Annual Report 2022

Leopold Community Enterprises Limited

Community Bank Leopold

ABN 39 133 061 800

Contents

Chairperson's report

For year ending 30 June 2022

Whilst we aim to be the bank of choice for Leopold and a leader in our community; we work hard to have an impact on local wellbeing and prosperity. The financial success of the last year has again enabled us to fulfil this goal through project grants and sponsorships.

I am extremely proud to have taken up the position of Chair in January 2022 and present this report on behalf of the Board of Leopold Community Enterprises Limited for the financial year ending 30 June 2022.

The financial year continued to be a difficult one, with the ongoing impacts of COVID-19 on our business operations and community involvement. We do know that thriving, healthy communities and businesses bounce back from adversity faster and more successfully. To this end the Boards' focus has continued to be on supporting our staff to do their work effectively and with as little disruption as possible; and our community to succeed as they returned to the new normal operations.

As usual our branch staff and the Leopold community has stood strong and supported each other as we navigate the new challenges of our new normal way of living and business operations.

Our shareholders

In November 2021, the company announced a fully franked dividend of 5c per share. This takes the total dividends paid to date to 63 cents per share. The total financial returns to shareholders directly now stand at over $491,384. This demonstrates the company's commitment to reward those who made the Community Bank possible and those who continue to support us today. We look forward to announcing the 2022 dividend at our Annual General Meeting on 7 November.

To all our shareholders we send a significant vote of thanks. Your initial commitment to the Community Bank concept has allowed this company to grow. Your continued support and advocacy are invaluable. Without your support we would not be able to continue to support our ever-growing community of Leopold.

Our Board

At the end of 2021, our Board said goodbye to Lily and Bob Reinert as they retired from the Board. Both Bob and Lily have been part of the Board since the steering committee days; their commitment to getting the branch established and its continued operations over the past 13 years is so highly valued. We will miss their strength, insight and hard work they have bought to the success of the business.

We also said farewell to Craig Savige who, although was not with us for a lengthy period, left his mark on our operations. To the retiring Directors a big thank-you for your tireless voluntary contribution to the company's and community's success.

In February we welcomed Keith Reynard to our Board. Keith was new to Leopold and brings enormous experience in collaborating with his past community. Since joining the Board we have appreciated his innovative ideas and approaches to strengthening the business.

Our current Board continues to be understanding of the benefits the company provides to our local area and are enthusiastic about the work required to achieve this.

Our branch staff

What a year it has been. Unlike many businesses, we have been incredibly lucky that our branch operations have continued strongly throughout the year, except a little hiccup in January. In response to staffing shortages across the region, in February Bendigo Bank decided to temporarily close the Newcomb branch. This led to a tremendous increase in workload for our staff. We thank Bendigo Bank for the provision of a staff member to support our staff through this and thank our staff for their patience and continued effort to make Community Bank Leopold the bank of choice.

This year we have seen a few staff changes.

- Hannah Palmer our Branch Manager took parental leave and will return later in 2022.
- Britt Lonsdale joined our team in September 2021, undertaking the Branch Manager parental leave position.
- Daina Howard commenced as Customer Relationship Officer in November 2021.
- Paige Rockliff commenced as Customer Service Officer in February 2022.
- We said goodbye to Tyler Stavenuiter in June 2022 who has taken up a promotion position with Bendigo Bank and Samantha Allen who took up a position with TAC.
- And in June we welcomed Danielle Jolley to the team as a Customer Service Officer.

While our staff have worked hard to achieve their KPIs we have also had a few personal highlights including a new baby, one on the way, two weddings and an engagement.

We cannot thank enough the continued hard work and dedication of the staff, led by Britt. They have worked under extremely difficult conditions over the past two years and continue to be caring and professional with all who enter the branch.

Our community

Whilst we aim to be the bank of choice for Leopold and a leader in our community; we work hard to have an impact on local wellbeing and prosperity. The financial success of the last year has again enabled us to fulfil this goal through project grants and sponsorships. If you refer to the Community Investment section, you will see the projects undertaken over the past 12 months and the wonderful feedback, demonstrating the impact these grants have on our community.

At the Annual General Meeting, our 2022 grants will be announced. With the ongoing support of our shareholders and our customers we will continue to support our local community – something of which we are all proud.

As we move into the remainder of 2022 and into 2023, we will continue to build strong relationships with all our key stakeholders (staff, shareholders, community and Bendigo and Adelaide Bank) to ensure we continue to live our values of:

- Commitment to working for our community
- Ethical, honest and transparent governance
- Responsive to the needs of our stakeholders
- Exceed expectations and redefine professional excellence; and
- Respect and inclusive to all.

I urge you to continue to refer your family, friends and colleagues to Community Bank Leopold. We are making great things happen for our shareholders, customers and the community. I thank you for being part of it.

Kylie Clayton
Chair

Manager's report

For year ending 30 June 2022

Since inception, our total investment in local groups and sporting clubs through grants, sponsorships and donations stands at just under $1.6 million. This is a great achievement and demonstrates the importance and value of banking locally.

It is with great pride that I present my first Branch Manager report for Leopold Community Enterprises Limited.

It has been another year that has kept us on our toes with the way we operate. Through which we have showcased our ability to adapt and continue to provide support and services to our wonderful community.

I was truly fortunate to take over the Branch Manager role in September 2021, as Hannah Palmer commenced parental leave. In this time, I have been welcomed by the wonderful Board members, staff and community at Community Bank Leopold.

This year we celebrated 13 years of operation, welcomed new faces to our branch and Board, and said goodbye to some beloved staff members. We continued to navigate how we support our community groups throughout the continued pandemic challenges and have attained some great achievements throughout the 2021-22 year.

As of 30 June 2022, our total customer base was 4,917 with an increase of 6.3% since last year. Whilst in a low-rate competitive environment, it was fabulous time for first home buyers and people purchasing properties. It did however have an impact on loan discharges as people sold investment properties and paid down debt.

Our overall footings are $208.3 million, a considerable increase of $24.3 million as at the same time last year. In summary, as at the end of 2022 financial year, the branch business was:

- Loans $77.4 million
- Deposits $117.6 million
- Wealth Products $13 million
- Other Business $0.4 million
- Total Business $208.3 million.

In the past 12 months, Leopold Community Enterprises Limited has contributed $74,000 back into our community. Since inception, our total investment in local groups and sporting clubs through grants, sponsorships and donations stands at just under $1.6 million. This is a great achievement and demonstrates the importance and value of banking locally.

As mentioned, our branch team saw some changes over the past 12 months commencing with Hannah commencing parental leave. In November, she welcomed a healthy little girl. Sam left Bendigo Bank to start her journey with TAC. We welcomed Paige to Bendigo Bank and Dani as our Customer Service Officers. Daina joined us as our newest Customer Relationship Officer and lastly, we said goodbye to a much-loved staff member in Tyler who took a promotion to Corio branch.

I take this time to thank the wonderful current staff, Chris, Robyn, Daina, Dani and Paige; and those who left during the year, for their contribution. Without their support, we would not have been able to have achieve our great results in the past year.

I would also like to take this time to thank the Board of Directors for their vital role in advocating our business in the community and supporting us along the way.

Finally, a big thank you to our shareholders and customers for your amazing support and contribution to our continued success. Your banking allows us to make a powerful impact to the Leopold community. If you have not compared your personal or business banking with our innovative and competitive range of products, I encourage you to do so. There is no better time than the present.

In closing, I wish you, your families and friends all the best and thank you for your ongoing support.

Britt Lonsdale
Branch Manager

Community investments

Banking is our business, but community is our focus. The support of customers banking with us enables the investment of our profits to have a positive impact on local wellbeing and prosperity.

As we entered our 13th year, we moved out of the constant disruption of COVID-19, and we have been able to have a greater focus on our community and sporting groups. This year we have supported 18 groups and invested $72,817 into programs, equipment, development of facilities, and team and event sponsorships.

