

Annual Report 2024

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 **Bendigo Bank**

Bendigo and Adelaide Bank Limited ABN 11 068 049 178, AFSL/Australian Credit Licence 237879 A1429506 OUT_40305533 12/09/2024

Buderim Community
Enterprises Limited

Buderim
ABN 62 136 810 074



Community Bank Report 2024

BEN Message

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
Head of Community Banking.



Community Bank network: celebrating 26 years of empowering communities

This year our Community Bank network celebrated 26 years of providing grassroots support to metro, regional, rural and remote communities across Australia. It's a milestone that has been widely applauded by our customers and partners who recognise the significant role we play in the lives of everyday Australians. We're there when it matters – whether that be as second responders in times of natural disaster, crisis and need; or as community builders, providing resources and support; help and hope.

In the 2022-23 financial year, our Community Bank network gave back more than \$32 million in grants, sponsorships and donations to local community projects and initiatives. Over 26 years, we have returned more than \$324 million to local communities for emergency services; facilities and infrastructure; sport and recreation; education and research; health and wellbeing; art, culture and heritage as well as environment and animal welfare.

As a shareholder in your local Community Bank, you are part of this incredible social enterprise network that is playing an ever-important role in the Australian economy. With close working relationships with local, state and federal government, peak governing bodies, clubs and community organisations, we are integrally connected and in tune with the needs of everyday Australians.

Our Community Bank network is a first mover in Australia with our unique social enterprise model. The first Community Bank opened its doors in 1998, and since then, the network has grown to 305 Community Bank branches. Today we represent a diverse cross-section of Australia with more than 215 community enterprises, 70,000+ shareholders, 1500+ volunteer directors, 1700 staff and 950,000 customers.

Our Community Bank National Council (CBNC) plays a pivotal role in these relationships. The CBNC consists of both elected and appointed members from every state and territory. The role of council is to represent the network with its partners and to engage in strategic planning that delivers positive outcomes for our business and our communities.

The *2024 - 2026 Community Bank National Council Strategic Plan* has four key focus areas:

- Impact – a planned, deliberate approach with investments that enhance community prosperity.
- Leadership and advocacy – to ensure the long-term sustainability of our enterprises.
- Network alignment – enabling us to develop and nurture partnerships that align with our defined areas of social impact.
- Commercial prosperity – supporting the commercial success of our enterprises.

It is through this strategic plan, which has a foundation built on connection and collaboration, that we will deliver a strong, and secure future for our directors, shareholders, staff and the communities we serve.

Warm regards

Lauren Bean
General Manager
Community Bank National Council

Annual Report 2024

Buderim Community
Enterprises Limited

ABN 28 136 810 074

Community Bank Buderim

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Chair's report

For year ending 30 June 2024

On behalf of the Board of Buderim Community Enterprises Pty Ltd (BCEL), it is once again my pleasure to present the Annual Report. This report covers the 2023/24 financial year ending June 30, 2024.

After a record profit last financial year, it was forecast that we have a much reduced profit this year as margins tightened throughout the industry. This was in fact the case, with an audited net profit for the year of \$176,584. This was a great result in the context of the current trading environment and was achieved by keeping operating costs below budget estimates and income above budget. Net cash increase as per the statement of cashflows was \$189,155. This was achieved after the payment of the inaugural Company dividend of 7 cents a share as a result of the previous year's trading. This has been a credible performance under the current trading conditions.

We approach the current trading year with the likelihood that interest rates are unlikely to go much higher and may begin to reduce by the end of the period. Our trading performance for the current financial year will depend largely on interest rate movements and the ongoing health of the Australian and world economies.

With the increase in profitability, the Community Bank Buderim has been able to increase support to local sporting clubs and other not-for-profit organisations in the community. In addition, Community Bank Buderim is now the major sponsor of most of Buderim's notable community events including the Buderim Community Carols, Australia Day celebrations, Jazz in the Park, Dogs Day Out, Buderim Garden Festival and many more. Community Bank Buderim has made very significant contributions to the local community since inception and contributions this year was \$34,647.

While the major banks continue with the rationalisation of banking and continue to close smaller bank branches across the country, Community Bank Buderim is committed to maintain a local bank in the town, staffed with real people rather than machines.

