

Annual Report 2022

Manningham Community
Enterprises Limited

Community Bank
Doncaster East and Templestowe
Village

ABN 69 101 174 270



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Chairman's report

For year ending 30 June 2022

Banking is our business...Community is our focus.

Yet another year of writing a Chair report amidst the impact of the pandemic on our broader community, our local community and the many many individuals who continue to be affected in so many ways by these cruel and unusual times.

Whilst many services and sporting organisations have begun to return to "normal" operating conditions, the long-term impact of the last few years of turmoil is continuing to rear its head. Social need in the Manningham community continues on its upward trajectory with youth mental health and food insecurity just two aspects of today's life that have been severely negatively impacted. In a year where historically low interest rates have continued to impact on margins, your company has been able to limit its profit decline whilst continuing to feed into the Manningham community's need for support and assistance.

Your Board once again ensured that our focus for the year was on business growth whilst also ensuring that our efforts in the community were focused on helping those organisations and individuals most affected by COVID-19. Significant assistance was provided to organisations such as Doncare, Onemda, MannaCare, Kevin Heinze Grow, Living & Learning@Ajani, MC CareNet, and the Templestowe and Manningham Rotary Clubs to name just a few, all of whom provide direct support into the Manningham community.

Total business volume for Community Bank Doncaster East and Templestowe Village rose by just \$3.3 million with deposits growing by \$28.1 million and were it not for the redomiciling of a \$44.0 million loan from the Doncaster East branch to a Queensland branch of Bendigo Bank, the combined loan book of the two branches would have risen by \$19.2 million. As it was, the loan volume fell by \$24.8 million due to this loan being redomiciled.

Our amazing staff have continued to provide outstanding service to our valued customers and our community, with the leadership of our Doncaster East Senior Manager, Paul Thompson and our Templestowe Village Branch Manager, Lilian Gomes ensuring that everything possible was done to grow our business, despite increasing competition and the generally weak financial environment.

We say it every year, but it remains as true today as it ever has. The amazing commitment, professionalism, integrity, determination and compassion of our staff, stands us head and shoulders above not just other banks but above most other businesses.

On behalf of all our stakeholders, I thank and congratulate each and every one of them for their outstanding efforts over this past year!

It was only towards the end of the financial year that face-to-face interactions allowed us to be out and about in the Manningham community but social media, email, phone calls, Zoom and other communication mediums meant that we were able to ensure that our community knew we were here for them should our assistance be required.

The maintenance of a strong financial result in 2021/22 allowed us to provide significant sponsorship contributions and Community Enterprise Foundation™ grants during the year such that we took our total sponsorship payments to \$2.406 million and our Community Enterprise Foundation™ grants to \$2.295 million since Community Bank Doncaster East first opened in March of 2003.

Chairman's report (continued)

Financial Results

The Operating result for 2021/22 decreased slightly from \$324,730 to \$280,645 with total revenue decreasing by \$30,375 or 1.1% despite the increase in our business volume of \$3.3 million or 0.6%.

Margin, Fee and Commission Income increased by \$15,125 or 0.6% whilst Government pandemic support and rent concessions fell from \$41,809 in the previous financial year to zero in 2021/22.

Although expense management has continued to be a focus this year, your Board has also worked to ensure that the necessary staffing resources have been available to enable every new business opportunity to be given adequate energy to optimize the outcomes. As such, Total Expenses increased by \$254,298 or 13.6% but the continuing impact of the new accounting standard for leases also impacted this figure.

Your Board

It was again a great privilege to be the Chair of such an outstanding Board with a group of Directors, Board Associates and Support Officers whose commitment, expertise, passion, dedication and professionalism never ceases to amaze me, and is one of the reasons why our company is so successful and an outstanding example of what the Community Bank model can achieve.

My sincere appreciation goes to your 2021/22 Board of Directors – Geoff Roberts (Vice Chair), Ray Barrington, Max Chapman, Rod Davitt (Treasurer), Deirdre Diamante, Brad Dodemond, Nick Furlong, Simon Lewis and Victoria Paouros (Company Secretary).

We were also fortunate to have Emma Lillis, Themis Nerantzoulis and Sulaymaan Hafeez attending Board and Committee meetings throughout 2021/22, adding a very considered Youth perspective to all deliberations.

Board Committees

The Marketing Committee of Carly Kluge, Ray Barrington, Paul Thompson, Lilian Gomes, Lisa Jones and led by Geoff Roberts has continued to ensure that we maximize every opportunity to grow our business in the face of very difficult times.

The Committee again embraced the challenge of marketing in a time of great uncertainty but has nonetheless provided significant support to our branch teams, whilst also working to assist the short-term survival of our partner organisations and their long-term growth and development post the pandemic.

The limited opportunities to interact directly with our community partners over the past year presented a challenge for our Marketing Committee but the special skill set and expertise that Carly Kluge brings to our organisation was crucial in continuing the momentum of our marketing thrust. Carly's unique set of skills provides our company with expertise that we would otherwise be unable to access and on behalf of all Board members and staff, I thank her sincerely for her ongoing input to the growth and development of Manningham Community Enterprises Limited (MCEL).

The Human Resources Committee of Geoff Roberts, Ray Barrington, Brad Dodemond, Paul Thompson and led by Simon Lewis continues to support our Managers and staff to ensure that they are able to concentrate their efforts into business development knowing that the HR Committee is there to support them.

The Governance Committee of Victoria Paouros, Brad Dodemond, Nick Furlong, Rod Davitt and led by Deirdre Diamante again continued to provide a Governance Framework that has ensured the robust oversight of all MCEL activities the provision of a superb framework for the strategic leadership of the company during 2021/22 and into the future.

The Finance Committee of Geoff Roberts, Max Chapman, Pam Tremlett and Paul Thompson, under the leadership of Rod Davitt and supported by the superb work of our Bookkeeper Pam Tremlett, has continued to add rigour to MCEL's financial stewardship.

Pam Tremlett's accurate, timely and relevant financial reporting, analysis and advice to the Committee and the Board is an invaluable asset that ensures that the Board's decision making on financial matters is always undertaken with appropriate data. On behalf of all Board members and staff, I thank Pam for her wonderful commitment to MCEL.

Chairman's report (continued)

The Youth Engagement Committee of Victoria Paouros, Brad Dodemond and Nick Furlong has again been severely curtailed in its activity this year due to the impact that the pandemic has had on schooling, but work is underway now that the situation is easing, to gain traction at East Doncaster Secondary College and to work with the Rotary Clubs in Manningham and Manningham Council's Youth Advisory Committee to engage in a meaningful way with the Youth of Manningham to make a difference to youth issues.

Our future focus

Here for GOOD!

2021/22 saw a slowing of our growth trajectory even though this was in large part due to the redomiciling of one large loan. We are now a business of \$557 million and continue on a course to ultimately exceed \$1 billion and be the bank of choice in the Manningham community as relationships with our community partners remain strong and we continue to forge new relationships as people and organisations come to understand the benefits of the Community Bank model.

Relationships with many levels within Bendigo and Adelaide Bank (BABL) at both the Head Office, State and Regional level remain strong and a number of members of our Board have taken up roles within the Community Bank structure at BABL.

Our Board is committed to the Manningham community and to continuing to provide over the counter branch banking to the community despite the ever-increasing availability of digital banking options. We recognise the needs of those who cannot or do not wish to access digital banking and that sometimes there simply must be a face-to-face banking alternative to the online world. To this end there are plans afoot to completely re-develop the Doncaster East branch now that the Templestowe Village branch has been given a re-branding overhaul.

We are here for Good!

Recent interest rate rises by the Reserve Bank have resulted in increased margins that are likely to positively affect our bottom line in 2022/23 and with our ability to be out and about in the community, your Board and staff will continue to work tirelessly for your Community Bank and all we ask in return is that you also take every opportunity to advocate on our behalf.

Finally, I want to acknowledge all of my fellow Board members, Board attendees, our Support staff of Carly and Pam and our branch staff as it is their hard work, enthusiasm, passion, commitment and professionalism that makes being a part of this amazing banking model so rewarding and such a privilege.



Ian Goldsmith
Chairman

Senior Manager's report

For year ending 30 June 2022

Welcome to year 19 of providing a full range of professional banking services to the people of Manningham and surrounding areas.

With, in excess of 45 years in banking, I continue to be amazed at the ongoing success and sustainability of the Community Bank model, and the diversity of the community outcomes it provides.

As at the end of the fiscal year, total business under management held at Community Bank Doncaster East stands at \$340.6 million with total deposits of \$220 million and lending of \$120.6 million maintaining our excellent mix of business.

The greatest satisfaction obtained over the year, is the continued return of funds to our community with contributions totalling \$364,188. We continue to collaborate with local clubs, community groups and organisations to meet the dreams of their members and clients. Since the opening of both branches our total combined community contributions now exceed \$6 million – as I have often said, for a business located in the suburbs of Melbourne, very significant numbers like these are difficult to fathom.

The above results would not be possible without the contributions of our resolute staff, some of whom have achieved a memorable milestone of ten and fifteen years of service. They deserve individual recognition as they are a key driver of our business. To Lisa Jones, Catherine Dole, Tina O'Shea, Manjula Wijesiri and Marilyn Peters, a huge thank you for your personal and professional service.

To our Board of Directors ably led by Chairman Ian Goldsmith, who work tirelessly to support Community Bank Doncaster East and Templestowe Village, I thank you for providing a wonderful working environment for all staff. The management of two bank branches presents numerous challenges, and these challenges have been met head-on together with the Board through an enjoyable working relationship and in an environment of mutual respect.

I remain extremely proud to work for this organisation, and more importantly the substantial contribution it makes to our community.

This is also an appropriate time to reiterate our key message: please continue to spread the word to ensure that the people who live and work in our area, also conduct their banking in our area, for their community. Increased awareness creates increased banking opportunities.