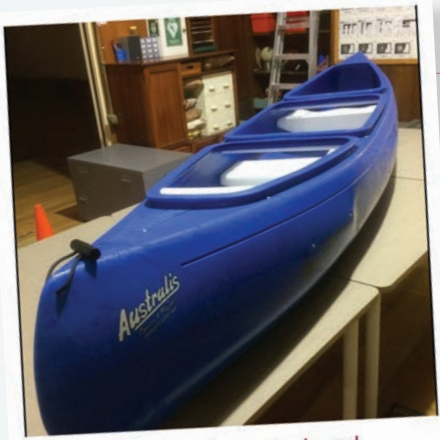
$1.54 million
Invested in the Leopold community to date

$72,817
Invested in the Leopold community in 2021-22

18
Local projects and organisations funded in 2021-22

Group	Funding
1st Eastern Park Scouts	Canoe
Allanvale Primary School	Storage for rooms
Bluearth/Wallington Primary School	Active Kids Program
FC Leopold	Juniors team sponsorship
FC Leopold	Seed funding for development project
Friends of the Bellarine Rail Trail	Gardening equipment
Geelong Youth Engagement	Trivia Night fundraiser
Leopold Community & Learning Centre	Chatty café
Leopold Cricket Club	Team sponsorship
Leopold Football Netball Club	Junior team jumpers and teams sponsorship
Leopold Hall	Airconditioning unit
Leopold Hall	Balance Program
Leopold Kindergarten	Chicken coop
Leopold Little Athletics	New hurdles
Leopold Primary School	Amphitheatre
Leopold Sportsmans Club (Bowls)	Team sponsorship
Leopold Sportsmans Club (Golf)	Event sponsorship
U&I Inclusions	Chair for transport of people with disabilities
Wallington Cricket Club	Junior team sponsorship
Wallington Primary School	School calendars

Community investments (continued)



More challenges ahead

Enhancing our Youth Program

With the continued support of Community Bank Leopold we have purchased a Canadian canoe. This purchase has enabled us to expand our youth water sports program.

Expanding our programs encourages the physical, intellectual, emotional, social and spiritual development of young people in our community.

Ted Pitfield, 1st Eastern Park Scouts

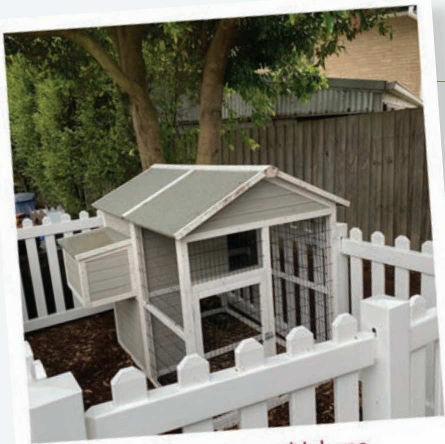

A place for connections, activities & a sense of belonging

Supporting our community with social connections

The area has been used by the community for different activities, from gardening demonstrations, having coffee and a chat through to holding meetings. The space is inviting and allows for the community to come together. We have had glowing and positive feedback from all who have used the space.

Thank you Community Bank Leopold.

Jeff Bunney, Committee of Management, Leopold Community Learning Centre


Healthy, happy chickens

A new home for our chickens

A massive thank you to Community Bank Leopold for their generous grant to allow this project to go ahead. Leopold Kindergarten has three chickens and the children enjoy sharing their space with the animals.

We have now received over $26,000 in grants from the bank so please support them so they can continue to support our community.

Jane O'Farrell, President Leopold Kindergarten


Independence through movement

It's a balancing act

COVID-19 resulted in a lot of people reducing their physical activity. Over time many lost their confidence to be involved in their normal activities. Thanks to Community Bank Leopold funding two balance programs, our people have the strength to and are feeling more confident to resume their pre-covid activities.

Kevin Smith, Leopold Hall

Community investments (continued)

Thumbs up
Community Bank Leopold

Easier to get around

Inclusiveness and independence

This chair has provided inclusiveness and a greater sense of wellbeing for people with disabilities. On behalf of our participants, families and staff, thank you Community Bank Leopold.

Michael Kenneady, U&I Inclusions

Amphitheatre
Leopold Primary School

Let's perform

Thanks to funding from Community Bank Leopold, we have been able to complete stage 1 of the outdoor amphitheatre with decked seating and stage. This is a wonderful space for our students performances.

Thanks again for your continued support ensuring Leopold Primary School has wonderful facilities for our students and the wider community.

Stuart Bott, Principal

Supporting us
Let's support them

Another great day

Since 2012 Community Bank Leopold has supported us at various competitions and we can not thank them enough.

We encourage the Leopold community to bank local so they can continue to support our community and sporting groups. Come and join us.

Johnnie Guiffrida, Leopold Sportsmans Club (Golf)

Our clubs community spirit

What a team!

The involvement of senior and junior players has created a great club spirit. We received great feedback from parents who stated the kids felt included and part of the team and club.

Thanks Community Bank Leopold for your continued sponsorship.

Luke Murray, Secretary Leopold Cricket Club

Juniors have a blast

Wallington Cricket Club (Juniors)

Wallington Cricket Club thanks Community Bank Leopold for the support during the 2020-21 season. The Club has worked hard at rebuilding our Junior program, which saw us beat our ambitious target of doubling participants in the season and finished with 55 kids. The financial support provided has allowed us to keep registration fees to a minimum, put on complimentary BBQ for the kids every week and purchase new equipment for the increased participants.

Marc Occhipinti

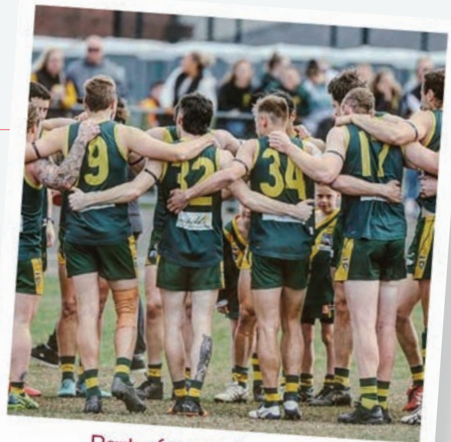
Bowling them over

On the green

We are pleased to have Community Bank Leopold as a main sponsor of Leopold Sportsmans Club (Bowls section). Our relationship spans over 12 years and we continue to be thankful for their support with team sponsorship and the provision of grants for items such as the shade sails, water fountain, storage cupboards, replacement of scoreboards and bowls competitions. Thanks again Community Bank Leopold.

Nicole Shortis, Bowls Operations Manager

Kicking the goals and scoring the points



Part of a winning team

Community Bank Leopold has been a main sponsor of our club for over 12 years.

We are grateful for their annual sponsorship of our teams and grants for numerous facility development projects we have received.

We encourage all to see how Community Bank Leopold can help you so they can con continue to support us.

Richard Hockley, President Leopold Football Netball Club

Active Kids

Wallington Primary

Move well, move more, live better

Thanks to funding from Community Bank Leopold, the program was able to enhance the students' physical, mental and social wellbeing.

Jackie Goldberg, Bluearth Foundation

A picnic under the lights

Let's light up the ground

Thanks to Community Bank Leopold we are underway with our new development. With the lights now working, we are ready to commence the next stage. Once completed it will be a fantastic facility for our club and the community.

Without seed funding from the Community Bank we would not have been able to achieve this. Please support them so they can continue to do the amazing work withing the community.

Lisa de Vries

Geelong Youth Engagement and Lions Club of Leopold

Thanks to the help we received from Community Bank Leopold, it meant that we had no real costs so every dollar made went directly to supporting GYE.

By providing a great night out for our attendees, we raised a tad over $2,300. Thanks Community Bank Leopold.

Dennis Mitchell, GYE Coordinator and Lions Club of Leopold

A fun fundraiser
Trivia night

Friends of the Bellarine Rail Trail

Maintaining the Bellarine Rail Trail

The grant from Community Bank Leopold has enabled us to purchase a drill and mobile spraying unit. These items will assist us in our work to maintain the Bellarine Rail Trail, making it a safe place for joggers, walkers, bike riders and all of the Leopold community.

Community Bank Leopold has supported us over many years and we thank them for this.

David Le Lievre

Commitment to working for our community

Ethical, honest and transparent governance

Responsive to the needs of our stakeholders

Exceed expectations and redefine professional excellence

Respect and inclusive to all

Bendigo and Adelaide Bank report

For year ending 30 June 2022

Community continues to be core to who we are at Bendigo and Adelaide Bank.

With your support, we are enabling community infrastructure to be built, strengthening the arts and culturally diverse communities, improving educational outcomes, and growing healthy places for Australians to live and work. On behalf of the Bank, thank you for continuing to play a vital role in supporting your community.

As we emerge from the pandemic and navigate a shifting economic landscape, the investments our Community Banks make in the future of the communities in which they operate has never been more important.

We are proud that more Australians are choosing to do their banking with Bendigo and Adelaide Bank – and importantly trust us with their financial needs. We are Australia's most trusted bank (Roy Morgan, May 2022), an outcome that you have all contributed to and should feel proud of.

Our purpose has never been more important; we remain committed to continuing to feed into the prosperity of our customers and communities, and not off them.

