Annual Report 2023

Monbulk & District Community Enterprises Limited

Community Bank Monbulk & District

ABN 76 146 945 959

Contents

We respectfully acknowledge the past and present traditional owners of this land, The Wurundjeri people, their Ngurungaeta - Murrundindi, and their Elders.

We also acknowledge with respect the First Australian peoples as the Traditional Custodians of this country and their continued connection to land, sea, and culture.

Vision, strategy and values

Our Vision

Our vision is to inspire, connect and lead our communities for sustainable growth and a vibrant future for all.

Our Strategy

Our strategy is to focus on offering exceptional service, the number one bank of choice in the region and to share the benefits with our community.

Our Values

Ethical

We act with honesty, and we deliver on our commitments.

Responsive

We are flexible and positive, adapting to changes in our customers and community's needs.

Innovative

We look to continually improve on the success of our business. We encourage creative thinking, new ideas and better solutions for and from our team, customers and community to create a sustainable business.

Community

We are passionate about giving back to the community we live in. We strive to create opportunities for connection and participation within our community, building strength and resilience.

Shared Value

We feed into the prosperity of our community rather than off it, leaving a legacy by investing in and for future generations.

Our community

COMMUNITY
More than
$924,000
since 2012
INVESTMENT

Did you know that being a Bendigo Bank customer means you are supporting local clubs, groups and schools in Monbulk & District?

Community Banks like Monbulk & District operate on a profit-with-purpose model, which means their profits are returned to the people and the communities that generate them.

Revenue generated from our customers' banking such as loans and deposits are reinvested back into the community. This keeps money here in the local community.

Recently we gifted $20,000 to the Emerald Monbulk Wildlife Shelter along with a total of $924,741 over the last 11 years into many fantastic projects and organisations.

Great things can be achieved when we work together as a community.

Talk to us about your banking today, call us on 9752 1130 or drop in and see us at 70 Main Road, Monbulk 3793.

Bendigo Bank. Better banking, Big impact.

The groups in our community we have supported in the last 12 months.

- Monbulk Fire & Rescue (CFA)
- Monbulk Primary School
- Emerald Monbulk Wildlife Shelter
- The Patch Primary School
- Monbulk Senior Football Club
- 1st Kallista Scouts
- Monbulk Junior Football Club
- Tribe Youth Monbulk
- Monbulk RSL
- Open Door Pantry
- CWA Monbulk
- Monbulk Produce Market
- Monbulk Rangers Soccer Club
- Monbulk Care Network
- Rescue Logs
- Monbulk College
- Monbulk Cricket Club
- Monbulk Netball Club
- Monbulk Marlins
- Monbulk Emergency Relief Fund (MERF)
- 1st Monbulk Scouts
- St Paul's Primary School
- Monbulk Pony Club
- Sherbrooke Lyrebird Survey Group
- Monbulk Landcare
- Monbulk Pre-school
- The Patch Kinder (Sparkways TRY AUS)
- Trek Learning Centre
- Monbulk Bowling Club
- Monbulk Historical Society
- CWA Lady Night Hawkes Monbulk
- Mums of the Hills (MoTH's)
- Monbulk Girl Guides
- Monbulk & District Men's Shed Inc
- Sylvan Glades Retirement Village
- Kindred Kindness
- Rotary Club of Monbulk & District
- MADCOW
- Monbulk Clematis Adult Riding Club
- Dandenong Ranges Music Council
- Monbulk Table Tennis Club
- Kallista Primary School
- Monbulk Tennis Club
- Monbulk Traders Association
- Kallista Village Inc
- Monbulk Christian Fellowship

Chair's report

For year ending 30 June 2023

It is my privilege and pleasure to present the company's annual report for the year ending 30 June 2023.

This year we celebrated our 11th anniversary having opened our doors for business in 2012.

The RBA's focus on bringing down inflation for the year by lifting interest rates from a record low has had a huge impact on the finance industry.

Greater margins, mainly on deposits, resulted in record surplus for our branch.

Ever increasing interest rate rises and cost of living increases are putting Australians under pressure particularly in meeting their mortgage repayments.

I hope that the RBA sees fit for no more rises at this time and rates stabilise at a more customer friendly level. The Board, our Branch Manager Aimee te Boekhorst and staff have an excellent understanding of our community and what its needs are. I am particularly impressed as to Aimee and her team's connectedness into every aspect of Monbulk and district.

Wellbeing for our youth has always been a priority for Community Bank Monbulk & District and recent years have bought a strong focus on the needs of our elderly.

This presents a great challenge as it will require a coming together of many stakeholders in all levels of government and our community.

We are pleased to have reached total business holdings of $216,808,397 a growth of $6,016,185 for the year. We have now invested over $924,000 into our community. National community investment now stands at $320 million.

Our last community support night witnessed a very enjoyable coming together of community organisations and there was a great buzz in the room. Board member Andrew Raper's presentation of $20,000 to Carol Seeger from our local Emerald Monbulk Wildlife Shelter was the highlight of the evening, recognising her dedication to the rescue of native fauna. A very heartwarming moment for all present.

Our Board meets 11 times a year. All subcommittees meet regularly on an as needs basis. During the year focus is always on ensuring governance, business development, community investment and support of our manager Aimee te Boekhorst.