Paul Thompson
Senior Manager

Templestowe Village Manager's report

For year ending 30 June 2022

Community Bank Templestowe Village turned 12 this year which gave us an opportunity to reflect on our journey to date. Undoubtedly, the most important part of this journey has been the relationships formed and further developed with community, customers and partners. While the last two years have been a challenge, we have once again delivered on our goals.

The Community Bank model and message are meaningless unless they are embodied by our staff. To this end, I would like to thank our branch staff, Suganthi Ramalingam, Lauren Bagala, Michelle Ellard, Kim Nihill and Danielle Puna for helping Community Bank Templestowe Village to grow and maintain its position as an important part of the Manningham community. We have had minimal staff turnover at the branch these past few years, and this consistency has assisted in further cultivating relationships with our customers.

Business growth for the year was pleasing in terms of lending as we grew our book by \$8million. However, with rates at historical lows, competition for deposits was strong and significant movements off the balance sheet in July meant we were on the backfoot right from the start, finishing with negative growth for the year.

I am, nevertheless, excited about our 2022/23 prospects. We are re-introducing ourselves to local businesses and the wider community post COVID-19 restrictions, increasing our engagement with community organisations and re-creating an awareness of the Community Bank model which relies on local support to succeed.

As always, a big thank you to our Board and Senior Manager, Paul Thompson, for their continued support of Community Bank Templestowe Village. I would also like to thank our community partners for promoting Bendigo Bank products and services, and most importantly I recognise and thank our customers.

The more we grow, the greater our community input, so I encourage each of you to continue promoting Community Bank Doncaster East and Templestowe Village and the Community Bank model!



Lilian Gomes
Branch Manager, Templestowe Village

Community Investment

Balance Sheet 2021/22



Manningham Community Enterprises Limited



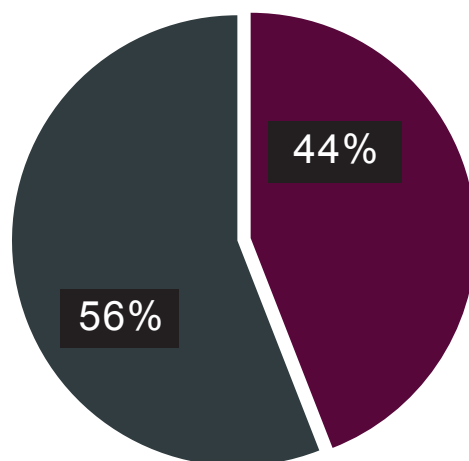
Projects
Funded

50



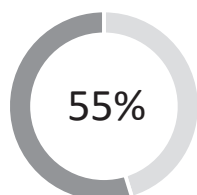
Community
Project
Investment

\$345,988.45



Biggest Impact Area

Sport & Recreation

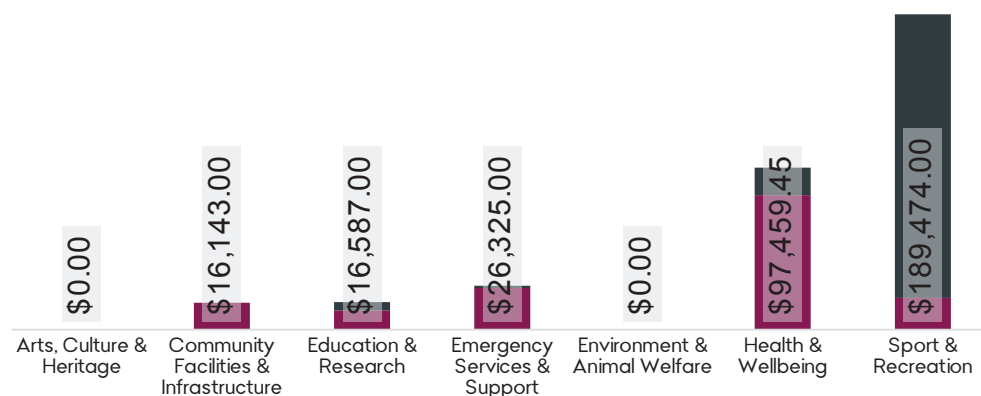


Total Investment by Theme:

Grants	\$152,489.45
Sponsorships	\$193,499.00

Total Investment by Sector:

- Donations
- Grant
- Sponsorships



Branches

Community Bank Doncaster East

Community Bank Templestowe Village

Bendigo and Adelaide Bank Limited, ABN 11 068 049 178 Australian Credit Licence 237879. (1510535-1510853) (09/20)



Community Bank

Community Investment

Balance Sheet 2021/22



VIC Metro and VIC Regional



Projects
Funded

2872

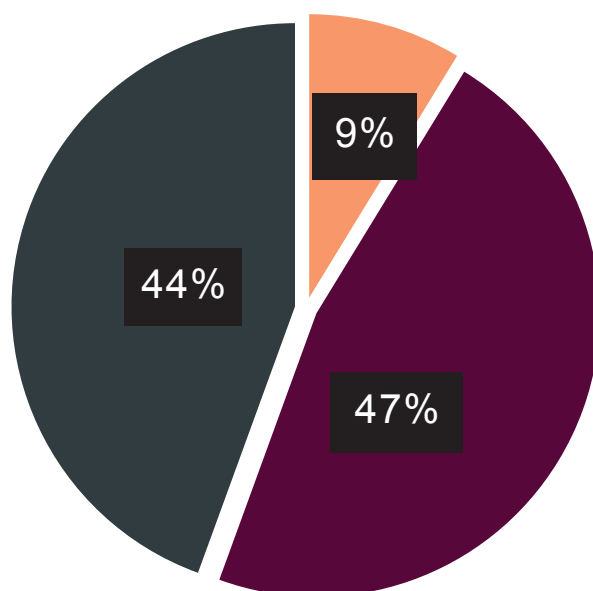
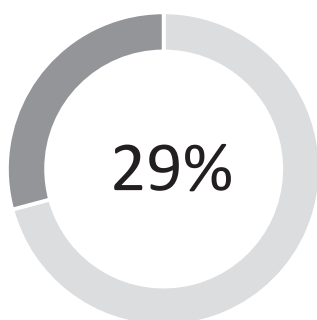


Community
Project
Investment

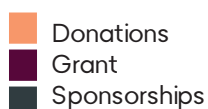
\$9,925,135.91

Biggest Impact Area

Sport & Recreation



Total Investment by Sector:



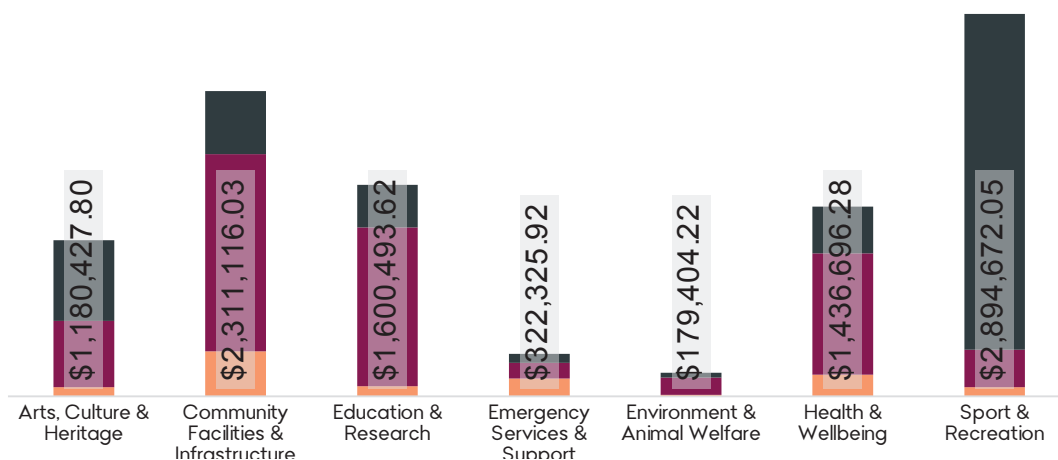
Total Investment

by Theme:

Donations \$867,376.07

Grants \$4,647,281.85

Sponsorships \$4,410,477.99



Bendigo and Adelaide Bank Limited, ABN 11 068 049 178 Australian Credit Licence 237879. (1510535-1510853) (09/20)

Community Investment

Balance Sheet 2021/22



National



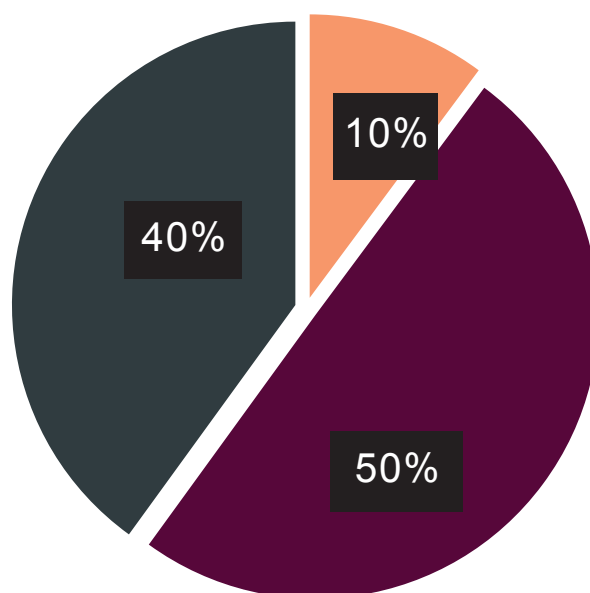
Projects
Funded

5728



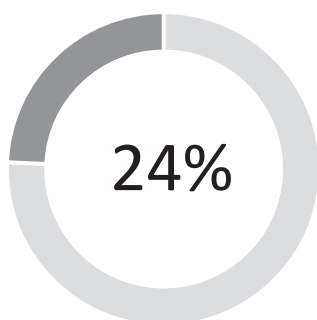
Community
Project
Investment

\$1 9,339,1 98.21

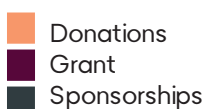


Biggest Impact Area

Sport & Recreation



Total Investment by Sector:



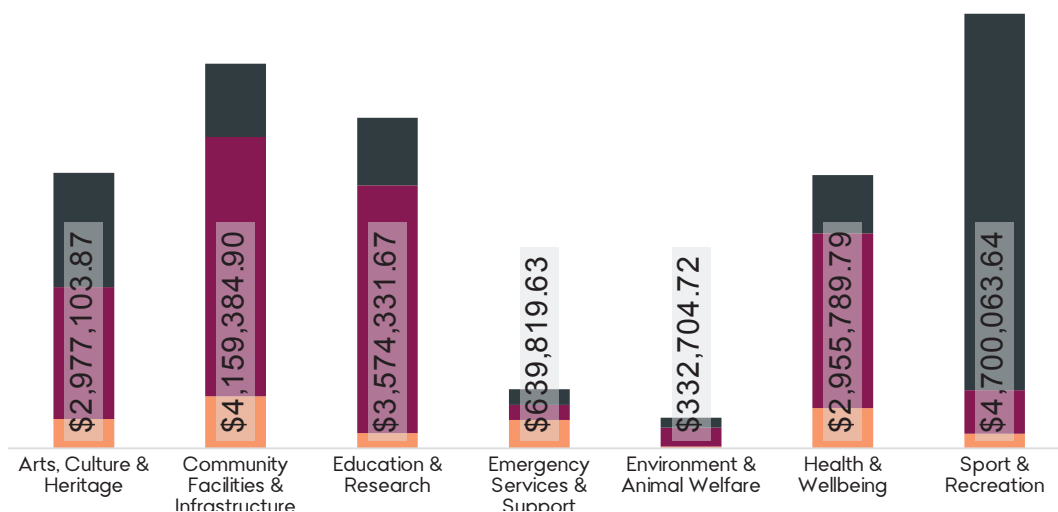
Total Investment

by Theme:

Donations \$1,966,815.07

Grants \$9,635,190.97

Sponsorships \$7,737,192.17



Bendigo and Adelaide Bank Limited, ABN 11 068 049 178 Australian Credit Licence 237879. (1510535-1510853) (09/20)

Making an impact in our local community



The 2021-22 year saw the launch of the Jim Christie Scholarship Program, as well as Manningham Community Enterprises Limited's continued support of a diverse range of clubs, sporting groups and charitable organisations through the grant and sponsorship programs. Pictured below is a snapshot of some project highlights.



▲ With many locals in our community facing difficult times, we were thrilled to provide Living and Learning @ Ajani with a grant for \$18,240 to stock their Food Pantry. MCEL Chairman, Ian Goldsmith is pictured here with Ajani's Kalli Taifalos.



▲ The Australian Cricket Society is a statewide organisation that promotes and supports excellence in junior cricket. We are proud to sponsor the Junior Cricket Academy which gives all kids with cricket talent the opportunity to follow a professional pathway and pursue their goals.



▲ MCEL sponsored the Doncaster Bowling Club to upgrade their scoreboards and install a state-of-the-art AV speaker system for their club.



▲ Past Beverley Hill JFC player and 2021 Brownlow Medallist, Christian Petracca joins Jim Pahos and Ian Goldsmith with the Premiership Cup at the BHJFC Family Day.



▲ Chairman, Ian Goldsmith and Vice Chair, Geoff Roberts were thrilled to join Kookaburra's player, Josh Simmonds and the Doncaster Hockey Club for their season launch and the unveiling of the Electronic Scoreboard – one of the many projects funded through the MCEL sponsorship program.

▼ We were thrilled to present the 2022 Ray Lord award to Liz and Anthony Philips of The Philips Foundation. Pictured here with Ian Goldsmith, Jean Lord and Geoff Roberts – Liz and Anthony's efforts both here and abroad have been outstanding.



▲ Our sponsorship of the Doncaster Junior Football Club continues to grow with increasing numbers of players – both boys and girls – hitting the field in the YJFL each Sunday.



▲ Tina in Doncaster East and Michelle in Templestowe Village showcase the hundreds of gifts donated to EDVOS (Eastern Domestic Violence Service) as part of the 2021 Toy Drive. The team at EDVOS were overwhelmed by the generosity of our customers, staff and Board.



▲ In February 2022, the Jim Christie Scholarship Program was launched, providing financial support for local community-minded students during their tertiary or TAFE studies. In 2022, the scholarship was awarded to Eryn Saunders of Bulleen. Jim Christie is pictured here with MCEL Chairman, Ian Goldsmith and MCEL Director, Deirdre Diamante.



▲ The Beverley Hills Junior Football Club Sponsors Breakfast was another great event and an opportunity for our Senior Branch Manager, Paul Thompson and Templestowe Village Branch Manager, Lilian Gomes to meet champion Carlton Footballer, Marc Murphy.



▲ Our sponsorship of the Bulleen Boomers Basketball Club spans both the Big V senior teams and the junior club which has in excess of 1,400 junior players. Branch Manager, Lilian Gomes is pictured here with two of the champion players, Malik Price-Martin and Louella Tomlinson.



▲ With the gradual easing of restrictions on large gatherings it was wonderful to be able to host events again. Some members of our team gathered for a photo at the 2022 Business Breakfast with guest speaker David Robertson. Pictured from L to R: Ian Goldsmith, Paul Thompson, Lisa Jones, Suganthi Ramalingam, Lilian Gomes, Carly Kluge, Geoff Roberts and Jim Christie.



▲ Community Bank Doncaster East and Templestowe Village took home seven awards at the 2022 Bendigo Bank Region Awards – with Templestowe Village crowned "Branch of the Year" and Paul Thompson receiving the "Community Engagement Award". Outstanding!

▼ MCEL proudly supports a range of initiatives at Onemda, including funding a vehicle for their mobile therapy team, allowing clients of Onemda to receive a range of therapy treatments at home.



◀ Our support of junior football and female football continues to grow, with sponsorships of many junior football clubs across Manningham – including the Bulleen Templestowe Junior Football Club.



► MCEL has continued its long-term sponsorship of the Rotary Club of Templestowe Primary School Speech Competition which reaches 13 local schools across Manningham.



▲ The RSL Club in Templestowe Village received a grant for new furniture in their club. President Ron Twining invited our Templestowe Village team members Michelle and Lauren for a tour of the new chairs and tables to thank them for their support.

▼ As part of our sponsorship of the Bulleen Boomers Basketball Club, 1200 of these junior basketballs were distributed to kids throughout Manningham Primary Schools. The initiative was to encourage kids to get active and try basketball! Our Templestowe Village team – Michelle, Lauren, Dani, Kim and Lilian were keen supporters of the program.



▲ Our support of the Women's Friendship Group continued, with sponsorship funds to ensure they can regularly catch up and participate in health and wellbeing activities.



▲ We were fortunate to have local artist, Robert Young paint a mural of the walkway adjacent to Community Bank Templestowe Village. The mural, named "Together We Rise", represents the rejuvenation of new life, with the totems depicted the spiritual protectors of gathering and community.

Bendigo and Adelaide Bank report

For year ending 30 June 2022

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

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

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

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

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

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

Warmest regards,



Justine Minne
Bendigo and Adelaide Bank

Community Bank National Council report

For year ending 30 June 2022

As a shareholder in your local Community Bank, you are part of this incredible social network that is playing an increasingly important role in the Australian economy.

The Community Bank network was a first mover in Australia with its unique social enterprise model. The first Community Bank opened its doors in 1998, and since then, the network has grown to 307 Community Bank branches.

The network represents a diverse cross-section of Australia with 240 social enterprises, 70,000+ shareholders, 1600+ volunteer Directors, 1600+ staff and 905,000 customers located in metro, regional, rural and remote locations across the country. It's not uncommon to visit a country town and see the Community Bank logo affixed to public amenities; at the front of schools, and on the perimeter of sporting clubs – such is the breadth and depth of our investments over the years.

The Community Bank network invests via grants, donations and sponsorships that connect with and care for generations of Australians. Funding programs range from sport, scholarships and school programs, through to community groups, cultural organisations and local councils. The Community Bank influence further extends to facilitating and attracting other partners to help subsidise much needed community projects.

The relationship with the Bank, which has been fashioned out of shared effort, risk and reward, is clearly a philosophy that works. Also supporting the network, is the Community Bank National Council (CBNC), which advocates and influences on behalf of the 240 community enterprises with its partners.

The three strategic pillars of the 2022-23 CBNC strategy are to:

- Develop a community network strategy to ensure the ongoing sustainability of our community enterprises
- Advocate for and champion the uniqueness and value of our social enterprises
- Unite the network to leverage our community presence and amplify our community impact

All Directors and shareholders should feel proud of the network which has collectively delivered enormous impact in our local communities.

We are community builders and investors with a national presence, whilst still retaining grass roots community connections. It's through this unique point of difference, and the commitment of our directors and shareholders, that we are well positioned to embrace the change that is upon us.

Next year our Community Bank network celebrates 25 years, but in many respects, it's only the beginning for our collective of social enterprises.

Warm regards



Sarah Franklyn
CBNC Chair

Directors' report

For the financial year ended 30 June 2022

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

Directors

The directors of the company who held office during the financial year and to the date of this report are:

Ian Graham Goldsmith

Chairman

Occupation: Chief Executive Officer

Qualifications, experience and expertise: Ian has over 45 years' experience in the hospital, aged care, ambulance and health insurance sectors in senior executive positions. He is a Certified Practising Accountant (CPA) and is currently Chief Executive Officer of Edith Bendall Lodge Aged Care in Pascoe Vale. Ian is also the President and Treasurer of the Rotary Club of Manningham, Treasurer of the Business Excellence Awards of Manningham and has been a Rotarian for 23 years and a Board Member for 21 years.