Your ongoing support as a shareholder is essential to the success of your local community. Together, we will continue to grow sustainably and make a positive impact for generations to come.

Warmest regards,

Justine Minne
Bendigo and Adelaide Bank

Directors' report

For the financial year ended 30 June 2022

Our Board is comprised of independent volunteer directors and are supported by two paid roles for all accountancy work and an executive officer responsible for all administration and compliance activities, low volume market management and community development work. Details of the directors' shareholdings and remuneration are included in this director's report. The Board is committed to a high standard of corporate governance, financial reporting and integrity in the company's operations and is supported by the following committees who advise the Board.

- Governance and risk
- Marketing and sponsorship
- Asset management and business development
- Finance, budget and audit, and
- People and Culture.

At the end of 2021, we said goodbye to two long serving directors, Lily Reinert and Bob Reinert. Both had been with the company since the steering committee days of planning and getting the branch established. Their over 14 years of hard work and dedication not only to our company but across the Community Bank network cannot be underestimated. We also said goodbye to Craig Savige. Craig left his mark on how we operate, and his knowledge was most valuable.

Your Board as 30 June 2022 are as follows. If you are interested in joining the Board or finding out what it involves, contact the Company Secretary for further information.

Kylie-Anne Clayton

Kylie was born in Melbourne, spent several years overseas as a child and then moved with her family to country Victoria. Throughout her childhood she spent many a holiday on the Bellarine and in 1998 she moved to Leopold, where she is now raising her 2 primary aged children. Much of her spare time is spent supporting her children in their sporting endeavours, from swimming, soccer with FC Leopold, AFL with Leopold Football & Netball Club and participating in the Net Set Go program. Kylie is also a community member of the Leopold Primary School Council and joined the Board in 2020. She enjoys renovating as well as travelling. Professionally, Kylie is a Certified Chartered Occupational Health & Safety Professional and Principal Auditor and comes from a strong background in leadership & executive coaching, with 20 years' experience working with and leading teams across operations and corporate support roles.

Position	Chairperson
Committees	Human Resources Governance and Risk
Qualifications	Certified OHS Generalist Professional and Principal Auditor and executive leadership coach
Current directorships	NIL
Commencement	25 May 2020

Paul Madden

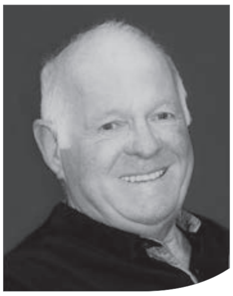
Paul was born, raised and educated in Newtown and Belmont. He lived in Leopold for 30 years with his wife and four sons and currently resides in Moolap. He has been a self-employed Public Accountant, CPA, for over thirty years trading as eTaxAustralia.net.au, and has been involved with a variety of small businesses. Paul has been past President of Leopold Scout Group, supported his sons attending the local AusKick, Little League and Leopold Football Club. His interests include cycling, sea kayaking, collecting money boxes, Australian stamps and antique family bibles. Paul has been involved since the establishment of the Steering Committee (2007) and has had an active role since the company was formed in 2008. He currently holds the position of Treasurer.

Position	Treasurer
Committees	Finance, Budget and Audit
Qualifications	Accountant CPA, Registered Tax Agent
Experience	Certified Practising Accountant (CPA), Diploma of Business (Accounting), Registered Tax Agent
Current directorships	Lasorate Pty Ltd, Investco Pty Ltd, Providence Holdings Pty Ltd, Link Consultants Pty Ltd
Commencement	3 September 2008

Bronwyn Shearer

Bronwyn has been a Leopold local for over thirty years and is married with two adult children. Her employment has been in social work, particularly in the fields of employment and training. She spent ten years working with Boards in the areas of governance practices, strategy and board evaluations. She is passionate about travel, especially cruising. Bronwyn joined the Board in 2015 and uses her skills to strengthen its' governance practices. Outside of the Board work the highlight of her Executive Officer and Company Secretary roles is working with the wonderful community groups of Leopold. She supports them through the provision of grants, donations and sponsorships from the Community Bank and assists with applications from other funding bodies.

Position	Company Secretary
Committee	Human Resources Governance and Risk Marketing Sponsorship and Business Development
Qualifications	Diploma of Community Welfare
Current directorships	AKS Electrical Services
Commencement	25 May 2015



Dennis More

Dennis brings a wealth of business experience to the Board. Starting his working life as an electrician, he has been self-employed in various business across Geelong over the past forty years. These have included electrical contracting, lighting retail, trenching contracting, and most recently as a commercial and industrial property developer. He is an active member of many community organisations including the donation of land for use for the Leopold Angling and Aquatic Club. Dennis was keen to have the opportunity to join the Board and is now involved in the Marketing, Sponsorship and Business Development Committee.

Position	Director
Committees	Marketing Sponsorship and Business Development
Qualifications	Business Developer and electrician
Current directorships	More Holdings P/L, Leopold Lakes P/L and Leopold Property Holdings P/L
Commencement	24 September 2018

Todd Hubers Van Assenraad

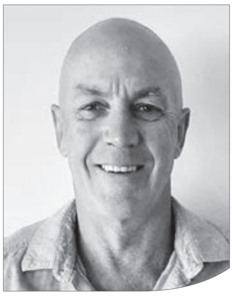
Todd is a community minded professional, who brings a range of experience to the Board. His experience spans business, web, software development, and marketing experience. Todd has been a director on the Board since 2019 and looks forward to expanding community development and investment for his family and residents of Leopold.

Position	Director
Committees	Finance, Budget and Audit Marketing Sponsorship and Business Development
Qualifications	Bachelor of Business Information Technology (Hons)
Current directorships	Alivate Australia Pty Ltd, Dull Group (Dull Ltd)
Commencement	29 April 2019

Ramona Browne

Ramona is a Leopold local of 22 years and parent of two local primary school aged children. She has a love for our beautiful community, its people and supporting all things local. In recent years, she has held Executive roles on Leopold Primary School Council, Leopold Little Athletics, Leopold Playgroup and Leopold Kindergarten. The family is also involved with the local soccer and football clubs. Ramona's professional background is in Contract Management (International Trade), Human Resources and Tertiary Education.

Position	Director
Committees	Human Resources Marketing Sponsorship and Business Development
Qualifications	Post Graduate Certificate in Education Business Leadership, Post Graduate Certificate in Communications, Post Graduate Certificate in Human Resources, Masters Unit in People and Culture, Diploma of Science, Diploma of Management
Current directorships	NIL
Commencement	29 June 2020



Keith Reynard

Keith is a new resident to Leopold having moved from Strathfieldsaye in September 2021. Keith has extensive background experience serving on a diverse range of community committees having been a long-term secretary of the local cricket club, through to being a local councillor with the City of Greater Bendigo. Keith was also instrumental in the formation of the Strathfieldsaye Community Enterprise Ltd. Keith's professional and employment history has a strong environmental and sustainability focus. His most recent role was the Community Energy Leader for the Barwon South-West Community Power Hub, a program supporting the local community and organisations to reduce their energy costs and meet their carbon reduction goals.

Position	Director
Committees	Marketing Sponsorship and Business Development
Qualifications	Masters in Energy Systems
Current directorships	NIL
Commencement	28 March 2022

Board meeting attendance

	26 Jul 2021	30 Aug 2021	27 Sept 2021	25 Oct 2021	29 Nov 2021	Dec 2021	31 Jan 2022	28 Feb 2022	28 Mar 2022	26 Apr 2022	30 May 2022	27 Jun 2022
Kylie Clayton	P	P	P	P	P		P	P	P	P	P	A
Paul Madden	P	A	P	P	A		A	P	P	P	A	P
Bronwyn Shearer	P	P	A	P	P		P	P	P	P	P	P
Dennis More	P	P	P	P	P		P	P	P	P	P	P
Todd Hubers Van Assenraad	P	P	P	P	P	No Meeting	P	P	P	P	A	P
Ramona Browne	P	P	P	P	P		P	P	P	P	P	P
Keith Reynard									P	P	P	P
Lily Reinert	P	P	P	P	R							
Bob Reinert	P	P	P	P	R							
Craig Savige	P	A	P	R								

P = Present A = Apology R = Resigned

Company Secretary

Bronwyn Shearer has been Company Secretary of Leopold Community Enterprises Limited since 2018. Bronwyn's qualifications and experience include Diploma of Community Welfare and over 10 years' experience in governance and employment in community organisations.

Principal activities

The principal activities of the company during the financial year were providing Community Bank services under the management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited. There have been no significant changes in the nature of these activities during the year.

