Annual Report 2022

Inglewood & Districts Community Enterprises Limited

Community Bank Inglewood & Districts

ABN 87 123 959 375

Contents

Chair's report

For year ending 30 June 2022

I have been on the Board for 10 years now and have seen a few changes, all for the better.

My first job as the new Chair was to appoint a new Branch Manager. Peter left us to pursue a less stressful last few years until his retirement. On speaking with our Area Manager Paul, I found that Suzanne, our Customer Relationship Manager, has also resigned. Suzanne had been with us for 16 years was also wanting a change in career. She is a PCA in Aged Care now and loving it.

We also have a new Regional Manager, an old Inglewood resident, in Shaun Leach. A lot of changes this past 12 months in the branch but we are very pleased with how things have progressed.

We have appointed Michael Prowse as our new Manager and he brings with him some local knowledge. Married a local girl, past footy player at Wedderburn and has been with Bendigo Bank for 20 years. He comes to us as the former Manager from Community Bank Heathcote & District and Nagambie. He hit the floor running and his passion for banking is shining through. We actually celebrated Michael's 20 years with a morning tea in the branch.

In addition to these changes were some promotions within the branch. Lachie Scarff is now our Customer Relationship Manager. Nick Angove moved into Customer Relationship Officer. We then needed a part-timer Customer Service Officer, hence Jeanette Nixon joined us. She has extensive experience within the Community Bank area of Bendigo Bank. Ever reliable Ruth is still with us.

It is a joy to walk into branch and see the smiles are back. We have a great team in place now and hopefully these are the only changes for a long time.

The Board of Directors has appointed Beth Dolan as our Communications Officer. Beth has been doing a wonderful job with our Facebook page and all other communication platforms. She pushes us all for information, including the banking, local and personal side of things.

In September, Kim Hanlon announced she is leaving us. She had quite a few years in the job of Company Secretary as well as a Board member. Another change in direction career wise and we wish her well.

We welcome Robyn Leach to the role of Company Secretary. She has just moved from Tasmania and has a wealth of knowledge. She jumped right into AGM planning which is a busy time for us but she is coping well.

So we have pushed through the COVID-19 madness and coming out the other side in a fairly good position.

Our team has been working extremely hard building new business and we are starting to see this happening now.

Matt Gill and the Rural bank team have also been working hard for us. We thank them immensely for their efforts in our rural side of the business.

With respect to the Board, we have a few new faces and Prue Milgate is returning soon from maternity leave.

Your efforts in promoting the company and looking at new ways to help, a fantastic effort. We all need to be conscious of helping the staff build the business. A team effort is required.

We have given back into our communities over $2 million dollars in the past 15 years. Yes, we have clocked up 15 years; celebrated with a BBQ and cake. Greatly appreciated the effort of some past Board members and staff in celebrating with us. To Shaun and Matt and the Rural Bank girls for coming out, thank you. Looking forward to five years' time for our 20th.

$2 million dollars.

That is a lot of sponsorships, grants, scholarships, donations, driving lessons. Our support to Bendigo Bank House, a low-cost accommodation for families needing ongoing medical care at Bendigo Health. Our pledge of $100,000 to Donaldson Park redevelopment to the $100 sponsorships. They are all just as important to us as they are to you. Some community groups probably would not have been able to get this help from anywhere else. We acknowledge the small investments are just as important as the larger ones.

Thank you to the shareholders for your foresight in backing the company to establish our Community Bank. The Board is working to keep your vision strong and viable.

To our wonderful staff we have and previous staff, you are the face of the company.

To the staff at our agency in Wedderburn as well. Thank you all.

As the only full bank branch in Loddon Shire yes, we have a couple of agencies but we are the only full bank branch. Something of which we are proud.

We need new customers and loyal customers to join us. Those that see the bigger picture, not just an interest amount.

Money going back into their communities to help everyone.

Looking forward to a prosperous next 12 months for everyone.

Linda Younghusband
Chair
Inglewood & Districts Community Enterprise Ltd

Manager's report

For year ending 30 June 2022

It's a pleasure to present my first Manager's report for the Community Bank Inglewood & Districts.

I began with this business in January 2022, and therefore have been an employee for six-months of the 2022 financial year and I've been very impressed with all aspects of our company, in what has been a relatively short time.

A Community Bank is in a unique position within the Australian banking landscape. I have worked in Community Banks for the past eight years and the tangible difference a Community Bank can have on the communities within which it works, is in my opinion, our point of difference which separates us from our competition. I have witnessed many clubs, groups and individuals benefit from the investment we make back into local communities and the impact this achieves makes me proud to work within this satisfying environment.

The Community Bank Inglewood & Districts performance over the financial year can be described as one of improvement compared to the prior year. Highlights included:

- Total branch footings in the lending and deposits increased $5,028,423
- Rural and wealth growth increased $6,242,681
- Insurance activity and sales significantly improved with the branch reaching its target.
- Our wealth 'managed fund' and 'superannuation' targets were also achieved.

The above highlights helped the branch achieve an increase of 7.5% on its overall balanced scorecard result compared to the FY21 result. This to me demonstrates an increased level of confidence and capability within our branch team which will enable the business to better serve our community and help our business continue to grow into the future.

Another pleasing aspect was the branch's attentiveness and diligence in the area of risk and compliance. This requirement is becoming more and more important, and the branch team have a sound understanding and willingness to continually do the right thing in this space which is not only a credit to the current team, but all previous staff members who have helped create and maintain this culture within the business.

Our team is focused on improving consumer lending activity in the coming year. Community Bank Inglewood & Districts has traditionally struggled to maintain consistent high levels of these types of transactions, mainly due to the rural environment within which we operate, with deals often getting referred to our Rural Bank or business banking teams. A renewed focus on this area combined with the increased capability of our branches lending team, I am confident this is something that will improve. I look forward to sharing our FY23 results in next year's report.

I would like to thank some individuals for their contribution to our business.

