relating to low-value leases	7,458	7,871

Note 9. Income tax

	2024 $	2023 $
Income tax expense		
Current tax	48,347	82,071
Movement in deferred tax	3,165	(4,575)
Under/over adjustment	(1,721)	-
Aggregate income tax expense	49,791	77,496
Prima facie income tax reconciliation		
Profit before income tax expense	203,933	309,219
Tax at the statutory tax rate of 25%	50,983	77,305
Tax effect of:		
Non-deductible expenses	529	191
Under/over adjustment	(1,721)	-
Income tax expense	49,791	77,496

	2024 $	2023 $
Deferred tax assets/(liabilities)		
Property, plant and equipment	(11,814)	(12,140)
Employee benefits	6,844	7,482
Provision for lease make good	5,843	5,533
Accrued expenses	1,125	1,125
Income accruals	(5,293)	(2,117)
Lease liabilities	17,293	20,032
Right-of-use assets	(11,310)	(14,063)
Deferred tax asset	2,688	5,852

	2024 $	2023 $
Income tax refund due	15,528	-

	2024 $	2023 $
Provision for income tax	-	73,577

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

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

Note 9. Income tax (continued)

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

Note 10. Cash and cash equivalents

	2024 $	2023 $
Cash at bank and on hand	234,873	229,811

Note 11. Trade and other receivables

	2024 $	2023 $
Trade receivables	62,937	77,831
Accrued income	21,168	8,464
Prepayments	6,411	6,581
	27,579	15,045
	90,516	92,876

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	599,503	446,816

Note 13. Property, plant and equipment

	2024 $	2023 $
Leasehold improvements - at cost	123,015	123,015
Less: Accumulated depreciation	(88,437)	(82,948)
	34,578	40,067
Plant and equipment - at cost	94,120	80,404
Less: Accumulated depreciation	(73,578)	(75,390)
	20,542	5,014
Motor vehicles - at cost	64,897	64,897
Less: Accumulated depreciation	(34,625)	(21,645)
	30,272	43,252
	85,392	88,333

Note 13. Property, plant and equipment (continued)

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

	Leasehold improvements $	Plant & equipment $	Motor vehicles $	Total $
Balance at 1 July 2022	46,035	4,566	56,231	106,832
Additions	-	1,879	-	1,879
Depreciation	(5,968)	(1,431)	(12,979)	(20,378)
Balance at 30 June 2023	40,067	5,014	43,252	88,333
Additions	-	17,728	-	17,728
Depreciation	(5,489)	(2,200)	(12,980)	(20,669)
Balance at 30 June 2024	34,578	20,542	30,272	85,392

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	1 to 23 years
Plant and equipment	4 to 40 year
Motor vehicles	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	87,652	353,922
Less: Accumulated depreciation	(42,410)	(297,672)
	45,242	56,250

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

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	65,132
Depreciation expense	(8,882)
Balance at 30 June 2023	56,250
Remeasurement adjustments	(2,513)
Depreciation expense	(8,495)
Balance at 30 June 2024	45,242

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	93,444	93,444
Less: Accumulated amortisation	(91,902)	(89,724)
	1,542	3,720
Franchise renewal fee	167,220	167,220
Less: Accumulated amortisation	(159,505)	(148,615)
	7,715	18,605
	9,257	22,325

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	5,029	25,148	30,177
Amortisation expense	(1,309)	(6,543)	(7,852)
Balance at 30 June 2023	3,720	18,605	22,325
Amortisation expense	(2,178)	(10,890)	(13,068)
Balance at 30 June 2024	1,542	7,715	9,257

Note 15. Intangible assets (continued)

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)	November 2024
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	November 2024

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

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

Note 16. Trade and other payables

	2024 $	2023 $
Current liabilities		
Trade payables	158,607	16,678
Other payables and accruals	32,335	43,537
	190,942	60,215

	2024 $	2023 $
Financial liabilities at amortised cost classified as trade and other payables		
Total trade and other payables	190,942	60,215
less other payables and accruals (net GST payable to the ATO)	(4,561)	(8,827)
	186,381	51,388

Note 17. Lease liabilities

	2024 $	2023 $
Current liabilities		
Land and buildings lease liabilities	14,318	11,397
Non-current liabilities		
Land and buildings lease liabilities	54,854	68,729

Note 17. Lease liabilities (continued)

Reconciliation of lease liabilities

	2024 $	2023 $
Opening balance	80,126	90,408
Remeasurement adjustments	193	-
Lease interest expense	3,481	4,347
Lease payments - total cash outflow	(14,628)	(14,629)
	69,172	80,126

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

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

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

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Lake Bolac agency	4.79%	10 years	N/A	N/A	November 2029
Willaura branch*	N/A	5 years	2 x 5 years	Yes	N/A

** Willaura branch - Due to the insignificant amounts involved in this lease it has not been recognised under AASB 16 and continues to be expensed through occupancy and associated costs annually when paid.*

Note 18. Employee benefits

	2024 $	2023 $
Current liabilities		
Annual leave	8,900	12,570
Long service leave	14,501	12,165
	23,401	24,735
Non-current liabilities		
Long service leave	3,974	5,191

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

Note 18. Employee benefits (continued)

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

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

Note 19. Provisions

	2024 $	2023 $
Lease make good	23,371	22,131

Lease make good
In accordance with the branch lease agreement, the company must restore the leased premises to the original condition before the expiry of the lease term. The company has estimated the provision for the Lake Bolac Agency to be $30,000, based on experience and consideration of the expected future costs to remove all fittings and the ATM as well as the cost to remedy any damages caused during the removal process. The lease is due to expire on November 2029 at which time it is expected the face-value costs to restore the premises will fall due.

