

Annual Report 2024

Grampians Regional
Community Enterprises
Limited

Community Bank
Dunkeld & District

ABN 29 139 414 234



Annual Reports

Chairman's report	2
Manager's report	3
BEN Message	4
CBNC Message	5
Community Investment Report	7
Directors' Report	8
Auditor's independence declaration	13
Financial statements	14
Notes to the Financial Statements	18
Directors' declaration	37
Independent audit report	38

Chairman’s Report

For year ending 30 June 2024

Community Bank Dunkeld and District has had a challenging year with our total business footings growing by \$4 million to build out total business to \$142.1 million at the end of June 30, 2024. The business profit generated for 2023/24 was \$158,424 in addition to providing \$180,377 in community sponsorships.

The success of Community Bank Dunkeld and District brings our total community contributions to in excess of \$656,757 since 2010. Benefits also include having a bank which employs locals who live and contribute to our communities, and you can be confident they are ready to help when you need them. It is simple, supporting your community bank does make a difference.

We are also pleased to declare a dividend of 5 cents per share, fully franked.

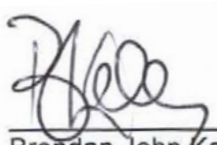
To our dedicated staff Jack Oswald, Louise Field, Ella Price, Lorelle Bannister and Abbey Wardlaw, the board would like to acknowledge your commitment to our communities and business and the great support you provide for our customers.

The board would also like to acknowledge the support of Regional Manager Stacey O’Neill for her support of our branch.

Since the last AGM we say farewell to Simon Macgugan, thanks Simon for your contribution to Community Bank Dunkeld and District.

Thanks to all our remaining directors for contributing their time and energy to the success of Community Bank Dunkeld and District.

Our Community Bank team is the reason we continue to grow our business, and this flows through to supporting our communities to prosper. So please give our Community Bank team the opportunity to help you, to ensure your financial future and to be part of your community’s future prosperity.



Brendan John Kelly
Chairman

Manager’s Report

For year ending 30 June 2024

For Community Bank Dunkeld & District, the branch saw another year of success and it showed with a strong profit being generated over the 2023-2024 financial year. The team’s integrity and the care they have for our customers continued to excel and with the support from the community, allowing us to look after their banking needs, contributed to us being able to further grow the business.

Community Bank Dunkeld & District performance saw another year of growth. Overall, the businesses footings grew another \$5.8m. The branches Lending book saw negative growth, as another interest rate rise in November 2023 created additional pressure with people trying to purchase property. As well as, in branch challenges with finding a new Home Loan Lender also presented its barriers with growing the lending book. Regarding our Deposit book, although the competitive market in the Deposit space was still evident through the 2023-2024 financial year, we were still able to grow the Deposit book by \$9.6m.

There were also a lot of changes in our partner departments with our colleagues in Business Banking and Rural Bank, despite this we continued to grow the support and contribution from our teams in these areas. By the end of June 2024 our footings reached another new high of \$142m. An absolute amazing effort.

2023-2024 saw a couple of staff changes. Most noticeably, after 13 years of leading the branch since the business’s inception, Anna Watson decided to move on from her role as the Branch Manager to the next chapter in her career. Fortunately, we are still lucky enough having her supporting the branch, our customers and our community as she moved to Rural Bank into an Agri Manager role.

We also welcomed a new staff member Simon Tindall into the Home Loan Lender position though he decided to finish up with the bank before his probational period ended. This left room for Abbey Wardlaw from the Hamilton branch to step up in her development and take on the position. She has hit the ground running and has been achieving great results through her onboarding and building strong relationships with our customers. Abbey also brings with her a wealth of knowledge around the daily operation of a branch from her time at the corporate site. We also saw Bec Hill finish up with Community Bank Dunkeld & District filling the vacancy Abbey left at the Hamilton branch. Lorelle Bath also started with the business accepting the Customer Service Officer position. Lorelle has also gone straight into building rapport with the community and our customers.

