Annual Report 2024

Kiewa Mitta Murray Community Enterprises Limited

Community Bank
Mount Beauty & District
and Corryong
ABN 87 126 422 062

Contents

Chairman’s report

Senior Manager’s report

Directors’ report

Auditor’s independence declaration

Financial statements

Notes to the financial statements

Directors’ declaration

Independent audit report

Chairman's report

For year ending 30 June 2024

It is my pleasure to report to you on another successful year of operations for your Community Bank.

Another year has come and gone and still this great adventure we embarked on nearly 18 years ago rolls on. Whilst the business environment has been challenging this year we have continued to grow and we are now one of the largest single site companies in the Bendigo Bank family. This is made even more remarkable when our population is so small compared with our peers.

We have compensated for our small population by our outreach to the Upper Murray, the Mitta Valley, Tallangatta, Kiewa Tangambalanga and beyond. The Board policy has always been to ensure that our staff are properly equipped with motor vehicles, the Corryong office, the mobile office trailer, and laptops etc. to bring banking services to our customers both old and new and wherever they are.

Total footings (30 June 2024) for Community Bank Mount Beauty & District are now over $236 million (from a starting point of $6 million.) with growth for the year of $5.47M - an outstanding result. We are very proud of what we have achieved.

The aim of the enterprise is, and always has been, to return 80% of our profits to our community by way of sponsorships and we have continued to provide large sums to provide this support. This year we have spent a further $404,277 bringing our total to over $3.1 Million dollars. Another way to express this is over $1200 donated for every person in the Upper Kiewa Valley. Just a few of the projects are the blister pack recycling through Mount Beauty Pharmacy, new play facilities at Lakeview Childcare, significant support for a couple of local ladies undertaking the Tour de Cure for Cancer, and the doubling of the fundraising of our very own Bumblebee for MND.

As shareholders you have also been well rewarded for your commitment to our enterprise. Last year we paid an extra dividend to mark our 15th Anniversary. The 15 cents per share paid brought the total return since we started to $1.04 per share. In other words, you have more than got your money back. We are also seeing demand for our shares at prices considerably more than $1.00 (the original purchase price.)

As you make your banking decisions, we ask you to keep in mind this tremendous return, and to switch your banking business to your Community Bank or at least give our Manager Shelley, Assistant Branch Manager Alana and our lenders Geremy, Emma and Jen the opportunity to provide a quotation for your consideration. The future profitability, and hence our ongoing sponsorships and your future dividends, rely on the continuing growth of our community banking business. We are blessed with a great staff who are so ably led by our Senior Manager, Shelley Maher and her assistant Alana Goznik Iaria. Despite all the challenges thrown at them they keep on delivering.

We are grateful for the support we continue to receive from our two Regional Managers for this year, Galen Munari and Kelly Torpey, as well as the wider Bendigo Bank Team. I also wish to record my thanks to our Secretary Dorothy Morrison, and our Accountant, Leo Brunier, for their outstanding efforts in keeping us operational from a corporate perspective and thanks also to all Board Directors for their strong support.

Your Board is proud of what has been achieved for our community in the last almost 17 years since we opened Community Bank Mount Beauty & District and we are also proud of the team we have built up to provide a great service to all our customers across the Kiewa Valley, Mitta Valley and Upper Murray communities. With your ongoing support we can continue to grow and prosper together.

ANDREW RANDELL, CHAIRMAN

Senior Manager's Report

For year ending 30 June 2024

As Senior Manager of Community Bank - Mount Beauty & District I am very pleased to submit my Report on a successful year despite the many challenges of rapidly changing conditions in the economic and business sectors. As a Community Bank, our focus is assisting our banking customers throughout our community with their banking and associated financial requirements and this has also created both new opportunities and new situations to navigate. My team and I very much value the ongoing support of our banking clientele.

It is a great privilege to lead such an enthusiastic and dedicated team of staff members as we carry out our full gamut of banking operations throughout the Kiewa, Mitta and Upper Murray valleys. Our dedicated staff members have adapted quickly and efficiently to their ever-changing workloads, workplace requirements and limitations. We take great care to maintain high standards of service provision as we continue to provide the full range of banking services to all our customers.