In a major change, our manager for the last 12 years, Peter Macdonnell resigned mid-year to move to the next phase of his career. Peter has been a great asset to our bank and should take a lot of the credit for the development of the business. We wish Peter all the best in his new direction. We welcome our new manager, James Gibson, to the business. We have faith that James will continue to build our Community Bank to be the bank of choice in Buderim.

Again, it has been a pleasure to work with the Board. During the last year the Board accepted, with regret, the resignation of long serving Board member Keith Solomon and Greg Bradley. We were pleased to add two new Board members. Nicole Masri comes to us with experience in public relations and digital promotions. Errol Hay has joined the Board after a long and distinguished career in the administration of insurance business. These new directors will bring with them skills which will assist the Board into the future.

We would like to specially thank Debbie who has had to take on additional responsibilities during the year. We also thank our dedicated staff members Rhys, Cindy, Tara, Callie and Caitlyn who have all contributed to the ongoing success of the business



Rick Beasley
Chair

Manager's report

For year ending 30 June 2024

It is my pleasure to present the Community Bank Buderim's Annual Manager's Report for the financial year ending June 30, 2024.

The retail banking landscape in FY24 was characterized by a challenging economic environment with rising interest rates and increased inflationary pressures impacting households significantly. While higher interest rates have recently benefited our margins, they have also dampened our customers' appetite for new credit and, more importantly, affected their ability to service new lending. To support our clients through these uncertain times, the branch strategically shifted focus toward mortgage retention, prioritizing our existing customers within the increasingly competitive home lending market.

Despite the external pressures and heightened competition in the retail banking sector throughout FY24, the Community Bank Buderim achieved significant growth in retail net customers, an increase of 22% to 2,117 customers. This growth was driven primarily by deposits, which saw an actual year-end increase of \$6.43 million however loan footings retracted by \$2.61 million during the same period. Nevertheless, the branch successfully achieved a 17% positive variance on its overall annual performance target.

This year, we bid farewell to Peter Macdonnell, who made a lasting impact over his 12 years of dedicated service. On behalf of the team, I extend our sincere gratitude to Peter for his contributions. I would also like to thank Debbie Podolczak for her tireless efforts in managing the business during this transition period. Additionally, my thanks go to Rhys, Caitlyn, Callie, and Cindy for their unwavering commitment to our customers.

At Buderim Community Enterprises Limited we believe in giving back to the communities we serve. Over the past year, we continued our support for a range of local non-profits, sporting clubs and community events. We continue to be the main sponsor of Buderim's largest local events including Jazz in the Park and Buderim Christmas Carols.

Looking ahead to FY25, our focus remains on enhancing the customer experience, providing personalized service, and expanding our lending portfolio to support our customers in achieving their financial goals. We plan to further our presence within Buderim and to strategically expand our reach to neighbouring suburbs within the 4556 postcode, including Forest Glen, Kunda Park, and Sippy Downs. With a solid financial foundation and a committed team, we are confident in our ability to deliver continued value to our customers and shareholders while making a positive impact on the wider Buderim community.

Sincerely,
James Gibson
Branch Manager,
Community Bank Buderim



Dividend Payment history

Dividend to shareholders			
Financial Year	Amount Per Share	Franking Level*	Date Paid
2022/2023	.07	Nil cents	January 2024

Report of Sponsorships & Contributions

Financial Year	Community Contribution	Value
2022/2023	Sponsorship and Donations	\$34,647



Better banking. Big impact.

It's a win-win when you bank with us.

Community Bank Buderim returns profits to the people and communities that generate them.

So your banking becomes part of something much bigger. And much better.

For the year ending June 30, 2024, Community Bank Buderim have proudly contributed \$34,647 to community sponsorships and donations, all made possible by the support of our valued customers.





Making good things happen

When you bank with us, profits pour into the community. **\$34,647** in sponsorships & donations for the year ending 30 June, 2024. Since opening for business 14 years ago Community Bank Buderim Branch have proudly supported the following organisations:

Story Dogs

Buderim Craft Cottage

Buderim Wanderer's FC

SC First Aid Volunteers

St Marks Church Buderim

SC Literacy

SC Art Group

Buderim Positive Business Network

Buderim Rebels Hockey Club

Playgroup QLD - Messy Play

Buderim Garden Club

USC Little Athletics

USC Rip City Basketball

Wishlist

Buderim Bowls Club

SC Hockey

Buderim Mountain State School

Mountain Creek Junior Australian Football

Hot Ginger Chorus

Find out more. Call 5456 2094 or search Bendigo Bank Buderim.





