Annual Report 2024

Epping and Districts Financial Services Limited

Community Bank
Epping

ABN 57 104 573 499

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Chair’s report

For year ending 30 June 2024

At the end of the 2023-24 Financial Year, I am pleased to announce that Epping and Districts Financial Services Ltd (EDFSL) remains in a strong financial position and has made another significant profit, a noteworthy achievement in the current economic climate.

This result has been possible, once again, through the hard work and outstanding personal service which our staff continues to provide to our customers. Stephen, Junie, Karen, and Julie maintain a well-deserved reputation for their professional and friendly approach in providing the full range of banking services to our local communities. On a daily basis, our staff demonstrates their commitment and dedication well beyond any standard job description. I congratulate and thank them for their excellent efforts for our Community Bank and for our local community.

Community Bank Epping is the only bank in the Epping district. Our central focus is to support our local community, and a highlight of the past year is that we have approved 46 applications for funding from schools, churches, sporting groups, welfare agencies, charities, and community support services in Epping and surrounding suburbs. This annual funding support amounted to over $460,000, a record in our 21-year history, and brings the total amount we have provided to local groups to almost $2.5 million. This is an exceptional achievement for a small local company such as ours, and clearly demonstrates our fundamental philosophy of shared value with the community.

Thank you to our Board of volunteer Directors who have continued a prudent and disciplined approach to financial management, which has facilitated our successful operation, the achievement of a significant annual profit, and a substantial dividend to our shareholders. As individuals, and as a cohesive group, they bring passion and hard work to support the staff in the best interests of our company and, most importantly, for the benefit of our community. I am confident that future success as a company is assured.

I thank you, our shareholders, for your financial and community investment in our Community Bank, and for your ongoing perseverance and commitment to strengthening our local community through the work of our company. This is what makes us so distinctly different from other major banks, and without your support we would not be so successful as a community-based bank.

Finally, it is with very mixed feelings that I announce I am stepping down as Chair and resigning from the Board of EDFSL at our Annual General Meeting on November 28. My initial involvement with the Community Bank was as a member of the Community Funding Committee in 2012. I was elected to the Board in 2013 and have been Chair since 2017. I have enjoyed contributing my time and energy in support of this wonderful social enterprise which has provided such significant and tangible benefits to our community over a long period. My personal thanks to the staff, volunteer committee members, Board Directors and Bendigo Bank corporate executives with whom I have been fortunate to collaborate over the past 13 years, both in a collegial professional capacity and as supportive friends. My role on the Board has also brought me into contact with many not-for-profit local organisations and magnificent volunteers who maintain constant dedication and tireless efforts in the service of others.

It has been a privilege to work with you all.

My best wishes for your continued success in the future.

Yours sincerely,

Rob Phillips
Chair
Epping and Districts Financial Services Ltd.

Manager's report

For year ending 30 June 2024

I am pleased to present the Annual Report for Community Bank Epping for the 2023-24 Financial Year.

Despite a competitive financial environment, including high cash rates and rapid digital banking adoption, we successfully achieved $4.7 million total business growth in expanding our business. These achievements reflect our commitment to meeting our customers' evolving needs.

I extend my gratitude to our incredible team: Junie, Karen and Julie whose dedication has been instrumental to our success. I also thank our volunteer Board of Directors and Committee members for their unwavering support, as well as our loyal customers and shareholders for their continued trust.

Special thanks to our Regional Manager, Tom Woods, and the State Office Team for their ongoing support, enabling us to provide comprehensive banking solutions.

As a Community Bank, we are proud to serve our local community, offering personalised service while supporting local businesses.

As always, we remain committed to championing high quality banking services. Our unique model allows us to deliver both financial benefits and community support, creating a positive and lasting impact on our community wellbeing.

We invite all shareholders and customers to visit our Community Bank and discover how we can assist with all your banking needs. Thank you for your ongoing support, and we look forward to another year of growth and service to our community.

Sincerely,

Stephen Hu
Manager
Community Bank Epping.

The Shared Value Model

Community Bank Epping operates on the principle of **Shared Value**.