I thank all my fellow Directors for their dedicated effort and enthusiasm in which they approach their directors' responsibilities.

I thank all our customers and shareholders for their continuing support and enabling us to grow our investment in our community.

Leo Koelewyn
Chair
Monbulk & District Community Enterprises Limited

Retiring Director Andrew Raper

Andrew's journey as a board member has seen him excitedly enjoy our progress of becoming a profitable business and being able to invest in many impactful initiatives in our community.

He considers the board to be a very cohesive and diverse group of locals.

Andrew, contrary to his light-hearted personality is a deep and lateral thinker who contributed greatly to regional marketing and all issues at our board meetings.

The board wishes Andrew all the best in his future endeavours.

Yours Sincerely

Leo Koelewyn

Manager's report

For year ending 30 June 2023

This is the twelfth financial year since Community Bank Monbulk & District opened its doors on 7 February 2012.

We have remained open with consistency and maintained full hours of operation for our Customers and Community.

This year has seen an onflow post covid, post 2021 storms and seen uncertainty through the current economic changes, leaving people overall dispirited. Our team has shed light where possible by maintaining our customer and people focus and by supporting our community with some incredible projects and initiatives. An example of this where we funded a tepee for Trek Learning Centre to enable concentrated group work and support for their programs.

Due to our loyal customer base, staffing structure, and wonderful team we have continued to grow our business through this difficult period.

As of the close of business on 30 June 2023 Community Bank Monbulk & District has increased our customer base to 3393 which is a growth of 146 customers for the year, over 4.5%.

Total business holdings at the end of the 2022/23 financial year were $216,808,397. This represents a net growth of $6,016,185 during the last financial year. To all existing and new customers of Community Bank Monbulk & District thank you for contributing to these figures.

This financial year we plan to grow on what we do. We believe it is so important to be here and meet the needs of the people of Monbulk and District. Through our branch, lending hub team and our incredible Business Development Manager we are well positioned to take on new business and greatly support our existing book.

Monbulk & District Community Enterprises Limited is a community owned company and our profit for purpose model is that we aim to feed into the prosperity of our communities, where revenue is generated by the Community Bank's customers and invested back to the community via programs such as the sponsorship and grants. To all our Community Company Shareholders, you are a part of something special and should all be very proud.

Our vision is to support not only our customers, but our local clubs, groups, schools, and organisations. Since opening in 2012 we have given back just over $924,000 to our community, which is a wonderful achievement for all involved.

Envisage what this model could look like if everyone in the Monbulk and District area banked with Community Bank Monbulk & District.

Since our last AGM, we have said goodbye to Mel and Margaret and welcomed Hannah and Fiyaz. Sarah is expecting her second child, Ellie has taken a European trip of a lifetime and Rebecca became Mrs Turpin. Although we are sad to have lost Mel and Margaret, we have had a year of joy and celebration overall.

I would officially and with much gratitude like thank our wonderful team Rebecca, Fiona, Ellie, Sarah, Ella, Hannah, and Fiyaz. Customers love coming into Community Bank Monbulk & District because you are happy, kind and always willing to help. You are the face of our brand, and we appreciate your hard work and dedication to our business.

Thank you to our volunteer Board of Directors for your continued support of the branch and thank you for your vision to support our community. Having such a great board drives the difference that we make.

To our Regional Manager Chris Cahir, our Community Banking Relationship Manager Tania Hansen and all support staff of Bendigo and Adelaide Bank thank you for your continued assistance and ongoing support.

Finally, on behalf of myself and my team, we would like to thank everyone who continues to support the Monbulk and District community.

Aimee te Boekhorst
Branch Manager

Secretary's report

For year ending 30 June 2023

"The best way to find yourself is to lose yourself in the service of others." – Gandhi

For the Directors of Monbulk & District Community Enterprises Limited, it is all about the volunteering and volunteers.

From our first breath, we have been creating a wide array of skills. It is our passions, knowledge, skills, and access to resources gives us an incredible number of strengths.

There are many reasons for volunteering and why it is important.

Many report multiple motivations for volunteering – being to help others, for personal satisfaction and to do something worthwhile and to change their community for the better.

The COVID-19 pandemic hit volunteering very hard. By June 2021, volunteer numbers in Australia had fallen by 37% from the start of the pandemic. In the first two years of the pandemic, around 1.86 million people left volunteering, according to Volunteering Australia. Across Australia.

Volunteers contributed 596.2 million hours to the community in 2019. This is a 20% decrease in the total number of volunteering hours from 2014 (743.3 million hours). In 2020, they contributed 489.5 million hours, a further decrease of 18%.

The wide spectrum of groups is amplified by Disability people:

- In 2020, 26.0% of people with disability volunteered for an organisation, compared to 24.3% of people without disability.
- One fifth reported undertaking volunteering to learn new skills or gain work experience., Motivations to volunteering are remaining consistent with previous years.

Volunteering is integral to the fabric of our nation and our community.

What are the some of the advantages of volunteering?

The Top Benefits of we have seen in volunteering are making new friends, building a network, improving confidence, developing emotional stability, feel happier, learning something new, exploring your interests, feeling respected and achieving a sense of achievement.

We have encouraged corporate volunteering. Wherever and whenever, there is a community event our staff and Directors are there in a corporate volunteering role play.