Inevitably, there were some staff changes during the year. Changes to personal circumstances meant we lost the valued services of Vanessa Magnabosco and Lizzie Villestas. Alana Goznik, Emma Williams and Jennifer Coombes continue to provide their much-valued service and dedication, and we welcome Geremy Collom and Tracy Stirling to our banking team. I particularly thank Assistant Manager Alana for her ongoing support as Assistant Manager. With this team, we have great flexibility and expertise to meet banking customer needs.

The commitment, hard work and dedication of our staff is supported by all our bank customers, community groups and organisations. This has ensured that our Community Bank was able to support many (and varied!) community projects, events and educational grants. Sponsorship grants of $404,277 in total for 2023-24 were distributed to provide community support and infrastructure in an extremely wide range of projects – events, equipment and community service recognition.

The input and support of the Bendigo Bank team continues to develop, and we are currently working through a transition of rural banking activities and products as the focus on agri-business requirements continues to evolve. Of course, our attention to the needs of our rural communities and farmers has not changed and we continue to support our farming communities and customers wherever they are.

On behalf of myself and the banking team I express our thanks to Chairman Andrew Randell and all our board members: Vice-Chair Barbara Pyle, Secretary Dorothy Morrison and Directors Bill Best, Mac Paton, Sarah Gardiner, Justin Costello and Phil Bardsley-Smith. Their policy management, vision for the future and voluntary commitment ensures that our Community Bank will continue to prosper and serve the communities throughout the Kiewa, Mitta and Upper Murray valleys.

In closing, I express my continuing enthusiasm for the year ahead as the banking team and I work together with the Board of Directors to develop further business growth and a positive future for us all.

Shelley Maher

Senior Branch Manager

Kiewa Mitta Murray Community Enterprises Limited

ABN 87 126 422 062

Financial Report - 30 June 2024

Kiewa Mitta Murray Community Enterprises Limited
Directors' report
30 June 2024

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2024.

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

Name:	Andrew John Randell
Title:	Non-executive director
Experience and expertise:	Registered Commercial & Domestic Building Practitioner. Director & Chairman of KMMCEL since 2008. Past Chairman of Alpine Health. Past Alpine Shire Councillor. Past President of Dederang Mt Beauty Football & Netball Club. Charter Member, Past President twice. Paul Harris Fellow.
Special responsibilities:	Chairman of Board of Directors and ex office member of all committees.

Name:	Dorothy Morrison
Title:	Non-executive director
Experience and expertise:	Fellow of the Institute of Legal Executives (Victoria). Extensive experience in legal sphere administration including relevant financial advice and estate planning. Community involvement over many years as member of management committees and advisory groups. Company Secretary since 2009, Director since 2010 and is also currently acting Treasurer to the Board.
Special responsibilities:	Secretary, Supervision and maintenance of company share registry, Governance & Management Committee, Sponsorship & Marketing Committee and administrative and corporate support to Board and Committees.

Name:	William Charles Best
Title:	Non-executive director
Experience and expertise:	Senior Manager for Defence and Special Projects - RMS Software Development Co. Previously Alpine Shire Councillor, currently a member of several community-based committees, including Upper Kiewa Valley Community Association.
Special responsibilities:	Governance and Risk Management committee, Human Resources Committee

Name:	Barbara Jean Pyle 'LoA'
Title:	Non-executive director
Experience and expertise:	Deputy Chair of Board of Directors. Trained Infant school teacher. Diploma in Transport at Monash University. Past Chairperson of Falls Creek Resort Management Board. Executive positions on Falls Creek Chamber of Commerce, Tawonga School Council, Mt. Beauty Secondary College Council. Past President of Mt. Beauty Rotary Club. Currently under leave of absence 'LoA' from 28 May 2024.
Special responsibilities:	Deputy Chair of Board of Directors, Chair of the Marketing and Sponsorship Committee

Name:	Justin Troy Costello
Title:	Non-executive director
Experience and expertise:	Justin has a lifelong association with the Upper Murray, having grown up on in Corryong and working locally as a stock agent for the past eight years. Experience with several multi-national real estate companies in Melbourne in the area of industrial and residential properties for twelve years adds to his scope of knowledge and expertise in asset management and farm activities. Justin holds an Associate Diploma in Business and is a licensed real estate agent in both Victoria and New South Wales.
Special responsibilities:	Nil