Shared Value is:

- not just ‘shared values’, however noble those values might be;
- nor is it just a sense of ‘social conscience’ or ‘social responsibility’;
- nor is it just ‘corporate philanthropy’.

It is all of these, and much more.

It embodies the link between business success **and** corporate social responsibility – the success of a company and the social health of the community around it are mutually dependent.

Our community bank is a franchisee of Bendigo and Adelaide Bank. It uses the bank’s infrastructure and expertise to provide local community members with financial and banking services through a successful community business venture. The crucial point of difference from other banks is that, under the terms of the franchise agreement, our community bank reinvests up to 80% of its net profits back into the community to support local initiatives and stimulate community well-being. We are a **genuine** community bank.

Shareholders expect a financial return, but they are also committing to a community investment for the benefit of their community as a whole.

The community is at the centre of the business, not at the margins. Our high-quality banking services are the means to the end – to generate profits, and thus provide funds to support our community.

Since our foundation in 2003, our company has returned nearly $2.5 million to OUR community in a wide variety of projects. We must stress that these funds come from OUR Community Bank Epping, OUR local company, not from ‘the Bendigo Bank’.

The members of our community who bank with us receive high quality banking services - and are the source of our profits. The more people who bank with our branch, the higher our profits. The higher our profits, the more funds we can pass back into local community projects and to our shareholders. It is a WIN-WIN-WIN situation.

Our Community Funding and Investment

During the financial year ended 30 June 2024, the following community organisations have received financial support from the Community Bank Epping:

ADHD Foundation	Horizons Family Law Centre
All Saints Anglican Church North Epping	KidsXpress
Buddhist Compassion Relief Foundation	Macquarie Singers
Carlingford Netball Club	Mini Movers Playgroup North Epping
Cheltenham Girls High School	Move It On North Epping
Carols in the Park	Ngarala Public School
Concord Ryde Sailing Club	North Epping Bowling and Community Club
Epping Baptist Church	North Epping Carols
Epping Boys Brigade	North Epping Rangers Sports Club
Epping Boys High School	Ray Park Heritage Group
Epping Bulls Cricket Club	Riding for the Disabled
Epping Districts Athletics Club	Roselea Football Club
Epping-Eastwood Football Club	Scouts Epping
Epping-Eastwood Lions Club	St Andrews Netball Club
Epping Heights Public School	St Gerards Netball Club
Epping North Public School	St Johns Anglican Church Beecroft
Epping Physie Club	Tigers Baseball Club
Epping Public School	Yabadoo Eastwood
Epping Rotary Club	
Epping Senior Citizens Club	

Community Bank · Epping

Community Grants 2023–24

$460k
COMMUNITY GRANTS
2023–24

33
ORGANISATIONS HELPED

46
PROJECTS

5
WELLBEING

15
COMMUNITY FACILITIES

13
SPORT

11
EDUCATION

2
ARTS

$2.5m
COMMUNITY FUNDING
since 2003

Bendigo Bank

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Epping and Districts Financial Services Limited

ABN 57 104 573 499

Financial Report - 30 June 2024

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:	Robert Michael Phillips
Title:	Non-executive director
Experience and expertise:	High School Educator for 38 years. High School Principal for 12 years. Life member, NSW Secondary Principals Council. Member, Australian Institute for Teaching and School Leadership. Trained Mediator, NSW Department of Education. Director and Honorary Secretary, North Epping Bowling and Community Club Ltd. Trained in Director Foundation and Management Collaboration.
Special responsibilities:	Company Chair, Member of Finance Committee, Member of Governance Committee, Member of Community Funding & Business Development Committee

Name:	Craig Eric Gallagher
Title:	Non-executive director
Experience and expertise:	Retired Lawyer 40 years. Director Centre for Disability Studies, Sydney University. Member Epping Rotary 25 years. Former Trustee State Sports Centre Trust. Former Trustee and Chairman Parramatta Stadium Trust. Former Director Venues NSW.
Special responsibilities:	Deputy Chairman, Member of Governance Committee, Member of Community Funding & Business Development Committee