Making good things happen

When you bank with us, profits pour into the community. **\$34,647** in sponsorships and donations for the year ending 30 June, 2024. Since opening for business 14 years ago Community Bank Buderim Branch have proudly supported the following organisations:

- Buderim Community Carols
- Buderim Men’s Shed
- Coastal Caring Clowns
- Buderim Library
- Bloomhill Cancer Care
- Rotary Club of Buderim
- Buderim Chamber of Commerce
- Buderim Lions Club
- Maroochydore FC
- Dogs Day Out

- Buderim Firebirds
- Australia Day Event
- Buderim Historical Society
- QLD Flood Appeal
- Pioneer Cottage
- BWMCA
- Jazz in the Park
- Royal Flying Doctors Service
- University of the Sunshine Coast

Find out more. Call 5456 2094 or search Bendigo Bank Buderim.



Photo Credit Eason Creative Photography



Buderim Community Enterprises Limited

ABN 28 136 810 074

Financial Report - 30 June 2024

Buderim Community Enterprises Limited
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:	Richard Cartwright Beasley
Title:	Non-executive director
Experience and expertise:	Rick Beasley has spent a lifetime working in the beef industry most recently in developing Australian livestock identification and traceability system. He was instrumental in the foundation of the Buderim Mens Shed and elected inaugural president until 2018. A member of Rotary for almost 41 years.
Special responsibilities:	Chair, Member of Marketing and Sponsorship Committee and Audit and Risk Committee.
Name:	Geoffrey Reynolds Hole
Title:	Non-executive director
Experience and expertise:	Journalism in national press and TV, Media management and speech writing at high levels in Federal and State politics and the corporate world. For 15 years to retirement chief adviser in these areas to chairman of Westfield, and member of five Buderim not for profit Committees.
Special responsibilities:	Marketing and Sponsorship Committee.
Name:	Helen Margaret Jones
Title:	Non-executive director
Experience and expertise:	Relocated from Darwin, NT to Sunshine Coast, Qld in July 2011. Former HR and Corporate management professional with NT public sector, career spanning 38 years. Graduate member - Australian Institute of Company Directors, Fellow - Institute of Public Administration. Member - Australian Human Resources Institute. Extensive experience as sports administrator, fundraiser and coach. Joined BCEL early 2013 in voluntary capacity. Appointed Director of the company in June 2014.
Special responsibilities:	Deputy Chair, Chair of Marketing and Sponsorship Committee.
Name:	Jonathan Sullivan
Title:	Non-executive director
Experience and expertise:	Jonathan is a residential real estate sales consultant at Harcourt Buderim and sales manager at Allied Removals Sunshine Coast. Jonathan has past experience in project management - agriculture/transport and project management - FMCG - Unilever. Jonathan is a member of the Mountain Creek Sharks JAFC and the Buderim foundation. Jonathan holds a Bachelor of Business Management, Advanced Diploma of Business and a Cert III in Civil Construction
Special responsibilities:	Nil
Name:	Ruth Margaret Wade
Title:	Non-executive director
Experience and expertise:	Consultant - retired to Sunshine Coast in 2016. Ruth holds a Bachelor Business and an MBA and is an Accredited Mediator. Formerly Chair of GasFields Commission Queensland, CEO of Queensland Farmers' Federation, Executive Director of Ricegrowers' Association of Australia, and Part-time member of the National Native Title Tribunal. She is a member of the Australian Institute of Company Directors, the Institute of Managers and Leaders, and the Resolution Institute. She is currently Secretary of the BWMCA ANZAC Day Sub-Committee and an active supporter of various charitable organisations.
Special responsibilities:	Company secretary, Member of Audit and Risk Committee.