I begin with the branch staff who are all fantastic. I was very lucky to inherit a committed and hardworking team comprising of Lachy Scarff, Nick Angove and Ruth Penny when I started in January. We were then pleased to recruit a new addition to this team in April in Janette Nixon who has only added positively to the team.

The team environment in the branch, thanks to the staff, is very harmonious, united and dedicated to our customers and their financial wellbeing. All staff demonstrate strong values and care for our business which enable the branch to achieve sound results for the benefit of our community. Thank-you to Lachy, Nick, Ruth and Janette for making me feel welcome into the team and for your continued commitment to our business.

It would be remiss of me not to mention and thank two staff members who have left our business over the past 12 months. To former Branch Manager, Peter Barclay, and Customer Relationship Manager, Suzanne Jackson, I want to express my thanks to these two individuals who significantly contributed to the success of our business over a long period of time. Suzanne in particular who had been with the business since the very early days of it being a Community Bank, thank-you for your years of service and loyalty. Both Peter and Suzanne will be missed at the branch, and I want to wish them all the best for their future endeavours.

Manager’s report (continued)

To our Rural Bank team led by Matt Gill, thank-you for your valued contribution in the agri-business space which is crucial considering the communities we serve. Matt is always happy to lend a hand and provide guidance to the branch team and I and we thank him and his dedicated team for their ongoing support and look forward to a prosperous future working together.

Our Board of Directors led by Chair Linda Younghusband, also deserve a huge thank-you for all their efforts throughout the past year. This group of volunteers dedicate hours of their own time each month to ensure the investment back into our local communities is well governed and transparent. Thank-you also for making me feel welcome into the business and providing me the necessary tools to run the branch effectively.

To our branch’s current and former Regional Managers, Shaun Leech and Paul Rains, thank you for the support you’ve provided the branch team and Board over your respective tenures. Shaun, who has been in the Regional Manager position throughout the majority of my time with the branch has always acted with care and support for our branch and it’s comforting to know we have such great support from the Bank in the form of Shaun’s strong leadership. Paul was only in the position a few weeks whilst I was with the branch but I’m confident in saying the above sentiments shared about Shaun would have also applied to Paul’s leadership as well.

Finally, a big thank-you to our loyal shareholder and customer base who continue to support Community Bank Inglewood & Districts. The loyalty demonstrated creates such a meaningful impact in the Inglewood and Districts Community through our sponsorships, grants and scholarship programs.

I encourage anyone new to our community or anyone who hasn’t spoken to us yet about their banking to come in or call Community Bank Inglewood & Districts and discuss what we can do for you which in turn will help grow our community which everyone will prosper from.

Michael Prowse
Community Bank Inglewood & Districts
Branch Manager

Directors' report

For the financial year ended 30 June 2022

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2022.

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

Name:	Linda Joy Younghusband
Title:	Chair
Experience and expertise:	Linda was previously the co-owner of a family business, Williamson Street 24 Hour Store in Bendigo for 12 years. She currently assists with the running of the family farm as well as working as a medical receptionist at a local medical practice. Linda is a past member of the Inglewood Primary School Parents Association participating as the Secretary and Treasurer. As well as being a School Councillor at Inglewood including the positions of Secretary and President. Linda was also involved in Wedderburn Junior Football Club and still assisting in the canteen on game day as required. She was Secretary/Treasurer and scorer at Arnold Cricket Club. Now the children are out of the nest Linda is spending more time in the garden.
Special responsibilities:	Chair of Board, Sponsorship and Grants Committee, Scholarship Sub Committee coordinator, Driver Education Program coordinator, HR Committee

Name:	Kim Hanlon
Title:	Non-executive director
Experience and expertise:	Kim holds a Diploma of Business Management, Certificate IV in Workplace Assessment & Training. She is past Secretary and Treasurer of the Inglewood Tourism and Development Committee & Inglewood Football Netball Club Inc. Kim is the Company Secretary of our organisation and is the Manager of the Inglewood Community Neighbourhood House. She has extensive experience in Office Administration, Bookkeeping and is a strong advocate for Community Development and Social Justice. Kim is a graduate of the Loddon Murray Community Leadership Program.
Special responsibilities:	Minute taker of Marketing, Sponsorships & Business Development Sub-Committee

Name:	Colleen Mary Condliffe
Title:	Non-executive director
Experience and expertise:	Colleen is a Director of the Centre Victorian Rural Women Network, Women's Health Loddon Mallee, North West Rural Financial Counselling Service Advisory Committee and the Dingee Bush Nursing Centre.
Special responsibilities:	Sponsorship and Grants Committee, Marketing Committee

Name:	Stewart Dean Luckman
Title:	Non-executive director
Experience and expertise:	Stewart is an employee of the Bendigo & Adelaide Bank. He holds a Certificate III in financial services and a Graduate of the Loddon Murray Community Leadership Program 2016. He is a Board Member of Inglewood & Districts Community Enterprises Limited, Committee representative of Inglewood Primary School & School Council Treasurer, Firefighter of Inglewood CFA, Member of Inglewood & Bridgewater Men's Shed, Vice President of Inglewood Development and Tourism Committee, Social Member of Inglewood Bridgewater RSL and a Central Umpire for LVFN League.
Special responsibilities:	Marketing Committee, Sponsorship and Grants Committee

Name:	George Arthur Wyatt
Title:	Non-executive director
Experience and expertise:	George is currently retired from a tertiary teaching career and has been involved in cricket and football clubs in Newbridge over an extended period. He has also had some experience in the finance and securities industry and holds tertiary academic qualifications.
Special responsibilities:	Manager of Low Volume Market Share Registry, Audit Committee

Name:	Prue Janelle Milgate
Title:	Non-executive director
Experience and expertise:	Prue is a past Board Director of the North Central Catchment Management Authority (NCCMA), past Audit Chair of the NCCMA Board and has completed the Australian Institute of Company Director's Course. She holds a Bachelor of Agricultural Science and a Bachelor of Business (Finance Major). Prue is married with two young children and has lived, worked and played in our community all her life.
Special responsibilities:	Sponsorship and Grants Committee