This provides us with the opportunity to develop staff skills, build teams and bolster our reputation within your local community. It builds relationships and nurtures relationships for staff and us. We are creating a place where the community can engage to develop and build a stronger, fairer society.

"Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has." – Margaret Mead

Our corporate volunteering provides a hands-on, meaningful way for us to connect back to the community. It's a practical way to show how we can all play our part in creating sustainable change. Volunteering as a part of Community Bank Monbulk & District culture provides a breath of fresh air to the community.

Our Directors are all community volunteers giving time and expertise in an open and creative way. None receive any renumerations for this.

What a refreshing dedication in a world shattered by corporate greed!

"We make a living by what we get. We make a life by what we give." – Winston Churchill

We are all richer by being volunteers.

Ray Yates
Secretary

Finance report

For year ending 30 June 2023

I am pleased to present you with the finance report for the year ended 30 June 2023.

After a very difficult 2022 year, our high level of customer support and strong business holdings has allowed the Community Bank to financially recover due to greater margins across most product lines, driven by the rising interest rates throughout the year.

It is also very pleasing to see the support we enjoy from the Monbulk community continuing to grow with customer numbers growing by over 4.5% in the year and total business holdings growing by over $6 million to be just under $217 million.

The growth in business holdings and margins were the drivers of the very pleasing increase in the revenue generated in the year, increasing to approximately $1,805,000. This was despite the high interest rate environment reducing lending opportunities this year and is a product of the growth in business holdings we have achieved each year that the Community Bank has been in operation.

Our staff are critical to maintaining our high levels of customer service and community support as well as sustaining our strong growth in both business holdings and revenue. Our results this year are testament to the quality of our team and the investments we have made in resourcing the lending hub and our business development capabilities.

The strong increase in revenue, together with prudent management of our operating costs has delivered a profit before community contributions and income tax of $831,727.

In light of our strong earnings, we have been able to lift our community contributions this year to $179,933. In addition, we have contributed $157,895 to the Community Enterprise Foundation™ which holds funds on our behalf for future local community grants for eligible purposes.

Our reported profit before income tax expense was $493,899 and represents the strongest result since the Community Bank opened eleven years ago.

Our higher earnings also allows us to increase our return to shareholders and we have accordingly declared an unfranked divided of 12 cents per share in respect of the 2023 year. This dividend will be paid on 20 November 2023.

In summary, the last eleven years of successfully building the relationship with our customers and building our business holdings has positioned the Community Bank well to leverage the higher interest rate environment to deliver a strong financial result. Consequently, we have been able increase our contribution to the local community and increase the return to our shareholders.

We look forward to another successful year ahead.

Stephen McDonald
Director

Bendigo and Adelaide Bank report

For year ending 30 June 2023

Community and customer will always be at the heart of what we do at Bendigo and Adelaide Bank.

Together, we're setting up Community Banking for the future – growing our impact as a leading social impact movement to transform communities across Australia.

As we continue to evolve to meet the needs of our customers, we should feel proud that more Australians are choosing to do their banking with us and trust us with their financial goals. Our position as Australia's most trusted bank (Roy Morgan) reflects the esteem we are held in by our customers, and communities.

This year has been particularly significant for us. After five years apart, we had the opportunity to come together in person and connect through our State Connect program and in Bendigo at our National Conference in September. It has also been a record-breaking year for Community Bank with more than $32 million invested into local communities nationwide. This is our highest year on record and underscores our ongoing commitment to our customers and communities.

Reflecting on the 25 years since we opened our first Community Bank, I'm so grateful to the hard work of many passionate Directors (past and present). Everything we have done and continue to do is focused on our purpose to feed into the prosperity of our customers and communities, not off it.

On behalf of the Bank, thank you for continuing to play an essential role in supporting your community. I look forward to seeing us grow together and make a positive impact for generations to come.

Justine Minne
Bendigo and Adelaide Bank

Community Bank National Council report

For year ending 30 June 2023

As a shareholder in your local Community Bank, you belong to an incredible social enterprise network that to date has reinvested more than $300 million in our local communities.

And now, as we celebrate our 25th anniversary milestone, we are evolving even further by sharpening our focus on our community enterprises – separate to the banking side of the business. We are uniting our Community Bank companies through a shared vision of being the most influential network of social enterprises in Australia. This means we'll have a bigger and better story to tell about how we collectively deliver impact.

Our future is together because of our extraordinary strength and aligned partnership with each other, and with our partner, Bendigo and Adelaide Bank. Our partnership with the Bank has been fashioned out of shared effort, risk and reward and it continues to serve us well.

And now even with the digital evolution upon us, the foundation of our future still relies on the guiding principles of the Community Bank model. We are community enterprises and the custodians of this incredible model that collaborates with local communities for social good. The objective of our Community Bank network remains the same. Our evolution will be evidenced by the channels that we use to connect with our customers and communities, digital by design and human where it matters.

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.

The Community Bank network creates impact though grants, donations and sponsorships that connect with and care for generations of Australians. Network investment ranges from sport, scholarships and school programs, through to community groups, cultural organisations and local councils. We also facilitate and attract partnerships to help support much needed community projects.