Buderim Community Enterprises Limited
Directors' report
30 June 2024

Name:	Lara Kae Higson
Title:	Non-executive Director
Experience and expertise:	Senior executive with over 30 years experience spanning multiple business functions in operations and corporate environments in and outside Australia. Graduate of the Australian Institute of Company Directors (GAICD), and holds qualifications including a Bachelor of Business, Certified Practising Accountant (CPA), Master of Business Administration (MBA), and Graduate Diploma in Applied Finance & Investment. Non-executive Director of not-for-profit Bloomhill Cancer Care.
Special responsibilities:	Treasurer, Chairperson of Audit and Risk Committee.
Name:	Errol Wayne Hay
Title:	Non-executive director (appointed 28 May 2024)
Experience and expertise:	Chief Executive/Secretary of ESI Super, the Trustee of the Electricity Supply Industry Superannuation Fund (Qld), for over 16 years during which Errol was responsible for the strategic and operational management of the Fund. Errol retired from that position in 2007 and has been in retirement ever since. His educational qualifications are: Bachelor of Business, Certified Practising Accountant, Diploma of Superannuation Management, Graduate Diploma Applied Finance & Investment.
Special responsibilities:	Nil.
Name:	Nicole Masri
Title:	Non-executive director (appointed 28 November 2023)
Experience and expertise:	An experienced and innovative marketing professional currently working in the Short Term Rental Industry. With a background in photography and graphic design, Nicole has worked as a studio photographer and sales professional, in a photography role for the esteemed Highlife Magazine, and founded her own boutique photography business in the Southern Highlands, NSW. She has also held office management and property onboarding roles in various real estate agencies. Qualifications include: Bachelor of Arts (Design & Marketing), Current QLD Real Estate Licence, Cert IV in Youth Work. Voluntary work includes: Sunny Kids Nambour, Uniting Care.
Special responsibilities:	Marketing and Sponsorship Committee
Name:	Dr. Keith James Solomon
Title:	Non-executive director (resigned 28 November 2023)
Experience and expertise:	Dr Solomon is a former teacher, School Principal, CAE Lecturer and University Assistant Vice Chancellor/International Director. Dr Solomon acted as a management consultant to a number of national/international medical, local government and development agencies including United Nations, AUSAID, USAID, Asian Development Bank, British Commonwealth Local Government Forum, and the International Union of Local Government Authorities. He is a former Director of Buderim Foundation, a Director of the Rotary Club of Buderim and a committee member of the Probus Club of Buderim.
Special responsibilities:	Nil.
Name:	Gregory Paul Bradley
Title:	Non-executive director (resigned 28 November 2023)
Experience and expertise:	An experienced program manager in the NGO and education sectors have worked at World Vision Australia, University of the Sunshine Coast and currently as Executive Manager at Destiny Rescue. Skilled in sponsorship management, fundraising/philanthropy, marketing management, public relations, organisational development and team leadership. An active supporter of various local and international charitable organisations and passionate about making a difference in the local community. Qualifications include a Bachelor of Arts (International Relations) and Graduate Diploma of Business Administration.
Special responsibilities:	Marketing and Sponsorship Committee

Company secretary

The company secretary is Ruth Margaret Wade. Ruth was appointed to the position of secretary on 26 July 2022.

Buderim Community Enterprises Limited

Directors' report

30 June 2024

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 \$176,584 (30 June 2023: \$331,680).

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 \$
Unfranked dividend of 7 cents per share (2023: nil cents)	<u>56,192</u>

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

	Board Eligible	Board Attended	Marketing Committee Eligible	Marketing Committee Attended	Audit & Risk Committee Eligible	Audit & Risk Committee Attended
Richard Cartwright Beasley	11	10	5	4	2	2
Geoffrey Reynolds Hole	11	8	5	3	-	-
Helen Margaret Jones	11	10	5	5	-	-
Jonathan Sullivan	11	6	-	-	-	-
Ruth Margaret Wade	11	10	-	-	2	2
Lara Kae Higson	11	9	-	-	2	2
Nicole Masri	7	7	4	4	-	-
Dr. Keith James Solomon	5	3	-	-	-	-
Gregory Paul Bradley	5	1	1	-	-	-

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.

Buderim Community Enterprises Limited
Directors' report
30 June 2024

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
Richard Cartwright Beasley	-	-	-
Geoffrey Reynolds Hole	2,501	-	2,501
Helen Margaret Jones	2,000	-	2,000
Jonathan Sullivan	-	-	-
Ruth Margaret Wade	-	-	-
Lara Kae Higson	-	-	-
Nicole Masri	-	-	-
Dr. Keith James Solomon	-	-	-
Gregory Paul Bradley	-	-	-

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:

Buderim Community Enterprises Limited
Directors' report
30 June 2024

- 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



Helen Margaret Jones
Deputy-Chairperson

26 September 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 independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Buderim Community Enterprises Limited

As lead auditor for the audit of Buderim 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.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 26 September 2024

A handwritten signature in black ink, appearing to read 'Jessica Ritchie'.