Name:	John McMeekin Paton
Title:	Non-executive director
Experience and expertise:	Dairy farming, beef farming, sheep farming. Diploma Agriculture, Diploma Valuation and Farm Management (NZ). Mitta Football Club President. Chair of Mitta Valley Advancement Forum. Chair "Our Valley Our Future" Project. Chair Mitta (Inc). Director Gippsland Northern. Towong Shire Councillor and Commissioner. Member of Vic Farmers Federation and Goulburn Murray Water.
Special responsibilities:	Nil

Name:	Sarah Jane Gardner
Title:	Non-executive director
Experience and expertise:	Sarah Gardiner has called the Upper Kiewa Valley home for 14 years, and joined the Board in July 2020. She is passionate about the community and the environment. Sarah has travelled extensively overseas and since her return has worked in the travel industry with a focus on leisure accommodation. She is currently Accounts Manager for Traverse Alpine Group and focuses on Falls Creek, Mount Beauty and Lake Hume and the development of those regions and the unique environment of those outstanding areas.
Special responsibilities:	Nil

Name:	Phillip Bardsley-Smith
Title:	Non-executive director (appointed 1 July 2024)
Experience and expertise:	
Special responsibilities:	

Company secretary
The company secretary is Dorothy Morrison. Dorothy was appointed to the position of company secretary on 29 October 2009.

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 $195,810 (30 June 2023: $124,416).

Operations have continued to perform in line with expectations.

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

	2024 $	2023 $
Fully franked dividend of 15 cents per share (2023: 8 cents)	91,992	49,062

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

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

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

Kiewa Mitta Murray Community Enterprises Limited
Directors' report
30 June 2024

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

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

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

	Board	
	Eligible	Attended
Andrew John Randell	11	11
Dorothy Morrison	11	11
William Charles Best	11	10
Barbara Jean Pyle 'LoA'	9	3
Justin Troy Costello	11	4
John McMeekin Paton	11	11
Sarah Jane Gardner	11	6
Phillip Bardsley-Smith	-	-

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

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

	Balance at the start of the year	Changes	Balance at the end of the year
Andrew John Randell	26,001	-	26,001
Dorothy Morrison	500	-	500
William Charles Best	1,001	-	1,001
Barbara Jean Pyle 'LoA'	21,000	-	21,000
Justin Troy Costello	500	-	500
John McMeekin Paton	1,500	-	1,500
Sarah Jane Gardner	-	-	-
Phillip Bardsley-Smith	-	-	-

Shares under option
There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

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

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

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

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

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

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

Non-audit services
The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 24 to the accounts.

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

- all non-audit services have been reviewed by the board to ensure they do not impact on the impartiality, integrity and objectivity of the auditor
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the company, acting as an advocate for the company or jointly sharing risks and rewards.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001.*

On behalf of the directors

Andrew John Randell
Chair

3 September 2024

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

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Kiewa Mitta Murray Community Enterprises Limited

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 3 September 2024

Adrian Downing
Lead Auditor

Kiewa Mitta Murray Community Enterprises Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	2024 $	2023 $
Revenue from contracts with customers	7	1,490,371	1,692,575
Other revenue		45,545	26,364
Finance revenue		15,184	6,732
Total revenue		1,551,100	1,725,671
Employee benefits expense	8	(544,020)	(597,638)
Advertising and marketing costs		(20,082)	(4,601)
Occupancy and associated costs		(37,968)	(48,198)
System costs		(21,576)	(22,225)
Depreciation and amortisation expense	8	(111,240)	(112,918)
Finance costs	8	(24,606)	(16,978)
General administration expenses		(127,246)	(122,970)
Total expenses before community contributions and income tax expense		(886,738)	(925,528)
Profit before community contributions and income tax expense		664,362	800,143
Charitable donations, sponsorships and grants expense	8	(404,277)	(633,732)
Profit before income tax expense		260,085	166,411
Income tax expense	9	(64,275)	(41,995)
Profit after income tax expense for the year		195,810	124,416
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		195,810	124,416
		Cents	**Cents**
Basic earnings per share	26	31.93	20.29
Diluted earnings per share	26	31.93	20.29

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

Kiewa Mitta Murray Community Enterprises Limited
Statement of financial position
As at 30 June 2024