The Community Bank National Council (CBNC) is the voice of the Community Bank network. The role of the CBNC is to advocate and influence on behalf of the 240 community enterprises with its partner. It has also been the role of the CBNC to oversee the development of the Community Network Strategy which exists to ensure the ongoing sustainability of this unique collective of social enterprises.

In September this year our Community Bank network celebrates 25 years. It's a tremendous milestone and one which we're hugely proud of achieving. We have never been stronger and we look forward to continuing to serve our shareholders, customers and communities as we embrace our exciting future.

Warm regards

Sarah Franklyn
CBNC Chair

Directors' report

For the financial year ended 30 June 2023

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2023.

Directors

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

Leonardus Josephus Cornelis Koelewyn

Title:	Non-executive director
Experience and expertise:	Past President Nursery and Garden Industry Victoria, past Vice President Monbulk Football and Netball Club, Past Director Monbulk Bowling Club. Served on Committees - Nursery industry including Finance, Quarantine, Trade Market Day, Garden State Advisory Council, Melbourne International Flower and Garden Show (MIFGS). Vice President National Nursery and Garden Industry. Chairman of Woori Yallock Streamflow Consultative Committee.
Special responsibilities:	Chairman & HR Committee.

Kellie Ann Clay

Title:	Non-executive director
Experience and expertise:	Kellie began working in public accounting in 1996 while completing her Bachelor of Business (Accounting). She began managing an office branch of Taxbiz Australia in 2004 and was offered partnership in 2009. In 2015 she founded Elysium Accounting with two business partners. In Kellie's 20 years of experience in public accounting she has gained a vast knowledge of many aspects of business, including taxation, accounting principles, business structures, audit, internal business practices & systems, and SMSF advice. She has gained experience in many different business industries.
Special responsibilities:	Finance Committee, HR Committee.

Raymond Leslie Yates

Title:	Non-executive director
Experience and expertise:	Shire Councillor for 21 years. Justice of the Peace. Freeman of the Shire of Lilydale, former President of Rotary and Paul Harris Fellow, life member of Japara Community House, life member of Lilydale Historical Society, trust member of Lilydale and Districts Museum, Citizen of the Year Yarra Ranges Shire, foundation member of the Upper Yarra Valley and Dandenong Ranges Planning Authority, inaugural member of the Australian Local Government Association, school Principal for over 28 years. Recipient of the Centenary Medal and National Service Medal. Professional development presenter and facilitator. Chairman of Dandenong Ranges Music Council. Chairperson of Japara Community House. Treasurer of Sylvan Glades Homes.
Special responsibilities:	Company Secretary, Governance Committee.

Stephen Michael McDonald

Title:	Non-executive director
Experience and expertise:	Stephen is a senior financial executive with broad experience in all aspects of financial management, corporate governance, and management of risk, ICT and supply chain functions in both private and publicly listed companies. In a career spanning 30 years in the accounting profession, Stephen has held a number of senior finance roles across a broad range of industries. Stephen is a member of CPA Australia and holds a Bachelor of Economics from Monash University. An active contributor to the local community, Stephen was a school councillor at The Patch primary school for 8 years and on the committee of The Patch Landcare Group. Stephen was also on the Monbulk Junior Football Club committee for 5 years and on the Advisory Board of Mount Lilydale Mercy College for 6 years.
Special responsibilities:	Finance Committee, HR Committee.

Jennifer Rae Nash

Title:	Non-executive director
Experience and expertise:	A long time resident of Monbulk, Jenni currently works for a local real estate office as a Property Consultant/Rest Estate agent. She has previously owned her own business in Monbulk and has managed other businesses including women's and children's fashion stores and wholesale florists. She is a past President of St Paul's Primary School Parents and Friends Assoc., where her three children attended school. Jenni also co-ordinated the fundraising for Monbulk Jnr football club for three years and is a past member of the Monbulk Business Network. Her passion for the Monbulk community is reflected in her role here at the Community Bank, and in her drive to promote the benefits of banking with Bendigo and how the bank supports the community. Jennifer currently volunteers at Monbulk Care Network Op Shop and Open Door Community Food Pantry.
Special responsibilities:	Chair Marketing & Sponsorship Committee.

Peter Herbert D'Abico

Title:	Non-executive director
Experience and expertise:	Peter is a small business owner & operator. He is a Cattle Farmer and former Banker, working in both consumer credit and business banking.
Special responsibilities:	Nil.

Sarah Melanie Tebbutt

Title:	Non-executive director
Experience and expertise:	Currently Sarah is managing the role of community development & engagement for a large property development firm. Sarah is also a Community Bank Mentor contracting to Bendigo Bank working with Community Banks around Australia as well as assisting with projects to support the network. Sarah works along aside the Monbulk board supporting the administration of the company. Also Sarah has many years' experience in community groups and organisations and is currently working with the Community Enterprise Foundation, Bendigo Banks of the Yarra Ranges and Yarra Ranges Council on a new model of delivering community recovery and the chair of a Mountain Biking committee running a school program. Previously, Sarah has been awarded an Australia Day award for service to the community by the Yarra Ranges Council.
Special responsibilities:	Business Development Committee, HR Committee and Marketing & Sponsorship Committee.