Jessica Ritchie
Lead Auditor

Buderim 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	879,369	972,627
Other revenue		35	10,889
Total revenue		<u>879,404</u>	<u>983,516</u>
Employee benefits expense	8	(404,672)	(324,788)
Advertising and marketing costs		(4,388)	(11,046)
Occupancy and associated costs		(21,879)	(18,351)
System costs		(16,750)	(16,447)
Depreciation and amortisation expense	8	(78,677)	(78,207)
Loss on disposal of assets		(717)	-
Finance costs		(5,338)	(19,988)
General administration expenses		(76,762)	(64,857)
Total expenses before community contributions		<u>(609,183)</u>	<u>(533,684)</u>
Profit before community contributions and income tax expense		270,221	449,832
Charitable donations, sponsorships and grants expense		<u>(34,647)</u>	<u>(7,563)</u>
Profit before income tax expense		235,574	442,269
Income tax expense	9	<u>(58,990)</u>	<u>(110,589)</u>
Profit after income tax expense for the year		176,584	331,680
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>176,584</u></u>	<u><u>331,680</u></u>
		Cents	Cents
Basic earnings per share	25	22.00	41.32
Diluted earnings per share	25	22.00	41.32

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

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

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	10	209,680	20,525
Trade and other receivables	11	56,408	81,654
Total current assets		<u>266,088</u>	<u>102,179</u>
Non-current assets			
Property, plant and equipment	12	20,917	41,692
Right-of-use assets	13	30,243	74,827
Intangible assets	14	9,801	22,869
Deferred tax assets	9	98,518	157,508
Total non-current assets		<u>159,479</u>	<u>296,896</u>
Total assets		<u>425,567</u>	<u>399,075</u>
Liabilities			
Current liabilities			
Trade and other payables	15	13,387	46,216
Lease liabilities	16	44,007	62,826
Total current liabilities		<u>57,394</u>	<u>109,042</u>
Non-current liabilities			
Lease liabilities	16	-	43,800
Lease make good provision		28,974	27,426
Total non-current liabilities		<u>28,974</u>	<u>71,226</u>
Total liabilities		<u>86,368</u>	<u>180,268</u>
Net assets		<u>339,199</u>	<u>218,807</u>
Equity			
Issued capital	17	765,372	765,372
Accumulated losses		<u>(426,173)</u>	<u>(546,565)</u>
Total equity		<u>339,199</u>	<u>218,807</u>

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

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

	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	<u>765,372</u>	<u>(878,245)</u>	<u>(112,873)</u>
Profit after income tax expense	-	331,680	331,680
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	<u>-</u>	<u>331,680</u>	<u>331,680</u>
Balance at 30 June 2023	<u><u>765,372</u></u>	<u><u>(546,565)</u></u>	<u><u>218,807</u></u>
 Balance at 1 July 2023	 <u>765,372</u>	 <u>(546,565)</u>	 <u>218,807</u>
Profit after income tax expense	-	176,584	176,584
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	<u>-</u>	<u>176,584</u>	<u>176,584</u>
 <i>Transactions with owners in their capacity as owners:</i>			
Dividends provided for or paid	19 <u>-</u>	<u>(56,192)</u>	<u>(56,192)</u>
Balance at 30 June 2024	<u><u>765,372</u></u>	<u><u>(426,173)</u></u>	<u><u>339,199</u></u>

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

Buderim 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)		996,306	1,031,744
Payments to suppliers and employees (inclusive of GST)		(670,636)	(514,280)
Interest and other finance costs paid		-	(11,052)
Net cash provided by operating activities	24	<u>325,670</u>	<u>506,412</u>
Cash flows from investing activities			
Payments for property, plant and equipment	12	-	(2,190)
Payments for intangible assets		<u>(13,288)</u>	<u>(13,288)</u>
Net cash used in investing activities		<u>(13,288)</u>	<u>(15,478)</u>
Cash flows from financing activities			
Interest and other finance costs paid		(3,853)	(7,500)
Dividends paid	19	(56,192)	-
Repayment of lease liabilities		<u>(63,182)</u>	<u>(59,536)</u>
Net cash used in financing activities		<u>(123,227)</u>	<u>(67,036)</u>
Net increase in cash and cash equivalents		189,155	423,898
Cash and cash equivalents at the beginning of the financial year		<u>20,525</u>	<u>(403,373)</u>
Cash and cash equivalents at the end of the financial year	10	<u><u>209,680</u></u>	<u><u>20,525</u></u>

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

Buderim Community Enterprises Limited
Notes to the financial statements
30 June 2024

Note 1. Reporting entity

The financial statements cover Buderim 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 Shop 4B/72 Burnett Street, Buderim QLD 4556.