Name:	Maxwell Charles Higgs
Title:	Non-executive director
Experience and expertise:	Graduated MBBS University of Melbourne in 1981. Max has worked as a General Practitioner in the area for over 30 years. Australia wide rural and remote locum since 2016. He served 3 years as Councillor for the Inglewood Riding Shire of Loddon, previously a member of Inglewood & District Health Services Board of Management and was a foundation board member of the Inglewood & Districts Community Enterprises Limited.
Special responsibilities:	HR and Marketing Committees

Name:	Annette Maree Higgs
Title:	Non-executive director
Experience and expertise:	Annette has 35 years experience as a Company Manager/ Medical practice Manager. She has previously held the position of President at St Mary's primary School Inglewood. Annette is a Bendigo Art Gallery volunteer guide and a founder of the Loddon Eagles Tennis Club.
Special responsibilities:	Sponsorship and Grants Committee

Name:	Carol Anne Canfield
Title:	Non-executive director
Experience and expertise:	Carol holds a Diploma of Human Resource Management, Business Continuity Management Principles & Good Practice Cert, Diploma of Business (Accounting) and Farm Financial Management Certificate. Carol is a former board member of the North Central Learning Education Network and Loddon Mallee Women's Health. She has over 45 years in Local Government in both rural municipalities (East Loddon Shire and Loddon Shire) and a larger City based municipality (City of Greater Bendigo) her experience has been varied and extensive. Carol has lived in the district all her life being brought up on a farm at Serpentine and married a local from Powlett Plains, she has held positions in the Bears Lagoon/Serpentine Netball Club, Serpentine Red Cross, Inglewood Preschool, Inglewood Golf Club, Inglewood Calisthenics Club and Inglewood Primary School.
Special responsibilities:	HR and Marketing Committees

Name:	Timothy Malcolm Birthisel
Title:	Non-executive director *(appointed 26 October 2021)*
Experience and expertise:	Timothy is a senior leader with over 30 years' experience in financial services. Timothy is a team player with strong relationship building, community relations and developing mutually beneficial relationship skills. Timothy has demonstrated the ability to work with and collaboratively with stakeholders at all levels. Proven experience managing external vendor relationships and leading successful internal teams. Underpinning his wide experience are relationship building skills that set him apart. Timothy thrives on working in partnership with people and his strong networking skills have been very beneficial when working with community volunteers. Most recently Timothy has been consulting to Kirkland Lake Gold for their Community Partnership Program. Since Timothy's commencement, they have developed a Governance Committee charter and a funding guidelines document. In March 2021, Kirkland Lake Gold announced they would put $10m US ($13.8m AUS) back into the communities where they operate mines. Timothy has been working with several community organisations to identify a program or project that requires some additional corporate funding. So far, they have helped 17 community organisations. Timothy is familiar working with all diverse backgrounds at through his time working at the Bendigo & Adelaide Bank. Timothy has always been part of the community through volunteering and playing local football and cricket. Timothy has coached senior football which has provided him with the necessary experience and knowledge to work with people from other backgrounds and cultures. As Senior Manager Group Agencies, he successfully led Bendigo Bank's first offshore expansion in its 160 year history. This service returned banking to the people of Nauru and is still operating successfully today. Timothy's career history includes working his way through the Bendigo Bank branch network, leading teams as a department manager and working closely with communities to establish their own community bank franchise branch. Timothy has had a significant mix of customer facing and corporate experience. From writing lending deals at branch level to negotiating franchise agreements and commercial transactions amongst community companies and the bank.
Special responsibilities:	Marketing Committee

Name:	David John Reimers
Title:	Non-executive director *(appointed 26 October 2021, resigned 2 August 2022)*
Experience and expertise:	Educator, MB Business & Economics.
Special responsibilities:	Nil.

Name:	Murray James Baud
Title:	Non-executive director *(resigned 26 October 2021)*
Experience and expertise:	Previous employee of Telstra, completed 36 years in network operations and mobile network engineering. As a national manager, responsible of new mobile product specification, development and delivery, business process reengineering, quality and business management. After leaving Telstra, operated as a Technology consultant with multiple assignments in Australia and various Asian countries. Holds a Certificate of Technology (Electronics) and a Graduate Diploma in Applied Information (RMIT). Murray actively supports the Lions Club International with a number of current roles, a Past District Governor and Past President of Inglewood Lions Club. Secretary/Treasurer of Jones Distillery Community Asset Committee and Museum Committee. Treasurer Inglewood Historical Society.
Special responsibilities:	Chairman, HR Sub-Committee, Marketing Sub-Committee and Strategic Planning Sub-Committee.

Name:	Charlotte Sara Aves
Title:	Non-executive director *(resigned 22 August 2021)*
Experience and expertise:	Current roles: Executive Officer, Irrigated Cropping Council / Food Purchasing Casual, Bendigo Foodshare / Board Director, Partners in Ag. Previous employment: Research Assistant, University of Melbourne / Field Officer, FAR New Zealand / Farm Business Secretary, Promar International, UK / Senior Trials Officer, The Arable Group, UK. Previous Board Roles: Board member and Vice President, Australian Women in Agriculture / Treasurer, Victorian Grower Group Alliance / Committee Member, Riverine Plains Inc. / Sub-committee member, Young Agribusiness Professionals. Education: PhD in Herbicide Resistance from the University of Adelaide / 2017 graduate, Loddon Murray Community Leadership Program / Graduate Certificate in Agriculture from UNE / BSc (Hons) Agriculture, Cranfield University, UK.
Special responsibilities:	Marketing Committee

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

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

- Kim Hanlon was appointed company secretary on 26 November 2013.
- Robyn Eleanor Leach was appointed as company secretary on 2 August 2022

Experience and expertise:	Robyn is a previous employee of Australian Taxation Office and Forestry Tasmania for 22 years in Administration. She is currently running her own Bookkeeping business and is a registered BAS agent. Robyn recently returned to Victoria from Tasmania (40 years) to be available to her children and grandchildren.