Note 20. Issued capital

	2024 Shares	2023 Shares	2024 $	2023 $
Ordinary shares - fully paid	582,912	582,912	582,912	582,912
Less: Equity raising costs	-	-	(17,046)	(17,046)
	582,912	582,912	565,866	565,866

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.

Note 20. Issued capital (continued)

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").

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

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

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

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

Note 21. Capital management

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

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

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

Note 21. Capital management (continued)

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 22. Dividends

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

	2024 $	2023 $
Fully franked dividend of 10 cents per share (2023: 5 cents)	58,291	29,145

Franking credits

	2024 $	2023 $
Franking account balance at the beginning of the financial year	19,342	16,667
Franking credits (debits) arising from income taxes paid (refunded)	135,732	12,390
Franking debits from the payment of franked distributions	(19,430)	(9,715)
	135,644	19,342
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	135,644	19,342
Franking credits (debits) that will arise from payment (refund) of income tax	(15,528)	73,577
Franking credits available for future reporting periods	120,116	92,919

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

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

Note 23. Financial risk management

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

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

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

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

Note 23. Financial risk management (continued)

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

	2024 $	2023 $
Financial assets at amortised cost		
Trade and other receivables (note 11)	84,105	86,295
Cash and cash equivalents (note 10)	234,873	229,811
Term deposits (note 12)	599,503	446,816
	918,481	762,922
Financial liabilities		
Trade and other payables (note 16)	186,381	51,388
Lease liabilities (note 17)	69,172	80,126
	255,553	131,514

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

Accounting policy for financial instruments

Financial assets

Classification
The company classifies its financial assets at amortised cost.

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

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

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

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

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 $234,873 at 30 June 2024 (2023: $229,811) and term deposits of $599,503 at 30 June 2024 (2023: $446,816).

Note 23. Financial risk management (continued)

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	190,942	-	-	190,942
Lease liabilities	14,318	49,978	4,876	69,172
Total non-derivatives	205,260	49,978	4,876	260,114

2023	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	60,215	-	-	60,215
Lease liabilities	14,628	58,514	19,505	92,647
Total non-derivatives	74,843	58,514	19,505	152,862

Note 24. Key management personnel disclosures

The following persons were directors of Willaura/Lake Bolac Financial Services Limited during the financial year and/or up to the date of signing of these Financial Statements

Colin Robert McKenzie
Rowland Woolcock Paterson
Jane Blackburn
Andrea Virginia Armytage
David Allan Hucker
Lisa Wills
Timothy Keith McDougall
Edward Kelly Philip Weatherly
Hannah Jenkinson
William George Charles Abbott

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

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

Note 25. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 24.

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

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

Note 25. Related party transactions (continued)

The following transactions occurred with related parties:

	2024 $	2023 $
During the financial year a sponsorship and grant was paid to Willaura Healthcare Auxiliary, of which a director's sister is the Treasurer. The total benefit received was:	1,600	-
During the financial year a grant was paid to Lake Bolac & Dist Little athletics, of which a director is associated with. The total benefit received was:	2,500	-
During the financial year a grant was paid to Lake Bolac Bush Nursing Centre, of which a director is associated with. The total benefit received was:	5,000	-
During the financial year a grant was paid to Willaura & District Kindergarten Inc., of which a director is associated with. The total benefit received was:	5,000	-
Rowland Paterson provided advertising on commercial radio during the year. The total benefit received was:	7,287	6,638
Lake Bolac Information & Business Centre received payments for its rent and other services from Willaura/Lake Bolac FSL during the year. A director (resigned during previous financial year) is an employee of this not for profit association. The director received no personal gain from these transactions.	-	19,828

Note 26. Remuneration of auditors

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

	2024 $	2023 $
Audit services		
Audit or review of the financial statements	7,450	5,400
Other services		
Taxation advice and tax compliance services	1,514	660
General advisory services	4,560	3,926
Share registry services	4,618	-
	10,692	4,586
	18,142	9,986

Note 27. Reconciliation of profit after income tax to net cash provided by operating activities

	2024 $	2023 $
Profit after income tax expense for the year	154,142	231,723
Adjustments for:		
Depreciation and amortisation	42,232	37,112
Lease liabilities interest	3,481	4,347
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	2,360	(42,273)
Increase in income tax refund due	(15,528)	-
Decrease/(increase) in deferred tax assets	3,164	(4,575)
Increase in trade and other payables	147,311	11,521
Increase/(decrease) in provision for income tax	(73,577)	69,681
Increase/(decrease) in employee benefits	(2,551)	5,492
Increase in other provisions	1,072	1,010
Net cash provided by operating activities	262,106	314,038

Note 28. Earnings per share

	2024 $	2023 $
Profit after income tax	154,142	231,723
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	582,912	582,912
Weighted average number of ordinary shares used in calculating diluted earnings per share	582,912	582,912
	Cents	**Cents**
Basic earnings per share	26.44	39.75
Diluted earnings per share	26.44	39.75

Accounting policy for earnings per share
Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Willaura/Lake Bolac Financial Services Limited, by the weighted average number of ordinary shares outstanding during the financial year.

Note 29. Commitments

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

Note 30. Contingencies

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

Note 31. Events after the reporting period

Since the end of the financial year the directors have signed a Franchise Renewal Agreement with Bendigo Bank to renew the franchise relationship for an additional five-year term commencing 26 November 2024.

Note 31. Events after the reporting period (continued)

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

Directors' declaration

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

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Rowland Woolcock Paterson
Chair

6 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 Willaura/Lake Bolac Financial Services Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Willaura/Lake Bolac 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 Willaura/Lake Bolac 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.

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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: 6 September 2024

Joshua Griffin
Lead Auditor

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Bendigo Bank