Name:	Ian David Bittner
Title:	Non-executive director
Experience and expertise:	B.Sc., Grad Dip Man. More than 40 years experience in private and public pathology companies including time as Chief General Manager of Malaysia and Singapore operations. Eighteen years of service and currently serving as President of the Rotary Club of Epping. Currently employed by NSW Health Pathology in Quality and Clinical Governance role.
Special responsibilities:	Company Secretary, Member of Governance, Risk and HR Committee

Name:	Robyn Dawn Clark
Title:	Non-executive director
Experience and expertise:	Masters of Educational Leadership, Director Loreto Normanhurst Board 2013-2019, Chair of Principal Selection Committee. Senior HR professional for over 25 years, career in financial services, printing and technology industries.
Special responsibilities:	Chair of Governance, Risk & HR Committee

Name:	Janet Pauline McGarry
Title:	Non-executive director
Experience and expertise:	Marketing and Communications Senior Executive, with more than 30 years' experience in the tourism industry, and acknowledged as an industry leader. Active for more than 20 years in the local Epping community with 5 years spent as President of Epping Civic Trust.
Special responsibilities:	Chair of Community Funding and Business Development Committee

Name:	Justin Lian Sin Kang
Title:	Non-executive director
Experience and expertise:	Legal services, currently partner in Dentons Australia Ltd.
Special responsibilities:	Nil

Name:	Meera Swaminathan Iyer
Title:	Non-executive director (appointed 25 October 2023)
Experience and expertise:	Experienced Chief Financial Officer and strategic leader with Certified Public Accountant (CPA) qualifications, drives innovation and high-performance outcomes across diverse sectors, including financial services, Fintech, and non-profits ensuring sustained viability. Serves as Treasurer & Board member of the Women and Girl's Emergency Centre, Not for Profit organisation for assistance to victims of domestic violence and abuse.
Special responsibilities:	Nil

Name:	Joanne Lynch
Title:	Non-executive director (appointed 25 October 2023)
Experience and expertise:	30+ years of experience in financial and operational leadership roles in the UK, US, Japan and Australia in a range of industries. 6 years as treasurer at Beecraft & District Garden Club. Holds accounting, organisational coaching, workplace health/safety qualifications.
Special responsibilities:	Chair of Finance Committee

Name:	Jacqueline McCann
Title:	Non-executive director (resigned 28 February 2024)
Experience and expertise:	Strategic Planning, Financial Management, Business Management. Experience includes banking, electronics, education and not-for-profit.
Special responsibilities:	Nil

Company secretary
The company secretary is Ian David Bittner. Ian was appointed to the position of company secretary on 21 November 2017.

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 $116,908 (30 June 2023: $246,657).

Operations have continued to perform in line with expectations.

Dividends
During the financial year, the following dividends were declared and paid as presented in the Statement of changes in equity and Statement of cash flows.

	2024 $
Fully franked dividend of 10 cents per share (2023: 4 cents)	51,101

During the financial year, the following dividends were declared but not paid as presented in the Statement of changes in equity and Statement of financial position.

	2024 $
Fully franked dividend of 12 cents per share	61,320

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.

On 6 July 2023, the company entered into a new 5-year franchise agreement with Bendigo Bank, increasing the company's intangible assets and trade and other payables by approximately $70,097.

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
On 18 July 2024, Epping & Districts Financial Services Limited paid 6 of the 12 cent dividend declared in note 21. The residual 6 cents was yet to be paid at the date of signing the financial report.

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
Robert Michael Phillips	11	11
Craig Eric Gallagher	11	8
Ian David Bittner	11	11
Robyn Dawn Clark	11	8
Janet Pauline McGarry	11	11
Justin Lian Sin Kang	11	10
Meera Swaminathan Iyer	7	6
Joanne Lynch	7	7
Jacqueline McCann	6	5

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 notes 24 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
Robert Michael Phillips	1,000	-	1,000
Craig Eric Gallagher	-	-	-
Ian David Bittner	-	-	-
Robyn Dawn Clark	-	-	-
Janet Pauline McGarry	-	-	-
Justin Lian Sin Kang	-	-	-
Meera Swaminathan Iyer	-	-	-
Joanne Lynch	-	-	-
Jacqueline McCann	-	-	-