Review of operations

The company profit for the financial year 2021/22 after the provision for income tax was $143,219. This has been influenced by the implications of COVID-19, increased market competition and the historic low interest environment, which continued to place pressure on our margins.

Dividends

Dividends paid or declared since the start of the financial year. A fully franked final dividend of 5.0 cents per share was declared on 8 November 2021 and paid on 9 November 2021 for the year ended 30 June 2021. No options over issued shares were granted during or since the end of the financial year and there were no options outstanding as at the date of this report.

Significant changes in the state of affairs

The Australian economy continued to be impacted by COVID-19 during 2021/22. The financial year also saw interest rates at a record low and as such the company saw a decrease in revenue due to these margin reductions. In late June 2022 the cash rate increased and as a result margins should start to increase for the coming financial year. June also saw a drop in the share market which has impacted our investments. Towards the end of June this has started to level with returns on investments expected to settle in the early stages of 2022/23.

Bendigo Banks decision to temporarily close Newcomb branch and the ATM at Gateway Plaza, has had an enormous impact on the over-the-counter transaction rates and as a result on the workload of our staff. Bendigo Bank has supplied some staff support to reduce the impact of this. This maybe something we need to consider in the 2022/23 financial year.

As we enter winter, we like most business, have been impacted by staffing shortages due to COVID-19 and influenza. We thank the staff for their continued dedication and hard work in some difficult circumstances.

Overall, the company is still in a very good financial position due to cash reserves and continued growth in lending and record deposit rates as detailed in the financial reports.

Events subsequent to the end of the reporting period

In early July 2022, the branch will reduce its opening hours in line with Bendigo Bank company branches. This is a result of the increased staff training, administrative and customer support tasks in meeting the requirements set out by Bendigo Bank. All customers who have utilised the branch in the previous months have been notified directly of the change, and are understanding of the requirements.

During 2022/23, the branch is required to undertake a renovation. Once a decision on location is made, a new look branch will be created. Further information will be provided to shareholders as decisions are made.

The company will continue its policy of providing banking services to the community. The company will continue to investigate the opportunity to purchase a building from which to operate the branch. This investigation has stemmed from the continued escalating of costs associated with being located at Gateway Plaza. Alternatively, the Board has considered the purchase of an investment property from which profits can offset the high costs associated with being in its current location. The Board will continue to inform the shareholders of the potential investment.

Outside of these, no matters or circumstances have arisen since the end of the financial year that significantly affect or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company, in future financial years.

Environmental regulations

The company is not subject to any significant environmental regulation.

Indemnifying Officers or Auditor

The company has agreed to indemnify each Officer (Director, Secretary or employee) out of assets of the company to the relevant extent against any liability incurred by that person arising out of the discharge of their duties, except where the liability arises out of conduct involving dishonesty, negligence, breach of duty or the lack of good faith. The company also has Officers Insurance for the benefit of Officers of the company against any liability occurred by the Officer, which includes the Officer's liability for legal costs, in or arising out of the conduct of the business of the company or in or arising out of the discharge of the Officer's duties.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The company has not provided any insurance for an Auditor of the company.

Proceedings on behalf of company

No person has applied for leave of court to bring proceedings on behalf of the company or 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 any part of those proceedings. The company was not a party to any such proceedings during the year.

Auditor independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out in the financial report section of this annual report. No Officer of the company is or has been a partner of the Auditor of the company.

Remuneration report

Director positions are held on a voluntary basis and therefore directors are not remunerated for their services. Other than detailed below, no director has received or become entitled to receive, during or since the financial year any income for their director roles or received income from any companies associated with the provision of services to the company.

Two directors, Paul Madden and Bronwyn Shearer are employed by the company to provide additional services to the Board. Paul Madden CPA is employed to undertake accountancy requirements of the Board external to the volunteer treasurer role and payment for these services is overseen by the Board. Payment for these contracted services totalled $17,940 for the 12 months.

Bronwyn Shearer is employed directly by the Board as a part time Executive Officer. Her role is varied dependent on the requirements of the company but include but is not limited to administrative tasks, managing the low volume market, marketing, promotion and community development projects. Her remuneration for the 2021/22 year was $46,876.22 plus superannuation.

The Board is responsible for the determination of remuneration packages for all staff and have opted to align this with that of Bendigo Bank staff given a proportion of staff are seconded from Bendigo Bank. This ensures parity across staff performing the same role. Performance reviews and remuneration of the Branch Manager are conducted in consultation with the Regional Manager of Bendigo Bank.

Equity holdings of key management personnel

The number of ordinary shares in the company held during the financial year and prior year by each director and other key management personnel, including their related parties, are set out below:

Name	Balance @ 30 June 2021	Net change in holdings	Balance @ 30 June 2022
Paul Madden	26,051	0	26,051
Bronwyn Shearer	1000	0	1000
Todd Hubers Van Assenraad	1000	0	1000

Loans to key management personnel

There were no loans to key management personnel during the current or prior reporting period.

Signed in accordance with a resolution of the Board of directors on 25 July 2022.

Kylie Clayton
Chair - Leopold Community Enterprises Limited

Auditor's independence declaration

Mark SP Wilkinson
ABN 46 472 629 469
Registered Company Auditor

8 September 2022

The Directors
Leopold Community Enterprises Limited
PO Box 74
LEOPOLD VIC 3224

Dear Directors,

To the Directors of Leopold Community Enterprises Limited (ABN 39 133 061 800)

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001.*

I declare that to the best of my knowledge and belief, during the year ended 30 June 2022 there has been:

(i) No contraventions of the auditor independence requirements as set out in 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.

Mark Stuart Pressland Wilkinson
Registered Company Auditor 4485
6 Kintyre Crescent
Leopold Victoria 3224

Liability limited by a scheme approved under Professional Standards Legislation.

6 Kintyre Crescent (PO Box 235) Telephone: 0418 772 212
Leopold Vic 3224 Email: auditvalue@bigpond.com

Financial statements

Income Statement
for the year ended 30 June 2022

	Notes	2022 $	2021 $
Revenue	2	1,104,419	1,061,298
Expenses			
Employee benefits expense	3	(506,838)	(523,131)
Depreciation and amortisation	3	(19,229)	(29,807)
Finance costs	3	(8,633)	(11,956)
Bad and doubtful debts expense	3	(111)	(367)
Administration and general costs			-
Occupancy expenses		(145,240)	(137,118)
IT expenses		44,517	(49,820)
Other expenses		(215,549)	(104,848)
		(851,083)	**(857,047)**
Operating profit before charitable donations & sponsorship		**253,336**	**204,251**
Charitable donations and sponsorships		(62,377)	(26,740)
Profit before income tax		**190,959**	**177,511**
Income tax benefit	4	(47,740)	(46,153)
Profit for the year after income tax		**143,219**	**131,358**
Other comprehensive income		-	17,470
Total comprehensive income for the year		**143,219**	**148,828**
Profit attributable to members of the company		143,219	148,828
Total comprehensive income attributable to members of the company		**143,219**	**148,828**
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company (cents per share):			
- basic earnings per share	19	18.36	19.08

These financial statements should be read in conjunction with the accompanying notes.

Statement of Financial Position
as at 30 June 2022

	Notes	2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	5	931,326	909,250
Trade and other receivables	6	110,341	121,481
Financial assets	7	409,562	345,864
Current tax asset	4	6,044	12,146
Other assets	8	48,307	58,202
Total current assets		**1,505,580**	**1,446,943**
Non-current assets			
Property, plant and equipment	9	77,359	86,112
Intangible assets	10	25,963	40,748
Deferred tax assets	4	-	885
Right-of-Use Assets	9c	174,547	274,287
Total non-current assets		**277,869**	**402,032**
Total assets		**1,783,449**	**1,848,975**
Liabilities			
Current liabilities			
Trade and other payables	12	47,872	69,289
Current tax liability	4	47,740	46,153
Borrowings	13	-	-
Lease Liability	13b	110,835	106,572
Provisions	14	36,648	31,593
Total current liabilities		**243,095**	**253,607**
Non-current liabilities			
Borrowings	13	-	-
Provisions	14	29,357	38,694
Lease liability	13b	79,506	135,355
Total non-current liabilities		**108,863**	**174,049**
Total liabilities		**351,958**	**427,656**
Net assets		**1,431,491**	**1,421,319**
Equity			
Issued capital	15	759,571	759,571
Retained earnings	16	726,590	622,377
Reserves	18	(54,670)	39,371
Total equity		**1,431,491**	**1,421,319**

These financial statements should be read in conjunction with the accompanying notes.