Special responsibilities: Member of CEF Committee, Marketing Committee, Governance Committee, Finance Committee, Human Resources Committee and Youth Engagement Committee

Interest in shares: 32,500 ordinary shares

Geoffrey Bruce Roberts

Deputy Chairman

Occupation: Consultant/Investor

Qualifications, experience and expertise: Geoff has had over forty years of experience in the manufacturing, distribution, clothing and footwear industries having worked as a Senior Marketing Executive with the McPherson Group of companies, Director with the Yakka Group and more recently with Oliver Footwear. Whilst in these roles he also sat on many Industry boards. He has significant community involvement with his work with Rotary International. His qualifications include a Graduate Diploma of Business studies and has attended many professional development programs over the years.

Special responsibilities: Chair of Marketing Committee, Member of Finance Committee

Interest in shares: 5,000 ordinary shares

Victoria George Paouros

Company Secretary

Occupation: Senior Analyst - Australian Public Service

Qualifications, experience and expertise: Victoria is an experienced federal public servant and is currently employed as a Senior Analyst at the Australian Competition and Consumer Commission. Victoria has been part of the MCEL team since she participated in the Company's inaugural Junior Observer Program in 2009. Since then, she has occupied a number of roles including; Minute Secretary, Company Secretary, Youth Engagement Committee Chair and Director. She holds a number of qualifications, including a Bachelor of Laws (Hons), an Advanced Diploma of Management (HR), a Diploma of Business, a Certificate IV in Training and Education and a Certificate in Governance Practice. Victoria has also received the Rotary Youth Leadership Award.

Special responsibilities: Member of Youth Engagement Committee and Governance Committee

Interest in shares: nil share interest held

Directors' report (continued)

Directors (continued)

Raymond Bruce Barrington

Non-executive director

Occupation: Retired

Qualifications, experience and expertise: Raymond has had 10 years of banking and finance experience in ES&A and ANZ Bank. He has a wealth of experience in small business having run the family business for 20 years. He has been a Board Member of MannaCare from 2009 to present.

Special responsibilities: Member of Human Resources Committee, Marketing Committee and Premises Committee

Interest in shares: 7,501 ordinary shares

Colin Roderick Davitt

Non-executive director

Occupation: Director

Qualifications, experience and expertise: Rod brings extensive experience across a range of industries following more than 30 years working with leading Australian and international blue-chip companies, including those in banking and finance. Rod's skill base includes corporate governance, accounting, business and strategic planning and risk management. He holds degrees in Business (Accounting) and Economics, is a Fellow of CPA Australia (FCPA) and a graduate of the Australian Institute of Company Directors (GAICD).

Special responsibilities: Chair of Finance Committee, Member of Governance Committee

Interest in shares: nil share interest held

Simon David Lewis

Non-executive director

Occupation: Chief Executive Officer of Onemda

Qualifications, experience and expertise: Simon is committed to building stronger, inclusive, and more diverse communities through innovation, collaboration and harnessing the potential of others. As the Chief Executive Officer of Onemda, Simon has developed extensive experience and knowledge in the disability sector for over twenty-five years through a wide variety of leadership roles in the areas of intellectual disability, mental health, physical impairment and acquired brain injury. Throughout his career, his focus has been on building better communities for all through forging partnerships, relationships and opportunities with community groups, government and local enterprise to raise awareness and to enhance the valued status of people with a disability. In 2001, Simon was awarded with the Ethel Tembley Study Scholarship where he went on to complete a Graduate Diploma in Disability Studies (Leadership) at Deakin University in 2004. In 2015, he was awarded with the Winston Churchill Fellowship which enabled him to undertake a study tour to Canada, USA and Peru. Currently, Simon is completing a Master of Business Management (Leadership and Innovation) at Ducere Global Business School and Torrens University. Simon has held various roles throughout his career focused on a range of local, regional and national advisory committees.

Special responsibilities: Chair of Human Resources Committee

Interest in shares: nil share interest held

Bradley Dodemond

Non-executive director

Occupation: Senior Human Resources Business Partner

Qualifications, experience and expertise: Brad has over 12 years' experience as a Human Resources professional both in Australia and North America. He currently works as a Senior Human Resources Business Partner at Eastern Health. He possesses a number of qualifications including a Master of Business Management (MBA), Master of Human Resources Management and a Bachelor of Business (Human Resources). Brad commenced his MCEL journey in January 2018 as part of the Company's inaugural Future Directors Program offered in partnership with La Trobe University.

Special responsibilities: Chair of Youth Engagement Committee, Member of Human Resources Committee and Governance Committee

Interest in shares: nil share interest held

Directors' report (continued)

Directors (continued)

Deirdre Elizabeth Diamante

Non-executive director

Occupation: Self-employed

Qualifications, experience and expertise: Deirdre Diamante is the founder and principal of MIA Consulting Services, a government advisory firm, providing procurement, probity and government advisory services to public and private sector clients. Deirdre serves as Immediate Past Chair for the Victorian Council of the Australian Information Industry Association (AIIA) and is the Director and Co-Founder of the #TechDiversity Foundation and serves on its Board. She is also a Board Advisory to a Digital Services Firm and has been a Board Member of Manningham Community Enterprises Ltd since 2018. Deirdre is a Councillor for Manningham City Council, elected in 2020.

Special responsibilities: Chair of Governance Committee

Interest in shares: nil share interest held

Maxwell Chapman

Non-executive director

Occupation: Consultant

Qualifications, experience and expertise: Max has a Bachelor of Commerce, Graduate Diploma of Accounting, CPA.

Retail, Franchising and Retail Property Consultant for 20 years specialising in Large Format Retail. Max has lived in Manningham for over 35 years, initially in Lower Templestowe, and now Donvale. He has been a Committee Member of Doncaster All Abilities Basketball Club for over 16 years and is currently the Treasurer. The Club provides a Basketball Competition for Children and Young Adults with an Intellectual Disability. The Club has over 300 participants ranging from those developing basic skills to those who have been able to represent Victoria and Australian at National International Competitions.

Special responsibilities: Member of the Finance Committee

Interest in shares: nil share interest held

Nicholas Furlong

Non-executive director

Occupation: Corporate Risk and Governance - Investment Management

Qualifications, experience and expertise: Nick works in the corporate risk and governance space within the investment management industry and has developed a robust range of skills and knowledge across the governance, risk and legal function of Australian financial services, specialising in investment management and superannuation. Nick commenced his journey with MCEL in 2014 as a Board Associate, assisting in the management of MCEL's Junior Observer Programs, whilst also sitting as a member of the Governance and Youth Engagement Committees. In addition to his professional experience, Nick also possesses a double bachelor's degree in Business Management, and was a nominated attendee at the Rotary Youth Leadership Award, an intensive leadership development program for young people aged 18 - 30. Nick is the current Minute Secretary for MCEL.

Special responsibilities: Member of Governance Committee and Youth Engagement Committee

Interest in shares: nil share interest held

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

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

Directors' report (continued)

Company Secretary

The Company Secretary is Victoria George Paouros. Victoria was appointed to the position on 14 November 2013.

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 financial year.

Operating results

The profit of the company for the financial year after provision for income tax was:

Year ended 30 June 2022 \$	Year ended 30 June 2021 \$
208,564	245,559

Operating and financial review

Overview of the company

The company is a franchisee of Bendigo Bank providing financial products and services to individuals, businesses and organisations throughout the local area via the Doncaster East and Templestowe Village Community Bank branches. While the branch offers the full suite of Bendigo Bank products and services, margin earnings from loans and deposits are the predominant contributor to company results.

The general nature of the business market for the company remains challenging and issues commented upon for the prior financial years continue to persist. Again, the company endured historically low cash rates set by the Reserve Bank of Australia that resulted in a corresponding decline in interest paid on deposit accounts, continuing the trend of lower than anticipated margins for this product group. Similarly, earnings from loans have made it difficult to achieve anticipated margins notwithstanding a solid year of business growth (footings). The company continues to actively pursue new customers and product offerings to offset the intense competition from major financial service providers in the marketplace.

Key metrics

Five year summary of performance	Unit	2022	2021	2020	2019	2018
Operating revenue	\$	2,652,693	2,683,068	2,691,665	2,683,401	2,527,813
Earnings before interest, tax, depreciation, and amortisation	\$	606,195	575,048	575,777	418,897	395,490
Earnings before interest and tax	\$	333,139	364,310	368,304	349,047	325,956
Net profit after tax	\$	208,564	245,559	227,755	251,744	234,579
Total assets	\$	3,414,570	2,499,204	2,326,060	1,722,893	1,677,573
Total liabilities	\$	2,196,900	1,317,261	1,216,839	376,560	431,752
Total equity	\$	1,217,670	1,181,943	1,109,221	1,346,333	1,245,821
Net cash flow from operating activities	\$	250,050	823,053	428,124	290,955	360,491
Business footings ¹	\$m	558	554	440	412	406

¹ This is a non-IFRS measure of the business domiciled to the company from the franchisor. The footings is the underlying business which generates revenue under the Franchise Agreement. Business footings include loans, deposits, wealth products, and other business.

Directors' report (continued)

Operating and financial review (continued)

Five year summary of performance	Unit	2022	2021	2020	2019	2018
Shareholder returns						
Profit attributable to owners of the company	\$	208,564	245,559	227,755	251,744	234,579
Basic earnings per share	¢	9.65	11.37	10.54	11.65	10.86
Dividends paid	\$	172,837	172,837	172,837	151,232	151,232
Dividends per share	¢	8.00	8.00	8.00	7.00	7.00
Net tangible assets per share	¢	51.00	49.00	44.00	57.00	51.00
Price earnings ratio	¢	9.65	11.37	10.54	11.65	10.86
Share price	¢	0.60	0.60	0.60	0.65	0.70

Returns to shareholders remained at \$0.08 per share fully franked and it is expected that dividends in the future years will continue to be fully franked.