Andrew James Raper

Title:	Non-executive Director
Experience and expertise:	Self-employed, qualified Nurseryman. Current President of Camellias Victoria, Director and Maintenance Manager of Timberline Ski Lodge.
Special responsibilities:	Nil.

Company secretary

The company secretary is Raymond Yates. Raymond was appointed to the position of company secretary on 24 November 2014.

Principal activity

The principal activity of the company during the financial year was facilitating Community Bank services under management rights of Bendigo and Adelaide Bank Limited (Bendigo Bank).

There have been no significant changes in the nature of this activity during the financial year.

Review of operations

The profit for the company after providing for income tax amounted to $366,586 (30 June 2022: $38,637).

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

Dividends

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

	2023 $
Unfranked dividend of 6 cents per share (2022: 8 cents)	49,919

During the June 2023 board meeting, the following dividend was declared by the directors. The dividends have not been provided for in the financial statements.

	2024 $
Unfranked dividend of 12 cents per share	99,838

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

Apart from the dividend proposed as discussed above, no other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments

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

Environmental regulation

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

Meetings of directors

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

	Board	
	Eligible	Attended
Leonardus Josephus Cornelis Koelewyn	11	9
Kellie Ann Clay	11	6
Raymond Leslie Yates	11	10
Stephen Michael McDonald	11	11
Jennifer Rae Nash	11	10
Peter Herbert D'Abico	11	10
Sarah Melanie Tebbutt	11	8
Andrew James Raper	11	10

Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 23 to the financial statements.

Directors' interests

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Leonardus Josephus Cornelis Koelewyn	82,000	-	82,000
Kellie Ann Clay	-	-	-
Raymond Leslie Yates	10,000	-	10,000
Stephen Michael McDonald	-	-	-
Jennifer Rae Nash	500	-	500
Peter Herbert D'Abico	-	-	-
Sarah Melanie Tebbutt	4,000	-	4,000
Andrew James Raper	5,000	-	5,000

Indemnity and insurance of directors and officers

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

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

Proceedings on behalf of the company

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

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

Indemnity and insurance of auditor

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

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

Non-audit services

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

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

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

Auditor's independence declaration

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

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

On behalf of the directors

L. Koelewyn

Leonardus Josephus Cornelis Koelewyn
Chairman

18 October 2023

Auditor's independence declaration

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

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 18th October 2023

Joshua Griffin
Lead Auditor

afsbendigo.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

Financial statements

Statement of profit or loss and other comprehensive income for the year ended 30 June 2023

	Note	2023 $	2022 $
Revenue from contracts with customers	6	1,804,595	1,088,641
Total revenue		1,804,595	1,088,641
Employee benefits expense	7		
		(703,217)	**(691,699)**
Advertising and marketing costs		(27,553)	(33,312)
Occupancy and associated costs		(23,389)	(18,770)
System costs		(30,203)	(33,583)
Depreciation and amortisation expense	7	(78,285)	(60,165)
Loss on disposal of assets		(3,586)	-
Finance costs	7	(7,676)	(8,756)
General administration expenses		(98,959)	(116,470)
Total expenses before community contributions and income tax expense		**(972,868)**	**(962,755)**
Profit before community contributions and income tax expense		**831,727**	**125,886**
Charitable donations, sponsorships and grants expense	7	(337,828)	(74,342)
Profit before income tax expense		**493,899**	**51,544**
Income tax expense	8	(127,313)	(12,907)
Profit after income tax expense for the year	**18**	**366,586**	**38,637**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**366,586**	**38,637**
		Cents	Cents
Basic earnings per share	26	43.08	4.54
Diluted earnings per share	26	43.08	4.54

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

Statement of financial position
as at 30 June 2023

	Note	2023 $	2022 $
Assets			
Current assets			
Cash and cash equivalents	9	809,872	409,605
Trade and other receivables	10	165,089	117,500
Total current assets		**974,961**	**527,105**
Non-current assets			
Property, plant and equipment	11	159,239	112,005
Right-of-use assets	12	137,489	161,826
Intangible assets	13	46,614	75,924
Deferred tax assets	8	13,117	26,704
Total non-current assets		**356,459**	**376,459**
Total assets		**1,331,420**	**903,564**
Liabilities			
Current liabilities			
Trade and other payables	14	119,454	74,717
Lease liabilities	15	39,456	35,037
Current tax liabilities	8	113,726	-
Employee benefits	16	77,325	92,553
Total current liabilities		**349,961**	**202,307**
Non-current liabilities			
Trade and other payables	14	29,842	44,763
Lease liabilities	15	109,914	138,305
Employee benefits	16	11,645	5,666
Lease make good provision		21,372	20,504
Total non-current liabilities		**172,773**	**209,238**
Total liabilities		**522,734**	**411,545**
Net assets		**808,686**	**492,019**
Equity			
Issued capital	17	823,643	823,643
Accumulated losses	18	(14,957)	(331,624)
Total equity		**808,686**	**492,019**

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

Statement of changes in equity for the year ended 30 June 2023

	Note	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 July 2021		823,643	(302,180)	521,463
Profit after income tax expense		-	38,637	38,637
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		**-**	**38,637**	**38,637**
Transactions with owners in their capacity as owners:				
Dividends provided for	20	-	(68,081)	(68,081)
Balance at 30 June 2022		**823,643**	**(331,624)**	**492,019**
Balance at 1 July 2022		823,643	(331,624)	492,019
Profit after income tax expense		-	366,586	366,586
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		**-**	**366,586**	**366,586**
Transactions with owners in their capacity as owners:				
Dividends provided for	20	-	(49,919)	(49,919)
Balance at 30 June 2023		**823,643**	**(14,957)**	**808,686**