Statement of Changes in Equity
for the year ended 30 June 2022

	Notes	Issued capital $	Retained earnings $	Reserves $	Total equity $
Balance at 1 July 2020		1,163,629		-	1,163,629
Comprehensive income for the year					
Profit for the year		-	131,358	-	131,358
Other comprehensive income for the year		-	-	-	-
		-	**131,358**	**-**	**131,358**
Transactions with owners in their capacity as owners					
Other value change		-	-	180,940	180,940
Dividends paid or provided	17	-	(54,608)	-	(54,608)
Balance at 30 June 2021		**1,163,629**	**76,750**	**180,940**	**1,421,319**
Balance at 1 July 2021		1,421,319	-	-	1,421,319
Comprehensive income for the year					
Profit for the year		-	143,219	-	143,219
Other comprehensive income for the year		-	-	-	-
		-	**143,219**	**-**	**143,219**
Transactions with owners in their capacity as owners					
GST, Right of use, Share revaluation				(94,401)	(94,401)
Dividends paid or provided	17	-	(39,006)	-	(39,006)
Balance at 30 June 2022		**1,421,319**	**104,213**	**(94,401)**	**1,431,131**

These financial statements should be read in conjunction with the accompanying notes.

Statement of Cash Flows
for the year ended 30 June 2022

	Notes	2022 $	2021 $
Cash flows from operating activities			
Receipts from customers		1,103,238	1,045,161
Payments to suppliers and employees		(910,295)	(936,769)
Dividends received		12,513	8,978
Interest paid		-	-
Interest received		2,125	7,160
Income tax paid		(43,306)	(52,749)
Net cash flows provided by operating activities	**20b**	**164,275**	**71,781**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	-
Proceeds from sale of investments		88,103	138,265
Purchase of property, plant and equipment		(1,270)	(11,815)
Purchase of investments		(190,026)	(68,668)
Purchase of intangible assets			
Net cash flows from/(used in) investing activities		**(103,193)**	**57,782**
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Dividends paid		(39,006)	(54,608)
Net cash flows used in financing activities		**(39,006)**	**(54,608)**
Net increase in cash held		**22,076**	**74,955**
Cash and cash equivalents at beginning of financial year		909,250	834,295
Cash and cash equivalents at end of financial year	**20a**	**931,326**	**909,250**

These financial statements should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 30 June 2022

These financial statements and notes represent those of Leopold Community Enterprises Limited.

Leopold Community Enterprises Limited ('the company') is a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue by the Directors on 28th September 2022.

1. Summary of significant accounting policies

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The company is a for profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, were applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

Economic dependency

The company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the Community Bank branch at Leopold.

The branch operates as a franchise of Bendigo and Adelaide Bank Limited, using the name "Bendigo Bank", the logo, and systems of operation of Bendigo and Adelaide Bank Limited. The company manages the Community Bank branches on behalf of Bendigo and Adelaide Bank Limited, however all transactions with customers conducted through the Community Bank branches are effectively conducted between the customers and Bendigo and Adelaide Bank Limited.

All deposits are made with Bendigo and Adelaide Bank Limited, and all personal and investment products are products of Bendigo and Adelaide Bank Limited, 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 and Adelaide Bank Limited, must be approved by Bendigo and Adelaide Bank Limited. All credit transactions are made with Bendigo and Adelaide Bank Limited, and all credit products are products of Bendigo and Adelaide Bank Limited.

Bendigo and Adelaide Bank Limited provides significant assistance in establishing and maintaining the Community Bank branches 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 in relation to:

- Advice and assistance in relation to the design, layout and fit out of the Community Bank branches;
- Training for the Branch Managers 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; and
- Sale techniques and proper customer relations.

1. Summary of significant accounting policies (continued)

(b) Impairment of assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

(c) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(d) Comparative figures

When required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(e) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company. Estimates and judgements are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The estimates and judgements that have a significant risk of causing material adjustments to the carrying values of assets and liabilities are as follows:

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 intangible assets. The depreciation and amortisation charge will increase where useful lives are less than previously estimated lives.

Fair value assessment of non-current physical assets

The AASB 13 Fair Value standard requires fair value assessments that may involved both complex and significant judgement and experts. The value of land and buildings may be materially misstated and potential classification and disclosure risks may occur.

Employee benefits provision

Assumptions are required for wage growth and CPI movements. The likelihood of employees reaching unconditional service is estimated. The timing of when employee benefit obligations are to be settled is also estimated.

Income tax

The company is subject to income tax. Significant judgement is required in determining the deferred tax asset. Deferred tax assets are recognised only when it is considered sufficient future profits will be generated. The assumptions made regarding future profits is based on the company's assessment of future cash flows.

Impairment

The company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value in use calculations which incorporate various key assumptions.

1. Summary of significant accounting policies (continued)

(f) New and revised standards that are effective for these financial statements

There are no new and amended accounting policies that have been adopted by the company this financial year.

A number of new and revised standards became effective for the first time to annual periods beginning on or after 1 July 2017. Information on the more standard(s) applicable to this entity are presented below.

AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses

AASB 2016-1 amends AASB 112 Income Taxes to clarify how to account for deferred tax assets related to debt instruments measured at fair value, particularly where changes in the market interest rate decrease the fair value of a debt instrument below cost.

AASB 2016-1 is applicable to annual reporting periods beginning on or after 1 January 2017.

(g) New accounting standards for application in future periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company.

The company has decided not to early adopt any of the new and amended pronouncements. The company's assessment of the new and amended pronouncements that are relevant to the company but applicable in the future reporting periods is set out on the proceeding pages

(i) AASB 9 Financial Instruments and associated Amending Standards (applicable for annual reporting periods beginning on or after 1 January 2018)

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

a) Financial assets that are debt instruments will be classified based on:
   (i) the objective of the entity's business model for managing the financial assets; and
   (ii) the characteristics of the contractual cash flows.
b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
c) Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments.
d) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
e) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:
   - the change attributable to changes in credit risk are presented in Other Comprehensive Income (OCI)
   - the remaining change is presented in profit or loss If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

   Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:
   - classification and measurement of financial liabilities; and
   - derecognition requirements for financial assets and liabilities

AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements.

Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.

When this standard is first adopted for the year ending 30 June 2019, there will be no material impact on the transactions and balances recognised in the financial statements.

1. Summary of significant accounting policies (continued)

(g) New accounting standards for application in future periods (continued)

(ii) AASB 15: Revenue from Contracts with Customers (applicable for annual reporting periods commencing on or after 1 January 2018)

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with customers;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosure regarding revenue.

When this Standard is first adopted for the year ending 30 June 2019, it is not expected that there will be a material impact on the transactions and balances recognised in the financial statements.

(iii) AASB 16: Leases (applicable for annual reporting periods commencing on or after 1 January 2019)

AASB 16:

- replaces AASB 117 Leases and some lease-related Interpretations;
- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases;
- provides new guidance on the application of the definition of lease and on sale and lease back accounting;
- largely retains the existing lessor accounting requirements in AASB 117; and
- requires new and different disclosures about leases.

We have adopted this and the transactions are shown in the Profit and Loss and Balance Sheets.

2. Revenue

	2022 $	2021 $
Revenue		
- service commissions	1,089,781	1,045,160
	1,089,781	**1,045,160**
Other revenue		
- interest received	2,125	7,160
- Dividends	12,513	8,978
	14,638	**16,138**
Total revenue	**1,104,419**	**1,061,298**

Revenue arises from the rendering of services through its franchise agreement with the Bendigo and Adelaide Bank LImited. The revenue recognised is measured by reference to the fair value of consideration received or receivable, excluding sales taxes, rebates, and trade discounts.

The entity applies the revenue recognition criteria set out below to each separately identifiable sales transaction in order to reflect the substance of the transaction.

2. Revenue (continued)

Rendering of services

The entity generates service commissions on a range of products issued by the Bendigo and Adelaide Bank Limited. The revenue includes upfront and trailing commissions, sales fees and margin fees.

Interest, dividend and other income

Interest income is recognised on an accrual basis using the effective interest rate method.

Dividend and other revenue is recognised when the right to the income has been established.

All revenue is stated net of the amount of goods and services tax (GST).