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 $36,024 (30 June 2021: $17,544).

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.

	2022 $
Fully franked dividend of 4 cents per share (2021: 6 cents)	20,216

Subsequent to financial year-end, the following dividends were proposed by the directors. The dividends have not been provided for in the financial statements.

	$
Fully franked dividend of 5 cents per share	25,271

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

Matters subsequent to the end of the financial year
Since the end of the year, the Reserve Bank of Australia (RBA) has increased the cash rate by 1.75 basis points moving from 0.85% at 30 June 2022 to 2.60% as at the date of signing these accounts. The increase in the cash rate has a direct impact on the revenue received by the company on its products (deposits and loans) offered to its customers. The company has noted a material increase in the revenue streams for the first couple of months July – August 2022.

Apart from the dividend declared as discussed above, no other matter or circumstance has arisen since 30 June 2022 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
The company will continue its policy of facilitating banking services to the community.

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

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

	Board		Audit Committee		Marketing Committee		Sponsorship Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Linda Younghusband	11	11	-	-	-	-	10	10
Kim Hanlon	11	10	-	-	-	-	-	-
Colleen Mary Condliffe	11	10	-	-	10	10	-	-
Stewart Dean Luckman	11	11	-	-	10	10	10	10
George Arthur Wyatt	11	6	-	-	-	-	-	-
Prue Janelle Milgate	11	-	-	-	-	-	-	-
Maxwell Charles Higgs	11	8	-	-	7	7	-	-
Annette Maree Higgs	11	11	-	-	-	-	10	10
Carol Anne Canfield	11	11	-	-	-	-	-	-
Timothy Malcolm Birthisel	8	6	-	-	4	4	-	-
David John Reimers	8	3	-	-	-	-	-	-
Murray James Baud	4	4	-	-	-	-	-	-
Charlotte Sara Aves	1	1	-	-	-	-	-	-

Directors' benefits
No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 24 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

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

	Balance at the start of the year	Changes	Balance at the end of the year
Linda Younghusband	500	-	500
Kim Hanlon	500	-	500
Colleen Mary Condliffe	501	-	501
Stewart Dean Luckman	-	-	-
George Arthur Wyatt	25,001	-	25,001
Prue Janelle Milgate	125	-	125
Maxwell Charles Higgs	1,500	-	1,500
Annette Maree Higgs	1,500	-	1,500
Charlotte Sarah Aves	-	-	-
Carol Anne Canfield	1,000	-	1,000
Timothy Birthisel	-	-	-
David Reimers	-	-	-
Murray James Baud	5,000	-	5,000

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

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

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

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

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

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

Non-audit services
The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 26 to the accounts.

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

- all non-audit services have been reviewed by the Board to ensure they do not impact on the impartiality, integrity and objectivity of the auditor
- none of the services 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

Linda Joy Younghusband
Chair

12 October 2022

Auditor's independence declaration

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550

afs@afsbendigo.com.au
03 5443 0344

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Inglewood & Districts Community Enterprises Limited

As lead auditor for the audit of Inglewood & Districts Community Enterprises Limited for the year ended 30 June 2022, 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: 12 October 2022

Joshua Griffin
Lead Auditor

Financial statements

Inglewood & Districts Community Enterprises Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 $	2021 $
Revenue from contracts with customers	6	710,333	694,191
Other revenue	7	13,750	22,500
Finance revenue		803	2,349
Employee benefits expense	8	(404,369)	(384,513)
Advertising and marketing costs		(7,077)	(557)
Occupancy and associated costs		(24,511)	(21,296)
System costs		(19,170)	(19,755)
Depreciation and amortisation expense	8	(67,980)	(60,889)
Finance costs	8	(2,175)	(2,020)
General administration expenses		(113,188)	(118,263)
Profit before community contributions and income tax expense		86,416	111,747
Charitable donations and sponsorships expense		(30,773)	(80,756)
Profit before income tax expense		55,643	30,991
Income tax expense	9	(19,619)	(13,447)
Profit after income tax expense for the year	20	36,024	17,544
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		36,024	17,544
		Cents	**Cents**
Basic earnings per share	28	7.13	3.47
Diluted earnings per share	28	7.13	3.47

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

Inglewood & Districts Community Enterprises Limited
Statement of financial position
As at 30 June 2022

	Note	2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	10	339,576	308,661
Trade and other receivables	11	40,211	20,031
Total current assets		379,787	328,692
Non-current assets			
Property, plant and equipment	12	85,964	100,302
Right-of-use assets	13	62,461	8,320
Intangibles	14	107,371	76,621
Total non-current assets		255,796	185,243
Total assets		635,583	513,935
Liabilities			
Current liabilities			
Trade and other payables	15	45,589	36,632
Lease liabilities	16	12,422	11,279
Current tax liabilities	9	10,589	8,371
Employee benefits	17	1,080	-
Total current liabilities		69,680	56,282
Non-current liabilities			
Trade and other payables	15	43,470	-
Lease liabilities	16	54,784	-
Deferred tax liabilities	9	7,444	10,855
Provisions	18	18,120	20,521
Total non-current liabilities		123,818	31,376
Total liabilities		193,498	87,658
Net assets		442,085	426,277
Equity			
Issued capital	19	488,516	488,516
Accumulated losses	20	(46,431)	(62,239)
Total equity		442,085	426,277

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

Inglewood & Districts Community Enterprises Limited
Statement of changes in equity
For the year ended 30 June 2022

	Note	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 July 2020		488,516	(49,458)	439,058
Profit after income tax expense		-	17,544	17,544
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	17,544	17,544
Transactions with owners in their capacity as owners:				
Dividends provided for	22	-	(30,325)	(30,325)
Balance at 30 June 2021		488,516	(62,239)	426,277

	Note	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 July 2021		488,516	(62,239)	426,277
Profit after income tax expense		-	36,024	36,024
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	36,024	36,024
Transactions with owners in their capacity as owners:				
Dividends provided for	22	-	(20,216)	(20,216)
Balance at 30 June 2022		488,516	(46,431)	442,085