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 25 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

Robert Michael Phillips
Chair

25 September 2024

Auditor's independence declaration

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

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Epping and Districts Financial Services Limited

As lead auditor for the audit of Epping and Districts 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: 25 September 2024

Lachlan Tatt
Lead Auditor

Financial statements

Epping and Districts 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	1,300,655	1,456,442
Other revenue		-	1,427
Finance revenue		30,839	11,722
Total revenue		1,331,494	1,469,591
Employee benefits expense	8	(425,209)	(412,200)
Advertising and marketing costs		(71,006)	(63,155)
Occupancy and associated costs		(20,948)	(13,518)
System costs		(33,249)	(34,433)
Depreciation and amortisation expense	8	(74,984)	(74,460)
Finance costs		(8,325)	(9,965)
General administration expenses		(75,745)	(74,159)
Total expenses before community contributions and income tax expense		(709,466)	(681,890)
Profit before community contributions and income tax expense		622,028	787,701
Charitable donations, sponsorships and grants expense	8	(469,152)	(458,486)
Profit before income tax expense		152,876	329,215
Income tax expense	9	(35,968)	(82,558)
Profit after income tax expense for the year		116,908	246,657
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		116,908	246,657
		Cents	**Cents**
Basic earnings per share	27	22.88	48.27
Diluted earnings per share	27	22.88	48.27

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

Epping and Districts Financial Services Limited
Statement of financial position
As at 30 June 2024

	Note	2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	10	844,648	981,502
Trade and other receivables	11	135,988	137,317
Investments	12	210,605	110,536
Current tax assets	9	24,820	-
Total current assets		1,216,061	1,229,355
Non-current assets			
Property, plant and equipment	13	54,694	71,996
Right-of-use assets	14	227,578	268,416
Intangibles	15	61,919	5,494
Deferred tax assets	9	32,453	26,181
Total non-current assets		376,644	372,087
Total assets		1,592,705	1,601,442
Liabilities			
Current liabilities			
Trade and other payables	16	87,930	39,328
Lease liabilities	17	45,625	36,916
Current tax liabilities	9	-	81,348
Employee benefits	18	80,451	76,997
Total current liabilities		214,006	234,589
Non-current liabilities			
Trade and other payables	16	46,264	-
Lease liabilities	17	201,451	246,101
Employee benefits	18	17,135	11,991
Lease make good provision		17,039	16,438
Total non-current liabilities		281,889	274,530
Total liabilities		495,895	509,119
Net assets		1,096,810	1,092,323
Equity			
Issued capital	19	479,929	479,929
Retained earnings		616,881	612,394
Total equity		1,096,810	1,092,323

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

Epping and Districts 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		479,929	386,177	866,106
Profit after income tax expense		-	246,657	246,657
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	246,657	246,657
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	21	-	(20,440)	(20,440)
Balance at 30 June 2023		479,929	612,394	1,092,323
Balance at 1 July 2023		479,929	612,394	1,092,323
Profit after income tax expense		-	116,908	116,908
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	116,908	116,908
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	21	-	(112,421)	(112,421)
Balance at 30 June 2024		479,929	616,881	1,096,810

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

Epping and Districts 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)		1,447,578	1,556,659
Payments to suppliers and employees (inclusive of GST)		(1,249,778)	(1,181,755)
Interest received		25,770	10,970
Income taxes paid		(148,408)	(9,050)
Net cash provided by operating activities	26	75,162	376,824
Cash flows from investing activities			
Investment in term deposits		(100,069)	(10,865)
Payments for property, plant and equipment		(1,922)	-
Payments for intangible assets		(14,019)	(13,844)
Net cash used in investing activities		(116,010)	(24,709)
Cash flows from financing activities			
Interest and other finance costs paid		(7,827)	(9,060)
Dividends paid	21	(51,101)	(20,440)
Repayment of lease liabilities		(37,078)	(34,539)
Net cash used in financing activities		(96,006)	(64,039)
Net increase/(decrease) in cash and cash equivalents		(136,854)	288,076
Cash and cash equivalents at the beginning of the financial year		981,502	693,426
Cash and cash equivalents at the end of the financial year	10	844,648	981,502

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 Epping and Districts 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 Unit 1, 2 Pembroke Street, Epping NSW 2121.