3. Expenses

	2022 $	2021 $
Profit before income tax includes the following specific expenses:		
Employee benefits expense		
- wages and salaries	419,309	435,679
- superannuation costs	46,857	46,780
- other costs	40,672	40,672
	506,838	**523,131**
Depreciation and amortisation		
Depreciation		
- buildings		-
- leasehold improvements	2,625	2,625
- plant and equipment	1,819	12,397
- furniture and fittings	-	-
- motor vehicles	-	-
	4,444	**15,022**
Amortisation		
- franchise fees	14,785	14,785
- establishment costs	-	-
	14,785	**14,785**
Total depreciation and amortisation	**19,229**	**29,807**
Finance costs		
- Interest paid	8,633	11,956
Bad and doubtful debts expenses	111	367
(Gain) / Loss on disposal of property, plant and equipment	-	-
Auditors' remuneration		
Remuneration of the Auditor, RSD Audit, for:		
- Audit or review of the financial report	3,127	3,045
- Taxation services	-	-
- Share registry services	-	-
	3,127	**3,045**

3. Expenses (continued)

Operating expenses

Operating expenses are recognised in profit or loss on an accurals basis, which is typically upon utilisation of the service or at the date upon which the entity becomes liable.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised leased assets, but excluding freehold land, is depreciated over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. For 2020 we have used accelerated depreciation to write-off assets purchased.

The depreciation rates used for each class of depreciable asset are:

Class of asset	Rate	Method
Buildings	3%	Straight line / Diminishing value
Leasehold improvements	4-5%	Straight line / Diminishing value
Plant and equipment	10-20%	Straight line / Diminishing value
Motor vehicles	13%	Straight line / Diminishing value

Gains/losses upon disposal of non-current assets

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

4. Income tax

	2022 $	2021 $
a. The components of tax expense comprise:		
Current tax expense	47,740	46,153
Deferred tax expense	-	-
Recoupment of prior year tax losses	-	-
Under / (over) provision of prior years	-	-
	47,740	**46,153**
b. Prima facie tax payable		
The prima facie tax on profit / (loss) from ordinary activities		
before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on profit before income tax at 25% (2021: 26%)	47,740	46,153
Add tax effect of:		
- Utilisation of previously unrecognised carried forward tax losses		
- Under / (over) provision of prior years	-	-
- Non-deductible expenses	-	-
Income tax attributable to the entity	**47,740**	**46,153**
The applicable weighted average effective tax rate is:	-25.00%	-26.00%

4. Income tax (continued)

	2022 $	2021 $
c. Current tax liability		
Current tax relates to the following:		
Current tax liabilities / (assets)		
Opening balance	(12,146)	(5,299)
Income tax paid	(41,638)	(53,000)
Current tax	47,740	46,153
Under / (over) provision prior years	-	-
	(6,044)	**(12,146)**
d. Deferred tax asset / liability		
Deferred tax relates to the following:		
Deferred tax assets comprise:		
Provision for doubtful debts	-	-
Prepayments	-	885
Property, plant & equipment	-	-
Accruals	-	-
Employee provisions	-	-
Unused tax losses	-	-
	-	**885**
Deferred tax liabilities comprise:		
Accrued income	-	-
Property, plant & equipment	-	-
	-	**-**
Net deferred tax asset / liability	**-**	**885**
Total carried forward tax losses not recognised as deferred tax assets:	**-**	**-**
e. Deferred income tax included in income tax expense comprises:		
Decrease / (increase) in deferred tax assets	-	-
(Decrease) / increase in deferred tax liabilities	-	-
Under / (over) provision prior years	-	-
	-	**-**

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/assets are measured at the amounts expected to be paid to/recovered from the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred income tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

5. Cash and cash equivalents

	2022 $	2021 $
Cash at bank and on hand	94,997	172,251
Short-term bank deposits	836,329	736,999
	931,326	**909,250**

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

The effective interest rate on short-term bank deposits was .8% (2020: 1.3%); these deposits have an average maturity of 365 days.

6. Trade and other receivables

	2022 $	2021 $
Current		
Trade receivables	80,341	69,010
Cash Flow Boost ATO	-	17,471
Other receivables	30,000	35,000
	110,341	**121,481**

Trade and other receivables are recognised initially at cost, less any provision for doubtful debts. Trade and other receivables are due for settlement usually no more than 30 days from the date of recognition.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts, which are known to be uncollectable, are written off. A provision for doubtful debts is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the assets carrying amount and the present value of estimated cash flows, discounted at the effective interest rate. The amount of the provision is recognised on profit or loss.

Credit risk

The main source of credit risk relates to a concentration of trade receivables owing by Bendigo and Adelaide Bank Limited, which is the source of the majority of the company's income.

The following table details the company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled, within the terms and conditions agreed between the company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be high credit quality.

	Gross amount $	Not past due $	Past due but not impaired			Past due and impaired $
			< 30 days $	31-60 days $	> 60 days $	
2022						
Trade receivables	80,341	80,341	-	-	-	-
Other receivables	30,000	30,000	-	-	-	-
Total	**110,341**	**110,341**	**-**	**-**	**-**	**-**

6. Trade and other receivables (continued)

	Gross amount $	Not past due $	Past due but not impaired < 30 days $	Past due but not impaired 31-60 days $	Past due but not impaired > 60 days $	Past due and impaired $
2021						
Trade receivables	69,010	69,010	-	-	-	-
Other receivables	35,000	35,000	-	-	-	-
Total	**104,010**	**104,010**	**-**	**-**	**-**	**-**

7. Financial assets

	2022 $	2021 $
Held to maturity financial assets		
Term deposits	-	-
Available for sale financial assets		
Listed investments	409,562	345,864
	409,562	**345,864**

(a) Classification of financial assets

The company classifies its financial assets in the following categories:

- loans and receivables,
- held to maturity investments,
- financial assets at fair value through profit or loss, and
- available for sale assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period.

Loans and receivables

This category is the most relevant to the company. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the period end, which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

Held to maturity investments

The entity classifies investments as held-to-maturity if:

- they are non-derivative financial assets
- they are quoted in an active market
- they have fixed or determinable payments and fixed maturities
- the entity intends to, and is able to, hold them to maturity.

Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which would be classified as current assets.

7. Financial assets (continued)

(a) Classification of financial assets (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term with the intention of making a profit. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. The company has not designated any financial assets at fair value through profit or loss.

Available for sale financial asset

Investments are designated as available-for-sale financial assets if they do not have fixed maturities and fixed or determinable payments, and management intends to hold them for the medium to long-term. Financial assets that are not classified into any of the other categories (at FVPL, loans and receivables or held-to-maturity investments) are also included in the available-for-sale category.

The financial assets are presented as non-current assets unless they mature, or management intends to dispose of them within 12 months of the end of the reporting period.

(b) Measurement of financial assets

At initial recognition, the entity measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

The entity assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

Assets classified as available for sale

If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

If the fair value of a debt instrument classified as available-for-sale increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

7. Financial assets (continued)

(d) Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

8. Other assets

	2022 $	2021 $
Prepayments	6,669	4,317
Security bond	-	-
Other - PAYGI	41,638	53,885
	48,307	**58,202**

Other assets represent items that will provide the entity with future economic benefits controlled by the entity as a result of past transactions or other past events.

9. Property, plant and equipment

	2022 $			2021 $		
	At cost	Accumulated depreciation	Written down value	At cost	Accumulated depreciation	Written down value
Land	-	-	-	-	-	-
Buildings	-	-	-	-	-	-
Leasehold improvements	118,571	(45,643)	72,928	118,571	(43,015)	75,556
Plant and equipment	105,086	(100,655)	4,431	103,816	(93,260)	10,556
Furniture and fittings	-	-	-	-	-	-
Motor vehicles	25,142	(25,142)	-	25,142	(25,142)	-
Total property, plant and equipment	**248,799**	**(171,440)**	**77,359**	**247,529**	**(161,417)**	**86,112**

Land and buildings

Freehold land and buildings are measured at cost and therefore are carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of land and buildings is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of land and buildings is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

9. Property, plant and equipment (continued)

Plant and equipment (continued)

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(a) Capital expenditure commitments

The entity does not have any capital expenditure commitments at 30 June 2022 (2021: None)

(b) Movements in carrying amounts of PP&E

2021	Opening written down value	Additions	Disposals	Revaluations	Impairments / write-offs	Depreciation	Closing written down value
Land	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-
Leasehold improvements	78,178		-	-	-	(2,625)	75,553
Plant and equipment	5,562	11,815	-	-	-	(12,397)	4,980
Furniture and fittings			-	-	-		-
Motor vehicles	-	-					
Total property, plant and equipment	**83,740**	**11,815**	**-**	**-**	**-**	**(15,022)**	**80,533**

2022	Opening written down value	Additions	Disposals	Revaluations	Impairments / write-offs	Depreciation	Closing written down value
Land	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-
Leasehold improvements	75,553		-	-	-	(2,625)	72,928
Plant and equipment	4,980	1,270	-	-	-	(1,819)	4,431
Furniture and fittings	-	-	-	-	-	-	-
Motor vehicles	-	-	-	-	-	-	-
Total property, plant and equipment	**80,533**	**1,270**	**-**	**-**	**-**	**(4,444)**	**77,359**

9. Property, plant and equipment (continued)

(c) Right-Of-Use Assets

Right-of-Use assets are measured at amounts equal to the present value of enforceable future payments on the adoption date, adjusted for lease incentives, make good provisions, and initial costs.