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

Inglewood & Districts Community Enterprises Limited
Statement of cash flows
For the year ended 30 June 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		777,150	803,817
Payments to suppliers and employees (inclusive of GST)		(684,691)	(665,143)
		92,459	138,674
Interest received		803	2,349
Income taxes paid		(20,812)	(13,599)
Net cash provided by operating activities	27	72,450	127,424
Cash flows from investing activities			
Payments for property, plant and equipment		(8,679)	-
Payments for intangibles		-	(13,431)
Net cash used in investing activities		(8,679)	(13,431)
Cash flows from financing activities			
Dividends paid	22	(20,216)	(30,325)
Repayment of lease liabilities	16	(12,640)	(12,512)
Net cash used in financing activities		(32,856)	(42,837)
Net increase in cash and cash equivalents		30,915	71,156
Cash and cash equivalents at the beginning of the financial year		308,661	237,505
Cash and cash equivalents at the end of the financial year	10	339,576	308,661

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

Notes to the financial statements

For the year ended 30 June 2022

Note 1. Reporting entity

The financial statements cover Inglewood & Districts Community Enterprises Limited (the company) as an individual entity. The financial statements are presented in Australian dollars, which is the company's functional and presentation currency.

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 64 Brooke Street, Inglewood VIC 3517.

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.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 12 October 2022. The directors have the power to amend and reissue 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.

Note 3. Significant accounting policies

The company has consistently applied the following accounting policies to all periods presented in these financial statements.

Changes in accounting policies, standards and interpretations
There are a number of amendments to accounting standards issued by the AASB that became mandatorily effective for accounting periods beginning on or after 1 July 2021, and are therefore relevant for the current financial year. The amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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

An asset is classified as current when, it is expected to be realised or intended to be sold or consumed in the company's normal operating cycle, it is held primarily for the purpose of trading, it is expected to be realised within 12 months after the reporting period or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when, it is either expected to be settled in the company's normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within 12 months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Impairment
Non-derivative financial assets
Expected credit losses (ECL) are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received. At each reporting date, the entity recognises the movement in the ECL (if any) as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

Note 3. Significant accounting policies (continued)

The company's trade receivables are limited to the monthly profit share distribution from Bendigo Bank, which is received 10 business days post month end. Due to the reliance on Bendigo Bank 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 also performed a historical assessment of receivables from Bendigo Bank and found no instances of default. As a result no ECL has been made in relation to trade receivables as at 30 June 2022.

Non-financial assets
At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets that have an indefinite useful life 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 (or cash-generating unit) 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.

Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST, except when the amount of GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue or expense item.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Note 4. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. 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.

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. There does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

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 non-strategic assets that have been abandoned or sold will be written off or written down.

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

Impairment of non-financial assets other than goodwill and other indefinite life intangible 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.

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

Lease term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations, comparison of terms and conditions to prevailing market rates, incurrence of significant penalties, existence of significant leasehold improvements and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate
Where the interest rate implicit in a lease cannot be readily determined, 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. Such a 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.

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.

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

Note 5. Economic dependency

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

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.

Note 5. Economic dependency (continued)

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 the relevant Bendigo Bank entity 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. Revenue from contracts with customers

	2022 $	2021 $
Margin income	410,736	444,006
Fee income	46,504	47,980
Commission income	253,093	202,205
Revenue from contracts with customers	710,333	694,191

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

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

Revenue is recognised on an accruals basis, at the fair value of consideration specified in the franchise agreement. Under *AASB 15 Revenue from Contracts with Customers* (AASB 15), revenue recognition for the company's revenue stream is as follows:

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

Note 6. Revenue from contracts with customers (continued)

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

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

Margin
Margin is arrived at through the following calculation:

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

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

Commission
Commission revenue is in the form of commission generated for products and services sold. This commission is recognised at a point in time which reflects when the company has fulfilled its performance obligation.

The company receives trailing commission for products and services sold. Ongoing trailing commission payments are recognised on receipt as there is insufficient detail readily available to estimate the most likely amount of income without a high probability of significant reversal in a subsequent reporting period. The receipt of ongoing trailing commission income is outside the control of the company, and is a significant judgement area.

Fee income
Fee income is a share of what is commonly referred to as 'bank fees and charges' charged to customers by Bendigo Bank Group entities 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 7. Other revenue

	2022 $	2021 $
Market development fund	13,750	22,500

Note 7. Other revenue (continued)

The company's activities include the generation of income from sources other than the core products under the franchise agreement. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and can be reliably measured.

Revenue stream	Revenue recognition policy
Discretionary financial contributions (also "Market development fund" or "MDF" income)	MDF income is recognised when the right to receive the payment is established. MDF income is discretionary and provided and receivable at month-end and paid within 14 days after month-end.

All revenue is stated net of the amount of GST.

Discretionary financial contributions
In addition to margin, commission and fee income, and separate from the franchise agreement, Bendigo Bank has also made MDF payments to the company.

The amount has been based on the volume of business attributed to a branch. The purpose of the discretionary payments is to assist with local market development activities, including community sponsorships and grants. It is for the Board to decide how to use the MDF.

The payments from Bendigo Bank are discretionary and may change the amount or stop making them at any time. The company retains control over the funds, the funds are not refundable to Bendigo Bank.

Note 8. Expenses

Depreciation and amortisation expense

	2022 $	2021 $
Depreciation of non-current assets		
Leasehold improvements	10,942	4,429
Plant and equipment	1,619	796
Motor vehicles	10,457	10,457
	23,018	15,682
Depreciation of right-of-use assets		
Leased land and buildings	9,848	8,943
Amortisation of intangible assets		
Franchise fee	2,119	2,311
Franchise renewal fee	10,595	11,553
Business acquisition fee	22,400	22,400
	35,114	36,264
	67,980	60,889

Finance costs

	2022 $	2021 $
Right-of-use asset interest expense	1,298	-
Bank overdraft interest paid or accrued	-	5
Lease interest expense	877	941
Unwinding of make-good provision	-	1,074
	2,175	2,020

Note 8. Expenses (continued)

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

Employee benefits expense

	2022 $	2021 $
Wages and salaries	301,991	299,939
Superannuation contributions	34,286	31,284
Expenses related to long service leave	1,184	5,608
Other expenses	66,908	47,682
	404,369	384,513

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

Leases recognition exemption

	2022 $	2021 $
Expenses relating to low-value leases	6,109	8,943

The company pays for the right to use information technology equipment. The underlying assets have been assessed as low value and exempted from recognition under AASB 16 accounting. Expenses relating to low-value exempt leases are included in system costs expenses.