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

Statement of cash flows
for the year ended 30 June 2023

	Note	2023 $	2022 3
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,941,677	1,159,582
Payments to suppliers and employees (inclusive of GST)		(1,392,399)	(1,069,310)
Net cash provided by operating activities	**25**	**549,278**	**90,272**
Cash flows from investing activities			
Payments for property, plant and equipment		(45,212)	(3,940)
Payments for intangible assets		(10,852)	(10,631)
Net cash used in investing activities		**(56,064)**	**(14,571)**
Cash flows from financing activities			
Dividends paid	20	(49,919)	(68,081)
Repayment of lease liabilities	15	(43,028)	(41,168)
Net cash used in financing activities		**(92,947)**	**(109,249)**
Net increase/(decrease) in cash and cash equivalents		400,267	(33,548)
Cash and cash equivalents at the beginning of the financial year		409,605	443,153
Cash and cash equivalents at the end of the financial year	**9**	**809,872**	**409,605**

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

Notes to the financial statements

For the year ended 30 June 2023

Note 1. Reporting entity

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 70 Main Road, Monbulk VIC 3793.

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

Note 2. Basis of preparation and statement of compliance

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 18 October 2023. The directors have the power to amend and reissue the financial statements.

Note 3. Significant accounting policies

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

Changes in accounting policies, standards and interpretations

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

Current and non-current classification

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

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

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

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

Impairment

Non-derivative financial assets

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

Note 3. Significant accounting policies (continued)

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

Non-financial assets

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

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

Goods and Services Tax (GST)

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events that it believes to be reasonable under the circumstances. Differences between the accounting judgements and estimates and actual results and outcomes are accounted for in future reporting periods. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

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

Impairment of non-financial assets

The company assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined as the higher of its fair value less costs of disposal or value-in-use, each of which incorporate a number of key estimates and assumptions.

Recovery of deferred tax assets

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

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

Lease term

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

Incremental borrowing rate

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

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and inflation have been taken into account.

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

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

Lease make good provision

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

Note 5. Economic dependency

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

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

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

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

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

Note 5. Economic dependency (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.

Note 6. Revenue from contracts with customers

	2023 $	2022 $
Margin income	1,612,770	907,044
Fee income	85,599	81,435
Commission income	106,226	100,162
	1,804,595	**1,088,641**

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

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

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

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

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

Revenue calculation

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

Margin income

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

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

Note 6. Revenue from contracts with customers (continued)

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

Commission income

Commission income is 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 including fees for loan applications and account transactions.

Core banking products

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

Ability to change financial return

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

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

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

Note 7. Expenses

Employee benefits expense

	2023 $	2022 $
Wages and salaries	575,100	568,939
Superannuation contributions	63,371	57,913
Expenses related to long service leave	2,357	8,568
Other expenses	62,389	56,279
	703,217	**691,699**

Depreciation and amortisation expense

	2023 $	2022 $
Depreciation of non-current assets		
Leasehold improvements	7,730	8,234
Plant and equipment	4,662	4,641
	12,392	**12,875**
Depreciation of right-of-use assets		
Leased land and buildings	**36,583**	**34,772**

Note 7. Expenses (continued)

	2023 $	2022 $
Amortisation of intangible assets		
Franchise fee	1,082	2,087
Franchise renewal fee	12,868	10,431
Domiciled customer accounts	15,360	-
	29,310	**12,518**
	78,285	**60,165**

Finance costs

	2023 $	2022 $
Lease interest expense	6,809	7,925
Unwinding of make-good provision	867	831
	7,676	**8,756**

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

Leases recognition exemption

	2023 $	2022 $
Expenses relating to low-value leases	**11,793**	**15,360**

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 Leases. Expenses relating to low-value exempt leases are included in system costs expenses.

Charitable donations, sponsorships and grants expense

	2023 $	2022 $
Direct donation, sponsorship and grant payments	179,933	72,026
Contribution to the Community Enterprise Foundation™	157,895	2,316
	337,828	**74,342**

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

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

When the company pays a contribution in to the CEF, the company loses control over the funds at that point. While the directors are involved in the payment of grants, the funds are not refundable to the company.