I would really like to take the time to congratulate and thank the incredible team at Community Bank Dunkeld & District. For the branch to achieve the success it has over the year shows how strong your relationships with our customers and community are. Your resilience through the staffing changes, your positive, hard-working, and team orientated mindsets to support each other and the branch to succeed is a testament to your value to the business. You to also individually strive to develop and grow in your roles is incredible. To Lousie Field, Ella Price, Abbey Wardlaw and Lorelle Bath, I am incredibly proud of you all, and on behalf of myself, the board, and the community I am incredibly grateful for your contribution to this team.

I would also like to show my appreciation to the Directors of Grampians Regional Community Enterprise Ltd. Your support, collaboration and advice throughout the year and your trust in me to manage the business has been extremely appreciated. I have been very fortunate, having such a great team of directors.

Finally, to our customers, community and shareholders. Without your support, we wouldn’t be able to do what we do and give profits back into the community. I thank you for your support and I encourage you to refer anyone you may know that you feel could benefit from our service. Whether that be Rural Bank and Business Banking product offerings or any other banking product including Bendigo Bank Home Loans, Insurance, Wealth advice, and more, send them our way, we are always more than happy to just have a chat and find out how we may be able to help.

My team and I hope to see you soon.

Regards,



Jack Oswald
Branch Manager

BEN Message

For year ending 30 June 2024

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

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

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

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

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

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

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

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

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

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

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

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

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

Warmest regards,



Justine Minne
Bendigo and Adelaide Bank

CBNC Message



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

Dividend payment history

Dividend to shareholders			
Financial Year	Amount Per Share	Franking Level	Date Paid
2017/2018	.03	Unfranked	1 December 2018
2018/2019	.04	Unfranked	1 December 2019
2019/2020	.05	Unfranked	1 December 2020
2020/2021	.06	Fully Franked	1 December 2021
2021/2022	.05	Fully Franked	1 December 2022
2022/2023	.05	Fully Franked	1 December 2023
2023/2024	.05	Fully Franked	1 December 2024

Community Investment Report

For year ending 30 June 2024

Grampians Regional Community Enterprises Pty Ltd (GRCEL) operates the Community Bank Dunkeld & District and is proud to invest in our communities through the Community Investment Program. Our main aim of the program is to promote positive change in the community.

Growing our customer base enables this unique banking model to thrive and prosper, thereby allowing us to continue to invest in the community.

During 2023 -2024 we invested \$26,880 in our communities. Since opening the Community Bank Dunkeld & District we've invested \$501,460 directly into Dunkeld, Peshurst, Cavendish, Glenthompson, Hamilton and other communities.

We are proud to have supported the following Community groups and activities over the year:

Community Group	Amount	Purpose
Grampians Golf Club	\$750	Annual Tournament
Cavendish Red Gum Festival	\$7750	Sponsorship
Peshurst Creative Arts	\$1000	Art Show
Hamilton Speedway Drivers	\$600	Sponsorship National Titles event
Peshurst Pony Club	\$400	Sponsorship
Peshurst & District Racing Club	\$1000	Sponsorship
Peshurst Football Netball Club	\$3000	Annual sponsorship
Glenthompson Community Association	\$1500	Art show sponsorship & radio advertising
Cavendish Primary School	\$545	Raised garden bed
Dunkeld & District Lions Club	\$250	Charity Golf Day
Cavendish Townscape Association Inc	\$650	Cavendish Fleece & Flower Show
Peshurst Bowls Club	\$250	Sign sponsorship
Cavendish & District Tennis Association	\$500	Trophies
Peaks & Trails	\$1000	Radio advertising
3 Peaks Festival	\$1000	Radio advertising
Glenthompson Dunkeld Football Netball Club	\$3000	Annual Sponsorship
Peshurst Progress Association	\$250	Anzac Day 2024
Glenelg & Southern Grampians Local Learning and Employment Network	\$1000	Young Leaders Program
Dunkeld & District Lions Club	\$2435	Sponsored Driving Course for learning drivers

Directors’ Report

For year ending 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:

Brendan John Kelly

Non-executive director

Experience and expertise: Brendan is the managing director of Kellys which is a rural merchandise, fertiliser and hardware business located in both Penshurst & Dunkeld. Brendan established Kellys in Penshurst in 1988, then in Dunkeld in 2005. In recent years Brendan has commenced selling real estate working with Charles Stewart & Co, this is somewhat a family tradition with previous generation being involved in real estate valuations and sales. Brendan is the fourth generation of the Kelly family to live and work in Penshurst and district. Brendan and his wife Liz have three children Brooke, Shannon and Laine. They are active in the local community being involved in the football netball club, race club and Monivae college.

Special responsibilities: Chair

Jock Travers Melville Whiting

Non-executive director

Experience and expertise: Grazier, AFL Football Development Manager, South West Coast Suicide Prevention Trial - Leadership Executive, Pedrina Park - Hamilton Strategic Development Plan Member, Program Manager - AFL Victoria Country Football Academy

Special responsibilities: Nil

Anthony John Page

Non-executive director

Experience and expertise: Anthony has lived in Penshurst all his life. Anthony started his working life as an Electrical Apprentice in 1981 before purchasing his current Electrical Contracting Business & Fuel Station business in 1986. He is married with adult children. Currently the Captain of Penshurst Fire Brigade, member of Penshurst Football Netball Club. Past Penshurst Apex member.

Special responsibilities: Nil

Jodie Louise Young

Non-executive director

Experience and expertise: Bachelor of Nursing, Marcus Oldham Rural Leadership Program, Cavendish Red Gum Festival committee member. Jodie is from a family farming operation running a commercial Angus herd in Western Victoria. A registered nurse currently employed part time at Casterton, Victoria. Jodie lives with her husband and children at Cavendish running sheep and cattle and plans to improve the liveability and amenities of Cavendish and within our region by becoming a Bendigo Community Bank director. Jodie brings attributes including; different workplace exposure, practical, enjoys challenges and seeking out improvements, community minded, volunteering and gardening.

Special responsibilities: Nil

Joanna Wallace Heard

Non-executive director

Experience and expertise: Past/present occupations include Research Scientist: Animal Nutrition, Research Scientist: Farm Systems Economist. Tertiary qualifications: Ba. Agricultural Science (Hons.). Currently Secretary at Strathmore Brigade CFA and Glenthompson Memorial Hill Inc. Committee.

Special responsibilities: Minute Secretary

Director’s Report (continued)

Catherine Mary Loria

Non-executive director

Experience and expertise: Current occupation is Director of Nursing/Manager Penshurst & District Health Service, a campus of Western District Health Service. Have been working in health for over 40 years with experience in management across different health services over the past 30 years. Have been involved in community groups in the Penshurst Community - Advance Penshurst, Penshurst Football Netball Club.

Special responsibilities: Company secretary

Michael Peter Alderman

Non-executive director

Experience and expertise: Michael is currently a self-employed farmer. He previously worked at NAB as an Agribusiness and business Banker. Michael is involved in Glenthompson Dunkeld Football Netball Club, Grampians Cricket Club and the CFA. Michael holds a Bachelor of Agricultural Science from Melbourne University.

Special responsibilities: Nil

Paul Carrazzo

Non-executive director (appointed 26 July 2023)

Experience and expertise: Paul’s accounting firm, Carrazzo Consulting, merged with Baumgartners in July 2024 and he is now a partner of that firm.

Special responsibilities: Treasurer

Carly Renee Behncke

Non-executive director (appointed 30 August 2023)

Experience and expertise: Sponsorship coordinator at Cavendish Football Netball Club.

Special responsibilities: Sponsorship Director

Donald Simon Macgugan

Non-executive director (resigned 29 May 2024)

Experience and expertise: Simon has had a career in Farm Management, specifically pigs. He has been the Company CEO and Chair of the Board of a Private Company, where he has been the Director for 28 years and is currently Chair of the farm’s Operations Sub Committee. Simon is the President of the Dunkeld Lions Club, Treasurer of the Grampians Golf Club, Member of the Dunkeld Public Lands Committee and Dunkeld CFA.