	Note	2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	10	152,537	187,830
Trade and other receivables	11	127,344	180,541
Investments	12	350,083	341,902
Total current assets		629,964	710,273
Non-current assets			
Property, plant and equipment	13	289,863	224,284
Right-of-use assets	14	372,149	375,514
Intangible assets	15	44,341	57,319
Deferred tax assets	9	1,038	-
Total non-current assets		707,391	657,117
Total assets		1,337,355	1,367,390
Liabilities			
Current liabilities			
Trade and other payables	16	56,825	209,118
Lease liabilities	17	43,200	18,254
Current tax liabilities	9	47,568	21,874
Employee benefits		25,512	26,929
Total current liabilities		173,105	276,175
Non-current liabilities			
Lease liabilities	17	358,145	379,550
Deferred tax liabilities	9	-	10,433
Employee benefits		888	518
Lease make good provision		12,243	11,558
Total non-current liabilities		371,276	402,059
Total liabilities		544,381	678,234
Net assets		792,974	689,156
Equity			
Issued capital	18	585,438	585,438
Retained earnings		207,536	103,718
Total equity		792,974	689,156

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

Kiewa Mitta Murray Community Enterprises Limited
Statement of changes in equity
For the year ended 30 June 2024

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2022		585,438	28,364	613,802
Profit after income tax expense		-	124,416	124,416
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	124,416	124,416
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	20	-	(49,062)	(49,062)
Balance at 30 June 2023		585,438	103,718	689,156

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2023		585,438	103,718	689,156
Profit after income tax expense		-	195,810	195,810
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	195,810	195,810
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	20	-	(91,992)	(91,992)
Balance at 30 June 2024		585,438	207,536	792,974

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

Kiewa Mitta Murray Community Enterprises Limited
Statement of cash flows
For the year ended 30 June 2024

	Note	2024 $	2023 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,694,614	1,775,710
Payments to suppliers and employees (inclusive of GST)		(1,455,934)	(1,419,498)
Interest received		12,503	2,806
Income taxes paid		(50,052)	(25,530)
Net cash provided by operating activities	25	201,131	333,488
Cash flows from investing activities			
Investment in term deposits		(8,181)	(130,847)
Payments for property, plant and equipment	13	(138,083)	(102,370)
Payments for intangible assets	15	-	(64,890)
Proceeds from disposal of property, plant and equipment		45,545	26,364
Net cash used in investing activities		(100,719)	(271,743)
Cash flows from financing activities			
Interest and other finance costs paid		(24,042)	(16,355)
Dividends paid	20	(91,992)	(49,062)
Repayment of lease liabilities		(19,671)	(25,964)
Net cash used in financing activities		(135,705)	(91,381)
Net decrease in cash and cash equivalents		(35,293)	(29,636)
Cash and cash equivalents at the beginning of the financial year		187,830	217,466
Cash and cash equivalents at the end of the financial year	10	152,537	187,830

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

Note 1. Reporting entity

The financial statements cover Kiewa Mitta Murray Community Enterprises Limited (the company) as an individual entity, which is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 28 Hollonds Street, Mount Beauty VIC 3699.

A description of the nature of the company's operations and its principal activity is included in the directors' report, which is not part of the financial statements.

Note 2. Basis of preparation and statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB). The financial statements have been prepared on an accrual and historical cost basis and are presented in Australian dollars, which is the company's functional and presentation currency.

The directors have a reasonable expectation that the company has adequate resources to pay its debts as and when they fall due for the foreseeable future. For these reasons, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 3 September 2024. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

The accounting policies that are material to the company are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Adoption of new and revised accounting standards
The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current financial year. A description of the impact of new or amended Accounting Standards and Interpretations that have had a material impact on the company during the current financial year is outlined below:

AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* is mandatory for annual reporting periods beginning on or after 1 January 2023 and was adopted by the company in the preparation of the 30 June 2024 financial statements.

AASB 2021-2 includes amendments to AASB 101 *Presentation of Financial Statements*, requiring the company to disclose material accounting policy information in its financial statements rather than significant accounting policies which was required in previous financial years. Accounting policy information is material if it, when considered with other information, could reasonably be expected to influence decisions of primary users based on the financial statements.

Adoption of AASB 2021-2 has had no impact on the numerical information disclosed in the company’s financial statements. Rather, adoption has required the company to remove significant accounting policy information from the notes to the financial statements that is not considered material.