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 26 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.

Buderim Community Enterprises Limited
Notes to the financial statements
30 June 2024

Note 3. Material accounting policy information (continued)

Impairment of financial assets

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

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

Impairment of non-financial assets

At each reporting date, the company reviews the carrying amounts of its tangible assets and intangible assets 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:

Buderim Community Enterprises Limited
Notes to the financial statements
30 June 2024

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

- 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.

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'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.

Buderim Community Enterprises Limited
Notes to the financial statements
30 June 2024

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

Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

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 March 2025.

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

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 \$392,801.

Buderim Community Enterprises Limited
Notes to the financial statements
30 June 2024

Note 7. Revenue from contracts with customers

	2024	2023
	\$	\$
Margin income	785,823	881,521
Fee income	42,756	37,558
Commission income	50,790	53,548
	<u>879,369</u>	<u>972,627</u>

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:

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

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

Revenue calculation

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

Margin income

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

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

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

Commission income

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

Fee income

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

Buderim Community Enterprises Limited
Notes to the financial statements
30 June 2024

Note 7. Revenue from contracts with customers (continued)

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	320,721	255,948
Superannuation contributions	37,665	31,801
Expenses related to long service leave	(4,034)	6,121
Other expenses	50,320	30,918
	<u>404,672</u>	<u>324,788</u>

Accounting policy for employee benefits

Bendigo Bank seconded employees to work for the company. Bendigo Bank charges the cost of these employees through the monthly profit share arrangement. The company recognises these expenses when recording the monthly invoice. No annual leave or long service leave liabilities are recognised for the company as these are Bendigo Bank employees.

Depreciation and amortisation expense

	2024	2023
	\$	\$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	19,397	19,394
Plant and equipment	661	849
	<u>20,058</u>	<u>20,243</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	45,551	44,896
<i>Amortisation of intangible assets</i>		
Franchise fee	3,267	1,089
Franchise renewal process fee	9,801	11,979
	<u>13,068</u>	<u>13,068</u>
	<u>78,677</u>	<u>78,207</u>

Buderim Community Enterprises Limited
Notes to the financial statements
30 June 2024

Note 8. Expenses (continued)

Leases recognition exemption

	2024 \$	2023 \$
Expenses relating to low-value leases	5,140	5,689

Note 9. Income tax

	2024 \$	2023 \$
<i>Income tax expense</i>		
Movement in deferred tax	(680)	(634)
Under/over adjustment	(1,050)	-
Recoupment of prior year tax losses	60,720	111,223
Aggregate income tax expense	58,990	110,589
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	235,574	442,269
Tax at the statutory tax rate of 25%	58,894	110,567
Tax effect of:		
Non-deductible expenses	1,146	22
	60,040	110,589
Under/over adjustment	(1,050)	-
Income tax expense	58,990	110,589
	2024 \$	2023 \$
<i>Deferred tax assets/(liabilities)</i>		
Provision for lease make good	7,243	6,856
Carried-forward tax losses	83,137	142,627
Lease liabilities	11,002	26,657
Property, plant and equipment	4,697	75
Right-of-use assets	(7,561)	(18,707)
Deferred tax asset	98,518	157,508

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.

Buderim Community Enterprises Limited
Notes to the financial statements
30 June 2024

Note 10. Cash and cash equivalents

	2024 \$	2023 \$
Cash at bank and on hand	209,680	20,525

Note 11. Trade and other receivables

	2024 \$	2023 \$
Trade receivables	46,901	75,866
Prepayments	9,507	5,788
	<u>56,408</u>	<u>81,654</u>

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	172,345	172,345
Less: Accumulated depreciation	(159,286)	(139,889)
	<u>13,059</u>	<u>32,456</u>
Plant and equipment - at cost	72,228	73,953
Less: Accumulated depreciation	(64,370)	(64,717)
	<u>7,858</u>	<u>9,236</u>
	<u>20,917</u>	<u>41,692</u>

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 \$	Total \$
Balance at 1 July 2022	51,850	7,895	59,745
Additions	-	2,190	2,190
Depreciation	(19,394)	(849)	(20,243)
Balance at 30 June 2023	32,456	9,236	41,692
Disposals	-	(717)	(717)
Depreciation	(19,397)	(661)	(20,058)
Balance at 30 June 2024	<u>13,059</u>	<u>7,858</u>	<u>20,917</u>

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.