Special responsibilities: Nil

Susan Mary Morse

Non-executive director (resigned 26 July 2023)

Experience and expertise: Sue Morse is married to Derek and they have 3 children and 2 grandchildren. Sue grew up and attended Teacher’s College in Adelaide but has lived in Dunkeld for over 40 years. Beginning her working career as a Teacher and finishing as a Real Estate Agent, Sue is now enjoying retirement. Over the years, she has been involved in many community organisations, has held many official positions in the local and district golf associations, and volunteers at the Dunkeld Visitor Information Centre as well as helping run the family business.

Special responsibilities: Nil

Company secretary

The company secretary is Catherine Mary Loria. Catherine was appointed to the position of secretary on 26 April 2023.

Director’s Report (continued)

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 \$158,424 (30 June 2023: \$194,593). Operations have continued to perform in line with expectations.

Dividends

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

	2024 \$	2023 \$
Fully franked dividend of 5 cents per share (2023: 5 cents)	31,170	31,170

Significant changes in the state of affairs

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

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

Matters subsequent to the end of the financial year

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

Likely developments and expected results of operations

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

Environmental regulation

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

Meetings of directors

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

	Board	
	Eligible	Attended
Brendan John Kelly	11	10
Jock Travers Melville Whiting	11	7
Anthony John Page	11	8
Jodie Louise Young	11	8
Joanna Wallace Heard	11	8
Catherine Mary Loria	11	10
Michael Peter Alderman	11	10
Paul Carrazzo	10	7
Carly Renee Behncke	9	6
Donald Simon Macgugan	10	6
Susan Mary Morse	1	-

Director’s Report (continued)

Directors’ benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 23 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company’s accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Directors’ interests

The interest in company shareholdings for each director are:

Director name	Balance at start of the year \$	Changes \$	Balance at end of the year \$
Brendan John Kelly	10,000	-	10,000
Jock Travers Melville Whiting	-	2,000	2,000
Anthony John Page	100	-	100
Jodie Louise Young	-	-	-
Joanna Wallace Heard	-	-	-
Catherine Mary Loria	-	2,000	2,000
Michael Peter Alderman	-	2,000	2,000
Paul Carrazzo	-	-	-
Carly Renee Behncke	-	1,000	1,000
Donald Simon Macgugan	5,000	-	5,000
Susan Mary Morse	10,000	-	10,000

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*.

Director’s Report (continued)

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


Brendan John Kelly
Chairman

24 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 Grampians Regional Community Enterprises Limited

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

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



Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 24 September 2024



Adrian Downing
Lead Auditor

Financial statements

Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue from contracts with customers	7	892,859	971,043
Other revenue		488	10,488
Finance revenue		11,969	967
Total revenue		905,316	982,498
Employee benefits expense	8	(335,691)	(322,040)
Advertising and marketing costs		(6,847)	(5,662)
Occupancy and associated costs		(7,142)	(7,736)
System costs		(26,722)	(26,058)
Depreciation and amortisation expense	8	(56,556)	(36,660)
Finance costs	8	(10,815)	(11,553)
General administration expenses		(66,320)	(65,229)
Total expenses before community contributions and income tax expense		(510,093)	(474,938)
Profit before community contributions and income tax expense		395,223	507,560
Charitable donations, sponsorships and grants expense	8	(180,377)	(248,408)
Profit before income tax expense		214,846	259,152
Income tax expense	9	(56,422)	(64,559)
Profit after income tax expense for the year		158,424	194,593
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		158,424	194,593
		Cents	Cents
Basic earnings per share	27	25.41	31.21
Diluted earnings per share	27	25.41	31.21

Financial statements (continued)