The company derecognises the right-of-use assets at the termination of the lease period or when no future economic benefits are expected to be derived from the use of the underlying asset.

	2022 $	2021 $
Carrying Amounts		
Leased land and buildings	498705	498705
Less Accumulated Depreciation	-324158	-224418
Balance	**174547**	**274287**

10. Intangible assets

	2022 $			2021 $		
	At cost	Accumulated amortisation	Written down value	At cost	Accumulated amortisation	Written down value
Franchise fees	205,376	(179,413)	25,963	205,376	(164,628)	40,748
Establishment costs	-	-	-	-	-	-
Total intangible assets	**205,376**	**(179,413)**	**25,963**	**205,376**	**(164,628)**	**40,748**

Franchise fees and establishment costs have been initially recorded at cost and amortised on a straight line basis at a rate of 20% per annum. The current amortisation charges for intangible assets are included under depreciation and amortisation in the Statement of Profit or Loss and Other Comprehensive Income.

Movements in carrying amounts

2022	Opening written down value	Additions	Disposals	Revaluations	Impairments / write-offs	Amortisation	Closing written down value
Franchise fees	40,748		-	-	-	(14,785)	25,963
Establishment costs	-	-	-	-	-	-	-
Total intangible assets	**40,748**	**-**	**-**	**-**	**-**	**(14,785)**	**25,963**

2021	Opening written down value	Additions	Disposals	Revaluations	Impairments / write-offs	Amortisation	Closing written down value
Franchise fees	55,533		-	-	-	(14,785)	40,748
Establishment costs	-	-	-	-	-		-
Total intangible assets	**55,533**	**-**	**-**	**-**	**-**	**(14,785)**	**40,748**

11.Financial liabilities

Financial liabilities include trade payables, other creditors, loans from third parties and loans from or other amounts due to related entities. Financial liabilities are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Financial liabilities are initially measured at fair value plus transaction costs, except where the instrument is classified as "fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

12. Trade and other payables

	2022 $	2021 $
Current		
Unsecured liabilities:		
Trade creditors	25,964	40,758
Other creditors and accruals	21,908	28,531
	47,872	**69,289**

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

The average credit period on trade and other payables is one month.

13. Borrowings

	2022 $	2021 $
Current		
Unsecured liabilities		
Bank overdraft	-	-
Secured liabilities		
Bank loan	-	-
Finance leases	-	-
	-	**-**
Non-current		
Unsecured liabilities		
Bank overdraft	-	-
Secured liabilities		
Bank loan	-	-
Finance leases	-	-
	-	**-**
Total borrowings	**-**	**-**

Loans

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measures at amortised cost. Any diference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings as classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

13. Borrowings (continued)

Finance Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset - but not the legal ownership - are transferred to the company, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

(a) Bank overdraft and bank loans

The company does not operate an overdraft facility.

The company does not have a mortgage loan.

(b) Lease liabilities

Lease liabilities are measured at amounts equal to the present value of enforceable future payments of the term.

A discount rate of 5.5% was used on the adoption date for recognition of the liability.

The leased asset is Shop 18 Gateway Plaza Leopold.

The company assesses the lease options as appropriate from time to time.

	2022 $	2021 $
Lease libilities on transition AASB 16	498705	498705
Less accumulated depreciation	-324159	-221418
Current Liabilities	110835	106572
Non Current liabilities	79506	135355
Interest payable to end of lease	6289	14922

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

14. Provisions

	2022 $	2021 $
Current		
Employee benefits	**36,648**	**31,593**
Non-current		
Make Good Leased premises	15,000	15,000
Employee benefits	14,357	23,694
	29,357	**38,694**
Total provisions	**66,005**	**70,287**

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

14. Provisions (continued)

Short-term employee benefits (continued)

The liability for annual leave is recognised in the provision for employee benefits. All other short term employee benefit obligations are presented as payables.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurement for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

15. Share capital

	2022 $	2021 $
Ordinary shares fully paid	780,111	780,111
Bonus shares issued for no consideration	-	-
Less: Equity raising costs	(20,540)	(20,540)
	759,571	**759,571**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

(a) Movements in share capital

Fully paid ordinary shares:		
At the beginning of the reporting period	780,111	780,111
Shares issued during the year	-	-
At the end of the reporting period	**780,111**	**780,111**

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At the shareholders' meetings each shareholder is entitled to one vote when a poll is called, or on a show of hands. The company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the company's residual assets.

(b) Capital management

The Board's policy is to maintain a strong capital base so as to sustain future development of the company. The Board of Directors monitor the return on capital and the level of dividends 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.

15. Share capital (continued)

(b) Capital management (continued)

(i) the Distribution Limit is the greater of:

(a) 20% of the profit or funds of the company otherwise available for distribution to shareholders in that 12 month period; and

(b) subject to the availability of distributable profits, the Relevant Rate of Return multiplied by the average level of share capital of the Franchisee over that 12 month period; and

(ii) 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 can be seen in the Statement of Profit or Loss and Comprehensive Income.

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

16. Retained earnings

	2022 $	2021 $
Balance at the beginning of the reporting period	622,377	404,058
Profit for the year after income tax	143,219	131,358
Dividends paid	(39,006)	(54,608)
GST and Right-of -Use Asset	-	141,569
Balance at the end of the reporting period	**726,590**	**622,377**

17. Dividends paid or provided for on ordinary shares

	2022 $	2021 $
Dividends paid or provided for during the year		
Fully franked ordinary dividend of 5 cents per share (2021: 5 cents) franked at the tax rate of 25% (2021: 26%).	39,006	54,608

A provision is made for the amount of any dividends declared, authorised and no longer payable at the discretion of the entity on or before the end of the financial year, but not distributed at balance date.

18. Reserves

	2022 $	2021 $
Asset revaluation reserve		
Balance at the beginning of the reporting period	39,371	(23,230)
Fair value movements during the period	(94,041)	62,601
Balance at the end of the reporting period	**(54,670)**	**39,371**

The reserves represent undistributable gains recognised on the revaluation of non-current assets.

19. Earnings per share

	2022 $	2021 $
Basic earnings per share (cents)	18.36	19.08
Earnings used in calculating basic earnings per share	143,219	148,828
Weighted average number of ordinary shares used in calculating basic earnings per share.	780,111	780,111

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to owners of the company, excluding any costs of servcing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjsuted for bonus elements in ordinary shares issues during the year.

20. Statement of cash flows

	2022 $	2021 $
(a) Cash and cash equivalents balances as shown in the Statement of Financial Position can be reconciled to that shown in the Statement of Cash Flows as follows:		
Cash and cash equivalents (Note 5)	931,326	909,250
Less bank overdraft (Note 13)	-	-
As per the Statement of Cash Flow	**931,326**	**909,250**
(b) Reconciliation of cash flow from operations with profit/loss after income tax		
Profit for the year after income tax	143,219	131,358
Non-cash flows in profit		
- Depreciation and amortisation	19,229	29,807
- Bad debts	111	367
- Net Loss on disposal of motor vehicle	-	
Changes in assets and liabilities		
- (Increase) / decrease in trade and other receivables	11,140	(13,416)
- (increase) / decrease in prepayments and other assets	9,895	(53,856)
- (Increase) / decrease in deferred tax asset	885	(885)
- Increase / (decrease) in trade and other payables	(21,417)	(45,226)
- Increase / (decrease) in current tax liability	6,102	(6,847)
- Increase / (decrease) in provisions	(4,282)	30,479
Net cash flows from operating activities	**164,882**	**71,781**

(c) Credit standby arrangement and loan facilities

The company does not have any bank overdraft or commercial bill facility.

21. Key management personnel and related party disclosures

(a) Key management personnel

Key management personnel includes any person having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any Director (whether executive or otherwise) of that company.

The totals of remuneration paid to key management personnel of the company during the year are as follows:

	2022 $	2021 $
Short-term employee benefits	-	-
Post-employment benefits	-	-
Other long-term benefits	-	-
Share-based payments	-	-
Total key management personnel compensation	-	-

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive Directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to Executive Directors and other key management personnel.

Post-employment benefits

These amounts are the current year's estimated cost of providing the company's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

Other long-term benefits

These amounts represent long service leave benefits accruing during the year, long-term disability benefits and deferred bonus payments.

