

# Annual Report 2023

Macedon Ranges  
Community Enterprises Ltd

Community Bank  
Gisborne & District

ABN 57 130 493 499



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# Chair's report

For year ending 30 June 2023



...the Board has strategically invested and partnered with the Macedon Ranges Shire Council in a number of key environmental and youth mental health programs. The most recent, and our company's largest-ever investment award of \$300,000 over three years, was approved for the Macedon Ranges Youth Space project in partnership with Sunbury and Cobaw Community Health and Macedon Ranges Shire Council.

On behalf of the Macedon Ranges Community Enterprise Ltd Board of Directors, I am pleased to present the Annual Report and audited financial statements for the financial year ended 30 June 2023.

Whilst this has been another challenging year given the impact of 10 consecutive interest rate increases from the historic low levels, the ongoing rising costs of living and general economic uncertainty, the business has continued to achieve an increase in our customer base and healthy growth in our deposits and lending portfolios.

The cumulative results achieved have enabled the Board to continue to grow our community investment by way of direct grants, sponsorship and donations, totaling in excess of \$300,000 for the financial year and \$2.1 million since our inception in 2008.

In addition to the normal grants, sponsorships and donations, made to a wide range of community programs, sporting and support groups, the Board has strategically invested and partnered with the Macedon Ranges Shire Council in a number of key environmental and youth mental health programs. The most recent, and our company's largest-ever investment award of \$300,000 over three years, was approved for the Macedon Ranges Mental Health Youth Outreach project in partnership with Sunbury and Cobaw Community Health and Macedon Ranges Shire Council.

The strong financial results have enabled the Board to repay our shareholders by again returning above-market dividends, for the second year running, and also increasing the amount invested in our Community Enterprise Foundation™ fund for future community benefit and social enterprise projects.

However, none of the abovementioned results could have been possible without the continued passion and commitment of our dedicated branch staff, ably led by Branch Manager Sarah Barton, and the ongoing support of our growing community customer base.



Chair Dominic Andreacchio receives a Certificate of Appreciation from Macedon Cricket Club president Stephen Harrison for Macedon Ranges Community Enterprise's investment in the electronic scoreboard at Tony Clarke Reserve.



## Chair's report (continued)

A special mention is also warranted for our support staff, Jo-ann Irwin in her role as Acting Company Secretary and Executive Officer and Corinne Shaddock who needs no introduction in her role as Community Engagement and Marketing Officer.

As we embrace and welcome the Bank's digital investment and transformation of the changing face of banking, the Community Bank model will continue to focus on and support our customer's changing expectations and local personal service delivery.

At a Board level, there have been a number of changes, with the appointment of three new Directors, Alison Fowler, David Thomas and Andrew Kincaid, who have enhanced the necessary skills sets and level of professionalism required to drive sustainable growth and ongoing success.

I wish to thank Nathan Hall for his valuable contribution over his short term as a Director and Alice McMahon for her valuable contribution and personal support in her role as Company Secretary and Executive Officer before taking an extended leave of absence at the end of 2022.

It is pleasing to see a growing level of interest and preparedness from talented and passionate members of the community, keen to join the Board when the opportunities arise.

As we look forward to celebrating 15 years of our Community Bank in November 2023, our Board is committed to building on the company's success, built with contributions of dedicated and hard-working past Directors, and in the process continuing to maximise the social benefit and impact on our community.

I wish to thank Bendigo Bank and, in particular, Leanne Martin, our Regional Manager, for her assistance and great support throughout the year, our dedicated staff and all community groups and customers who we are there to help grow and support.

In closing, I wish to express my sincere thanks to all members of the Board for their invaluable contribution, passion, and commitment to the ongoing success of Community Bank Gisborne & District and personal support afforded me in the role of Chair.



**Dominic Andreacchio**  
**Chair**



Chair Dominic Andreacchio welcomes Alison Fowler and David Thomas as Directors at the 2022 Annual General Meeting in November 2022.



Branch Manager Sarah Barton and Chair Dominic Andreacchio (centre) with representatives of local fire brigades and the SES Gisborne Unit at the Autumn 2023 Community Investment Evening in June 2023.  
Photo: Rebecca Baber.

# Manager's report

For year ending 30 June 2023



Sarah Barton speaks at Autumn 2023 Community Investment Evening.  
Photo: Rebecca Baber.

I have continued to strengthen the branch operating rhythm by hiring additional staff this year. This team of 10 staff is full of diversity and has a level of experience across the team to help customers with the fast-changing retail banking environment.

2023 was another successful year, the branch footings are now sitting at \$297 million and business overall footings at \$316 million.

The end results were a successful growth of \$33.2 million, Deposit growth was \$34.4 million and Lending growth \$800,000. The lending growth was lower than in previous years due to the continuous rate rises along with a competitive rate market and customer affordability. This identified the need for us to stay close to our customer with regular contact to understand their needs.

Moving into the 2024 financial year, the Gisborne branch is aiming to continue establishing an increase with the number of relationships our customers have with the bank. We continued to grow the customer base by 7.67% last financial year, and we are focused on improving our customer experience and offering customers choice on how they interact with us.

I have continued to strengthen the branch operating rhythm by hiring additional staff this year. This team of 10 staff is full of diversity and has a level of experience across the team to help customers with the fast-changing retail banking environment. This change helps the leadership team focus on building our team's capability by having a strong



Community Bank Gisborne & District staff, March 2023. Not pictured: Jacqueline Beale

coaching environment which will help us to continue to grow the business and support customers. This is creating a staff team that is evolving to meet the needs of its customers and in return having a bigger impact in their local community.

The branch team loves seeing the outcome of their commitment to the business and were proud of the company's community investment award of \$300,000 to Sunbury and Cobaw Community Health to develop and deliver a youth-centred wellbeing support service in the Macedon Ranges that will help young people being offered mental health support.

## Manager's report (continued)

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I'd like to personally thank the branch staff of James Sheawick, Adriana Cardona, Michelle Morrison, Zoe Olive, Jacqueline Beale, Courtney Alexander, Vicky Hillyer, Hamish Ryan and Shae Bannan for their passion and commitment to our customers and community.

I would like to thank Dominic Andreacchio and the board members for all the support they provide myself and the staff. Not only does it contribute to the success of the business, the profit can be distributed back into our community in a meaningful way. We are very grateful for the trust you have provided the team.

I would also like to thank Jo-ann Irwin, the Company Secretary, and Corinne Shaddock, the Community Engagement Officer; I enjoy working closely with you and appreciate the time and effort you give in supporting the team and community.

To the local shareholders and customers, on behalf of the Community Bank Gisborne & District, thank you for continuing to play an essential role in supporting your community. I look forward to seeing us grow together and make more positive impact into the future.



**Sarah Barton**  
**Branch Manager**  
**Community Bank Gisborne & District**



Staff and directors at the Macedon Ranges Business Breakfast in October 2022.



Community Bank Gisborne & District team at the Bendigo Bank Lions Gisborne Festival in December 2022

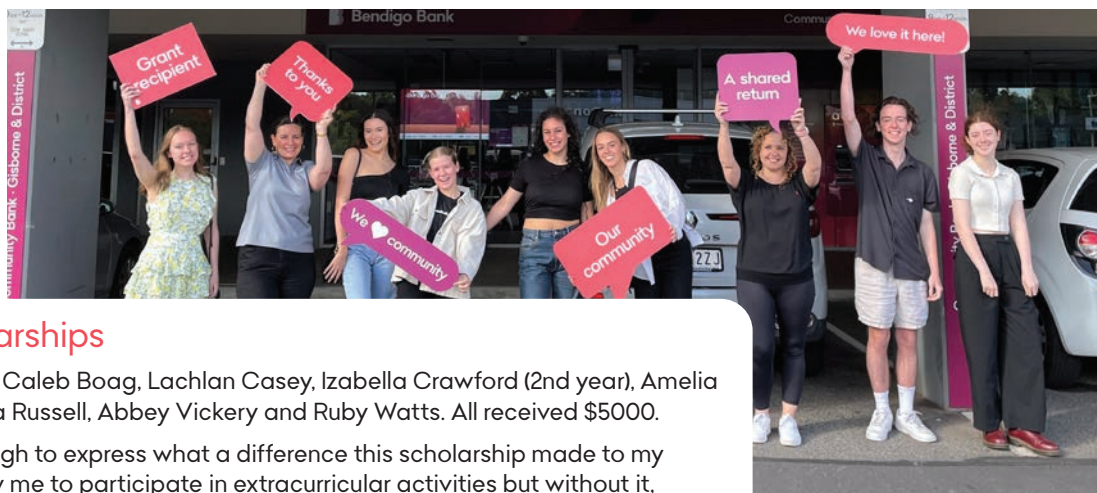


# Community impact

## Scholarships

Made possible by

Community Bank  
Gisborne & District



### 2023 Tertiary Scholarships

**Recipients:** Amali Andrews, Caleb Boag, Lachlan Casey, Izabella Crawford (2nd year), Amelia Graham, Natalie Port, Maya Russell, Abbey Vickery and Ruby Watts. All received \$5000.