Statement of Financial Position as at 30 June 2024

	Note	2024 \$	2023 \$
ASSETS			
Current assets			
Cash and cash equivalents	10	477,719	358,592
Trade and other receivables	11	88,141	93,239
Investments	12	343,885	332,182
Current tax assets	9	1,885	-
Total current assets		911,630	784,013
Non-current assets			
Property, plant and equipment	13	53,456	69,454
Right-of-use assets	14	141,356	153,815
Intangible assets	15	20,437	40,137
Deferred tax assets	9	21,203	15,789
Total non-current assets		236,452	279,195
Total assets		1,148,082	1,063,208
LIABILITIES			
Current liabilities			
Trade and other payables	16	26,833	10,699
Lease liabilities	17	30,097	20,246
Current tax liabilities	9	-	11,595
Employee benefits	18	17,641	46,233
Total current liabilities		74,571	88,773
Non-current liabilities			
Trade and other payables	16	-	14,521
Lease liabilities	17	141,855	164,275
Employee benefits	18	7,281	277
Provisions		29,294	27,535
Total non-current liabilities		178,430	206,608
Total liabilities		253,001	295,381
Net assets		895,081	767,827
Equity			
Issued capital	19	612,891	612,891
Retained earnings		282,190	154,936
Total equity		895,081	767,827

Financial statements (continued)

Statement of Changes in Equity For the year ended 30 June 2024

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2022		612,891	(8,487)	604,404
Profit after income tax expense		-	194,593	194,593
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	194,593	194,593
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	21	-	(31,170)	(31,170)
Balance at 30 June 2023		612,891	154,936	767,827
Balance at 1 July 2023		612,891	154,936	767,827
Profit after income tax expense		-	158,424	158,424
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	158,424	158,424
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	21	-	(31,170)	(31,170)
Balance at 30 June 2024		612,891	282,190	895,081

Financial statements (continued)

Statement of Cash Flows For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		987,238	1,056,298
Payments to suppliers and employees (inclusive of GST)		(718,521)	(812,248)
Interest received		11,969	967
Income taxes paid		(75,316)	(54,136)
Net cash provided by operating activities	26	205,370	190,881
Cash flows from investing activities			
Redemption of/(investment in) term deposits		(11,703)	(968)
Payments for property, plant and equipment	13	-	(53,198)
Payments for intangibles assets		(13,201)	(13,201)
Proceeds from disposal of property, plant and equipment		-	10,305
Net cash used in investing activities		(24,904)	(57,062)
Cash flows from financing activities			
Interest and other finance costs paid		(9,313)	(10,111)
Dividends paid	21	(31,170)	(31,170)
Repayment of lease liabilities		(20,856)	(18,306)
Net cash used in financing activities		(61,339)	(59,587)
Net increase in cash and cash equivalents		119,127	74,232
Cash and cash equivalents at the beginning of the financial year		358,592	284,360
Cash and cash equivalents at the end of the financial year	10	477,719	358,592

Notes to the Financial Statements

For year ending 30 June 2024

Note 1. Reporting entity

The financial statements cover Grampians Regional 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 92 Parker Street, Dunkeld, Victoria 3294.

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 24 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.

Notes to the Financial Statements (continued)

Note 3. Material accounting policy information (continued)

Current and non-current classification

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

Impairment of non-financial assets

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

Timing of revenue recognition associated with trail commission

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

Allowance for expected credit losses on trade and other receivables

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

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

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

Notes to the Financial Statements (continued)

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

Impairment of non-financial assets

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

Lease term

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

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

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

Estimates and assumptions

Estimation of useful lives of assets

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

Incremental borrowing rate

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

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.

Notes to the Financial Statements (continued)

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 February 2026.

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 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 \$332,182 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 month 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.

Notes to the Financial Statements (continued)

Note 6. Change to comparative figures (continued)

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 \$120,611.

Note 7. Revenue from contracts with customers

	2024 \$	2023 \$
Margin income	650,881	729,224
Fee income	32,866	36,025
Commission income	209,112	205,794
	892,859	971,043

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 noninterest income when the company's right to receive the payment is established.