Note 8. Income tax

	2023 $	2022 $
Income tax expense		
Recoupment of prior year tax losses	3,525	22,826
Current tax	113,726	-
Movement in deferred tax	10,062	(9,919)
Aggregate income tax expense	**127,313**	**12,907**

Note 8. Income tax (continued)

	2023 $	2022 $
Prima facie income tax reconciliation		
Profit before income tax expense	**493,899**	**51,544**
Tax at the statutory tax rate of 25%	123,475	12,886
Tax effect of:		
Non-deductible expenses	3,838	21
Income tax expense	**127,313**	**12,907**

	2023 $	2022 $
Deferred tax assets/(liabilities)		
Tax losses	-	3,525
Employee benefits	29,242	27,272
Provision for lease make good	5,343	5,126
Lease liabilities	37,342	43,336
Right-of-use assets	(34,372)	(40,456)
Property, plant and equipment	(24,438)	(12,099)
Deferred tax asset	**13,117**	**26,704**

	2023 $	2022 $
Provision for income tax	**113,726**	**-**

Accounting policy for income tax

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

Accounting policy for current tax

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

Accounting policy for deferred tax

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

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

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

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

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

Note 9. Cash and cash equivalents

	2023 $	2022 $
Cash at bank and on hand	**809,872**	**409,605**

Accounting policy for cash and cash equivalents

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

Note 10. Trade and other receivables

	2023 $	2022 $
Trade receivables	**153,280**	**109,905**
Other receivables and accruals	200	200
Prepayments	11,609	7,395
	11,809	**7,595**
	165,089	**117,500**

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

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

Note 11. Property, plant and equipment

	2023 $	2022 $
Leasehold improvements - at cost	230,736	212,070
Less: Accumulated depreciation	(127,436)	(117,376)
	103,300	**94,694**
Plant and equipment - at cost	116,162	72,066
Less: Accumulated depreciation	(60,223)	(54,755)
	55,939	**17,311**
	159,239	**112,005**

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

	Leasehold improvements $	Plant and equipment $	Total $
Balance at 1 July 2021	102,928	18,012	120,940
Additions	-	3,940	3,940
Depreciation	(8,234)	(4,641)	(12,875)
Balance at 30 June 2022	**94,694**	**17,311**	**112,005**
Additions	18,666	44,546	63,212
Disposals	(2,330)	(1,256)	(3,586)
Depreciation	(7,730)	(4,662)	(12,392)
Balance at 30 June 2023	**103,300**	**55,939**	**159,239**

Note 11. Property, plant and equipment (continued)

Accounting policy for property, plant and equipment

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

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

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

Leasehold improvements	4 to 40 years
Plant and equipment	1 to 40 years

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

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

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

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 12. Right-of-use assets

	2023 $	2022 $
Land and buildings - right-of-use	371,275	359,028
Less: Accumulated depreciation	(233,786)	(197,202)
	137,489	**161,826**

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

	Land and buildings $
Balance at 1 July 2021	192,932
Remeasurement adjustments	3,666
Depreciation expense	(34,772)
Balance at 30 June 2022	**161,826**
Remeasurement adjustments	12,246
Depreciation expense	(36,583)
Balance at 30 June 2023	**137,489**

Accounting policy for right-of-use assets

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

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Refer to note 15 for more information on lease arrangements.

Note 13. Intangible assets

	2023 $	2022 $
Domiciled customer accounts	15,360	15,360
Less: Accumulated amortisation	(15,360)	-
	-	**15,360**
Franchise fee	32,007	32,007
Less: Accumulated amortisation	(22,995)	(21,913)
	9,012	**10,094**
Franchise renewal fee	110,036	110,036
Less: Accumulated amortisation	(72,434)	(59,566)
	37,602	**50,470**
	46,614	**75,924**

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

	Domiciled customer accounts $	Franchise fee $	Franchise renewal fee $	Total $
Balance at 1 July 2021	15,360	1,366	6,826	23,552
Additions	-	10,815	54,075	64,890
Amortisation expense	-	(2,087)	(10,431)	(12,518)
Balance at 30 June 2022	**15,360**	**10,094**	**50,470**	**75,924**
Amortisation expense	(15,360)	(1,082)	(12,868)	(29,310)
Balance at 30 June 2023	**-**	**9,012**	**37,602**	**46,614**

Additions

During the financial year the franchise fee was renewed. This is being amortised over five years to February 2027.

Accounting policy for intangible assets

Intangible assets of the company relate to the franchise fees paid to Bendigo Bank which conveys the right to operate the Community Bank franchise.

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

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

Domiciled customer accounts acquired are recognised at cost at the date of acquisition and are assessed as having indefinite useful life. They are tested for impairment at each reporting period and whenever impairment indicators are present. The indefinite useful life is also reassessed annually.

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

Asset class	Method	Useful life	Expiry/renewal date
Domiciled customer accounts	Straight-line	Finite	June 2023
Franchise fee	Straight-line	Over the franchise term (5 years)	February 2027
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	February 2027

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

Note 13. Intangible assets (continued)

Change in estimates

During the financial year, the company assessed estimates used for intangible assets including useful lives, residual values, and amortisation methods. There were no changes in estimates for the current reporting period other than the decision to fully amortise the domiciled customer accounts after reconsideration of its useful life.

Note 14. Trade and other payables

	2023 $	2022 $
Current liabilities		
Trade payables	64,607	23,705
Other payables and accruals	54,847	51,012
	119,454	**74,717**
Non-current liabilities		
Other payables and accruals	**29,842**	**44,763**

Accounting policy for trade and other payables

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

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

Note 15. Lease liabilities

	2023 $	2022 $
Current liabilities		
Land and buildings lease liabilities	44,971	41,640
Unexpired interest	(5,515)	(6,603)
	39,456	**35,037**
Non-current liabilities		
Land and buildings lease liabilities	116,176	149,210
Unexpired interest	(6,262)	(10,905)
	109,914	**138,305**

Reconciliation of lease liabilities

	2023 $	2022 $
Opening balance	173,342	202,919
Remeasurement adjustments	12,247	3,666
Lease interest expense	6,809	7,925
Lease payments - total cash outflow	(43,028)	(41,168)
	149,370	**173,342**

Note 15. Lease liabilities (continued)

Maturity analysis

	2023 $	2022 $
Not later than 12 months	44,971	41,640
Between 12 months and 5 years	116,176	149,210
	161,147	**190,850**

Accounting policy for lease liabilities

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

Lease payments included in the measurement of the lease liability comprise fixed lease payments that depend on a 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 not to separate lease and non-lease components when calculating the lease liability.