"[A few words are] not enough to express what a difference this scholarship made to my studies. Not only did it allow me to participate in extracurricular activities but without it, I don't believe I would have achieved the grades I did. While I still kept my job, the number of hours I worked was far less than if I didn't have the scholarship. Providing me with the time I needed to not only get the most out of my studies but also maintain a balance between university, work and life.

I cannot thank you enough for providing this scholarship. While it was granted to me it has also been a gift to my family, having removed the pressure and stress we all could have faced during my first year of university due to all the financial costs involved."

– **Izabella Crawford**, awarded a scholarship of \$5000/year for three years in 2022.



Top: Natalie Port, (staff Vicky Hillyer), Amelia Graham, Ruby Watts, Amali Andrews, Abbey Vickery, (branch manager Sarah Barton), Caleb Boag, Maya Russell. Above left: Izabella Crawford, with branch manager Sarah Barton. Above right: Lachlan Casey, with branch manager Sarah Barton.

### 2023 Loddon Murray Community Leadership Program Scholarship

**Recipient:**  
Melanie Jorgensen.

*Reflection on  
1st program  
retreat, in May  
2023:*

"The big picture lesson I gained from this retreat was if I am to influence and lead change, I must lead from

the heart, connect and identify with a greater strategic and long-term purpose and vision. Not excluding the need to consider various perspectives and evidence-based data sources whilst managing conflict and difference of opinion as it arises." – **Melanie Jorgensen**



Melanie Jorgensen (right). Pictured with 2022 branch LMCLP scholar Samara Hodson.

### 2023 Magic Moments Youth Leadership & Business Summit Scholarships

"I had an absolute blast, Andy, Will, Scott, Matt and Alanna are just five of the hundreds of friends I made. I learnt so much about myself... I changed so much and I'm ready to make a change in the world. I just want to say thank you for one of the best experiences of my life." – **Tyler**



# Community group support

Two successful community investment evenings were held, in November 2022 and June 2023. The events bring members of a wide variety of local not-for-profit organisations together, to celebrate their activities and volunteers, share projects receiving funding, and build community connections.

Made possible by

**Community Bank**  
Gisborne & District

**Bendigo Bank**

## Community Organisations Receiving Funding in 2022-23

1st Gisborne Scout Group	Gisborne Pony Club (via IR Robertson Reserve)	Mountain Writers Festival
1st New Gisborne Scout Group	Gisborne Rookies Junior Football Netball Club	Mt Macedon Anzac Day Dawn Service
1st Riddells Creek Scout Group	Jubilee Hall Committee of Management	Mt Macedon Fire Brigade
1st New Gisborne Scout Group	Lead Loddon Murray	New Gisborne Primary School
Bullengarook Fire Brigade	Macedon and Mount Macedon Carols by Candlelight	Parkville College Youth Fund
Bullengarook Pony Club	Macedon Fire Brigade	PS My Family Matters
Central Ranges Local Learning and Employment Network	Macedon Ranges Arts Collective	Riddells Creek Basketball Club
Central Victorian Regional Insect Collection	Macedon Cricket Club	Riddells Creek Cricket Club
Defib for Life	Macedon Ranges District Scouts	Riddells Creek Fire Brigade
Gisborne & Mount Macedon Districts Historical Society	Macedon Football Netball Club	Riddells Creek Junior Basketball Association
Gisborne and District Adult Riding Club (via IR Robertson Reserve)	Macedon Junior Football Club	Riddells Creek Pony Club
Gisborne and District Bowling Club	Macedon Ranges Montessori Pre School	Riddells Creek Neighbourhood House
Gisborne Community Carols	Macedon Ranges Rural Australians for Refugees	Riddells Creek Tennis Club
Gisborne Cricket Club	Macedon Ranges Shire Council Autumn Festival	Riddell Football Club
Gisborne Fire Brigade	Macedon Ranges Sustainability Group	Riddell District Football Netball Club
Gisborne Foodbank (in kind)	Macedon Ranges Tennis Association	Rotary Club of Macedon Ranges
Gisborne Football Netball Club	Magic Moments Foundation	Salvation Army Bendigo
Gisborne Giants Football Netball Club	Melbourne Showjumping Club (via IR Roberston Reserve)	SES Gisborne Unit
Gisborne Golf Club	Mount Macedon Golf Club	South Gisborne Tennis Club
Gisborne Masters Australian Rules Football Club		St Andrews Gisborne Presbyterian Church
Gisborne Montessori School		The Gisborne Singers
		The Mount Players
		Trustees of Macedon Public Cemetery



Spring 2022 Community Investment Evening, November 2022. Photo: Rebecca Baber.



## Community impact

Made possible by

**Community Bank**  
Gisborne & District

**Bendigo Bank**



Jason Davies (Macedon Football Netball Club), branch manager Sarah Baron and Shane Nicholas (Macedon Junior Football Club) at the newly erected electronic scoreboard at Tony Clarke Reserve in February 2023.

### Creating opportunities with an electronic scoreboard

In early February 2023, an electronic scoreboard was installed at Tony Clarke Reserve, Macedon, made possible by our grant of \$35,000 to share project costs with Macedon Football Netball Club, Macedon Junior Football Netball Club and Macedon Cricket Club.

"I dropped in to watch the U/18 girls' cricket final on Sunday afternoon and it was amazing to see the scoreboard in full action, such a great addition to Tony Clarke Reserve." – **Shane Nicholas, Macedon Junior Football Club**

"The electronic scoreboard at Tony Clarke has given the Macedon Football Netball Club further opportunity to become the destination club of the Macedon Ranges. Our ability to promote club sponsors at all home games has enhanced the opportunity to provide more bang for the sponsorship dollar. We can also scroll live netball scores throughout the day to keep our supporters up to date. Our club and community are better because of your and the bank's support." – **Bevan Uren, Secretary, Macedon Football Netball Club**

### Supporting mental wellbeing in the community

Macedon Ranges Mentally Active Sports, a project launched in September 2020 in response to a number of clubs in the Macedon Ranges having been directly impacted by a death by suicide in the community, was completed in June 2023. An initiative of the Macedon Ranges Suicide Prevention Trial Site and funded by Macedon Ranges Community Enterprises, MRMAS provided guidance and opportunities to selected clubs to pilot activities that support member health and wellbeing, to support the club communities and generate learnings to benefit others.

Gisborne Cricket Club actively participated in MRMAS. Over the course of the project, a Health and Wellbeing Working Group was established at Gisborne Cricket Club that organised a club wellbeing survey, Mental Health First Aid training, sessions with Wayne Schwass and Tomorrow Man at the club and a player handbook to support their mental health.

"We had an ambition to make a difference in this space and knew that with some professional guidance and assistance we could put in place some really beneficial opportunities to engage our club members and the

local community and make a positive difference." – **Gavin Mackay, Gisborne Cricket Club Coach**

"We are super pleased to have been able to complete some excellent training, programs and initiatives so far and we look forward to being able to continue to provide a positive impact on the local community." – **Andrew Headberry, Club President**



Tomorrow Man session at Gisborne Cricket Club.

## Community impact

### Wheels to keep driving program helping youth

Extending our support of the Macedon Ranges L2P Program, in late 2022 we donated our former branch vehicle to the Salvation Army Bendigo, who run the program, to support disadvantaged learner drivers in the Gisborne region.

"Salvation Army Bendigo is incredibly grateful for the vehicle donation for the Macedon Ranges L2P Program. The new car will save the Macedon Ranges L2P Program annual operating costs and provide security of the ongoing delivery of the program. We expect the new vehicle to provide 150,000km of driving experience to young drivers over the coming years." – **Denise Sibenaler, Coordinator Macedon Ranges L2P Program**



Overjoyed by the new Macedon Ranges L2P vehicle are Corinne Shaddock, Denise Sibenaler (Salvation Army), Adriana Cardona, Belinda Goodwin (Salvation Army) and Vicky Hillyer.

### Lowering the cost to play football and netball

By participating in a shared 'Bendigo Bank' naming rights' sponsorship of the Riddell District Football Netball League with Community Bank Lancefield and Romsey and other Community Bank branches in Central Region in 2022 and 2023, we have helped create significant savings for the league which have been passed on to clubs.

"The Bendigo Bank sponsorship has allowed the RDFNL to reduce their fees considerably, which means less out-of-pocket expenses for RDFNL players, families, coaches and clubs. The major sponsorship agreement and contribution of the Bendigo Bank sponsorship has meant a saving of 24% for RDFNL members. Bendigo Bank is a wonderful community-orientated organisation who share the same values as our League wanting to grow and support the community and we thank them for their support of our competitions and clubs."

– **Jordan Doyle, CEO Riddell District Football Netball League**



Kinder teacher Hilary Zakarias and 4 year old kinder students Callum and Cole with director Erin McKinnon.

### Blinds to enable year-round outdoor learning and play

"The new blinds [at Riddells Creek Kindergarten] look amazing and work so well to block out the sun on hot days and the rain and wind on the colder days!