Financial position

In the face of challenging conditions, the company achieved an operating result of \$280,645, a decline of 13.6% from the \$324,730 recorded in the prior period.

Revenue fell marginally during the period, decreasing from \$2.683m to \$2.653m with net interest margin returns under the revenue share arrangement under sustained pressure due to historically low cash rates for the bulk of the year.

Tight revenues and margins were somewhat offset by growth in business volume and a continued emphasis on cost controls. The company maintained the level of charitable donations to the community in line with the prior year but nevertheless total expenses, including charitable donations, sponsorships, advertising and promotions decreased by \$33,204 or 1.4%. This has contributed to a decrease in profitability from \$245,559 to \$208,564 (15.1%).

The financial position of the company remains strong with containment of costs again a focus during the period of continuing lower margins.

Combined Business Volume across the two branches increased to \$557.5m from \$554.2m. The lending to deposit ratio remained comparable to last year at 55:45.

The cash and cash equivalents position of the company declined for the reporting year from \$1,537,104 to the year end balance of \$1,315,123.

The company balance sheet continues to strengthen with the net assets increasing by \$35,727.

The company paid a fully franked dividend of 8 cents per share during the period.

Drivers of business performance

COVID-19 has again impacted the result, and while difficult to quantify, was less an influence than in prior years.

The company continues to support the community through a strong focus on its community grants and sponsorships and expects this to continue in future.

Partners such as Onemda, Doncare, MC CareNet and numerous local sporting and community organisations have benefited from contributions from the relationship.

Directors' report (continued)

Operating and financial review (continued)

Future outlook

The company believes there are opportunities to continue to grow and develop additional revenue through:

1. Acquiring additional customers through greater community based events and a focus on local businesses.
2. Improving the range and number of products and services, such as insurance, for each customer.
3. Improvement in margins as a result of higher market rates.

The company anticipates market conditions will be mixed during the upcoming financial year with rising interest rates. The company will continue to focus on increasing the number of customers and the uptake of products and services, thereby further improving revenue flow and profitability.

Remuneration report

Remuneration Policy

The Remuneration Policy of Manningham Community Enterprises Limited has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the company's financial results. The board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the company, as well as create goal congruence between Directors, executives and shareholders.

Key Management Personnel Remuneration Policy

Key management personnel receive a base salary, superannuation and performance incentives.

The performance of key management personnel is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the company's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance results leading to long-term growth in shareholder wealth.

Key management personnel also receive a superannuation guarantee contribution required by the government, which is currently 10.0%, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

The contracts for service between the company and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement key management personnel are paid employee benefit entitlements accrued to date of retirement.

Employment agreements were entered into with key management personnel.

Remuneration Structure

All directors are independent non-executive directors and are paid director fees as disclosed below.

Non-executive Director Remuneration Policy

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive directors and regularly reviews the amount of fees paid, based on market practices, duties and accountability.

The maximum aggregate amount of fees that can be paid to non-executive directors requires approval by shareholders as required by the *Corporations Act 2001* and NSX listing rules.

Fees for non-executive directors are not linked to the performance of the Company.

Performance Based Remuneration

The Company does not pay performance based remuneration to any director.

Directors' report (continued)

Remuneration report (continued)

Remuneration including superannuation for the financial year ended 30 June 2022

Non-executive director remuneration

	\$
Ian Graham Goldsmith	10,500
Geoffrey Bruce Roberts	7,167
Victoria George Paouros	7,167
Raymond Bruce Barrington	7,167
Colin Roderick Davitt	7,167
Simon David Lewis	7,167
Bradley Dodemond	7,167
Deirdre Elizabeth Diamante	7,166
Maxwell Chapman	7,166
Nicholas Furlong	7,166
	75,000

Directors' interests

	Fully paid ordinary shares		
	Balance at start of the year	Changes during the year	Balance at end of the year
Ian Graham Goldsmith	32,500	-	32,500
Geoffrey Bruce Roberts	5,000	-	5,000
Victoria George Paouros	-	-	-
Raymond Bruce Barrington	7,501	-	7,501
Colin Roderick Davitt	-	-	-
Simon David Lewis	-	-	-
Bradley Dodemond	-	-	-
Deirdre Elizabeth Diamante	-	-	-
Maxwell Chapman	-	-	-
Nicholas Furlong	-	-	-

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	8	172,837

Directors' report (continued)

Significant changes in the state of affairs

In the opinion of the directors there were no 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.

Events since 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 affected or may significantly affect the operations of the company the results of those operations or the state of affairs of the company, in future 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.

Indemnification and insurance of directors and officers

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

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The company has not provided any insurance for an auditor of the company or a related body corporate.

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:

	Committee Meetings Attended											
	Board Meetings Attended		Finance		Human Resources		Marketing & Sponsorship		Governance		Youth Engagement	
	E	A	E	A	E	A	E	A	E	A	E	A
Ian Graham Goldsmith	11	11	6	5	3	3	11	11	3	3	-	-
Geoffrey Bruce Roberts	11	10	6	5	3	3	11	10	-	-	-	-
Victoria George Paouros	11	9	-	-	-	-	-	-	3	3	4	4
Raymond Bruce Barrington	11	9	-	-	3	3	11	10	-	-	-	-
Colin Roderick Davitt	11	11	6	6	-	-	-	-	3	2	-	-
Simon David Lewis	11	10	-	-	3	3	-	-	-	-	-	-
Bradley Dodemond	11	11	-	-	3	2	-	-	3	3	4	4
Deirdre Elizabeth Diamante	11	8	-	-	-	-	-	-	3	3	-	-
Maxwell Chapman	11	11	6	6	-	-	-	-	-	-	-	-
Nicholas Furlong	11	10	-	-	-	-	-	-	3	3	4	4

E - eligible to attend

A - number attended

Directors' report (continued)

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*.

Non audit services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non audit services provided during the year are set out in note 27 to the accounts.

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

- all non-audit services have been reviewed by the Finance Committee to ensure they do not impact on the impartiality, integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the company, acting as an advocate for the company or jointly sharing risks and rewards.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 23.

Signed in accordance with a resolution of the directors at Doncaster East, Victoria.



Ian Graham Goldsmith,
Chairman

Dated this 9th day of September 2022

Auditor's independence declaration



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550

afs@afsbendigo.com.au
03 5443 0344

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

As lead auditor for the audit of Manningham Community Enterprises Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

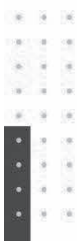
- i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 9 September 2022

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

Joshua Griffin
Lead Auditor



afs@afsbendigo.com.au

Liability limited by a scheme approved under Professional Standards Legislation. ABN: 65 684 604 390

Financial statements

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2022

	Notes	2022 \$	2021 \$
Revenue from contracts with customers	8	2,648,719	2,633,594
Other revenue	9	-	41,809
Finance income	10	3,974	7,665
Employee benefit expenses	11c)	(1,296,111)	(1,137,077)
Advertising and marketing costs		(175,354)	(154,967)
Occupancy and associated costs		(56,451)	(57,506)
Systems costs		(62,714)	(62,802)
Depreciation and amortisation expense	11a)	(273,056)	(210,738)
Finance costs	11b)	(52,494)	(39,580)
General administration expenses		(207,767)	(206,979)
Profit before community contributions and income tax		528,746	813,419
Charitable donations, grants and sponsorships expense		(248,101)	(488,689)
Profit before income tax		280,645	324,730
Income tax expense	12a)	(72,081)	(79,171)
Profit after income tax		208,564	245,559
Total comprehensive income for the year attributable to the ordinary shareholders of the company:		208,564	245,559
Earnings per share		¢	¢
- Basic and diluted earnings per share:	30a)	9.65	11.37

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Financial Position as at 30 June 2022

	Notes	2022 \$	2021 \$
ASSETS			
Current assets			
Cash and cash equivalents	13	1,315,213	1,537,104
Trade and other receivables	14a)	256,924	217,399
Total current assets		1,572,137	1,754,503
Non-current assets			
Property, plant and equipment	15a)	161,117	224,176
Right-of-use assets	16a)	1,562,611	387,949
Intangible assets	17a)	17,681	44,125
Deferred tax asset	18b)	101,024	88,451
Total non-current assets		1,842,433	744,701
Total assets		3,414,570	2,499,204
LIABILITIES			
Current liabilities			
Trade and other payables	19a)	167,221	447,002
Current tax liabilities	18a)	33,881	40,371
Lease liabilities	20a)	186,866	227,242
Employee benefits	22a)	162,461	138,029
Total current liabilities		550,429	852,644
Non-current liabilities			
Lease liabilities	20b)	1,584,012	396,811
Employee benefits	22b)	9,863	7,094
Provisions	21a)	52,596	60,712
Total non-current liabilities		1,646,471	464,617
Total liabilities		2,196,900	1,317,261
Net assets		1,217,670	1,181,943
EQUITY			
Issued capital	23a)	1,138,759	1,138,759
Retained earnings	24	78,911	43,184
Total equity		1,217,670	1,181,943

The accompanying notes form part of these financial statements.

Financial statements (continued)

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

	Notes	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2020		1,138,759	(29,538)	1,109,221
Total comprehensive income for the year		-	245,559	245,559
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	29	-	(172,837)	(172,837)
Balance at 30 June 2021		1,138,759	43,184	1,181,943
Balance at 1 July 2021		1,138,759	43,184	1,181,943
Total comprehensive income for the year		-	208,564	208,564
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	29	-	(172,837)	(172,837)
Balance at 30 June 2022		1,138,759	78,911	1,217,670

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Cash Flows for the year ended 30 June 2022

	Notes	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers		2,873,223	2,922,827
Payments to suppliers and employees		(2,536,848)	(2,071,100)
Interest received		4,819	6,493
Income taxes received/(paid)		(91,144)	1,826
Net cash provided by operating activities	25	250,050	860,046
Cash flows from investing activities			
Payments for property, plant and equipment		(17,579)	-
Payments for intangible assets		(27,104)	(27,104)
Net cash used in investing activities		(44,683)	(27,104)
Cash flows from financing activities			
Repayment of lease liabilities		(254,421)	(245,751)
Dividends paid	29	(172,837)	(172,837)
Net cash used in financing activities		(427,258)	(418,588)
Net cash increase in cash held		(221,891)	414,354
Cash and cash equivalents at the beginning of the financial year		1,537,104	1,122,750
Cash and cash equivalents at the end of the financial year	13	1,315,213	1,537,104

The accompanying notes form part of these financial statements.