Accounting standards issued but not yet effective
An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to the company has been performed. No new or amended Accounting Standards or Interpretations that are not mandatory have been early adopted, nor are they expected to have a material impact on the company in future financial years.

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

Note 3. Material accounting policy information (continued)

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

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

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

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

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Judgements

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

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

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

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

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

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

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

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

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

Estimates and assumptions

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

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

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

Note 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in December 2027.

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

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

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

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

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

Note 6. Change to comparative figures

Classification of term deposits
During the year the directors reviewed the requirements of AASB 107 Statement of Cash Flows and noted term deposits normally qualify as a cash and cash equivalent only when they have initial investment periods of three months or less. In previous financial years the company classified all term deposits as cash and cash equivalents in the preparation of the financial statements even if they had initial investment periods greater than three months.

In the preparation of the financial statements for the current financial year, the directors updated its accounting policy to align to the requirements of AASB 107, restating comparatives figures to reclassify term deposits with initial investment periods greater than three months as current investments instead of cash and cash equivalents in the Statement of financial position.

Note 6. Change to comparative figures (continued)

The change in classification had the following impacts on comparative figures:

- Cash and cash equivalents decreased and investments increased by $341,902 at 30 June 2023 as reported in the Statement of financial position.
- Opening and closing cash balances were reduced to exclude term deposits with initial investment periods greater than three months as reported in the Statement of cash flows.
- Investments in and redemptions of term deposits with initial investment periods greater than three months are now classified within investment activities as reported in the Statement of cash flows.

The change in classification had no impact on the company's net profit or net asset position.

Calculation of right-of-use asset cost and accumulated depreciation
On adoption of AASB 16 Leases on 1 July 2019, the company previously recognised the right-of-use asset cost and accumulated depreciation on a gross basis from the commencement of the lease as if AASB 16 had always been applied by the company.

During the financial year the company recorded a change in accounting policy, whereby it elected to recognise the right-of-use asset net of accumulated depreciation on initial adoption of AASB 16. The change in accounting policy had no impact on the company's net profit or net asset position, however it did reduce the company's right-of-use asset cost and accumulated depreciation at 30 June 2023 by $272,648.

Note 7. Revenue from contracts with customers

	2024 $	2023 $
Margin income	1,237,990	1,403,134
Fee income	70,915	64,423
Commission income	181,466	225,018
	1,490,371	1,692,575

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

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

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

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

Note 7. Revenue from contracts with customers (continued)

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

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

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

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

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

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

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

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

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

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

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

Note 8. Expenses

Employee benefits expense

	2024 **$**	**2023** **$**
Wages and salaries	461,994	502,082
Non-cash benefits	2,116	1,256
Superannuation contributions	51,813	52,411
Other expenses	28,097	41,889
	544,020	597,638

Note 8. Expenses (continued)

Depreciation and amortisation expense

	2024 $	2023 $
Depreciation of non-current assets		
Leasehold improvements	21,843	25,095
Plant and equipment	6,965	3,023
Motor vehicles	43,696	41,236
	72,504	69,354
Depreciation of right-of-use assets		
Leased land and buildings	25,758	30,484
Amortisation of intangible assets		
Franchise fee	2,163	2,180
Franchise renewal process fee	10,815	10,900
	12,978	13,080
	111,240	112,918

Finance costs

	2024 $	2023 $
Lease interest expense	24,042	16,355
Unwinding of make-good provision	564	623
	24,606	16,978

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

Leases recognition exemption

	2024 $	2023 $
Expenses relating to low-value leases	7,856	8,925

Charitable donations, sponsorships and grants

	2024 $	2023 $
Direct donation, sponsorship and grant payments expense	404,277	633,732

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

Note 9. Income tax

	2024 $	2023 $
Income tax expense		
Current tax	77,246	38,832
Movement in deferred tax	(11,471)	3,163
Under/over provision in respect to prior years	(1,500)	-
Aggregate income tax expense	64,275	41,995
Prima facie income tax reconciliation		
Profit before income tax expense	260,085	166,411
Tax at the statutory tax rate of 25%	65,021	41,603
Tax effect of:		
Non-deductible expenses	754	392
	65,775	41,995
Under/over provision in respect to prior years	(1,500)	-
Income tax expense	64,275	41,995