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

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

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

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

Revenue calculation

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

Margin income

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

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

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

Notes to the Financial Statements (continued)

Note 7. Revenue from contracts with customers (continued)

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	294,784	296,160
Non-cash benefits	10,904	-
Superannuation contributions	29,976	29,609
Expenses related to long service leave	(12,037)	(12,499)
Other expenses	12,064	8,770
	335,691	322,040
Depreciation and amortisation expense	2024 \$	2023 \$
Depreciation of non-current assets		
Furniture and fittings	5,764	6,756
Motor vehicles	10,234	4,043
	15,998	10,799
Depreciation of right-of-use assets		
Leased land and buildings	20,858	19,406
Amortisation of intangible assets		
Franchise fee	3,292	1,076
Franchise renewal process fee	16,408	5,379
	19,700	6,455
	56,556	36,660

Notes to the Financial Statements (continued)

Note 8. Expenses (continued)

	2024 \$	2023 \$
Finance costs		
Lease interest expense	9,313	10,111
Unwinding of make-good provision	1,502	1,442
	<u>10,815</u>	<u>11,553</u>

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

	2024 \$	2023 \$
Charitable donations, sponsorships and grants expense		
Direct donation, sponsorship and grant payments	<u>180,377</u>	<u>248,408</u>

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

Note 9. Income tax

	2024 \$	2023 \$
<i>Income tax expense</i>		
Current tax	49,438	52,161
Movement in deferred tax	4,985	12,957
Under/over adjustment	1,999	(559)
	<u>56,422</u>	<u>64,559</u>
<i>Aggregate income tax expense</i>		
	<u>56,422</u>	<u>64,559</u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	214,846	259,152
Tax at the statutory tax rate of 25%	53,712	64,788
Tax effect of:		
Non-deductible expenses	711	330
	<u>54,423</u>	<u>65,118</u>
Under/over adjustment	1,999	(559)
	<u>56,422</u>	<u>64,559</u>
Income tax expense	<u>56,422</u>	<u>64,559</u>
	<u>2024</u>	<u>2023</u>
	<u>\$</u>	<u>\$</u>
<i>Deferred tax assets/(liabilities)</i>		
Property, plant and equipment	-	(10,400)
Employee benefits	6,231	11,628
Provision for lease make good	7,323	6,884
Lease liabilities	42,988	46,131
Right-of-use assets	(35,339)	(38,454)
	<u>21,203</u>	<u>15,789</u>

Notes to the Financial Statements (continued)

Note 9. Income tax (continued)

	2024 \$	2023 \$
Income tax refund due	<u>1,885</u>	<u>-</u>
	<u>2024</u>	<u>2023</u>
	<u>\$</u>	<u>\$</u>
Provision for income tax	<u>-</u>	<u>11,595</u>

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.

Accounting policy for deferred tax

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

Note 10. Cash and cash equivalents

	2024 \$	2023 \$
Cash at bank and on hand	<u>477,719</u>	<u>358,592</u>

Note 11. Trade and other receivables

	2024 \$	2023 \$
Trade receivables	83,352	88,450
Prepayments	4,789	4,789
	<u>88,141</u>	<u>93,239</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. Investments

	2024 \$	2023 \$
<i>Current assets</i>		
Term deposits	<u>343,885</u>	<u>332,182</u>

Notes to the Financial Statements (continued)

Note 13. Property, plant and equipment

	2024 \$	2023 \$
Fixtures and fittings - at cost	62,287	62,287
Less: Accumulated depreciation	(40,195)	(34,431)
	22,092	27,856
Motor vehicles - at cost	43,032	43,032
Less: Accumulated depreciation	(11,668)	(1,434)
	31,364	41,598
	53,456	69,454

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

	Fixtures and fittings \$	Motor vehicles \$	Total \$
Balance at 1 July 2022	24,446	12,914	37,360
Additions	10,166	43,032	53,198
Disposals	-	(10,305)	(10,305)
Depreciation	(6,756)	(4,043)	(10,799)
Balance at 30 June 2023	27,856	41,598	69,454
Depreciation	(5,764)	(10,234)	(15,998)
Balance at 30 June 2024	22,092	31,364	53,456

Additions

During the previous financial year the company purchased a new motor vehicle.