Notes to the financial statements

For the year ended 30 June 2022

Note 1 Reporting entity

This is the financial report for Manningham Community Enterprises Limited (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	Principal Place of Business
900 - 902 Doncaster Road Doncaster East VIC 3109	900 - 902 Doncaster Road Doncaster East VIC 3109
	128 James Street Templestowe VIC 3106

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 28.

Note 2 Basis of preparation and statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The financial statements have been prepared on an accrual and historical cost basis. 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 2022 were authorised for issue in accordance with a resolution of the directors on 9 September 2022.

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 2021, and are therefore relevant for the current financial year. The amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Note 4 Summary of significant accounting policies

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

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.

Notes to the financial statements (continued)

Note 4 Summary of significant accounting policies (continued)

a) Revenue from contracts with customers (continued)

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

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

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:

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

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

Commission

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

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

Fee income

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

Core banking products

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

Ability to change financial return

Under the franchise agreement, Bendigo Bank may change the form and amount of financial return the company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo Bank earns revenue. The change may be to the method of calculation of margin, the amount of margin, commission and fee income or a change of a margin to a commission or vice versa. This may affect the amount of revenue the company receives on a particular product or service.

Notes to the financial statements (continued)

Note 4 Summary of significant accounting policies (continued)

a) Revenue from contracts with customers (continued)

Ability to change financial return (continued)

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

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 stream	Revenue recognition policy
Cash flow boost	Cash flow boost income is recognised when the right to the payment is established (e.g. monthly or quarterly in the activity statement).
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).

Cash flow boost

In response to the COVID-19 outbreak, *Boosting Cash Flow for Employers (Coronavirus Economic Response Package) Act 2020* (CFB Act) was enacted. The purpose was to provide temporary cash flow to small and medium sized businesses that employ staff and have been affected by the economic downturn associated with COVID-19.

The amounts received are in relation to amounts withheld as withholding tax reported in the activity statement. This essentially subsidises the company's obligation to remit withholding tax to the Australian Taxation Office. For reporting purposes, the amounts subsidised are recognised as revenue.

The amounts are not assessable for tax purposes and there is no obligation to repay the amounts.

c) Economic dependency - Bendigo Bank

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank.

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

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

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

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.

Notes to the financial statements (continued)

Note 4 Summary of significant accounting policies (continued)

c) Economic dependency - Bendigo Bank (continued)

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 where the employee has provided the service but payment has not yet occurred at the reporting date. They are measured at amounts expected to be paid, plus related on-costs. Non-accumulating sick leave is expensed when the leave is taken and measured at the rates paid or payable.

An annual leave liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated. The company's obligations for short-term employee benefits such as 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.

Defined superannuation contribution plans

The company contributes to a defined contribution plan. Obligations for superannuation contributions to defined contribution plans are expensed as the related service is provided.

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 estimated future cash outflows.

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

e) Taxes

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.

Notes to the financial statements (continued)

Note 4 Summary of significant accounting policies (continued)

e) Taxes (continued)

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.

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 and diminishing value 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
Leasehold improvements	Straight-line	3 to 20 years
Plant and equipment	Straight-line	2 to 10 years
Motor vehicles	Straight-line	5 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 relate to the franchise fees paid to Bendigo Bank which conveys the right to operate the Community Bank franchise.

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

The franchise fees paid by the company are amortised over their useful life and assessed for impairment whenever impairment indicators are present.

Notes to the financial statements (continued)

Note 4 Summary of significant accounting policies (continued)

h) Intangible assets (continued)

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

Asset class	Method	Useful life
Franchise establishment fee	Straight-line	Over the franchise term (5 years)
Franchise fee	Straight-line	Over the franchise term (5 years)
Franchise renewal process fee	Straight-line	Over the 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 and other debtors and creditors, cash and cash equivalents and lease liabilities.

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

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

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

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.

The company's trade receivables are limited to the monthly profit share distribution from Bendigo Bank, which is received 10 business days post month end. Due to the reliance on Bendigo Bank the company has reviewed credit ratings provided by Standard & Poors, Moody's and Fitch Ratings to determine the level of credit exposure to the company. The company also performed a historical assessment of receivables from Bendigo Bank and found no instances of default. As a result no ECL has been made in relation to trade receivables as at 30 June 2022.

Non-financial assets

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

Notes to the financial statements (continued)

Note 4 Summary of significant accounting policies (continued)

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.

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.

Rent concessions

In response to the COVID-19 coronavirus pandemic, many lessors offered lessees various concessions. AASB 16: *Leases* allows lessees not to account for rent concessions as lease re-assessments if they are a direct consequence of COVID-19 and meet certain conditions. Instead these rent concessions are recognised through other revenue and offset against the lease liability.

Short-term leases and 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.

Notes to the financial statements (continued)

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. Revisions to 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 20 - leases:	
a) control	a) 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;
b) lease term	b) whether the company is reasonably certain to exercise extension options, termination periods, and purchase options;
c) discount rates	c) 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 and estimation uncertainties

Information about assumptions and estimation uncertainties at 30 June 2022 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	Assumptions
- Note 15 - estimation of useful lives of assets	key assumptions on historical experience and the condition of the asset;
- Note 18 - recognition of deferred tax assets	availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilised;
- Note 21 - make-good provision	key assumptions on future cost estimates in restoring the leased premises in accordance with the lease agreement;
- Note 22 - long service leave provision	key assumptions on attrition rate and pay increases though promotion and inflation;

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.

Notes to the financial statements (continued)

Note 6 Financial risk management (continued)

b) Liquidity risk

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

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities. The contractual cash flows amounts are gross and undiscounted.

Non-derivative financial liability	Contractual cash flows			
	Carrying amount	Not later than 12 months	Between 12 months and five years	Greater than five years
30 June 2022				
Lease liabilities	1,770,878	260,925	847,991	1,075,387
Trade and other payables	167,221	167,221	-	-
	1,938,099	428,146	847,991	1,075,387

Non-derivative financial liability	Contractual cash flows			
	Carrying amount	Not later than 12 months	Between 12 months and five years	Greater than five years
30 June 2021				
Lease liabilities	624,053	253,323	420,053	-
Trade and other payables	447,002	447,002	-	-
	1,071,055	700,325	420,053	-

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 primary goal of the company's investment in equity securities is to hold the investments for the long term for strategic purposes.

Cash flow and fair value interest rate risk

Interest-bearing assets and liabilities are held with Bendigo Bank and subject to movements in market interest.

The company held cash and cash equivalents of \$1,315,213 at 30 June 2022 (2021: \$1,537,104). The cash and cash equivalents are held with Bendigo Bank, which are rated BBB+ on Standard & Poor's credit ratings.

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.

Notes to the financial statements (continued)

Note 7 Capital management (continued)

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 2022 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

	2022 \$	2021 \$
- Margin income	2,242,981	2,226,481
- Fee income	123,760	115,624
- Commission income	281,978	291,489
	2,648,719	2,633,594

Note 9 Other revenue

	2022 \$	2021 \$
- Cash flow boost	-	37,500
- Rent concessions	-	4,309
	-	41,809

Note 10 Finance income

	2022 \$	2021 \$
- Term deposits	3,974	7,665

Finance income is recognised when earned using the effective interest rate method.

Note 11 Expenses

	2022 \$	2021 \$
a) Depreciation and amortisation expense		
<i>Depreciation of non-current assets:</i>		
- Leasehold improvements	56,661	16,986
- Plant and equipment	7,977	6,191
- Motor vehicles	16,000	15,988
	80,638	39,165

Notes to the financial statements (continued)

Note 11 Expenses (continued)

	2022 \$	2021 \$
a) Depreciation and amortisation expense (continued)		
<i>Depreciation of right-of-use assets</i>		
- Leased land and buildings	165,974	145,129
<i>Amortisation of intangible assets:</i>		
- Franchise fee	4,407	4,407
- Franchise renewal process fee	22,037	22,037
	26,444	26,444
Total depreciation and amortisation expense	273,056	210,738
b) Finance costs		
- Lease interest expense	49,958	36,993
- Unwinding of make-good provision	2,536	2,587
	52,494	39,580
c) Employee benefit expenses		
- Wages and salaries	1,081,484	969,726
- Non-cash benefits	15,000	15,000
- Contributions to defined contribution plans	105,626	87,258
- Expenses related to long service leave	18,590	2,526
- Other expenses	75,411	62,567
	1,296,111	1,137,077

d) 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 system costs expenses.