	2024 $	2023 $
Deferred tax attributable to:		
expense accruals	1,050	1,000
employee provisions	6,600	6,862
make-good provision	3,061	2,890
lease liabilities	100,336	99,451
property, plant and equipment	(15,226)	(25,681)
income accruals	(1,746)	(1,076)
right-of-use assets	(93,037)	(93,879)
Deferred tax asset/(liability)	1,038	(10,433)

	2024 $	2023 $
Provision for income tax	47,568	21,874

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

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

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

Note 10. Cash and cash equivalents

	2024 $	2023 $
Cash at bank and on hand	152,537	187,830

Note 11. Trade and other receivables

	2024 $	2023 $
Trade receivables	114,688	150,251
Other receivables and accruals	75	2,269
Accrued income	6,985	4,304
Prepayments	5,596	23,717
	12,656	30,290
	127,344	180,541

	2024 $	2023 $
Financial assets at amortised cost classified as trade and other receivables		
Total trade and other receivables	127,344	180,541
less other receivables and accruals (net GST refundable by the ATO)	-	(9,917)
	127,344	170,624

Accounting policy for trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. The company's trade receivables are limited to the monthly profit share distribution from Bendigo Bank, which is received 10 business days post month end.

Note 12. Investments

	2024 $	2023 $
Current assets		
Term deposits	350,083	341,902

Note 13. Property, plant and equipment

	2024 $	2023 $
Leasehold improvements - at cost	311,373	311,372
Less: Accumulated depreciation	(205,721)	(183,877)
	105,652	127,495
Plant and equipment - at cost	79,865	75,931
Less: Accumulated depreciation	(61,278)	(54,314)
	18,587	21,617
Motor vehicles - at cost	224,227	181,643
Less: Accumulated depreciation	(58,603)	(106,471)
	165,624	75,172
	289,863	224,284

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

	Leasehold improvements $	Plant and equipment $	Motor vehicles $	Total $
Balance at 1 July 2022	152,590	12,349	26,329	191,268
Additions	-	12,291	90,079	102,370
Depreciation	(25,095)	(3,023)	(41,236)	(69,354)
Balance at 30 June 2023	127,495	21,617	75,172	224,284
Additions	-	3,935	134,148	138,083
Depreciation	(21,843)	(6,965)	(43,696)	(72,504)
Balance at 30 June 2024	105,652	18,587	165,624	289,863

Additions
During the financial year the company purchased two motor vehicles. In the previous financial year the company purchased a new motor vehicle and completed works on their community trailer.

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

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

Leasehold improvements	1 to 20 years
Plant and equipment	1 to 40 years
Motor vehicles	3 to 4 years

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

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

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

Note 14. Right-of-use assets

	2024 $	2023 $
Land and buildings - right-of-use	514,186	491,793
Less: Accumulated depreciation	(142,037)	(116,279)
	372,149	375,514

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

	Land and buildings $
Balance at 1 July 2022	185,605
Remeasurement adjustments	220,393
Depreciation expense	(30,484)
Balance at 30 June 2023	375,514
Remeasurement adjustments	22,393
Depreciation expense	(25,758)
Balance at 30 June 2024	372,149

Accounting policy for right-of-use assets
Right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease. Right-of-use assets are subject to impairment and are adjusted for any remeasurement of lease liabilities.

Refer to note 17 for more information on lease arrangements.

Note 15. Intangible assets

	2024 $	2023 $
Franchise fee	43,370	43,370
Less: Accumulated amortisation	(35,980)	(33,817)
	7,390	9,553
Franchise renewal fee	166,852	166,852
Less: Accumulated amortisation	(129,901)	(119,086)
	36,951	47,766
	44,341	57,319

Note 15. Intangible assets (continued)

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

	Franchise fee $	Franchise renewal fee $	Total $
Balance at 1 July 2022	918	4,591	5,509
Additions	10,815	54,075	64,890
Amortisation expense	(2,180)	(10,900)	(13,080)
Balance at 30 June 2023	9,553	47,766	57,319
Amortisation expense	(2,163)	(10,815)	(12,978)
Balance at 30 June 2024	7,390	36,951	44,341

Additions
During the previous financial year, the franchise fees were renewed and are being amortised over five years to December 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 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)	December 2027
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	December 2027