Accounting policy for property, plant and equipment

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

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

Fixtures and fittings	2 to 20 years
Motor vehicles	5 years

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

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.

Notes to the Financial Statements (continued)

Note 14. Right-of-use assets

	2024 \$	2023 \$
Land and buildings - right-of-use	225,890	217,491
Less: Accumulated depreciation	(84,534)	(63,676)
	141,356	153,815

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	159,032
Remeasurement adjustments	14,189
Depreciation expense	(19,406)
Balance at 30 June 2023	153,815
Remeasurement adjustments	8,399
Depreciation expense	(20,858)
Balance at 30 June 2024	141,356

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 assets

	2024 \$	2023 \$
Franchise fee	32,053	32,053
Less: Accumulated amortisation	(28,647)	(25,355)
	3,406	6,698
Franchise renewal fee	110,266	110,266
Less: Accumulated amortisation	(93,235)	(76,827)
	17,031	33,439
	20,437	40,137

Notes to the Financial Statements (continued)

Note 15. Intangibles assets (continued)

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

	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2022	7,774	38,818	46,592
Amortisation expense	(1,076)	(5,379)	(6,455)
Balance at 30 June 2023	6,698	33,439	40,137
Amortisation expense	(3,292)	(16,408)	(19,700)
Balance at 30 June 2024	3,406	17,031	20,437

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)	February 2026
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	February 2026

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

Note 16. Trade and other payables

	2024 \$	2023 \$
<i>Current liabilities</i>		
Trade payables	5,966	-
Other payables and accruals	20,867	10,699
	26,833	10,699
<i>Non-current liabilities</i>		
Other payables and accruals	-	14,521
	2024 \$	2023 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	26,833	25,220
less other payables and accruals (net GST refundable from the ATO)	1,897	1,881
	28,730	27,101

Notes to the Financial Statements (continued)

Note 17. Lease liabilities

	2024 \$	2023 \$
<i>Current liabilities</i>		
Land and buildings lease liabilities	30,097	20,246
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	141,855	164,275
	2024 \$	2023 \$
<i>Reconciliation of lease liabilities</i>		
Opening balance	184,521	188,638
Remeasurement adjustments	8,287	14,189
Lease interest expense	9,313	10,111
Lease payments - total cash outflow	(30,169)	(28,417)
	171,952	184,521

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
Dunkeld Branch	5.39%	5 years	1 x 5 years	Yes	January 2031

Note 18. Employee benefits

	2024 \$	2023 \$
<i>Current liabilities</i>		
Annual leave	8,238	17,789
Long service leave	9,403	28,444
	17,641	46,233
<i>Non-current liabilities</i>		
Long service leave	7,281	277

Notes to the Financial Statements (continued)

Note 18. Employee benefits (continued)

Accounting policy for 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.

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

Note 19. Issued capital

	2024 Shares	2023 Shares	2024 \$	2023 \$
Ordinary shares - fully paid	623,400	623,400	623,400	623,400
Less: Equity raising costs	-	-	(10,509)	(10,509)
	623,400	623,400	612,891	612,891

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).

Notes to the Financial Statements (continued)

Note 19. Issued capital (continued)

Transfer

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

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

Prohibited shareholding interest

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where 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 322. As at the date of this report, the company had 322 shareholders (2023: 322 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 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.

Notes to the Financial Statements (continued)

Note 21. 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 \$
Fully franked dividend of 5 cents per share (2023: 5 cents)	31,170	31,170

Franking credits

	2024 \$	2023 \$
Franking account balance at the beginning of the financial year	73,208	29,462
Franking credits (debits) arising from income taxes paid (refunded)	75,316	54,136
Franking debits from the payment of franked distributions	(10,390)	(10,390)
	138,134	73,208

Franking transactions that will arise subsequent to the financial year end:

Balance at the end of the financial year	138,134	73,208
Franking credits (debits) that will arise from payment (refund) of income tax	(1,885)	11,595
Franking credits available for future reporting periods	136,249	84,803

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

Accounting policy for dividends

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

Note 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.