Buderim Community Enterprises Limited
Notes to the financial statements
30 June 2024

Note 12. Property, plant and equipment (continued)

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

Leasehold improvements	5 to 15 years
Plant and equipment	5 to 40 years
Computer software	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 13. Right-of-use assets

	2024	2023
	\$	\$
Land and buildings - right-of-use	250,493	249,527
Less: Accumulated depreciation	<u>(220,250)</u>	<u>(174,700)</u>
	<u><u>30,243</u></u>	<u><u>74,827</u></u>

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	119,723
Depreciation expense	<u>(44,896)</u>
Balance at 30 June 2023	74,827
Remeasurement adjustments	967
Depreciation expense	<u>(45,551)</u>
Balance at 30 June 2024	<u><u>30,243</u></u>

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.

Buderim Community Enterprises Limited
Notes to the financial statements
30 June 2024

Note 14. Intangible assets

	2024	2023
	\$	\$
Franchise fee	32,187	32,187
Less: Accumulated amortisation	(30,553)	(27,286)
	<u>1,634</u>	<u>4,901</u>
Franchise renewal fee	110,934	110,934
Less: Accumulated amortisation	(102,767)	(92,966)
	<u>8,167</u>	<u>17,968</u>
	<u><u>9,801</u></u>	<u><u>22,869</u></u>

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	5,990	29,947	35,937
Amortisation expense	(1,089)	(11,979)	(13,068)
Balance at 30 June 2023	4,901	17,968	22,869
Amortisation expense	(3,267)	(9,801)	(13,068)
Balance at 30 June 2024	<u><u>1,634</u></u>	<u><u>8,167</u></u>	<u><u>9,801</u></u>

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:

<u>Asset class</u>	<u>Method</u>	<u>Useful life</u>	<u>Expiry/renewal date</u>
Franchise fee	Straight-line	Over the franchise term (5 years)	March 2025
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	March 2025

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.

Buderim Community Enterprises Limited
Notes to the financial statements
30 June 2024

Note 15. Trade and other payables

	2024	2023
	\$	\$
<i>Current liabilities</i>		
Trade payables	4,360	2,914
Other payables and accruals	9,027	43,302
	<u>13,387</u>	<u>46,216</u>
	2024	2023
	\$	\$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	13,387	46,216
less net GST payable to the ATO included in trade and other payables	<u>(7,183)</u>	<u>(16,027)</u>
	<u>6,204</u>	<u>30,189</u>

Note 16. Lease liabilities

	2024	2023
	\$	\$
<i>Current liabilities</i>		
Land and buildings lease liabilities	<u>44,007</u>	<u>62,826</u>
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	<u>-</u>	<u>43,800</u>
<i>Reconciliation of lease liabilities</i>		
	2024	2023
	\$	\$
Opening balance	106,626	166,162
Remeasurement adjustments	(404)	-
Lease interest expense	3,853	7,500
Lease payments - total cash outflow	<u>(67,035)</u>	<u>(67,036)</u>
	<u>43,040</u>	<u>106,626</u>

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.

Buderim Community Enterprises Limited
Notes to the financial statements
30 June 2024

Note 16. Lease liabilities (continued)

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options	Reasonably certain to exercise options	Lease term end date used in calculations
Buderim branch	5.39%	5 years	N/A	N/A	March 2025

Note 17. Issued capital

	2024 Shares	2023 Shares	2024 \$	2023 \$
Ordinary shares - fully paid	802,740	802,740	802,740	802,740
Less: Equity raising costs	-	-	(37,368)	(37,368)
	<u>802,740</u>	<u>802,740</u>	<u>765,372</u>	<u>765,372</u>

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*.

Prohibited shareholding interest

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

Buderim Community Enterprises Limited
Notes to the financial statements
30 June 2024

Note 17. Issued capital (continued)

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 217. As at the date of this report, the company had 233 shareholders (2023: 233 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.