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

Note 16. Trade and other payables

	2024 $	**2023 $**
Current liabilities		
Trade payables	36,026	188,509
Other payables and accruals	20,799	20,609
	56,825	209,118

	2024 $	**2023 $**
Financial liabilities at amortised cost classified as trade and other payables		
Total trade and other payables	56,825	209,118
less other payables and accruals (net GST payable to the ATO)	(8,446)	-
	48,379	209,118

Note 17. Lease liabilities

	2024 $	2023 $
Current liabilities		
Land and buildings lease liabilities	43,200	18,254
Non-current liabilities		
Land and buildings lease liabilities	358,145	379,550

Reconciliation of lease liabilities

	2024 $	2023 $
Opening balance	397,804	198,162
Remeasurement adjustments	23,212	225,606
Lease interest expense	24,042	16,355
Lease payments - total cash outflow	(43,713)	(42,319)
	401,345	397,804

Remeasurement adjustments
The company extended the lease for their Mount Beauty branch during the previous period. The landlord offered a lease extension of 5 years with 3 further 5 year options to extend the lease beyond this initial term. As such a remeasurement of the right-of-use asset, lease liability and make-good provision occurred using the revised lease term end date of 30 November 2042.

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

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

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

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Mount Beauty branch	6.25%	5 years	3 x 5 years	Yes	November 2042
Corryong Business Service Centre	4.29%	2 years	1 x 1 year	Yes	January 2027

Note 18. Issued capital

	2024 Shares	2023 Shares	2024 $	2023 $
Ordinary shares - fully paid	613,278	613,278	613,278	613,278
Less: Equity raising costs	-	-	(27,840)	(27,840)
	613,278	613,278	585,438	585,438

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

Rights attached to issued capital

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

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

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

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

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

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

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 223. As at the date of this report, the company had 216 shareholders (2023: 224 shareholders).

Note 18. Issued capital (continued)

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

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

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

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

Note 19. 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 20. Dividends

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

	2024 $	2023 $
Fully franked dividend of 15 cents per share (2023: 8 cents)	91,992	49,062

Note 20. Dividends (continued)

Franking credits

	2024 $	2023 $
Franking account balance at the beginning of the financial year	46,795	37,619
Franking credits (debits) arising from income taxes paid (refunded)	50,052	25,530
Franking debits from the payment of franked distributions	(30,664)	(16,354)
	66,183	46,795
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	66,183	46,795
Franking credits (debits) that will arise from payment (refund) of income tax	47,568	21,874
Franking credits available for future reporting periods	113,751	68,669

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

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

Note 21. Financial risk management

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

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

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

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

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

	2024 $	2023 $
Financial assets at amortised cost		
Trade and other receivables (note 11)	127,344	170,624
Cash and cash equivalents (note 10)	152,537	187,830
Investments (note 12)	350,083	341,902
	629,964	700,356
Financial liabilities		
Trade and other payables (note 16)	48,379	209,118
Lease liabilities (note 17)	401,345	397,804
	449,724	606,922

Note 21. Financial risk management (continued)

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

Accounting policy for financial instruments

Financial Assets

Classification
The company classifies its financial assets at amortised cost.

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

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

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

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

Financial liabilities

Classification
The company classifies its financial liabilities at amortised cost.

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

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of $152,537 and term deposits of $350,083 at 30 June 2024 (2023: $187,830 and $341,902).

Price risk
The company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. The company is not exposed to commodity price risk.

Liquidity risk
Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Note 21. Financial risk management (continued)

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.

2024	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	56,825	-	-	56,825
Lease liabilities	44,493	152,709	453,954	651,156
Total non-derivatives	101,318	152,709	453,954	707,981

2023	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	209,118	-	-	209,118
Lease liabilities	41,982	156,293	467,887	666,162
Total non-derivatives	251,100	156,293	467,887	875,280

Note 22. Key management personnel disclosures

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

Andrew John Randell
Dorothy Morrison
William Charles Best
Barbara Jean Pyle 'LoA'
Justin Troy Costello
John McMeekin Paton
Sarah Jane Gardner
Phillip Bardsley-Smith

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

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

Note 23. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 22.