Note 9. Income tax

	2022 $	2021 $
Income tax expense		
Current tax	23,030	17,253
Movement in deferred tax	(3,411)	(3,372)
Adjustment in deferred tax to reflect reduction in tax rate in future periods	-	(434)
Aggregate income tax expense	19,619	13,447
Prima facie income tax reconciliation		
Profit before income tax expense	55,643	30,991
Tax at the statutory tax rate of 25% (2021: 26%)	13,911	8,058
Tax effect of:		
Non-deductible expenses	5,708	5,823
Adjustment to deferred tax reflect reduction of tax rate in future periods	-	(434)
Income tax expense	19,619	13,447

Note 9. Income tax (continued)

	2022 $	2021 $
Deferred tax liabilities/(assets)		
Property, plant and equipment	(13,622)	(16,892)
Income accruals	(609)	(608)
Right-of-use assets	(15,615)	(2,080)
Lease liabilities	16,802	2,820
Employee benefits	270	-
Provision for lease make good	4,530	5,130
Accrued expenses	800	775
Deferred tax liability	(7,444)	(10,855)

	2022 $	2021 $
Provision for income tax	10,589	8,371

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 for each jurisdiction, 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
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for all deductible temporary differences, carried-forward tax losses, and unused tax credits to the extent that it is probable that future taxable profits will be available against which they can be used.

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.

Deferred tax is measured at the rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax and when the balances relate to taxes levied by the same taxation authority and the entity intends to settle its tax assets and liabilities on a net basis.

Note 10. Cash and cash equivalents

	2022 $	2021 $
Cash at bank and on hand	85,969	55,257
Term deposits	253,607	253,404
	339,576	308,661

Accounting policy for cash and cash equivalents
For the purposes of the Statement of Financial Position and Statement of Cash Flows, cash and cash equivalents comprise cash on hand and deposits held with banks.

Note 11. Trade and other receivables

	2022 $	2021 $
Trade receivables	32,096	12,763
Accrued income	2,432	2,432
Prepayments	5,683	4,836
	8,115	7,268
	40,211	20,031

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. Trade receivables are generally due for settlement within 30 days.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 12. Property, plant and equipment

	2022 $	2021 $
Leasehold improvements - at cost	151,679	151,679
Less: Accumulated depreciation	(99,680)	(88,738)
	51,999	62,941
Plant and equipment - at cost	51,141	42,462
Less: Accumulated depreciation	(31,127)	(29,509)
	20,014	12,953
Motor vehicles - at cost	52,284	52,284
Less: Accumulated depreciation	(38,333)	(27,876)
	13,951	24,408
	85,964	100,302

Note 12. Property, plant and equipment (continued)

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

	Leasehold improvements $	Plant and equipment $	Motor vehicles $	Total $
Balance at 1 July 2020	67,370	13,749	34,865	115,984
Depreciation	(4,429)	(796)	(10,457)	(15,682)
Balance at 30 June 2021	62,941	12,953	24,408	100,302
Additions	-	8,680	-	8,680
Depreciation	(10,942)	(1,619)	(10,457)	(23,018)
Balance at 30 June 2022	51,999	20,014	13,951	85,964

Accounting policy for property, plant and equipment
Items of property, plant and equipment are measured at cost or fair value as applicable, less accumulated depreciation. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Leasehold improvements	2 to 20 years
Plant and equipment	1 to 40 years
Motor vehicles	5 years

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Change in estimates
During the financial year, the company assessed estimates used for property, plant and equipment including useful lives, residual values, and depreciation methods.

The company's review of estimates resulted in change in the useful life of some of the branches leasehold improvements. The useful life's had previously been assessed as 40 years from their respective depreciation commencement dates which resulted in useful life end dates ranging from 2047 to 2050. These have now been aligned with the lease term of the Branch lease which has accelerated depreciation. The revised useful life end dates are now June 2027. The effect of these changes on actual and expected depreciation expense was as follows:

	2022 $	**2023 $**	**2024 $**	**2025 $**	**2026+ $**
(Decrease) increase in depreciation expense	6,568	6,568	6,568	6,568	(26,272)

Note 13. Right-of-use assets

	2022 $	2021 $
Land and buildings - right-of-use	196,743	132,755
Less: Accumulated depreciation	(134,282)	(124,435)
	62,461	8,320

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

	Land and buildings $	Total $
Balance at 1 July 2020	16,919	16,919
Remeasurement adjustments	344	344
Depreciation expense	(8,943)	(8,943)
Balance at 30 June 2021	8,320	8,320
Remeasurement adjustments	63,989	63,989
Depreciation expense	(9,848)	(9,848)
Balance at 30 June 2022	62,461	62,461

Accounting policy for right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is 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 or the estimated useful life of the asset, whichever is the shorter. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Refer to note 16 for more information on lease arrangements.