The children in all three kindergarten groups are now able to enjoy learning in the outdoor space in any weather throughout the year.

The community investment contribution allowed the blinds to be installed. All of the teachers are so grateful to Community Bank Gisborne & District for your grant contribution that helped make this happen!" – **Rachael O'Connor, President, Riddells Creek Kindergarten Committee**



2023 season planning meeting with RDFNL team and sponsorship partners Community Bank Lancefield and Romsey.





1st Gisborne Scout Group with Vicky Hillyer and Jacqueline Beale from the staff team by their new, all-weather trailer in December 2022.

## Easier, safer trips for 1st Gisborne Scout Group

"Late [2022] we replaced our 20-year-old trailer with a new fully enclosed, secure and weatherproof dual axle trailer. Half the cost of the trailer was covered by a very generous donation of \$4,000 from the Macedon Ranges Community Enterprises [Community Bank Gisborne & District]. Our Leaders have been delighted with the new trailer. Here are some of their comments: 'It's easy to pack because of the high roofline.:' 'Having gas bottles stored outside the trailer on a purpose-built rack really improves overall accessibility and safety.:' 'We now only take away one trailer with us when we go camping because we can fit all our equipment in it.:' 'It's great to tow and makes our job as leaders so much easier when we go away.:' So, thanks for your wonderful support!" – **Lindsay Smalley, Chairperson, 1st Gisborne Scout Group Support Committee**

## Encouraging volunteering

Volunteers are the lifeblood of most local community organisations and are in increasingly short supply, so we continue to help clubs celebrate and encourage volunteering with service recognition awards.

In 2022-23 we were pleased to sponsor Community Builder of the Year awards in the Riddell District Football Netball League and Riddells Creek Junior Mixed Basketball Association, the Gisborne Local Hero award and Person of the Day awards at Gisborne Masters Football Club.



Branch manager Sarah Barton awards Bryan Power the 2022 Community Bank Gisborne & District Local Hero Award at the Gisborne Carols by Candlelight.



Megan Lang receives the 2023 Bendigo Bank Community Builder award at Riddells Creek Junior Mixed Basketball Association from community engagement officer Corinne Shaddock.



Kelly Wilson is Bendigo Bank Person of the Day of the Gisborne Masters Football Club match on 18 June 2023.



## Community impact

### Local art prize to celebrate and encourage local talent

In 2022 we were pleased to sponsor the inaugural art prize at The Gallery Mt Macedon. Based on its success, we continued our support in 2023, enabling two successful landscape art prizes - photographic and non-photographic.

"Absolutely thrilled to win First Prize in the Gallery Mt Macedon Landscape Competition 2023... A huge Thank you to the sponsors Community Bank Gisborne & District for the presentation... To say this is an honour is an understatement." – **Tiffany Warner, winner of landscape photography prize**

"The Landscape prizes [were] only possible due to the support of Community Bank Gisborne & District. Local artists were encouraged to enter, and new people discovered our Gallery. Some artists had never entered competitions before, and were affirmed in their artistic endeavours. In fact, the winners were quite emotional as most hadn't won prizes before." – **Jo Hoyne, President, The Gallery Mount Macedon**



Tiffany Warner wins the 2023 Gallery Mt Macedon Landscape Photography Prize, with community engagement officer Corinne Shaddock.



Gisborne Rookies train under temporary lights at Bullengarook Recreation Reserve in winter 2023.

### Portable lighting to keep the Rookies playing

"Over the past few years, come mid-May we have had to stop or limit training sessions at Sankey Reserve due to ground conditions which was a big juggle and struggle for the committee to try and find dry, suitable venues within the shire.

This year [2023] with the help of Council, Community Bank Gisborne & District and Star Access Hire we were able to put some temporary lighting out at Bullengarook Recreation Reserve. This enabled us to continue to train throughout the season as well as be able to fit our growing number of teams on an oval space.

This would not have been possible without the support of Community Bank Gisborne & District, your support to the Gisborne Rookies is very much appreciated and we can't thank you enough." – **Jodie Bannan, President, Gisborne Rookies Junior Football Netball Club**

### Opening hearts and spaces to all abilities members of the community

By highlighting the lived experience of Shae Benfell and her carer in the local community, the #SeeMee project created greater visibility for young people with a disability in Gisborne and Riddells Creek. It also increased community engagement and connection for both young people with a disability and other community members, and facilitated the process of making venues more accessible to young people with a disability.

"Four [local venues] partnered with the project with so much generosity and enthusiasm and with each of these sites we worked with photographer Sofie Dieu to create beautiful images of Shae and 'her people'. From these we printed six large digital images for the outdoor exhibition on the walls of the Corner Coffee Shop in Gisborne.

The public work and website for the project was launched on 10 December 2022. A large outdoor banner was also installed at the Riddells Creek Neighborhood House. The launch created a great deal of awareness and the conversations are really at the heart of this work, so these are great outcomes." – **Lisa Linton Community Development Manager, Riddells Creek Neighbourhood House**



Directors David Thomas and Erin McKinnon with Shae Benfell and her carer Leisa Shelton-Campbell at the #SeeME launch at the Corner Cafe in Gisborne in December 2022. Photo: Sofie Dieu.

# Directors' report

For the financial year ended 30 June 2023

The Directors present their report, together with the financial statements, of Macedon Ranges Community Enterprises Ltd for the financial year ended 30 June 2023.

## Board of Directors

The following persons were Directors of Macedon Ranges Community Enterprises Ltd during the whole of the financial year up to the date of this report, unless otherwise stated:

### Dominic Andreacchio

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Title:	Chair
Qualifications:	MBM, Post Grad. Dip. BM, Dip HR, AHRI
Experience & Expertise:	Extensive public and private sector board and HR experience, including non-profits and clubs. Lecturer at Australian Institute of Management MBA Program.

### Erin McKinnon

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Title:	Director
Qualifications:	BA, MA, GradDipEd
Experience & Expertise:	Extensive management experience in community not-for-profit sector.

### David Gunn

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Title:	Director, Treasurer and Chair of the Audit Committee
Qualifications:	GAICD, CPA, MBA, ACMA, B Sc(Hon)
Experience & Expertise:	Extensive executive experience in COO/CFO roles in commercial, for purpose organisations globally, nationally and locally.

### Rebecca Thorpe

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Title:	Director
Qualifications:	BA (Journalism)
Experience & Expertise:	Decades of experience as a communications professional and journalist. Active member of the Macedon Ranges community, serving on boards of local CFA and CWA branches.

### Alison Fowler

appointed 14 November 2022

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Title:	Director and Chair of the Marketing and Community Investment Committee
Qualifications:	BEd, DipBus (Sports administration)
Experience & Expertise:	Extensive project & event experience across corporate, NFP and small business sector.

## Directors' report (continued)

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### Board of Directors (continued)

**Andrew Kincaid** appointed 30 January 2023

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Title: Director

Qualifications: LLB

Experience & Expertise: Barrister and Solicitor of the Supreme Court of Victoria, Member of VCAT, President of South Melbourne Athletic club.

**David Thomas** appointed 14 November 2022

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Title: Director

Qualifications: BComm Accounting, CPA, GAICD

Experience & Expertise: Extensive experience in banking & finance and accounting in local & state governments. Member of VIC SES and volunteer finance officer

**Karen Clifford** resigned 14 November 2022

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Title: Director

Qualifications: B.App.Sc (Phys.Ed), MBM

Experience & Expertise: Extensive experience in consultancy roles and community not-for-profit organisations.

**Corinne Shaddock** resigned 14 November 2022

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Title: Director and Community Engagement & Marketing Officer

Qualifications: B.A., M.B.A

Experience & Expertise: Marketing and communications at multinational, national and local level.

**Sarah Matthee** resigned 14 November 2022

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Title: Director and Chair of the Finance Audit & Risk Management ('FARM') Committee

Qualifications: LLB / B.Eng (Chemical)

Experience & Expertise: Non-practising lawyer, extensive experience in community not-for-profit sector.

**Jo-ann Irwin** resigned 14 November 2022

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Title: Director

Qualifications: MBA, AAGM

Experience & Expertise: Business Development and Marketing experience across the not for profit tourism and early years education sector.

**Nathan Hall** resigned 3 February 2023

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Title: Director

Qualifications: CEMA

Experience & Expertise: Nathan has significant experience in the public sector leading organisations, with skills in financial management, human resources, projects and general management.

Directors were in office for this entire financial year unless otherwise stated.

No Directors have material interests other than those referenced in the Directors' Report and related party note.



## Directors' report (continued)

### Company Secretary

The following people held the position of Company Secretary during the financial year:

<b>Alice McMahon</b>	resigned 28 November 2022
Qualifications:	B.Comm, B.Arts, CA
Experience & Expertise:	Alice is a Chartered Accountant with experience in accounting & corporate governance in a range of industries.
<b>Jo-Ann Irwin</b>	appointed 28 November 2022
Qualifications:	MBA, AAGM
Experience & Expertise:	Business Development and Marketing experience across the not for profit tourism and early years education sector.