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

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

Transactions with related parties
The following transactions occurred with related parties:

	2024 $	**2023 $**
A director of the company is President of the Mitta United Football Club which received a sponsorship from the company during the year. The total benefit received was:	5,000	5,000
A director has provided the company with secretarial and board support services.	18,000	18,000
A director completed repairs and maintenance on the kitchen at Mt Beauty branch.	-	19,636

Note 24. Remuneration of auditors

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

	2024 $	2023 $
Audit services		
Audit or review of the financial statements	6,450	5,400
Other services		
Taxation advice and tax compliance services	1,120	1,060
General advisory services	4,170	2,930
	5,290	3,990
	11,740	9,390

Note 25. Reconciliation of profit after income tax to net cash provided by operating activities

	2024 $	2023 $
Profit after income tax expense for the year	195,810	124,416
Adjustments for:		
Depreciation and amortisation	111,240	112,918
Net gain on disposal of non-current assets	(45,545)	(26,364)
Lease liabilities interest	24,042	16,355
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	53,197	(86,331)
Increase in deferred tax assets	(1,038)	-
Increase/(decrease) in trade and other payables	(151,353)	166,883
Increase in provision for income tax	25,694	13,302
Increase/(decrease) in deferred tax liabilities	(10,433)	3,163
Increase/(decrease) in employee benefits	(1,047)	8,523
Increase in other provisions	564	623
Net cash provided by operating activities	201,131	333,488

Note 26. Earnings per share

	2024 $	2023 $
Profit after income tax	195,810	124,416
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	613,278	613,278
Weighted average number of ordinary shares used in calculating diluted earnings per share	613,278	613,278

Note 26. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	31.93	20.29
Diluted earnings per share	31.93	20.29

Accounting policy for earnings per share
Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Kiewa Mitta Murray Community Enterprises Limited, by the weighted average number of ordinary shares outstanding during the financial year.

Note 27. Commitments

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

Note 28. Contingencies

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

Note 29. Events after the reporting period

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

Kiewa Mitta Murray Community Enterprises Limited
Directors' declaration
30 June 2024

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;

- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

- the company does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, a consolidated entity disclosure statement has not been included as section 295(3A)(a) of the Corporations Act 2001 does not apply to the entity.

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

On behalf of the directors

Andrew John Randell
Chair

3 September 2024

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

Independent auditor's report to the Directors of Kiewa Mitta Murray Community Enterprises Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Kiewa Mitta Murray Community Enterprises Limited (the company), which comprises:

- Statement of financial position as at 30 June 2024
- Statement of profit or loss and other comprehensive income for the year then ended
- Statement of changes in equity for the year then ended
- Statement of cash flows for the year then ended
- Notes to the financial statements, including material accounting policies
- The directors' declaration.

In our opinion, the accompanying financial report of Kiewa Mitta Murray Community Enterprises Limited, is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the company's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and
ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

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

Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

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

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 3 September 2024

Adrian Downing
Lead Auditor

The generous and ongoing support of our shareholders and banking customers, enables our community banking initiative to be financially secure and therefore have the responsibity and great privilege to have funds to support so many and varied community projects. One such project has been our support of a local fund-raising effort by a local family for research into finding a cure for the insidious Motor Neurone Disease. The organisers have taken their (photogenic!) vehicle to many events and have raised a considerable amount for this research project. We acknowledge their dedicated efforts and are proud to be able to contribute to this project which will have long-term benefits for many - including members of our own community.

Another way in which your community bank supports local organisations is by providing funding for community event.s such as the annual Kangaroo Hoppet - our very own international ski marathon race. The organising committee also holds an annual Running Festival during the summer months which caters for several distances and age groups so the whole community can enter into the fun. Unfortunately, there was insufficient snow for the 2024 Hoppet, but the Running Festival was a popular community event.

Community Bank Mount Beauty & District 28 Hollonds Street,
Mount Beauty VIC 3699
Phone: 03 5754 4484

Corryong Business Service Centre
2-61 Hanson Street, Corryong VIC 3707
(By appointment only)
Phone for appointment:: 03 5754 4484

Franchisee: Kiewa Mitta Murray Community Enterprises Ltd
ABN: 87 126 422 062
28 Hollonds Street (PO Box 125),
Mount Beauty VIC 3699
(Corporate) Phone: 0437 693 333
Email: kmmcel@westnet.com.au

Share Registry:
Mrs. Dorothy Morrison
PO Box 125, Mount Beauty 3699
Phone: 0437 693 333
Email: kmmcel@westnet.com.au

Bendigo Bank