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.

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 25 September 2024. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

The accounting policies that are material to the 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 at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. The directors did not identify any impairment indications during the financial year.

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

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

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

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

Estimates and assumptions

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

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 2028.

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

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

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

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 financial statements 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 $110,536 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.

Note 7. Revenue from contracts with customers

	2024 $	2023 $
Margin income	1,188,005	1,350,666
Fee income	49,496	43,381
Commission income	63,154	62,395
	1,300,655	1,456,442

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

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

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

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

Note 7. Revenue from contracts with customers (continued)

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

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

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

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

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

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

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

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

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

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

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

Note 8. Expenses

Employee benefits expense

	2024 $	**2023 $**
Wages and salaries	360,216	362,712
Superannuation contributions	39,516	36,682
Expenses related to long service leave	8,219	674
Other expenses	17,258	12,132
	425,209	412,200

Note 8. Expenses (continued)

Depreciation and amortisation expense

	2024 $	2023 $
Depreciation of non-current assets		
Leasehold improvements	13,807	13,806
Plant and equipment	5,417	5,639
	19,224	19,445
Depreciation of right-of-use assets		
Leased land and buildings	42,088	41,832
Amortisation of intangible assets		
Franchise fee	2,279	2,197
Franchise renewal fee	11,393	10,986
	13,672	13,183
	74,984	74,460

Finance costs

	2024 $	2023 $
Lease interest expense	7,827	9,060
Unwinding of make-good provision	498	424
Other	-	481
	8,325	9,965

Leases recognition exemption

	2024 $	2023 $
Expenses relating to low-value leases	10,696	11,927

Charitable donations, sponsorships and grants

	2024 $	2023 $
Direct donation, sponsorship and grant payments	105,516	58,486
Contribution to the Community Enterprise Foundation™	363,636	400,000
	469,152	458,486

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

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

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

Note 9. Income tax

	2024 $	2023 $
Income tax expense		
Current tax	44,509	89,478
Movement in deferred tax	(6,272)	(6,920)
Under/over adjustment	(2,269)	-
Aggregate income tax expense	35,968	82,558
Prima facie income tax reconciliation		
Profit before income tax expense	152,876	329,215
Tax at the statutory tax rate of 25%	38,219	82,304
Tax effect of:		
Non-deductible expenses	18	254
	38,237	82,558
Under/over adjustment	(2,269)	-
Income tax expense	35,968	82,558

	2024 $	2023 $
Deferred tax assets/(liabilities)		
Property, plant and equipment	(413)	(4,378)
Employee benefits	24,397	22,247
Provision for lease make good	4,260	4,110
Accrued expenses	1,100	1,050
Income accruals	(1,765)	(498)
Lease liabilities	61,769	70,754
Right-of-use assets	(56,895)	(67,104)
Deferred tax asset	32,453	26,181

	2024 $	2023 $
Income tax refund due	24,820	-

	2024 $	2023 $
Provision for income tax	-	81,348

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 on hand	120	97
Cash at bank and on hand	844,528	981,405
	844,648	981,502

Note 11. Trade and other receivables

	2024 $	2023 $
Trade receivables	111,875	128,733
Other receivables and accruals	11,149	650
Accrued income	7,059	1,990
Prepayments	5,905	5,944
	24,113	8,584
	135,988	137,317

	2024 $	2023 $
Financial assets at amortised cost classified as trade and other receivables		
Total trade and other receivables	123,024	129,383
Less: other receivables and accruals (net GST receivables from the ATO)	(10,499)	-
	112,525	129,383

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	200,000	100,000
Restricted cash held in term deposits	10,605	10,536
	210,605	110,536

Note 13. Property, plant and equipment

	2024 $	2023 $
Leasehold improvements - at cost	80,259	80,259
Less: Accumulated depreciation	(42,618)	(28,811)
	37,641	51,448
Plant and equipment - at cost	62,993	61,071
Less: Accumulated depreciation	(45,940)	(40,523)
	17,053	20,548
	54,694	71,996