### Principal activity

The principal activity of the company during the financial year was facilitating Community Bank services under management rights of Bendigo and Adelaide Bank Limited (Bendigo Bank). There have been no significant changes in the nature of these activities during the year.

### Operating results

Operations have continued to perform in line with expectations. The profit of the company for the financial year after provision for income tax was:

	30 June 2023 (\$)	30 June 2022 (\$)	Movement
Profit After Tax	183,860	113,333	62%

### Directors' interests

Director	Fully Paid Ordinary Shares		
	Balance at July 1 2022	Changes During the Year	Balance at 30 June 2023
Dominic Andreacchio	-	-	-
Erin McKinnon	-	-	-
David Gunn	10,000	3,000	13,000
Rebecca Thorpe	-	-	-
Alison Fowler - appointed 14 November 2022	-	-	-
Andrew Kincaid - appointed 30 January 2023	-	-	-
David Thomas - appointed 14 November 2022	-	-	-
Karen Clifford - resigned 14 November 2022	26,000	-	26,000
Corinne Shaddock - resigned 14 November 2022	5,001	-	5,001
Sarah Matthee - resigned 14 November 2022	-	-	-
Jo-ann Irwin - resigned 14 November 2022	-	-	-
Nathan Hall - resigned 3 February 2023	-	-	-

### Review of operations

The profit for the company after providing for income tax amounted to \$183,860 (30 June 2022: \$113,333)

The company has seen a significant increase in its revenue during the financial year. This is a result of the Reserve Bank of Australia (RBA) increasing the cash rate by 3.25% during the financial year moving from 0.85% to 4.10% as at 30 June 2023. The increased cash rate has had a direct impact on the revenue received by the company, increasing the net interest margin income received under the revenue share arrangement.

## Directors' report (continued)

### Dividends

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

	Cents per Share	Total Amount (\$)
Final fully franked dividend	10.0	72,321
<b>Total Amount</b>	<b>10.0</b>	<b>72,321</b>

### Significant changes in the state of affairs

In the opinion of the directors there were no other significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

### Matters subsequent to the end of the financial year

There are no matters or circumstances that have arisen since the end of the financial year that have significantly impacted or may significantly impact the operations of the company, the results of those operations or the state of affairs of the company, in future financial years.

### Likely developments

The company will continue its policy of facilitating banking services to the community.

### Environmental regulation

The company is not subject to any significant environmental regulation.

### Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

### Indemnity and insurance of directors and officers

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

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

### Indemnity and insurance of auditor

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

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

## Directors' report (continued)

### Directors' Meetings

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

Director	Board Meetings		Finance, Audit and Risk Management Committee Meetings		Marketing and Community Investment Committee	
	A	B	A	B	A	B
Dominic Andreacchio	8	8	2	2	4	4
Erin McKinnon	8	7	--	--	4	4
David Gunn	8	7	4	4	2	2
Rebecca Thorpe	8	5	--	--	4	3
Alison Fowler - appointed 14 November 2022	4	4	3	3	2	2
Andrew Kincaid - appointed 30 January 2023	3	3	--	--	2	2
David Thomas - appointed 14 November 2022	4	3	3	2	--	--
Karen Clifford - resigned 14 November 2022	4	4	--	--	2	2
Corinne Shaddock - resigned 14 November 2022	4	4	--	--	2	2
Sarah Matthee - resigned 14 November 2022	4	4	1	1	2	1
Jo-ann Irwin - resigned 14 November 2022	4	4	--	--	2	2
Nathan Hall - resigned 3 February 2023	6	2	1	0	--	--

A - The number of meetings eligible to attend.

B - The number of meetings attended.

-- Not a member of that committee.

### Proceedings on Behalf of the Company

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

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

### Auditor's Independence Declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 16 of this financial report.

Signed in accordance with a resolution of the Board of Directors at Gisborne, Victoria, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

*Dominic Andreacchio*

**Dominic Andreacchio**  
**Chairman**

Dated this 15th day of September, 2023



# Auditor's independence declaration



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

## Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Macedon Ranges Community Enterprises Ltd

As lead auditor for the audit of Macedon Ranges Community Enterprises Ltd for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

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

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

**Andrew Frewin Stewart**  
61 Bull Street, Bendigo, Vic, 3550  
Dated: 15 September 2023

A handwritten signature in black ink, appearing to read 'Joshua Griffin'.

**Joshua Griffin**  
Lead Auditor



[afsbendigo.com.au](http://afsbendigo.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.

# Financial statements

## Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023

	Note	2023 \$	2022 \$
<b>Revenue</b>			
Revenue from contracts with customers	8	2,416,170	1,636,192
Finance income	9	2,562	632
		<b>2,418,732</b>	<b>1,636,824</b>
<b>Expenses</b>			
Employee benefits expense	10a	(911,202)	(785,924)
Depreciation and amortisation	10b	(154,572)	(136,660)
Finance costs	10c	(5,082)	(6,918)
IT expenses		(32,720)	(33,275)
Occupancy expenses		(27,683)	(36,375)
Marketing and advertising		(28,123)	(52,172)
Insurance expense		(22,052)	(21,350)
Professional services		(35,425)	(20,284)
ATM costs		(15,946)	(16,726)
Printing and stationery		(9,100)	(8,445)
Bad debts written off		(148)	(56)
Other expenses		(80,597)	(42,998)
		<b>(1,322,650)</b>	<b>(1,161,183)</b>
<b>Operating profit before community contributions and income tax</b>		<b>1,096,082</b>	<b>475,641</b>
Charitable donations and sponsorship	10d	(854,196)	(324,081)
<b>Profit before income tax</b>		<b>241,886</b>	<b>151,560</b>
Income tax expense	11	(58,026)	(38,227)
<b>Profit for the year after income tax</b>		<b>183,860</b>	<b>113,333</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>183,860</b>	<b>113,333</b>
Profit attributable to the ordinary shareholders of the company		183,860	113,333
<b>Total comprehensive income attributable to ordinary shareholders of the company</b>		<b>183,860</b>	<b>113,333</b>
<b>Earnings per share</b>		<b>¢</b>	<b>¢</b>
- basic and diluted earnings per share	33	25.42	15.67

The accompanying notes form part of these financial statements

## Financial statements (continued)

### Statement of Financial Position for the year ended 30 June 2023

	Note	2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	12	445,749	321,066
Trade and other receivables	13	175,052	126,020
Financial assets	14	292,149	292,149
Other assets	15	13,200	7,460
<b>Total current assets</b>		<b>926,150</b>	<b>746,695</b>
<b>Non-current assets</b>			
Property, plant and equipment	16	106,629	160,483
Right-of-use assets	17	31,921	118,370
Intangible assets	18	5,129	18,313
Deferred tax assets	19	36,737	18,289
<b>Total non-current assets</b>		<b>180,416</b>	<b>315,455</b>
<b>Total assets</b>		<b>1,106,566</b>	<b>1,062,150</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	20	54,097	82,469
Current tax liability	19	46,997	11,839
Franchise fee payable	21	-	14,082
Lease liabilities	22	29,306	67,422
Employee benefits	23	58,422	50,906
Provision for dividends		1,861	1,161
<b>Total current liabilities</b>		<b>190,683</b>	<b>227,879</b>
<b>Non-current liabilities</b>			
Lease liabilities	22	-	29,306
Employee benefits	23	4,337	7,057
Make good provision	24	47,782	45,683
<b>Total non-current liabilities</b>		<b>52,119</b>	<b>82,046</b>
<b>Total liabilities</b>		<b>242,802</b>	<b>309,925</b>
<b>Net assets</b>		<b>863,764</b>	<b>752,225</b>
<b>Equity</b>			
Issued capital	25	704,766	704,766
Retained earnings	26	158,998	47,459
<b>Total equity</b>		<b>863,764</b>	<b>752,225</b>

The accompanying notes form part of these financial statements



## Financial statements (continued)

### Statement of Changes in Equity for the year ended 30 June 2023

	Note	Issued Capital \$	Retained Earnings \$	Total Equity \$
<b>Balance at 1 July 2021</b>		704,766	6,447	711,213
<i>Comprehensive income for the year</i>				
Profit for the year		-	113,333	113,333
<i>Transactions with owners in their capacity as owners</i>				
Dividends paid or provided	31	-	(72,321)	(72,321)
<b>Balance at 30 June 2022</b>		<b>704,766</b>	<b>47,459</b>	<b>752,225</b>
<b>Balance at 1 July 2022</b>		704,766	47,459	752,225
<i>Comprehensive income for the year</i>				
Profit for the year		-	183,860	183,860
<i>Transactions with owners in their capacity as owners</i>				
Dividends paid or provided	31	-	(72,321)	(72,321)
<b>Balance at 30 June 2023</b>		<b>704,766</b>	<b>158,998</b>	<b>863,764</b>