	2022 \$	2021 \$
- Expenses relating to low-value leases	28,911	28,498

Note 12 Income tax expense

	2022 \$	2021 \$
a) Amounts recognised in profit or loss		
Current tax expense		
- Current tax	84,654	70,407
- Movement in deferred tax	(12,573)	5,226
- Adjustment to deferred tax to reflect reduction in tax rate in future periods	-	3,538
	72,081	79,171

Notes to the financial statements (continued)

Note 12 Income tax expense (continued)

	2022 \$	2021 \$
b) Prima facie income tax reconciliation		
- Operating profit before taxation	280,645	324,730
- Prima facie tax on profit from ordinary activities at 25% (2021: 26%)	70,161	84,430
Tax effect of:		
- Non-deductible expenses	1,920	954
- Temporary differences	12,573	(5,227)
- Other assessable income	-	(9,750)
- Movement in deferred tax	(12,573)	5,226
- Adjustment to deferred tax to reflect reduction in tax rate in future periods	-	3,538
	72,081	79,171

Note 13 Cash and cash equivalents

	2022 \$	2021 \$
- Cash at bank and on hand	247,338	369,229
- Term deposits	1,067,875	1,167,875
	1,315,213	1,537,104

Note 14 Trade and other receivables

	2022 \$	2021 \$
a) Current assets		
- Trade receivables	250,033	209,664
- Prepayments	5,921	5,921
- Other receivables and accruals	970	1,814
	256,924	217,399

Note 15 Property, plant and equipment

	2022 \$	2021 \$
a) Carrying amounts		
<i>Leasehold improvements</i>		
- At cost	404,200	404,200
- Less: accumulated depreciation	(288,962)	(232,301)
	115,238	171,899
<i>Plant and equipment</i>		
- At cost	191,118	174,539
- Less: accumulated depreciation	(162,273)	(154,296)
	28,845	20,243

Notes to the financial statements (continued)

Note 15 Property, plant and equipment (continued)

	2022 \$	2021 \$
a) Carrying amounts (continued)		
<i>Motor vehicles</i>		
- At cost	80,942	79,942
- Less: accumulated depreciation	(63,908)	(47,908)
	17,034	32,034
Total written down amount	161,117	224,176
b) Reconciliation of carrying amounts		
<i>Leasehold improvements</i>		
- Carrying amount at beginning	171,899	188,885
- Depreciation	(56,661)	(16,986)
	115,238	171,899
<i>Plant and equipment</i>		
- Carrying amount at beginning	20,243	26,434
- Additions	16,579	-
- Depreciation	(7,977)	(6,191)
	28,845	20,243
<i>Motor vehicles</i>		
- Carrying amount at beginning	32,034	48,022
- Additions	1,000	-
- Depreciation	(16,000)	(15,988)
	17,034	32,034
Total written down amount	161,117	224,176

c) 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 16 Right-of-use assets

	2022 \$	2021 \$
a) Carrying amounts		
<i>Leased land and buildings</i>		
- At cost	3,573,163	2,232,527
- Less: accumulated depreciation	(2,010,552)	(1,844,578)
Total written down amount	1,562,611	387,949
b) Reconciliation of carrying amounts		
<i>Leased land and buildings</i>		
- Carrying amount at beginning	387,949	540,547
- Remeasurement adjustments	1,340,636	(7,469)
- Depreciation	(165,974)	(145,129)
Carrying amount at end	1,562,611	387,949

Notes to the financial statements (continued)

Note 17 Intangible assets

	2022 \$	2021 \$
a) Carrying amounts		
<i>Franchise fee</i>		
- At cost	123,174	123,174
- Less: accumulated amortisation	(120,225)	(115,818)
	2,949	7,356
<i>Franchise renewal process fee</i>		
- At cost	271,444	271,444
- Less: accumulated amortisation	(256,712)	(234,675)
	14,732	36,769
Total written down amount	17,681	44,125
b) Reconciliation of carrying amounts		
<i>Franchise fee</i>		
- Carrying amount at beginning	7,356	11,763
- Amortisation	(4,407)	(4,407)
	2,949	7,356
<i>Franchise renewal process fee</i>		
- Carrying amount at beginning	36,769	58,806
- Amortisation	(22,037)	(22,037)
	14,732	36,769
Total written down amount	17,681	44,125

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 18 Tax assets and liabilities

	2022 \$	2021 \$
a) Current tax		
- Income tax payable	33,881	40,371
b) Deferred tax		
Deferred tax assets		
- expense accruals	1,076	1,025
- employee provisions	43,081	36,281
- make-good provision	13,149	15,178
- lease liability	442,720	156,013
Total deferred tax assets	500,026	208,497

Notes to the financial statements (continued)

Note 18 Tax assets and liabilities (continued)

	2022 \$	2021 \$
b) Deferred tax		
<i>Deferred tax liabilities</i>		
- income accruals	243	454
- property, plant and equipment	8,106	22,605
- right-of-use assets	390,653	96,987
Total deferred tax liabilities	399,002	120,046
Net deferred tax assets (liabilities)	101,024	88,451
- - Movement in deferred tax charged to Statement of Profit or Loss and Other Comprehensive Income	(12,573)	8,765

Note 19 Trade creditors and other payables

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

	2022 \$	2021 \$
a) Current liabilities		
- Trade creditors	77,844	364,027
- Other creditors and accruals	89,377	82,975
	167,221	447,002

Note 20 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 company has applied judgement in estimating the remaining lease term including the effects of any extension options reasonably expected to be exercised, applying hindsight where appropriate.

The company's lease portfolio includes:

- Templestowe Village Branch The lease agreement commenced in October 2009. A 5 year renewal option was exercised in March 2020. As such, the lease term end date used in the calculation of the lease liability is March 2025. The discount rate used in calculations is 5.00%.
- Doncaster East Branch The lease agreement commenced in October 2006. A 5 year renewal option was exercised in March 2018. The lease has 2 further 5 year extension options available. The company is reasonably certain to exercise the final lease terms. As such, the lease term end date used in the calculation of the lease liability is March 2033. The discount rate used in calculations is 4.29%

	2022 \$	2021 \$
a) Current lease liabilities		
- Property lease liabilities	260,925	253,323
- Unexpired interest	(74,059)	(26,081)
	186,866	227,242

Notes to the financial statements (continued)

Note 20 Lease liabilities (continued)

	2022 \$	2021 \$
b) Non-current lease liabilities		
- Property lease liabilities	1,923,378	420,053
- Unexpired interest	(339,366)	(23,242)
	1,584,012	396,811
c) Reconciliation of lease liabilities		
- Balance at the beginning	624,053	840,280
- Remeasurement adjustments	1,351,288	(7,469)
- Lease interest expense	49,958	36,993
- Lease payments - total cash outflow	(254,421)	(245,751)
	1,770,878	624,053
d) Maturity analysis		
- Not later than 12 months	260,925	253,323
- Between 12 months and 5 years	847,991	420,053
- Greater than 5 years	1,075,387	-
Total undiscounted lease payments	2,184,303	673,376
- Unexpired interest	(413,425)	(49,323)
Present value of lease liabilities	1,770,878	624,053

Note 21 Provisions

	2022 \$	2021 \$
a) Non-current liabilities		
- Make-good on leased premises	52,596	60,712

In accordance with the branch lease agreements, the company must restore the leased premises to their 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 leases are due to expire per below at which time it is expected the face-value costs to restore the premises will fall due.

Lease	Lease term expiry date per AASB 16	Total provision
Templestowe	March 2025	\$35,000
Doncaster	March 2033	\$35,000

Note 22 Employee benefits

	2022 \$	2021 \$
a) Current liabilities		
- Provision for annual leave	85,157	69,005
- Provision for long service leave	77,304	69,024
	162,461	138,029

Notes to the financial statements (continued)

Note 22 Employee benefits (continued)

	2022 \$	2021 \$
b) Non-current liabilities		
- Provision for long service leave	9,863	7,094

c) Key judgement and assumptions

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.

Note 23 Issued capital

a) Issued capital

	2022		2021	
	Number	\$	Number	\$
- Ordinary shares - fully paid	1,185,461	1,185,461	1,185,461	1,185,461
- Bonus shares - fully paid	975,000	-	975,000	-
- Less: equity raising costs - Doncaster East	-	(22,075)	-	(22,075)
- Less: equity raising costs - Templestowe Village	-	(24,627)	-	(24,627)
	2,160,461	1,138,759	2,160,461	1,138,759

b) Rights attached to issued capital

Ordinary shares

Voting rights

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

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

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

Dividends

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

Transfer

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

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

Notes to the financial statements (continued)

Note 23 Issued capital (continued)

b) Rights attached to issued capital (continued)

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 346. As at the date of this report, the company had 341 shareholders (2021: 345 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.

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 24 Retained earnings

	2022 \$	2021 \$
- Balance at beginning of reporting period	43,184	(29,538)
- Net profit after tax from ordinary activities	208,564	245,559
- Dividends provided for or paid	(172,837)	(172,837)
Balance at end of reporting period	78,911	43,184

Note 25 Reconciliation of cash flows from operating activities

	2022 \$	2021 \$
- Net profit after tax from ordinary activities	208,564	245,559
Adjustments for:		
- Depreciation	246,612	184,294
- Amortisation	26,444	26,444
- Lease liabilities interest	49,958	36,993

Notes to the financial statements (continued)

Note 25 Reconciliation of cash flows from operating activities (continued)

	2022 \$	2021 \$
Changes in assets and liabilities:		
- (Increase)/decrease in trade and other receivables	(39,525)	(17,624)
- (Increase)/decrease in other assets	(12,573)	40,627
- Increase/(decrease) in trade and other payables	(252,676)	290,808
- Increase/(decrease) in employee benefits	27,201	9,987
- Increase/(decrease) in provisions	2,535	2,587
- Increase/(decrease) in tax liabilities	(6,490)	40,371
Net cash flows provided by operating activities	250,050	860,046

Note 26 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.

	Note	2022 \$	2021 \$
Financial assets			
- Cash and cash equivalents	13	247,338	369,229
- Term deposits	13	1,067,875	1,167,875
- Trade and other receivables	14	256,924	217,399
		1,572,137	1,754,503
Financial liabilities			
- Trade and other payables	19	167,221	447,002
- Lease liabilities	20	1,770,878	624,053
		1,938,099	1,071,055

Note 27 Auditor's remuneration

Amount received or due and receivable by the auditor of the company for the financial year.