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	65,254	26,187	91,441
Depreciation	(13,806)	(5,639)	(19,445)
Balance at 30 June 2023	51,448	20,548	71,996
Additions	-	1,922	1,922
Depreciation	(13,807)	(5,417)	(19,224)
Balance at 30 June 2024	37,641	17,053	54,694

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

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

Leasehold improvements	5 to 6 years
Plant and equipment	1 to 25 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	377,526	376,276
Less: Accumulated depreciation	(149,948)	(107,860)
	227,578	268,416

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	310,248
Depreciation expense	(41,832)
Balance at 30 June 2023	268,416
Remeasurement adjustments	1,250
Depreciation expense	(42,088)
Balance at 30 June 2024	227,578

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. Intangibles

	2024 $	**2023 $**
Franchise fee	95,600	83,917
Less: Accumulated amortisation	(85,280)	(83,001)
	10,320	916
Franchise renewal fee	227,991	169,577
Less: Accumulated amortisation	(176,392)	(164,999)
	51,599	4,578
	61,919	5,494

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	3,113	15,564	18,677
Amortisation expense	(2,197)	(10,986)	(13,183)
Balance at 30 June 2023	916	4,578	5,494
Additions	11,683	58,414	70,097
Amortisation expense	(2,279)	(11,393)	(13,672)
Balance at 30 June 2024	10,320	51,599	61,919

Note 15. Intangibles (continued)

Additions
During the current year the franchise fee was renewed. This is to be amortised over five years to November 2028.

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

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

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

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

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

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	30,918	3,634
Other payables and accruals	57,012	35,694
	87,930	39,328
Non-current liabilities		
Other payables and accruals	46,264	-

	2024 $	2023 $
Financial liabilities at amortised cost classified as trade and other payables		
Total trade and other payables	134,194	39,328
Less: other payables and accruals (net GST payable to the ATO)	-	(13,190)
	134,194	26,138

Note 17. Lease liabilities

	2024 $	2023 $
Current liabilities		
Land and buildings lease liabilities	45,625	36,916
Non-current liabilities		
Land and buildings lease liabilities	201,451	246,101

Reconciliation of lease liabilities

	2024 $	2023 $
Opening balance	283,017	317,556
Remeasurement adjustments	1,137	-
Lease interest expense	7,827	9,060
Lease payments - total cash outflow	(44,905)	(43,599)
	247,076	283,017

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
Pembroke Street Branch	3.00%	3 years	1 x 3 years	Yes	November 2029

Note 18. Employee benefits

	2024 $	2023 $
Current liabilities		
Annual leave	57,709	57,330
Long service leave	22,742	19,667
	80,451	76,997
Non-current liabilities		
Long service leave	17,135	11,991

Note 18. Employee benefits (continued)

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 expensed when the leave is taken and is measured at the rates paid or payable.

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.

Note 19. Issued capital

	2024 Shares	2023 Shares	2024 $	2023 $
Ordinary shares - fully paid	511,008	511,008	511,008	511,008
Less: Equity raising costs	-	-	(31,079)	(31,079)
	511,008	511,008	479,929	479,929

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

Rights attached to issued capital

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

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

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

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

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

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

Note 19. Issued capital (continued)

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").

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 20. Capital management

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

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

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

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

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

Note 21. Dividends

Dividends provided for and paid during the period
The following dividends were declared 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: 4 cents)	51,101	20,440

Dividends provided for during the period
The following dividends were declared but not paid during the reporting period as presented in the Statement of changes in equity and Statement of financial position.

	2024 $	2023 $
Fully franked dividend of 12 cents per share	61,320	-

Accounting policy for dividends
Dividends are recognised when declared during the financial year.

Franking credits

	2024 $	2023 $
Franking account balance at the beginning of the financial year	232,148	229,911
Franking credits (debits) arising from income taxes paid (refunded)	148,408	9,050
Franking debits from the payment of franked distributions	(17,034)	(6,813)
	363,522	232,148
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	363,522	232,148
Franking credits (debits) that will arise from payment (refund) of income tax	(24,820)	81,348
Franking debits that will arise from payment of dividends subsequent to financial year end	(20,440)	-
Franking credits available for future reporting periods	318,262	313,496

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%.