The accompanying notes form part of these financial statements

## Financial statements (continued)

### Statement of Cash Flows for the year ended 30 June 2023

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		2,558,935	1,754,896
Payments to suppliers and employees		(2,231,020)	(1,450,986)
Interest paid		(5,082)	(6,918)
Interest received		771	632
Income tax paid		(41,316)	(36,059)
<b>Net cash flows provided by operating activities</b>	<b>27</b>	<b>282,288</b>	<b>261,565</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(6,579)	(72,790)
Purchase of intangible assets		(14,082)	(14,082)
<b>Net cash flows used in investing activities</b>		<b>(20,661)</b>	<b>(86,872)</b>
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities		(65,323)	(61,771)
Dividends paid		(71,621)	(72,071)
<b>Net cash flows used in financing activities</b>		<b>(136,944)</b>	<b>(133,842)</b>
<b>Net increase in cash held</b>		<b>124,683</b>	<b>40,851</b>
Cash and cash equivalents at beginning of financial year		321,066	280,215
<b>Cash and cash equivalents at end of financial year</b>	<b>12</b>	<b>445,749</b>	<b>321,066</b>

The accompanying notes form part of these financial statements

# Notes to the financial statements

For the year ended 30 June 2023

## Note 1. Reporting entity

This is the financial report for Macedon Ranges Community Enterprises Ltd (the company). The company is a for profit entity limited by shares, and incorporated and domiciled in Australia. The registered office and principal place of business is:

**Registered office:**

11 Nexus Way  
GISBORNE VIC 3437

**Principal place of business:**

11 Nexus Way  
GISBORNE VIC 3437

Further information on the nature of the operations and principal activity of the company is provided in the directors' report. Information on the company's related party relationships is provided in Note 29.

## Note 2. Basis of preparation and statement of compliance

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 (AASB) and International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities. The financial report is presented in Australian dollars and all values are rounded to the nearest dollar, unless otherwise stated.

These financial statements for the year ended 30 June 2023 were authorised for issue in accordance with a resolution of the directors.

## Note 3. Changes in accounting policies, standards and interpretations

There are a number of amendments to accounting standards issued by the AASB that became mandatorily effective for accounting periods beginning on or after 1 July 2022, and are therefore relevant for the current financial year. The amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

## Note 4. Summary of significant accounting policies

The company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

### (a) Revenue from contracts with customers

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

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

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

## Notes to the financial statements (continued)

### Note 4. Summary of significant accounting policies (continued)

#### (a) Revenue from contracts with customers (continued)

Under AASB 15 *Revenue from Contracts with Customers* (AASB 15), revenue recognition for the company's revenue stream is as follows:

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

All revenue is stated net of the amount of Goods and Services Tax (GST). There was no revenue from contracts with customers recognised over time during the financial year.

#### *Revenue calculation*

The franchise agreement provides that three forms of revenue may be earned by the company – margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services.

The revenue earned by the company is dependent on the business that it generates. It may also be affected by other factors, such as economic and local conditions, for example, interest rates.

#### *Margin*

Margin is arrived at through the following calculation:

$$\begin{array}{l} \text{Interest paid by customers on loans, less interest paid to customers on deposits} \\ \text{plus} \\ \text{Deposit returns (i.e. interest return applied by Bendigo Bank for a deposit)} \\ \text{minus} \\ \text{Any costs of funds (i.e. interest applied to fund a loan)} \end{array}$$

The company is entitled to a share of the margin earned by Bendigo and Adelaide Bank. If this reflects a loss, the company incurs a share of that loss. A Funds Transfer Pricing (FTP) model is used for the method of calculation of the cost of funds, deposit return and margin.

#### *Commission*

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

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

#### *Fee income*

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

#### *Core banking products*

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

#### *Ability to change financial return*

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

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



## Notes to the financial statements (continued)

### Note 4. Summary of significant accounting policies (continued)

#### (a) Revenue from contracts with customers (continued)

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

#### (b) Other revenue

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

Revenue	Revenue recognition policy
Other income	All other revenues that did not contain contracts with customers are recognised as goods and services are provided.

All revenue is stated net of the amount of Goods and Services Tax (GST).

#### (c) Economic dependency - Bendigo Bank

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

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

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

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

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

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

Bendigo Bank provides significant assistance in establishing and maintaining the Community Bank franchise operations. It also continues to provide ongoing management and operational support and other assistance and guidance in relation to all aspects of the franchise operation, including advice and assistance in relation to:

- the design, layout and fit out of the Community Bank premises
- training for the branch manager and other employees in banking, management systems and interface protocol
- methods and procedures for the sale of products and provision of services
- security and cash logistic controls
- calculation of company revenue and payment of many operating and administrative expenses
- the formulation and implementation of advertising and promotional programs
- sales techniques and proper customer relations
- providing payroll services.

#### (d) Employee benefits

##### *Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for salary and wages (including non-monetary benefits), annual leave, and sick leave which are expected to be wholly settled within 12 months of the reporting date. They are measured at amounts expected to be paid when the liabilities are settled, plus related on-costs. Expenses for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

## Notes to the financial statements (continued)

### Note 4. Summary of significant accounting policies (continued)

#### (d) Employee benefits (continued)

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

#### *Other long-term employee benefits*

The company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior reporting periods.

That benefit is discounted to determine its present value. Consideration is given to expected future wage and salary levels plus related on-costs, experience of employee departures, and years of service achieved. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimate future cash outflows.

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

#### (e) Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

#### *Current income tax*

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

#### *Deferred tax*

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

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

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

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

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

#### *Goods and Services Tax*

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

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

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

#### (f) Cash and cash equivalents

For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise cash on hand and deposits held with banks.

## Notes to the financial statements (continued)

### Note 4. Summary of significant accounting policies (continued)

#### (g) Property, plant and equipment

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

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

Depreciation is calculated to write-off the cost of items of property, plant and equipment less their estimated residual values using straight-line method over their estimated useful lives, and is recognised in profit or loss.

The estimated useful lives of property, plant and equipment for the current and comparative periods are as follows:

Asset Class	Method	Useful Life
Plant & equipment	Straight line	2.5 to 10 years
Motor vehicles	Straight line	8 years

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

#### (h) Intangible assets

Intangible assets of the company include the franchise fees paid to Bendigo Bank conveying the right to operate the Community Bank franchise.

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

Intangible assets are amortised over their useful life and assessed for impairment whenever impairment indicators are present.

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

Asset Class	Method	Useful Life
Establishment fee	Straight line	Franchise term (5 years)
Franchise fee	Straight line	Franchise term (5 years)

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

#### (i) Financial instruments

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

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

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

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

#### (j) Impairment

##### *Non-derivative financial assets*

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

## Notes to the financial statements (continued)

### Note 4. Summary of significant accounting policies (continued)

#### (j) Impairment (continued)

The company's trade receivables are limited to the monthly profit share distribution from Bendigo Bank, which is received 10 business days post month end. Due to the reliance on Bendigo Bank the company has reviewed credit ratings provided by Standard & Poors, Moody's and Fitch Ratings to determine the level of credit exposure to the company. The company also performed a historical assessment of receivables from Bendigo Bank and found no instances of default. As a result no ECL has been made in relation to trade receivables as at 30 June 2023.

#### *Non-financial assets*

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

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

#### (k) Issued capital

Ordinary shares are recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

#### (l) Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

#### (m) Leases

At inception of a contract, the company assesses whether a contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration and obtain substantially all the economic benefits from the use of that asset.

#### *As a lessee*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the company's incremental borrowing rate.

The company determines its incremental borrowing rate by obtaining interest rates from funding sources and where necessary makes certain adjustments to reflect the terms of the lease and type of asset leased.

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

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

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

Where the company is a lessee for the premises to conduct its business, extension options are included in the lease term except when the company is reasonably certain not to exercise the extension option. This is due to the significant disruption of relocating premises and the loss on disposal of leasehold improvements fitted out in the demised leased premises.

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



## Notes to the financial statements (continued)

### Note 4. Summary of significant accounting policies (continued)

#### (m) Leases (continued)

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

#### Short-term leases & leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for leases of short-term leases and low-value assets, including IT equipment. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

A short-term lease is a lease that, at commencement date, has a lease term of 12 months or less.

### Note 5. Significant accounting judgements, estimates, and assumptions

In preparing these financial statements, management has made judgements and estimates that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to these estimates are recognised prospectively.

#### (a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note	Judgement
Note 22 - Leases:	
(i) control	whether a contract is or contains a lease at inception by assessing whether the company has the right to direct the use of the identified asset and obtain substantially all the economic benefits from the use of that asset;
(ii) Lease term	whether the company is reasonably certain to exercise extension options, termination periods, and purchase options;
(iii) discount rates	judgement is required to determine the discount rate, where the discount rate is the company's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. The incremental borrowing rate is determined with reference to factors specific to the company and underlying asset including the amount, the lease term, economic environment and other relevant factors.

#### (b) Assumptions & Estimation Uncertainty

Information about assumptions and estimation uncertainties at 30 June 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note	Assumption
Note 19 - Recognition of deferred tax assets	Availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilised;
Note 28 - Financial instruments	Determining the fair value less costs to sell of the disposal group on the basis of significant unobservable inputs;
Note 16 - Estimation of asset useful lives	Key assumptions on historical experience and the condition of the asset;
Note 23 - Long service leave provision	Key assumptions on attrition rate of staff and expected pay increases through promotion and inflation;
Note 24 - Make-good provision	Key assumptions on future cost estimates in restoring the leased premises in accordance with the lease agreement;

## Notes to the financial statements (continued)

### Note 6. Financial Risk Management

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

Risk management is carried out directly by the Board of Directors.