	2022 \$	2021 \$
<i>Audit and review services</i>		
- Audit and review of financial statements	6,700	6,500
<i>Non audit services</i>		
- Taxation advice and tax compliance services	1,695	1,300
- General advisory services	3,221	3,690
- Share registry services	4,271	5,126
Total auditor's remuneration	15,887	16,616

Notes to the financial statements (continued)

Note 28 Related parties

a) Details of key management personnel

The directors of the company during the financial year were:

Ian Graham Goldsmith	Geoffrey Bruce Roberts
Victoria George Paouros	Raymond Bruce Barrington
Colin Roderick Davitt	Simon David Lewis
Bradley Dodemond	Deirdre Elizabeth Diamante
Maxwell Chapman	Nicholas Furlong

b) Key management personnel compensation

Key management personnel compensation comprised the following.

	2022 \$	2021 \$
- Short-term employee benefits	75,000	75,000

Compensation of the company's key management personnel includes salaries and contributions to a post-employment defined contribution plan.

c) Related party transactions

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

Transactions with related parties

	2022 \$	2021 \$
- Victoria George Paouros provided company secretarial services to the company. The total benefit received was:	1,480	4,026

Note 29 Dividends provided for or paid

a) Dividends provided for and paid during the period

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.

	30 June 2022		30 June 2021	
	Cents	\$	Cents	\$
- Fully franked dividend	8.00	172,837	8.00	172,837

The tax rate at which dividends have been franked is 25% (2021: 26%).

Notes to the financial statements (continued)

Note 29 Dividends provided for or paid (continued)

b) Franking account balance

	2022 \$	2021 \$
Franking credits available for subsequent reporting periods		
Franking account balance at the beginning of the financial year	182,468	245,020
Franking transactions during the financial year:		
- Franking credits (debits) arising from income taxes paid (refunded)	60,785	54,777
- Franking credits from the payment of income tax following lodgement of annual income tax return	30,359	(56,603)
- Franking debits from the payment of franked distributions	(57,612)	(60,726)
Franking account balance at the end of the financial year	216,000	182,468
Franking transactions that will arise subsequent to the financial year end:		
- Franking credits (debits) that will arise from payment (refund) of income tax	33,881	40,371
Franking credits available for future reporting periods	249,881	222,839

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

Note 30 Earnings per share

a) Basic and diluted 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.

	2022 \$	2021 \$
- Profit attributable to ordinary shareholders	208,564	245,559
	Number	Number
- Weighted-average number of ordinary shares	2,160,461	2,160,461
	Cents	Cents
- Basic and diluted earnings per share	9.65	11.37

Note 31 Commitments

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

Note 32 Contingencies

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

Note 33 Subsequent events

There have been no significant events occurring after the reporting period which may affect either the company's operations or the results of those operations or the company's state of affairs.

Directors' declaration

For the financial year ended 30 June 2022

In accordance with a resolution of the directors of Manningham Community Enterprises Limited, 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 2022 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.
- (c) the audited remuneration disclosures set out in the remuneration report section of the directors' report comply with Accounting Standard AASB 124 Related Party Disclosures and the *Corporations Regulations 2001*.

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



Ian Graham Goldsmith,
Chairman

Dated this 9th day of September 2022

Independent audit report



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550

afs@afsbendigo.com.au
03 5443 0344

Independent auditor's report to the Directors of Manningham Community Enterprises Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Manningham Community Enterprises Limited's (the company), which comprises:

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

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

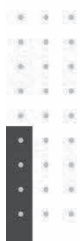
- i. giving a true and fair view of the company's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

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

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



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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the matter
<p>Revenue Share Model</p> <p>The company is a franchise of Bendigo Bank. 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.</p> <p>The company receives the Revenue Share from Bendigo Bank via a monthly profit share statement.</p> <p>Our key audit matter was focused on the following areas of risk:</p> <ul style="list-style-type: none">Revenue is recognised appropriately and in line with AASB 15 Revenue from Contracts with Customers.Reliance on third party auditor EY to review the revenue share model.	<p>In responding to the identified key audit matter, we completed the following audit procedures:</p> <ul style="list-style-type: none">We have obtained the monthly profit share statements from the entire year and analytically assess the existence, accuracy and completeness of revenue.EY complete a Community Bank Revenue Share Arrangements report on factual findings bi-annually, which we review and determine that the scope and testing procedures were sufficient to enable reliance on the monthly profit share reports specifically relating to revenue. <p>Key observation</p> <p>We are satisfied that the revenue share model has been sufficiently reviewed by an external auditor and the reliance can be placed on the monthly profit share reports. The company's accounting policy relating to the revenue share model is detailed at note 4 a) to the financial statements.</p>

There are no other key audit matters to disclose for the 30 June 2022 audit.





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Other Information

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

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's responsibilities for the Audit of the Financial Report

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



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

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

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550

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Report on the Remuneration Report

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Manningham Community Enterprises Limited's, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 9 September 2022

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

Joshua Griffin
Lead Auditor



afs@afsbendigo.com.au

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NSX report

Manningham Community Enterprises Limited is a public company incorporated in Australia and listed on the National Stock Exchange of Australia (NSX).

Shareholding

The following table shows the number of shareholders, segregated into various categories based on the total number of shares held.

Number of shares held	Number of shareholders	Number of shares held
1 to 1,000	54	36,206
1,001 to 5,000	181	528,502
5,001 to 10,000	47	362,751
10,001 to 100,000	58	1,087,752
100,001 and over	1	145,250
Total shareholders	341	2,160,461

Equity securities

Each of the above shareholders are entitled to 1 vote, irrespective of the number of shares held.

There are no substantial shareholders (holding more than 5% of voting rights) as each shareholder is entitled to 1 vote. Normally holding more than 5% of total issued shares would create a substantial shareholder, but this is not applicable due to the voting restrictions for the company.

There are 9 shareholders holding less than a marketable parcel of shares (\$500 in value).

There are no restricted securities on issue.

All shares on issue are ordinary shares fully paid to \$1 per share. There are no unquoted equity securities.

Ten largest shareholders

The following table shows the 10 largest shareholders.

Shareholder	Number of fully paid shares held	Percentage of issued capital
SCIPIO NOMINEES PTY LTD	145,250	6.72%
THOMAS LEIGH PTY LTD <THE WARING FAMILY SUPERANNUATION FUND>	90,002	4.17%
RELOADE PTY LTD <SALMON SUPERFUND A/C>	84,500	3.91%
WINPAR HOLDINGS LIMITED	53,250	2.46%
Mr JOHN ALEXANDER KENT	37,500	1.74%
Mr DOMENICO SPIZZICA	35,000	1.62%
Mr RUSSELL BREADMORE + Mrs LYNNE BREADMORE <R & L BREADMORE SUPERFUND A/C>	35,000	1.62%
RALANDIAN PTY LTD <RALANDIAN SUPERFUND A/C>	32,500	1.50%
NORTHERN SUBURBS SECRETARIAL SERVICES PTY LTD <JULETON A/C>	26,250	1.22%
Mrs JUDY ANNE TUTTY + Mr MARCUS JAMES TUTTY	25,000	1.16%
Mr JAMES DOUGLAS CHRISTIE + Mrs DEBORAH ANNE CHRISTIE <CHRISTIE SUPER FUND A/C>	25,000	1.16%
	589,252	

NSX report (continued)

Registered office and principal administrative office

The registered office of the company is located at:

900 Doncaster Road
Doncaster East Victoria 3109
Telephone: (03) 9840 2028

The principal administrative office of the company is located at:

900 Doncaster Road
Doncaster East Victoria 3109
Telephone: (03) 9840 2028

Security register

The security register (share register) is kept at:

AFS & Associates
61 Bull Street,
Bendigo VIC 3550
Phone: (03) 5443 0344

Company Secretary

Victoria is an experienced federal public servant and is currently employed as a Senior Analyst at the Australian Competition and Consumer Commission. Victoria has been part of the MCEL team since she participated in the company's inaugural Junior Observer Program in 2009. She holds a Bachelor of Laws (Hons), an Advanced Diploma of Management (HR), a Diploma of Business, a Certificate IV in Training and Education and a Certificate in Governance Practice. Victoria has also received the Rotary Youth Leadership Award.

Corporate governance

The company has implemented various corporate governance practices, which include:

- (a) The maintenance of a Finance Committee. Members include Maxwell Chapman, Colin Roderick Davitt, Ian Goldsmith and Geoffrey Roberts (Directors) as well as Pamela Tremlett (Bookkeeper).
- (b) Director approval of operating budgets and monitoring of progress against these budgets;
- (c) Ongoing Director training; and
- (d) Monthly Director meetings to discuss operational performance and performance against strategy.

Annexure 3

There are no material differences between the information in the company's Annexure 3 and the information in the financial documents in its Annual Report.

5 Year summary of performance

	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
Net profit before tax	325,960	349,040	300,120	324,730	280,645
Total assets	1.678 m	1.723 m	2.326 m	2.499 m	3.415 m
Total liabilities	431,800	376,600	1.218 m	1.317 m	2,197 m
Total equity	1.246 m	1.346 m	1.109 m	1.182 m	1.218 m

Community Bank - Doncaster East
900 Doncaster Road,
Doncaster East VIC 3109
Phone: 03 9840 2028 Fax: 03 9840 2162
Email: doncastereastmailbox@bendigoadelaide.com.au
Web: bendigobank.com.au/doncaster-east

Community Bank - Templestowe Village
128 James Street,
Templestowe Village VIC 3106
Phone: 03 9846 1455 Fax: 03 9846 4643
Email: templestowevillagemailbox@bendigoadelaide.com.au
Web: bendigobank.com.au/templestowe-village

Franchisee: Manningham Community Enterprises Limited
ABN: 69 101 174 270
900 Doncaster Road
Doncaster East VIC 3109
Phone: 03 9820 2028 Fax: 03 9840 2162

Share Registry:
AFS & Associates Pty Ltd
PO Box 454, Bendigo VIC 3552
Phone: 5443 0344
Fax: 5443 5304
Email: shareregistry@afsbendigo.com.au



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