Note 14. Intangibles

	2022 $	2021 $
Business acquisition fee	112,000	112,000
Less: Accumulated amortisation	(67,200)	(44,800)
	44,800	67,200
Franchise fee	43,723	32,746
Less: Accumulated amortisation	(33,295)	(31,176)
	10,428	1,570
Franchise renewal fee	168,616	113,729
Less: Accumulated amortisation	(116,473)	(105,878)
	52,143	7,851
	107,371	76,621

Note 14. Intangibles (continued)

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

	Business acquisition fee $	Franchise fee $	Franchise renewal fee $	Total $
Balance at 1 July 2020	89,600	3,881	19,404	112,885
Amortisation expense	(22,400)	(2,311)	(11,553)	(36,264)
Balance at 30 June 2021	67,200	1,570	7,851	76,621
Additions	-	10,977	54,887	65,864
Amortisation expense	(22,400)	(2,119)	(10,595)	(35,114)
Balance at 30 June 2022	44,800	10,428	52,143	107,371

Additions
During the financial year the franchise fees were renewed. Both are to be amortised over five years to May 2027.

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 and business acquisition 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)	May 2027
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	May 2027
Business acquisition fee	Straight-line	5 years	June 2024

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

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

Note 15. Trade and other payables

	2022 $	**2021 $**
Current liabilities		
Trade payables	4,547	35,331
Other payables and accruals	41,042	1,301
	45,589	36,632
Non-current liabilities		
Other payables and accruals	43,470	-

Note 15. Trade and other payables (continued)

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Where the company is liable to settle the amount within 12 months of the reporting date, the liability is classified as current. All other obligations are classified as non-current.

Note 16. Lease liabilities

	2022 $	2021 $
Current liabilities		
Land and buildings lease liabilities	14,606	11,585
Unexpired interest	(2,184)	(306)
	12,422	11,279
Non-current liabilities		
Land and buildings lease liabilities	58,750	-
Unexpired interest	(3,966)	-
	54,784	-

Reconciliation of lease liabilities

	2022 $	2021 $
Opening balance	11,279	22,507
Remeasurement adjustments	67,269	343
Lease interest expense	1,298	941
Lease payments - total cash outflow	(12,640)	(12,512)
	67,206	11,279

Maturity analysis

	2022 $	2021 $
Not later than 12 months	14,606	11,585
Between 12 months and 5 years	58,750	-
	73,356	11,585

Accounting policy for lease liabilities
Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed or variable lease payments that depend on an index or rate and lease payments in a renewal option if the company is reasonably certain to exercise that option. For leases of property the company has elected to separate lease and non-lease components when calculating the lease liability.

The company has applied judgement in estimating the remaining lease term including the effects of any extension options reasonably expected to be exercised, applying hindsight where appropriate.

Note 16. Lease liabilities (continued)

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the company changes its assessment of whether it will exercise an extension option or if there is a revised in-substance fixed lease payment.

The company assesses at the lease commencement date whether it is reasonably certain to exercise extension options. The company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Where the company is a lessee for the premises to conduct its business, extension options are included in the lease term except when the company is reasonably certain not to 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 demised leased premises.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to nil.

The company's lease portfolio includes:

Inglewood branch	The lease agreement commenced in June 2007. The lease was renewed for 5 years during the period. As such, the lease term end date used in the calculation of the lease liability is June 2027. The discount rate used in calculations is 3.54%.

Note 17. Employee benefits

	2022 **$**	**2021** **$**
Current liabilities		
Annual leave	1,080	-

Accounting policy for employee benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognised for salary and wages where the employee has provided the service but payment has not yet occurred at the reporting date. They are measured at amounts expected to be paid, plus related on-costs. Non-accumulating sick leave is expensed when the leave is taken and measured at the rates paid or payable.

An annual leave liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated. The company's obligations for short-term employee benefits such as salaries and wages are recognised as part of current trade and other payables in the statement of financial position. The company's obligations for employees' annual leave and long service leave entitlements are recognised in employee benefits in the statement of financial position.

Superannuation contributions
Contributions to superannuation plans are expensed in the period in which they are incurred.

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, 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.

That benefit is discounted to determine its present value. Consideration is given to expected future wage and salary levels plus related on-costs, experience of employee departures, and years of service achieved. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies 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 17. Employee benefits (continued)

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

Note 18. Provisions

	2022 $	2021 $
Lease make good	18,120	20,521

Reconciliation of lease make good provision
Lease make good
In accordance with the branch lease agreement, the company must restore the leased premises to the original condition before the expiry of the lease term. The company has estimated the provision to be $21,560 for the Inglewood branch lease, based on experience and consideration of the expected future costs to remove all fittings and the ATM as well as cost to remedy any damages caused during the removal process. The lease is due to expire on 31 May 2027 at which time it is expected the face-value costs to restore the premises will fall due.

Accounting policy for provisions
Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Note 19. Issued capital

	2022 Shares	2021 Shares	2022 $	2021 $
Ordinary shares - fully paid	505,412	505,412	505,412	505,412
Less: Equity raising costs	-	-	(16,896)	(16,896)
	505,412	505,412	488,516	488,516

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.

Note 19. Issued capital (continued)

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

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

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

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

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

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

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

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

Where a person has a prohibited shareholding interest, the voting and dividend rights attaching to the shares in which the person (and his or her associates) have a prohibited shareholding interest, 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. Accumulated losses

	2022 $	2021 $
Accumulated losses at the beginning of the financial year	(62,239)	(49,458)
Profit after income tax expense for the year	36,024	17,544
Dividends paid (note 22)	(20,216)	(30,325)
Accumulated losses at the end of the financial year	(46,431)	(62,239)

Note 21. Capital management

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

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

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

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

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

Note 22. Dividends

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

	2022 $	2021 $
Fully franked dividend of 4 cents per share (2021: 6 cents)	20,216	30,325

Dividends proposed but not recognised at balance date
Since the end of the financial year, the board of directors has proposed to pay a fully franked dividend of 5 cents per share, to be paid on 2 December 2022. The financial impact of the dividend, amounting to $25,271, has not been recognised in the financial statements for the financial year ended 30 June 2022, and will be recognised in the subsequent financial statements.

Franking credits

	2022 $	2021 $
Franking account balance at the beginning of the financial year	35,483	29,935
Franking credits (debits) arising from income taxes paid (refunded)	23,773	16,203
Franking debits from the payment of franked distributions	(6,739)	(10,655)
	52,517	35,483
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	52,517	35,483
Franking credits (debits) that will arise from payment (refund) of income tax	10,589	8,371
Franking credits available for future reporting periods	63,106	43,854

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 in the financial year they are declared.