#### (a) Credit Risk

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

The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo Bank. The company monitors credit worthiness through review of credit ratings of the bank.

#### (b) Liquidity Risk

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

#### *Exposure to liquidity risk*

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

30 June 2023	Contractual Cash Flows			
	Carrying Amount \$	< 12 Months \$	1 - 5 Years \$	> 5 Years \$
<b>Non-derivative Financial Liability</b>				
Lease liabilities	29,306	29,636	-	-
Trade and other payables	54,097	54,097	-	-
Franchise fee payable	-	-	-	-

30 June 2022	Contractual Cash Flows			
	Carrying Amount \$	< 12 Months \$	1 - 5 Years \$	> 5 Years \$
<b>Non-derivative Financial Liability</b>				
Lease liabilities	96,728	70,405	29,636	-
Trade and other payables	82,469	82,469	-	-
Franchise fee payable	14,082	14,082	-	-

#### (c) Market Risk

Market risk is the risk that changes in market prices - e.g. foreign exchange rates, interest rates, and equity prices - will affect the company's income or the value of its holdings in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The company has no exposure to any transactions denominated in a currency other than Australian dollars.

#### *Price risk*

The company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. There is no exposure to the company in regard to commodity price risk.

#### *Cash flow and fair values interest rate risk*

Interest-bearing assets are held with Bendigo and Adelaide Bank and subject to movements in market interest. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest-rate risk.

The company held cash and cash equivalents of \$445,949 at 30 June 2023 (2022: \$321,066).

## Notes to the financial statements (continued)

### Note 7. 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 distributions to shareholders. Capital is represented by total equity as recorded in the statement of financial position.

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

The distribution limit is the greater of:

- (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 company over that 12 month period where the relevant rate of return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2023 can be seen in the statement of profit or loss and other comprehensive Income.

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

### Note 8. Revenue from contracts with customers

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.

	2023 \$	2022 \$
<b>Revenue</b>		
- Revenue from contracts with customers	2,416,170	1,636,192
	<b>2,416,170</b>	<b>1,636,192</b>
<i>Disaggregation of revenue from contracts with customers</i>		
- Margin income	2,195,499	1,417,310
- Fee income	101,931	98,625
- Commission income	118,740	120,257
	<b>2,416,170</b>	<b>1,636,192</b>

All revenue from contracts customers shown above was recognised at a point in time. There was no revenue from contracts with customers recognised over time during the financial year.

### Note 9. Finance income

The company holds financial instruments measured at amortised cost. Interest income is recognised at the effective interest rate.

Term deposits which can be readily converted to a known amount of cash and subject to an insignificant risk of change may qualify as a cash equivalent.

	2023 \$	2022 \$
<b>Finance income</b>		
<i>At amortised cost:</i>		
- Interest from term deposits	2,562	632
	<b>2,562</b>	<b>632</b>



## Notes to the financial statements (continued)

### Note 10. Expenses

Profit before income tax from continuing operations includes the following specific expenses:

#### (a) Employee benefits expense

	2023 \$	2022 \$
<i>Employee benefits expense</i>		
- Wages & salaries	694,915	594,325
- Superannuation costs	134,373	122,634
- Other expenses related to employees	81,914	68,965
	<b>911,202</b>	<b>785,924</b>

#### (b) Depreciation and amortisation expense

	2023 \$	2022 \$
<i>Depreciation of non-current assets</i>		
- furniture and fittings	45,700	45,684
- motor vehicles	9,239	3,525
	<b>54,939</b>	<b>49,209</b>
<i>Amortisation of right-of-use assets</i>		
- leased buildings	86,449	74,267
	<b>86,449</b>	<b>74,267</b>
<i>Amortisation of intangible assets</i>		
- franchise fees	13,184	13,184
	<b>13,184</b>	<b>13,184</b>
<b>Total depreciation &amp; amortisation expense</b>	<b>154,572</b>	<b>136,660</b>

The non-current tangible and intangible assets listed above are depreciated and amortised in accordance with the company's accounting policy (see Note 4(g) and 4(h) for details).

#### (c) Finance costs

	2023 \$	2022 \$
<i>Finance costs</i>		
- Lease interest expense	2,983	5,903
- Unwinding of make-good provision	2,099	1,015
	<b>5,082</b>	<b>6,918</b>

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

#### (d) Charitable donations and sponsorship

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

	Note	2023 \$	2022 \$
<i>Charitable donations and sponsorship</i>			
- Direct sponsorship, grants and donations		254,196	189,081
- Contribution to the Community Enterprise Foundation™	10(e)	600,000	135,000
		<b>854,196</b>	<b>324,081</b>

## Notes to the financial statements (continued)

### Note 10. Expenses (continued)

#### (d) Charitable donations and sponsorship (continued)

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

The CEF is a donor advised foundation. While the directors are involved in the payment of grants, the funds are not refundable to the company.

#### (e) Community Enterprise Foundation™ Contributions

During the financial year the company contributed funds to the CEF, the philanthropic arm of the Bendigo Bank. These contributions paid in, form part of community investments and sponsorship expenditure included in profit or loss.

	Note	2023 \$	2022 \$
<i>Disaggregation of CEF funds</i>			
Opening balance		651,809	571,746
Contributions paid	10(d)	631,579	142,105
Grants paid out		(128,831)	(58,303)
Interest received		19,884	3,366
Management fees incurred	10(d)	(31,579)	(7,105)
<b>Balance available for distribution</b>		<b>1,142,862</b>	<b>651,809</b>

#### (f) Recognition exemption

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

### Note 11. Income tax expense

Income tax expense comprises current and deferred tax. Attributable current and deferred tax expense is recognised in the other comprehensive income or directly in equity as appropriate.

#### (a) Amounts recognised in profit or loss

	2023 \$	2022 \$
Current tax expense	76,474	38,537
Movement in deferred tax	(18,448)	(310)
Adjustments due to changes in company tax rate	-	-
	<b>58,026</b>	<b>38,227</b>

#### (b) Prima facie income tax reconciliation

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

	2023 \$	2022 \$
Operating profit before taxation	241,886	151,560
Prima facie tax on profit before income tax at 25% (2022: 25%)	60,472	37,890

## Notes to the financial statements (continued)

### Note 10. Expenses (continued)

#### (b) Prima facie income tax reconciliation (continued)

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

	2023 \$	2022 \$
<i>Add tax effect of:</i>		
- Small business technology boost	(2,423)	-
- Small business training boost	(586)	-
- Non-deductible expenses	563	337
<b>Income tax attributable to the entity</b>	<b>58,026</b>	<b>38,227</b>
The applicable weighted average effective tax rate is:	23.99%	25.22%

### Note 12. Cash and cash equivalents

#### (a) Cash and cash equivalents

	2023 \$	2022 \$
Cash at bank and on hand	445,749	321,066
	<b>445,749</b>	<b>321,066</b>

#### (b) Reconciliation to statement of cash flows

For the purposes of the statement of cash flows, cash includes cash on hand, cash held with financial and banking institutions, and investments in short-term money financial instruments, net of outstanding bank overdrafts. Bank overdrafts are presented with loans and borrowings.

The below figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	2023 \$	2022 \$
Cash at bank and on hand	445,749	321,066
	<b>445,749</b>	<b>321,066</b>

### Note 13. Trade and other receivables

	2023 \$	2022 \$
<i>Current assets</i>		
Trade receivables	173,216	125,975
Other receivables	1,836	45
	<b>175,052</b>	<b>126,020</b>

Trade and other receivables are initially measured at the transaction price. Trade and other receivables are due for settlement usually no more than 30 days from the date of recognition.

The Company's main debtor relates to the Bendigo & Adelaide Bank monthly profit share distribution, which is deposited within a reasonable timeframe each month. There are no items that require the application of the lifetime expected credit loss model.



## Notes to the financial statements (continued)

### Note 14. Financial assets

	2023 \$	2022 \$
<i>At Amortised Cost</i>		
Term deposits	292,149	292,149
	<b>292,149</b>	<b>292,149</b>

Term deposits classified as financial assets include only those with a maturity period greater than three months. Where maturity periods are less than three months, these investments are recorded as cash and cash equivalents.

### Note 15. Other assets

	2023 \$	2022 \$
Prepayments	13,200	7,460
	<b>13,200</b>	<b>7,460</b>

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.

### Note 16. Property, plant and equipment

#### (a) Carrying amounts

	2023			2022		
	At Cost / Valuation \$	Accumulated Depreciation \$	Written Down Value \$	At Cost / Valuation \$	Accumulated Depreciation \$	Written Down Value \$
Furniture & fittings	375,611	329,614	45,997	369,032	283,914	85,118
Motor vehicles	70,508	9,876	60,632	90,212	14,847	75,365
	<b>446,119</b>	<b>339,490</b>	<b>106,629</b>	<b>459,244</b>	<b>298,761</b>	<b>160,483</b>

The directors do not believe the carrying amount exceeds the recoverable amount of the above assets. The directors therefore believe the carrying amount is not impaired.