Share-based payments

These amounts represent the expense related to the participation of key management personnel in equity-settled benefits schemes as measured by the fair value of the options, rights and shares granted on grant date.

(b) Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

(c) Transactions with key management personnel and related parties

Other than detailed below, no key management personnel or related party has entered into any contracts with the company. No Director fees have been paid as the positions are held on a voluntary basis.

During the year, the company purchased goods and services under normal terms and conditions, from related parties as follows:

Name of related party	Description of goods / services provided	Value $
eTaxAustralia.net.au	Accounting Services	17,940
Bronwyn Shearer	Company Secretary, Executive Officer	46,876

Leopold Community Enterprises Limited have not accepted the Bendigo and Adelaide Bank Limited's Community Bank Directors Privileges package. The package is available to all Directors who can elect to avail themselves of the benefits based on their personal banking with the branch.

21. Key management personnel and related party disclosures (continued)

(c) Transactions with key management personnel and related parties (continued)

The estimated benefits from the Bendigo and Adelaide Bank Limited's Community Bank Directors Privileges package per Director is as follows:

	2022	2021
Kylie Clayton	-	-
Paul Madden	-	-
Bronwyn Shearer	-	-
Dennis More	-	-
Ramona Browne	-	-
Keith Reynard	-	-
Todd Hubers	-	-
	-	**-**

(d) Key management personnel shareholdings

The number of ordinary shares in Leopold Community Enterprises Limited held by each key management personnel of the company during the financial year is as follows:

	2022	2021
Paul Madden	26,051	26,051
Bronwyn Shearer	1,000	1,000
Todd Hubers	1,000	1,000
	28,051	**28,051**

There was no movement in key management personnel shareholdings during the year. Each share held has a paid up value of $1 and is fully paid.

(e) Other key management transactions

There has been no other transactions involving equity instruments other than those described above.

22. Events after the reporting period

There have been no events after the end of the financial year that would materially affect the financial statements.

23. Contingent liabilities and contingent assets

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

24. Operating segments

The company operates in the financial services sector where it provides banking services to its clients. The company operates in one area being Leopold, Victoria. The company has a franchise agreement in place with Bendigo and Adelaide Bank Limited who account for 98% of the revenue (2021: 98%).

25. Commitments

Lease commitments

	2022 $	2021 $
Payable:		
- no later than 12 months	110,835	106,572
- between 12 months and five years	79,506	135,355
- greater than five years	-	-
Minimum lease payments	**190,341**	**241,927**

26. Company details

The registered office is Level 1, 50-58 Moorabool Street, Geelong, VIC 3220 and principal place of business is Shop 18, Gateway Plaza, 621 Bellarine Highway, Leopold VIC 3224.

27. Financial instrument risk

Financial risk management policies

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established an Audit Committee which reports regularly to the Board. The Audit Committee is assisted in the area of risk management by an internal audit function by Bendigo and Adelaide Bank.

Specific financial risk exposure and management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and other price risk. There have been no substantial changes in the types of risks the company is exposed to, how the risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

The company's financial instruments consist mainly of deposits with banks, short term investments, account receivables and payables, bank overdraft and loans. The totals for each category of financial instruments measured in accordance with AASB 139 Financial Instruments: Recognition and Measurement as detailed in the accounting policies are as follows:

	Notes	2022 $	2021 $
Financial assets			
Cash and cash equivalents	5	931,326	909,250
Trade and other receivables	6	110,341	121,481
Financial assets	7	409,562	345,864
Total financial assets		**1,451,229**	**1,376,595**
Financial liabilities			
Trade and other payables	12	47,872	69,289
Borrowings	13	-	-
Bank overdraft	13	-	-
Total financial liabilities		**47,872**	**69,289**

27. Financial instrument risk (continued)

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the company.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that clients and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms for normal fee income are generally 30 days from the date of invoice. For fees with longer settlements, terms are specified in the individual client contracts. In the case of loans advanced, the terms are specific to each loan.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets as presented in the table above.

The company has significant concentrations of credit risk with Bendigo and Adelaide Bank Limited. The company's exposure to credit risk is limited to Australia by geographic area.

None of the assets of the company are past due (2019: nil past due) and based on historic default rates, the company believes that no impairment allowance is necessary in respect of assets not past due.

The company limits its exposure to credit risk by only investing in liquid securities with Bendigo and Adelaide Bank Limited and therefore credit risk is considered minimal.

(b) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company ensures it will have enough liquidity to meet its liabilities when due under both normal and stressed conditions. Liquidity management is carried out within the guidelines set by the Board.

Typically, the company maintains sufficient cash on hand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis:

30 June 2022	Weighted average interest rate %	Total $	Within 1 year $	1 to 5 years $	Over 5 years $
Financial assets					
Cash and cash equivalents	-%	931,326	931,326	-	-
Trade and other receivables		110,341	110,341	-	-
Financial assets	-%	409,562	409,562	-	-
Total anticipated inflows		**1,451,229**	**1,451,229**	**-**	**-**
Financial liabilities					
Trade and other payables		47,872	47,872	-	-
Borrowings	-%	-	-	-	-
Bank overdraft *	-%	-	-	-	-
Total expected outflows		**47,872**	**47,872**	**-**	**-**
Net inflow / (outflow) on financial instruments		**1,403,357**	**1,403,357**	**-**	**-**

27. Financial instrument risk (continued)

(b) Liquidity risk (continued)

30 June 2021	Weighted average interest rate %	Total $	Within 1 year $	1 to 5 years $	Over 5 years $
Financial assets					
Cash and cash equivalents	-%	909,250	909,250	-	-
Trade and other receivables		121,481	121,481	-	-
Financial assets	-%	345,864	345,864	-	-
Total anticipated inflows		**1,376,595**	**1,376,595**	**-**	**-**
Financial liabilities					
Trade and other payables		69,289	69,289	-	-
Borrowings	-%	-	-	-	-
Bank overdraft *	-%	-	-	-	-
Total expected outflows		**69,289**	**69,289**	**-**	**-**
Net inflow / (outflow) on financial instruments		**1,307,306**	**1,307,306**	**-**	**-**

* The Bank overdraft has no set repayment period and as such all has been included as current.

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The company has no exposure to fluctuations in foreign currency, or any exporure to a material price risk.

The financial instruments that primarily expose the company to interest rate risk are fixed interest securities, and cash and cash equivalents.

Sensitivity analysis

The following table illustrates sensitivities to the company's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	2022		2021	
	Profit $	Equity $	Profit $	Equity $
+/- 1% in interest rates (interest income)	13,409	13,409	12,551	12,551
+/- 1% in interest rates (interest expense)	-	-	-	-
	13,409	**13,409**	**12,551**	**12,551**

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

Directors' declaration

In accordance with a resolution of the Directors of Leopold Community Enterprises Limited, the Directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 39 are in accordance with the *Corporations Act 2001* and:
   (i) comply with Australian Accounting Standards which, as stated in accounting policy Note 1(a) to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
   (ii) give a true and fair view of the company's financial position as at 30 June 2020 and of the performance for the year ended on that date;
2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
3. The audited remuneration disclosures set out in the remuneration report section of the Directors' report comply with *Accounting Standard AASB124* Related Party Disclosures and the *Corporations Regulations 2001.*

This resolution is made in accordance with a resolution of the Board of Directors.

Kylie Clayton
Director

Signed at Leopold on 8th September 2022.

Independent audit report

Mark SP Wilkinson
ABN 46 472 629 469
Registered Company Auditor

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LEOPOLD COMMUNITY ENTERPRISES LIMITED
ABN 39 133 061 800

Report on the Financial Report

I have audited the accompanying financial report of Leopold Community Enterprises Limited, which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives me 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I have conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of the *Corporations Act 2001*. I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Leopold Community Enterprises Limited, would be in the same terms if provided to the directors as at the time of this auditor's report.

Mark SP Wilkinson
ABN 46 472 629 469
Registered Company Auditor

Auditor's Opinion

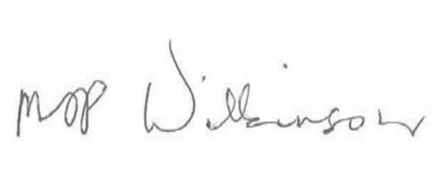
In my opinion:

(a) the financial report of Leopold 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 performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) the financial report also complies with the International Financial Reporting Standards as disclosed in Note 1.



Mark Stuart Pressland Wilkinson
Registered Company Auditor 4485
6 Kintyre Crescent
Leopold Victoria 3224

Dated: 8 September 2022

Liability limited by a scheme approved under Professional Standards Legislation.
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/communitybankleopold

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