Note 23. Financial instruments

	2022 $	2021 $
Financial assets		
Trade and other receivables	34,528	15,195
Cash and cash equivalents	339,576	308,661
	374,104	323,856
Financial liabilities		
Trade and other payables	89,059	36,632
Lease liabilities	67,206	11,279
	156,265	47,911

Accounting policy for financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The company's financial instruments include trade debtors and creditors, cash and cash equivalents and lease liabilities.

Trade receivables are initially recognised at the transaction price when they originated. All other financial assets and financial liabilities are initially measured at fair value plus transaction costs (where applicable), when the company becomes a party to the contractual provisions of the instrument. These assets and liabilities are subsequently measured at amortised cost using the effective interest method.

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the rights are transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and rewards associated with the asset. Financial liabilities are derecognised when its contractual obligations are discharged, cancelled, or expire. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company currently has a legally enforceable right to set off the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Financial risk management
The company has exposure to credit, liquidity and market risk arising from financial instruments. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company does not use derivative instruments. Risk management is carried out directly by the Board.

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. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The company has no exposure to any transactions denominated in a currency other than Australian dollars.

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.

Cash flow and fair value interest rate risk
Interest-bearing assets and liabilities are held with Bendigo Bank and subject to movements in market interest.

The company held cash and cash equivalents of $339,576 at 30 June 2022 (2021: $308,661). The cash and cash equivalents are held with Bendigo Bank, which are rated BBB+ on Standard & Poor's credit ratings.

Credit risk
Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

Note 23. Financial instruments (continued)

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 of the bank.

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.

Exposure to liquidity risk
The following are the 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.

2022	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives				
Trade and other payables	45,589	43,470	-	89,059
Lease liabilities	14,606	58,750	-	73,356
Total non-derivatives	60,195	102,220	-	162,415

2021	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives				
Trade and other payables	36,632	-	-	36,632
Lease liabilities	11,585	-	-	11,585
Total non-derivatives	48,217	-	-	48,217

Note 24. Key management personnel disclosures

The following persons were directors of Inglewood & Districts Community Enterprises Limited during the financial year:

Linda Joy Younghusband
Kim Hanlon
Colleen Mary Condliffe
Stewart Dean Luckman
George Arthur Wyatt
Prue Janelle Milgate
Maxwell Charles Higgs
Annette Maree Higgs
Charlotte Sara Aves
Carol Anne Canfield
Timothy Malcolm Birthisel
David John Reimers
Murray James Baud

Compensation
Key management personnel compensation comprised the following.

	2022 $	**2021 $**
Short-term employee benefits	8,589	8,220

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

Note 25. Related party transactions

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

Note 26. Remuneration of auditors

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

	2022 $	2021 $
Audit services		
Audit or review of the financial statements	5,200	5,000
Other services		
Taxation advice and tax compliance services	600	600
General advisory services	1,900	2,840
Share registry services	4,169	3,837
	6,669	7,277
	11,869	12,277

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

	2022 $	2021 $
Profit after income tax expense for the year	36,024	17,544
Adjustments for:		
Depreciation and amortisation	67,980	60,889
Lease liabilities interest	1,299	941
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(20,180)	15,026
Increase/(decrease) in trade and other payables	(13,438)	32,102
Increase/(decrease) in provision for income tax	2,218	(152)
Decrease in deferred tax liabilities	(3,411)	-
Increase in employee benefits	1,080	-
Increase in other provisions	878	1,074
Net cash provided by operating activities	72,450	127,424

Note 28. Earnings per share

	2022 $	2021 $
Profit after income tax	36,024	17,544
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	505,412	505,412
Weighted average number of ordinary shares used in calculating diluted earnings per share	505,412	505,412

Note 28. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	7.13	3.47
Diluted earnings per share	7.13	3.47

Accounting policy for earnings per share
Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Inglewood & Districts Community Enterprises Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Note 29. Commitments

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

Note 30. Contingencies

There were no contingent liabilities or contingent assets at the date of this report to affect the financial statements.

Note 31. Events after the reporting period

Since the end of the year, the Reserve Bank of Australia (RBA) has increased the cash rate by 1.75 basis points moving from 0.85% at 30 June 2022 to 2.60% as at the date of signing these accounts. The increase in the cash rate has a direct impact on the revenue received by the company on its products (deposits and loans) offered to its customers. The company has noted a material increase in the revenue streams for the first couple of months July – August 2022.

Apart from the dividend declared as disclosed in note 22, no other matter or circumstance has arisen since 30 June 2022 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

For the financial year ended 30 June 2022

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 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Linda Joy Younghusband
Chair

12 October 2022

Independent audit report

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550

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03 5443 0344

Independent auditor's report to the Directors of Inglewood & Districts Community Enterprises Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Inglewood & Districts Community Enterprises Limited (the company), which comprises:

- Statement of financial position as at 30 June 2022
- Statement of profit or loss and other comprehensive income
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements, including a summary of significant accounting policies
- The directors' declaration of the company.

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

i. giving a true and fair view of the company's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

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

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

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550

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03 5443 0344

Other Information

The company usually prepares an annual report that will include the financial statements, directors' report and declaration and our independence declaration and audit report (the financial report). The annual report may also include "other information" on the entity's operations and financial results and financial position as set out in the financial report, typically in a Chairman's report and Manager's report, and reports covering governance and shareholder matters.

The directors are responsible for the other information. The annual report is expected to be made available to us after the date of this auditor's report.

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

Our responsibility is to read the other information identified above when it becomes available 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 we identify that a material inconsistency appears to exist when we read the annual report (or become aware that the other information appears to be materially misstated), we will discuss the matter with the directors and where we believe that a material misstatement of the other information exists, we will request management to correct the other information.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's responsibilities for the Audit of the Financial Report

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

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 12 October 2022

Joshua Griffin
Lead Auditor

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Bendigo Bank