#### (b) Reconciliation of carrying amounts

2023	Furniture & Fittings \$	Motor Vehicles \$
Opening carrying value	85,118	75,365
Additions	6,579	-
Disposals	-	(5,494)
Depreciation expense	(45,700)	(9,239)
<b>Closing carrying value</b>	<b>45,997</b>	<b>60,632</b>

2022	Furniture & Fittings \$	Motor Vehicles \$
Opening carrying value	128,520	8,382
Additions	2,282	70,508
Disposals	-	-
Depreciation expense	(45,684)	(3,525)
<b>Closing carrying value</b>	<b>85,118</b>	<b>75,365</b>

## Notes to the financial statements (continued)

### Note 16. Property, plant and equipment (continued)

#### (c) Capital expenditure commitments

The entity does not have any capital expenditure commitments as at 30 June 2023 (2022: None).

#### (d) Changes in estimates

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

There were no changes in estimates for the current reporting period.

### Note 17. Right-of-use assets

#### (a) Carrying amounts

	2023			2022		
	At Cost / Valuation \$	Accumulated amortisation \$	Written Down Value \$	At Cost / Valuation \$	Accumulated amortisation \$	Written Down Value \$
Leased land and buildings	316,807	284,886	31,921	316,807	198,437	118,370
	<b>316,807</b>	<b>284,886</b>	<b>31,921</b>	<b>316,807</b>	<b>198,437</b>	<b>118,370</b>

#### (b) Reconciliation of carrying amounts

2023	Leased Buildings \$	Total ROU Asset \$
Opening carrying value	118,370	118,370
Amortisation expense	(86,449)	(86,449)
<b>Net carrying amount</b>	<b>31,921</b>	<b>31,921</b>

2022	Leased Buildings \$	Total ROU Asset \$
Opening carrying value	147,968	147,968
Adjustment for make good provision	44,669	44,669
Amortisation expense	(74,267)	(74,267)
<b>Net carrying amount</b>	<b>118,370</b>	<b>118,370</b>

### Note 18. Intangible assets

#### (a) Carrying amounts

	2023			2022		
	At Cost / Valuation	Accumulated Amortisation	Written Down Value	At Cost / Valuation	Accumulated Amortisation	Written Down Value
Franchise fee	65,919	60,790	5,129	65,919	47,606	18,313
Establishment fee	104,286	104,286	-	104,286	104,286	-
	<b>170,205</b>	<b>165,076</b>	<b>5,129</b>	<b>170,205</b>	<b>151,892</b>	<b>18,313</b>

## Notes to the financial statements (continued)

### Note 18. Intangible assets (continued)

#### (b) Reconciliation of carrying amounts

	Franchise Fee \$	Establishment Fee \$
<b>2023</b>		
Opening carrying value	18,313	-
Additions	-	-
Disposals	-	-
Amortisation expense	(13,184)	-
<b>Closing carrying value</b>	<b>5,129</b>	<b>-</b>

	Franchise Fee \$	Establishment Fee \$
<b>2022</b>		
Opening carrying value	31,497	-
Additions	-	-
Disposals	-	-
Amortisation expense	(13,184)	-
<b>Closing carrying value</b>	<b>18,313</b>	<b>-</b>

#### (c) Changes in estimates

During the financial year, the company assessed estimates used for intangible assets including useful lives, residual values, and amortisation methods.

There were no changes in estimates for the current reporting period.

### Note 19. Tax assets and liabilities

#### (a) Current tax

	2023 \$	2022 \$
Income tax payable	46,997	11,839

#### (b) Deferred tax

Movement in the company's deferred tax balances for the year ended 30 June 2023:

	30 June 2022 \$	Recognised in P & L \$	30 June 2023 \$
<i>Deferred tax assets</i>			
- Expense accruals	10,801	1,429	12,230
- Lease liability & Right of use asset	6,010	5,281	11,291
- Property, plant & equipment	-	2,567	2,567
- Employee provisions	14,491	1,199	15,690
<b>Total deferred tax assets</b>	<b>31,302</b>	<b>10,476</b>	<b>41,778</b>

## Notes to the financial statements (continued)

### Note 19. Tax assets and liabilities (continued)

#### (b) Deferred tax (continued)

	30 June 2022 \$	Recognised in P & L \$	30 June 2023 \$
<i>Deferred tax liabilities</i>			
- Prepayments	(1,865)	(1,434)	(3,299)
- Accrued income	(11)	(448)	(459)
- Franchise fee	(1,058)	(225)	(1,283)
- Property, plant & equipment	(10,079)	10,079	-
<b>Total deferred tax liabilities</b>	<b>(13,013)</b>	<b>7,972</b>	<b>(5,041)</b>
<b>Net deferred tax assets</b>	<b>18,289</b>	<b>18,448</b>	<b>36,737</b>

Movement in the company's deferred tax balances for the year ended 30 June 2022:

	30 June 2021 \$	Recognised in P & L \$	30 June 2022 \$
<i>Deferred tax assets</i>			
- Expense accruals	8,262	2,539	10,801
- Lease liability & Right of use asset	2,886	3,124	6,010
- Employee provisions	12,766	1,725	14,491
<b>Total deferred tax assets</b>	<b>23,914</b>	<b>7,388</b>	<b>31,302</b>
<i>Deferred tax liabilities</i>			
- Prepayments	(1,718)	(147)	(1,865)
- Accrued income	(17)	6	(11)
- Franchise fee	(833)	(225)	(1,058)
- Property, plant & equipment	(3,367)	(6,712)	(10,079)
<b>Total deferred tax liabilities</b>	<b>(5,935)</b>	<b>(7,078)</b>	<b>(13,013)</b>
<b>Net deferred tax assets</b>	<b>17,979</b>	<b>310</b>	<b>18,289</b>

### Note 20. Trade and other payables

	2023 \$	2022 \$
<i>Current liabilities</i>		
Trade creditors	3,216	17,659
Salary & wages payable	17,618	33,954
GST payable/(receivable)	(4,037)	16,154
PAYG withheld from wages	5,998	5,452
Community investments accrued	21,046	-
Accounting & audit fees accrued	10,256	9,250
	<b>54,097</b>	<b>82,469</b>

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. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.



## Notes to the financial statements (continued)

### Note 21. Franchise fee payable

	2023 \$	2022 \$
<i>Current liabilities</i>		
Franchise fee payable within 12 months	-	14,082
	-	<b>14,082</b>
<i>Non-current liabilities</i>		
Franchise fee payable after 12 months	-	-
	-	-
<b>Total franchise fee payable</b>	<b>-</b>	<b>14,082</b>

The franchise fee payable at 30 June 2022 was deducted from the revenue share for November 2022. This was the final payment under the current franchise agreement which runs until 18 November 2023.

### Note 22. Lease liabilities

Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate on the adoption date. The discount rate used on recognition was 4.5%

The discount rate used in calculating the present value of enforceable future payments takes into account the particular circumstances applicable to the underlying leased assets (including the amount, lease term, economic environment, and other relevant factors).

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

#### (a) Lease Portfolio

The company's lease portfolio includes:

Lease	Details
Gisborne Branch	The lease agreement is a non-cancellable lease with an initial term of five years which commenced in November 2018.

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

#### (b) Lease Liabilities

Lease liabilities are presented in the statement of financial position as follows:

	2023 \$	2022 \$
Current	29,306	67,422
Non-current	-	29,306
	<b>29,306</b>	<b>96,728</b>

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2023 were as follows:

	Minimum lease payments due				Total
	< 1 Year	1 - 2 Years	3 - 5 Years	> 5 years	
<b>30 June 2023</b>					
Lease payments	29,636	-	-	-	29,636
Finance charges	(330)	-	-	-	(330)
<b>Net present values</b>	<b>29,306</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,306</b>

## Notes to the financial statements (continued)

### Note 22. Lease liabilities (continued)

#### (b) Lease Liabilities (continued)

	Minimum lease payments due				Total
	< 1 Year	1 - 2 Years	3 - 5 Years	> 5 years	
<b>30 June 2022</b>					
Lease payments	70,405	29,636	-	-	100,041
Finance charges	(2,983)	(330)	-	-	(3,313)
<b>Net present values</b>	<b>67,422</b>	<b>29,306</b>	<b>-</b>	<b>-</b>	<b>96,728</b>

### Note 23. Employee benefits

	2023 \$	2022 \$
<i>Current liabilities</i>		
Provision for annual leave	42,300	36,379
Provision for long service leave	16,122	14,527
	<b>58,422</b>	<b>50,906</b>
<i>Non-current liabilities</i>		
Provision for long service leave	4,337	7,057
	<b>4,337</b>	<b>7,057</b>

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

#### Employee attrition rates

The company uses historical employee attrition rates in determining the probability of an employee, at a given date, achieving continuous employment eligible for entitlement in accordance with long service leave legislation.