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 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.

Notes to the Financial Statements (continued)

Note 22. Financial risk management (continued)

	2024 \$	2023 \$
Financial assets at amortised cost		
Trade and other receivables (note 11)	83,352	88,450
Cash and cash equivalents (note 10)	477,719	358,592
Investments (note 12)	343,885	332,182
	904,956	779,224
Financial liabilities		
Trade and other payables (note 16)	28,730	27,101
Lease liabilities (note 17)	171,952	184,521
	200,682	211,622

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

Accounting policy for financial instruments

Financial assets

Classification

The company classifies its financial assets at amortised cost.

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

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

Derecognition

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

Impairment of trade and other receivables

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

Financial liabilities

Classification

The company classifies its financial liabilities at amortised cost.

Derecognition

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

Market risk

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of \$477,719 and term deposits of \$343,885 at 30 June 2024 (2023: \$358,592 and \$332,182).

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.

Notes to the Financial Statements (continued)

Note 22. Financial risk management (continued)

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	28,730	-	-	28,730
Lease liabilities	30,830	123,319	48,814	202,963
Total non-derivatives	59,560	123,319	48,814	231,693

2023	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Trade and other payables	12,580	14,521	-	27,101
Lease liabilities	29,697	118,789	76,718	225,204
Total non-derivatives	42,277	133,310	76,718	252,305

Note 23. Key management personnel disclosures

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

Brendan John Kelly	Catherine Mary Loria
Jock Travers Melville Whiting	Michael Peter Alderman
Anthony John Page	Paul Carrazzo
Jodie Louise Young	Carly Renee Behncke
Joanna Wallace Heard	Susan Mary Morse
Donald Simon Macgugan	

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

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

Terms and conditions of transactions with related parties

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

Notes to the Financial Statements (continued)

Note 24. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	2024 \$	2023 \$
The company sponsored, granted or donated to entities where a director or close family member is on the board/committee. The total amount was:	13,000	-

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 \$
<i>Audit services</i>		
Audit or review of the financial statements	6,650	5,400
<i>Other services</i>		
Taxation advice and tax compliance services	450	773
General advisory services	4,250	4,030
Share registry services	5,373	4,303
	10,073	9,106
	16,723	14,506

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	158,424	194,593
Adjustments for:		
Depreciation and amortisation	56,556	78,258
Lease liabilities interest	9,313	10,111
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	5,098	(23,336)
Increase in income tax refund due	(1,885)	-
Decrease/(increase) in deferred tax assets	(5,414)	12,957
Increase/(decrease) in trade and other payables	14,959	(67,837)
Decrease in provision for income tax	(11,595)	(2,534)
Decrease in employee benefits	(21,588)	(12,773)
Increase in other provisions	1,502	1,442
Net cash provided by operating activities	205,370	190,881

Notes to the Financial Statements (continued)

Note 27. Earnings per share

	2024 \$	2023 \$
Profit after income tax	158,424	194,593
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	623,400	623,400
Weighted average number of ordinary shares used in calculating diluted earnings per share	623,400	623,400
	Cents	Cents
Basic earnings per share	25.41	31.21
Diluted earnings per share	25.41	31.21

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

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

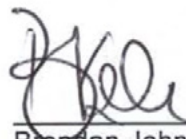
Directors' Declaration

In the directors' opinion:

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

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

On behalf of the directors


Brendan John Kelly
Chairman

24 September 2024



Andrew Frewin Stewart
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03 5443 0344

Independent auditor’s report to the Directors of Grampians Regional Community Enterprises Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Grampians Regional 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 Grampians Regional Community Enterprises Limited, is in accordance with the *Corporations Act 2001*, including:

- 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
- 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.

Independent Audit Report (continued)



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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: 24 September 2024

Adrian Downing
Lead Auditor

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This Annual Report has been printed on 100% Recycled Paper