Note 22. 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.

Note 22. Financial risk management (continued)

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

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

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

	2024 $	2023 $
Financial assets		
Trade and other receivables (note 11)	112,525	129,383
Cash and cash equivalents (note 10)	844,648	981,502
Investments (note 12)	210,605	110,536
	1,167,778	1,221,421
Financial liabilities		
Trade and other payables (note 16)	134,194	26,138
Lease liabilities (note 17)	247,076	283,017
	381,270	309,155

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.

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.

Note 22. Financial risk management (continued)

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

Interest-bearing 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 $844,648 and investments of $210,605 at 30 June 2024 (2023: $981,502 and $110,536).

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	87,930	46,264	-	134,194
Lease liabilities	46,253	199,437	21,957	267,647
Total non-derivatives	134,183	245,701	21,957	401,841

2023	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	26,138	-	-	26,138
Lease liabilities	44,906	193,505	74,015	312,426
Total non-derivatives	71,044	193,505	74,015	338,564

Note 23. Key management personnel disclosures

The following persons were directors of Epping and Districts Financial Services Limited during the financial year or up to the date of signing of these Financial Statements.

Robert Michael Phillips
Craig Eric Gallagher
Ian David Bittner
Robyn Dawn Clark
Janet Pauline McGarry
Justin Lian Sin Kang
Meera Swaminathan Iyer
Joanne Lynch
Jacqueline McCann

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 24. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 23.

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 $
The company utilised Marketing services provided by its director, Janet Pauline McGarry.	38,623	-
The company provided a capital works community grant through the Community Enterprise Foundation, to North Epping Bowling & Community Club Ltd where Robert Michael Phillips holds the position of director.	122,000	-
The company provided sponsorships to Epping Rotary Club where Ian David Bittner holds the position of president.	11,150	-

Note 25. Remuneration of auditors

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

	2024 $	2023 $
Audit services		
Audit or review of the financial statements	6,650	5,400
Other services		
Taxation advice and tax compliance services	700	660
General advisory services	3,450	6,362
Share registry services	4,062	3,764
	8,212	10,786
	14,862	16,186

Note 26. Reconciliation of profit after income tax to net cash provided by operating activities

	2024 $	2023 $
Profit after income tax expense for the year	116,908	246,657
Adjustments for:		
Depreciation and amortisation	74,984	74,460
Lease liabilities interest	7,827	9,060
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	1,329	(37,620)
Increase in current tax assets	(24,820)	-
Increase in deferred tax assets	(6,272)	(6,920)
Increase/(decrease) in trade and other payables	(22,362)	5,972
Increase/(decrease) in current tax liabilities	(81,348)	80,428
Increase in employee benefits	8,598	4,363
Increase in provisions	318	424
Net cash provided by operating activities	75,162	376,824

Note 27. Earnings per share

	2024 $	2023 $
Profit after income tax	116,908	246,657
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	511,008	511,008
Weighted average number of ordinary shares used in calculating diluted earnings per share	511,008	511,008
	Cents	**Cents**
Basic earnings per share	22.88	48.27
Diluted earnings per share	22.88	48.27

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

Note 28. Commitments

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

Note 29. Contingencies

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

Note 30. Events after the reporting period

On 18 July 2024, Epping & Districts Financial Services Limited paid 6 of the 12 cent dividend declared in note 21. The residual 6 cents was yet to be paid at the date of signing the financial report.

Consolidated Entity Disclosure Statement

30 June 2024

Note 30. 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

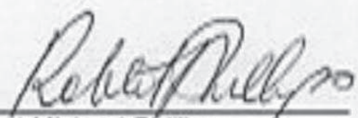
30 June 2024

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



Robert Michael Phillips
Chair

25 September 2024

Independent audit report

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
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03 5443 0344

Independent auditor's report to the Directors of Epping and Districts Financial Services Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Epping and Districts 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 Epping and Districts 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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61 Bull Street Bendigo VIC 3550
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Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 25 September 2024

Lachlan Tatt
Lead Auditor

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Bendigo Bank

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