In the absence of sufficient historical employee attrition rates, the company applies a benchmark probability rate from across the Community Bank network to factor in estimating the probability of an employee, at a given date, achieving continuous employment eligible for entitlement in accordance with legislation.

### Note 24. Make good provision

	2023 \$	2022 \$
Make-good on leased premises	47,782	45,683
	<b>47,782</b>	<b>45,683</b>

In accordance with the branch lease agreement, the company must restore the leased premises to the original condition before the expiry of the lease term. The company has estimated the provision based on experience and consideration of the expected future costs to remove all fittings and the ATM as well as cost to remedy any damages caused during the removal process. The lease is due to expire on 18 November 2023 at which time it is expected the face-value costs to restore the premises will fall due.

## Notes to the financial statements (continued)

### Note 25. Issued capital

#### (a) Issued capital

	2023		2022	
	Number	\$	Number	\$
Ordinary shares - fully paid	723,214	723,214	723,214	723,214
Less: equity raising costs		(18,448)	(18,448)	
	<b>723,214</b>	<b>704,766</b>	<b>723,214</b>	<b>704,766</b>

Ordinary shares are classified as equity.

#### (b) Rights attached to issued capital

##### *Voting rights*

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

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

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

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

##### *Dividends*

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

##### *Transfer*

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

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

##### *Prohibited shareholding interest*

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 208. As at the date of this report, the company had 213 shareholders (2022: 213 shareholders).

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

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

## Notes to the financial statements (continued)

### Note 25. Issued capital (continued)

#### (b) Rights attached to issued capital (continued)

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

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

### Note 26. Retained earnings

	Note	2023 \$	2022 \$
Balance at the beginning of the reporting period		47,459	6,447
Profit for the year after income tax		183,860	113,333
Dividends paid	31	(72,321)	(72,321)
<b>Balance at the end of the reporting period</b>		<b>158,998</b>	<b>47,459</b>

### Note 27. Cash flow information

Reconciliation of cash flows from operating activities

	2023 \$	2022 \$
Profit for the year after income tax	183,860	113,333
<i>Non-cash flows in profit</i>		
- Depreciation	54,939	49,209
- Amortisation	99,633	87,451
- Net loss on disposal of property, plant & equipment	5,494	-
<i>Changes in assets and liabilities</i>		
- (Increase) / decrease in trade and other receivables	(49,032)	(8,409)
- (Increase) / decrease in prepayments and other assets	(5,740)	(589)
- (Increase) / decrease in deferred tax asset	(18,448)	(310)
- Increase / (decrease) in trade and other payables	(28,372)	11,503
- Increase / (decrease) in current tax liability	35,158	2,478
- Increase / (decrease) in employee benefits	4,796	6,899
<b>Net cash flows provided by operating activities</b>	<b>282,288</b>	<b>261,565</b>

### Note 28. Financial instruments

The following shows the carrying amounts for all financial instruments at amortised costs. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.



## Notes to the financial statements (continued)

### Note 28. Financial instruments (continued)

	Note	2023 \$	2022 \$
<i>Financial assets</i>			
Trade and other receivables	13	175,052	126,020
Cash and cash equivalents	12	445,749	321,066
Term deposits	14	292,149	292,149
		<b>912,950</b>	<b>739,235</b>
<i>Financial liabilities</i>			
Trade and other payables	20	54,097	82,469
Franchise fee payable	21	-	14,082
Lease liabilities	22	29,306	96,728
		<b>83,403</b>	<b>193,279</b>

### Note 29. Related parties

#### (a) Details of 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 only key management personnel identified for the company are the Board of Directors, the members of which are listed in the Directors' report.

#### (b) Key management personnel compensation

No Director of the company receives remuneration for services as a company director or committee member. These positions are held on a voluntary basis.

#### (c) Transactions with key management personnel and 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.

No key management personnel or related party has entered into any contracts with the company.

#### (d) Key management personnel shareholdings

The number of ordinary shares in the company held by each key management personnel during the financial year has been disclosed in the Director's Report.

#### (e) Other key management transactions

There has been no other transactions key management or related parties other than those described above.

### Note 30. Auditor's remuneration

The appointed auditor of Macedon Ranges Community Enterprises Ltd for the year ended 30 June 2023 is Andrew Frewin Stewart. Amounts paid or due and payable to the auditor are outlined below.

	2023 \$	2022 \$
<i>Audit and review services</i>		
Audit and review of financial statements - Andrew Frewin Stewart	6,962	5,850
<b>Total auditor's remuneration</b>	<b>6,962</b>	<b>5,850</b>

## Notes to the financial statements (continued)

### Note 31. Dividends provided for or paid

The following dividends were provided for and paid to shareholders during the reporting period as presented in the statement of changes in equity and statement of cash flows.

	2023		2022	
	Cents	\$	Cents	\$
Fully franked dividend	10.00	72,321	10.00	72,321
<b>Dividends provided for and paid during the year</b>	<b>10.00</b>	<b>72,321</b>	<b>10.00</b>	<b>72,321</b>

The tax rate at which dividends have been franked is 25% (2022: 25%).

### Note 32. Franking account balance

	2023 \$	2022 \$
<i>Franking credits available for subsequent reporting periods</i>		
Franking account balance at the beginning of the financial year	92,088	80,136
Franking transactions during the financial year:		
- Franking credits arising from income taxes paid	41,316	36,059
- Franking debits from the payment of franked distributions	(24,107)	(24,107)
<b>Franking credits available for future reporting periods</b>	<b>109,297</b>	<b>92,088</b>

The ability to utilise franking credits is dependent upon the company's ability to declare dividends.

### Note 33. Earnings per share

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	2023 \$	2022 \$
Profit attributable to ordinary shareholders	183,860	113,333
	Number	Number
Weighted average number of ordinary shares	723,214	723,214
	¢	¢
Basic and diluted earnings per share	25.42	15.67

### Note 34. Subsequent events

There have been no significant events after the end of the financial year that would have a material impact on the financial statements or the company's state of affairs.

### Note 35. Commitments & Contingencies

Any commitments for future expenditure associated with leases are recorded in Note 23. Details about any capital commitments are detailed in Note 17(c).

There were no contingent assets or liabilities at the date of this report that would have an impact on the financial statements.

## Notes to the financial statements (continued)

### Note 35. Commitments & Contingencies (continued)

	2023 \$	2022 \$
<i>Commitments at reporting date</i>		
<b>Not otherwise provided for or disclosed in the financial statements:</b>		
Sponsorships and Grants approved by the Board:		
Sponsorship of the Riddell District Football Netball League for 2023 and 2024	-	35,000
Macedon Tennis Club - Fencing	20,000	-
Cobaw Youth Space Project	96,893	-
Macedon Ranges Shire Council - Biolink Boost Grant	20,000	-
Macedon Ranges Music Festival	4,800	-
Gisborne Lions Club	6,000	-
Sponsorships	10,000	-
	<b>157,693</b>	<b>35,000</b>

### Note 36. Company Details

The registered office of the company is:

Macedon Ranges Community Enterprises Ltd      11 Nexus Way, Gisborne VIC 3437

The principal place of business is:

Gisborne Branch      11 Nexus Way, Gisborne VIC 3437

# Directors' declaration

For the financial year ended 30 June 2023

In accordance with a resolution of the directors of Macedon Ranges Community Enterprises Ltd, we state that:

In the opinion of the directors:

- (a) The financial statements and notes of the company are 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 2023 and of its performance for the financial year ended on that date; and
  - (ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable

This declaration is made in accordance with a resolution of the board of directors.

*Dominic Andreacchio*

**Dominic Andreacchio**  
**Chairman**

Dated this 15th day of September, 2023



# Independent audit report



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

## Independent auditor's report to the Directors of Macedon Ranges Community Enterprises Ltd

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Macedon Ranges Community Enterprises Ltd (the company), which comprises:

- Statement of financial position as at 30 June 2023
- Statement of profit or loss and other comprehensive income
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements, including a summary of significant accounting policies
- The directors' declaration of the company.

In our opinion, the accompanying financial report of Macedon Ranges Community Enterprises Ltd, 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 2023 and of its financial performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

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

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

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



[afsbendigo.com.au](http://afsbendigo.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.



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### Other Information

The other information comprises the information included in the company's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon. The annual report may also include "other information" on the company's operations and financial results and financial position as set out in the financial report, typically in a Chairman's report and Manager's report, and reports covering governance and shareholder matters.

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

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

Our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If we identify that a material inconsistency appears to exist when we read the annual report (or become aware that the other information appears to be materially misstated), we will discuss the matter with the directors and where we believe that a material misstatement of the other information exists, we will request management to correct the other information. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Report

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

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

The directors are responsible for overseeing the company's financial reporting process.

### Auditor's responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists.

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Misstatement can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

**Andrew Frewin Stewart**  
61 Bull Street, Bendigo, Vic, 3550  
Dated: 15 September 2023

A handwritten signature in black ink, appearing to read 'Joshua Griffin'.

**Joshua Griffin**  
Lead Auditor

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