Buderim Community Enterprises Limited
Notes to the financial statements
30 June 2024

Note 19. Dividends

Dividends provided for and paid during the period

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

	2024 \$	2023 \$
Unfranked dividend of 7 cents per share (2023: nil cents)	56,192	-

Accounting policy for dividends

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

Note 20. Financial risk management

The company's financial instruments include trade receivables and payables, cash and cash equivalents, 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 A- on Standard & Poor's credit ratings.
- The company has no direct exposure to movements in commodity prices.
- The company's interest-bearing instruments are held at amortised cost which have fair values that approximate their carrying value since all cash and payables have maturity dates within 12 months.
- 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)	46,901	75,866
Cash and cash equivalents (note 10)	209,680	20,525
	<u>256,581</u>	<u>96,391</u>
Financial liabilities		
Trade and other payables (note 15)	6,204	30,189
Lease liabilities (note 16)	44,007	106,626
	<u>50,211</u>	<u>136,815</u>

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

Accounting policy for financial instruments

Financial assets

Classification

The company measures its financial assets at amortised cost.

Buderim Community Enterprises Limited
Notes to the financial statements
30 June 2024

Note 20. Financial risk management (continued)

The company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents.

Derecognition

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

Impairment of trade and other receivables

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

Financial liabilities

Classification

The company measures its financial liabilities at amortised cost.

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

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. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest-rate risk. The company held cash and cash equivalents of \$209,680 at 30 June 2024 (2023: \$20,525).

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.

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2024				
Trade and other payables	6,204	-	-	6,204
Lease liabilities	44,690	-	-	44,690
Total non-derivatives	50,894	-	-	50,894

Buderim Community Enterprises Limited
Notes to the financial statements
30 June 2024

Note 20. Financial risk management (continued)

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2023				
Trade and other payables	30,189	-	-	30,189
Lease liabilities	67,036	44,690	-	111,726
Total non-derivatives	97,225	44,690	-	141,915

Note 21. Key management personnel disclosures

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

Richard Cartwright Beasley	Lara Kae Higson
Geoffrey Reynolds Hole	Nicole Masri
Helen Margaret Jones	Dr. Keith James Solomon
Jonathan Sullivan	Gregory Paul Bradley
Ruth Margaret Wade	

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

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

Note 22. Related party transactions

Key management personnel

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

Receivable from and payable to related parties

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

Terms and conditions of transactions with related parties

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

Transactions with related parties

The following transactions occurred with related parties:

	2024 \$	2023 \$
Sponsorship payment to Buderim Rotary Club where a director is a board member.	2,500	-

Buderim Community Enterprises Limited
Notes to the financial statements
30 June 2024

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 \$
<i>Audit services</i>		
Audit or review of the financial statements	6,900	5,400
<i>Other services</i>		
Taxation advice and tax compliance services	700	1,390
General advisory services	2,980	4,240
Share registry services	4,524	2,930
	<u>8,204</u>	<u>8,560</u>
	<u><u>15,104</u></u>	<u><u>13,960</u></u>

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

	2024 \$	2023 \$
Profit after income tax expense for the year	176,584	331,680
Adjustments for:		
Depreciation and amortisation	78,677	78,207
Net loss on disposal of non-current assets	717	-
Lease liability interest	3,852	7,500
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	25,246	(49,813)
Decrease in deferred tax assets	58,990	110,589
Increase/(decrease) in trade and other payables	(19,882)	26,813
Increase in other provisions	1,486	1,436
Net cash provided by operating activities	<u><u>325,670</u></u>	<u><u>506,412</u></u>

Note 25. Earnings per share

	2024 \$	2023 \$
Profit after income tax	<u><u>176,584</u></u>	<u><u>331,680</u></u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>802,740</u>	<u>802,740</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u><u>802,740</u></u>	<u><u>802,740</u></u>
	Cents	Cents
Basic earnings per share	22.00	41.32
Diluted earnings per share	22.00	41.32

Buderim Community Enterprises Limited
Notes to the financial statements
30 June 2024

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.

Buderim Community Enterprises Limited
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



Helen Margaret Jones
Deputy-Chairperson

26 September 2024



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

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Buderim 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 Buderim 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.



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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.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated this 26 day of September 2024

A handwritten signature in black ink, appearing to read 'Jessica Ritchie'.

Jessica Ritchie
Lead Auditor