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

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 leased premises.

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

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
70 Main Road	4.79%	5 years	N/A	N/A	January 2027
68 Main Road	3.54%	5 years	N/A	N/A	January 2027

Note 16. Employee benefits

	2023 $	2022 $
Current liabilities		
Annual leave	32,810	44,416
Long service leave	44,515	48,137
	77,325	**92,553**
Non-current liabilities		
Long service leave	**11,645**	**5,666**

Accounting policy for employee benefits

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

Note 16. Employee benefits (continued)

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

Superannuation contributions

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

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

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.

Note 17. Issued capital

	2023 Shares	2022 Shares	2023 $	2022 $
Ordinary shares - fully paid	851,010	851,010	851,010	851,010
Less: Equity raising costs	-	-	(27,367)	(27,367)
	851,010	**851,010**	**823,643**	**823,643**

Accounting policy for issued capital

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

Rights attached to issued capital

Ordinary shares

Voting rights

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

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

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

Note 17. Issued capital (continued)

Dividends

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

Transfer

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

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

Prohibited shareholding interest

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 195. As at the date of this report, the company had 204 shareholders (2022: 204 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 their associates) has a prohibited shareholding interest in are suspended.

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

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

Note 18. Accumulated losses

	2023 $	2022 $
Accumulated losses at the beginning of the financial year	(331,624)	(302,180)
Profit after income tax expense for the year	366,586	38,637
Dividends paid (note 20)	(49,919)	(68,081)
Accumulated losses at the end of the financial year	**(14,957)**	**(331,624)**

Note 19. Capital management

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

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

The distribution limit is the greater of:

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

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

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

Note 20. Dividends

Dividends provided for and paid during the period

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

	2023 $	2022 $
Unfranked dividend of 6 cents per share (2022: 8 cents)	**49,919**	**68,081**

Dividends declared but not recognised at balance date

At the June 2023 board meeting, the board of directors declared to pay an unfranked dividend of 12 cents per share. The financial impact of the dividend, amounting to $99,838, has not been recognised in the financial statements for the financial year ended 30 June 2023, and will be recognised in the subsequent financial statements.

	2024 $
Unfranked dividend of 12 cents per share	**99,838**

Accounting policy for dividends

Dividends are recognised in the financial year they are declared.

Note 21. Financial instruments

	2023 $	2022 $
Financial assets		
Trade and other receivables	153,480	110,105
Cash and cash equivalents	809,872	409,605
	963,352	**519,710**
Financial liabilities		
Trade and other payables	149,296	119,480
Lease liabilities	149,370	173,342
	298,666	**292,822**

Note 21. Financial instruments (continued)

Accounting policy for financial instruments

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

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

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

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

Financial risk management

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

Market risk

Market risk is the risk that changes in market prices - e.g. foreign exchange rates, interest rates, and equity prices - will affect the company's income or the value of its holdings in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The company has no exposure to any transactions denominated in a currency other than Australian dollars.

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of $809,872 at 30 June 2023 (2022: $409,605).

Price risk

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

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, Bendigo Bank is rated BBB+ on Standard & Poor's credit ratings.

Liquidity risk

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

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities. The contractual cash flow amounts are gross and undiscounted and therefore may differ from their carrying amount in the statement of financial position.

Note 21. Financial instruments (continued)

2023	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	119,454	29,842	-	149,296
Lease liabilities	44,971	116,176	-	161,147
Total non-derivatives	**164,425**	**146,018**	**-**	**310,443**

2022	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	74,717	44,763	-	119,480
Lease liabilities	41,640	149,210	-	190,850
Total non-derivatives	**116,357**	**193,973**	**-**	**310,330**

Note 22. Key management personnel disclosures

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

Leonardus Josephus Cornelis Koelewyn	Jennifer Rae Nash
Kellie Ann Clay	Peter Herbert D'Abico
Raymond Leslie Yates	Sarah Melanie Tebbutt
Stephen Michael McDonald	Andrew James Raper

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

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

Note 23. Related party transactions

The following transactions occurred with related parties:

	2023 $	2022 $
Sarah Tebbutt receives remuneration for bookkeeping, business development, business administration and support services provided to the Board.	26,650	29,790

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

Note 24. Remuneration of auditors

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

	2023 $	2022 $
Audit services		
Audit or review of the financial statements	**5,400**	**5,200**

Note 24. Remuneration of auditors (continued)

	2023 $	2022 $
Other services		
Taxation advice and tax compliance services	660	600
General advisory services	4,730	3,630
Share registry services	3,760	3,619
	9,150	**7,849**
	14,550	**13,049**

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

	2023 $	2022 $
Profit after income tax expense for the year	366,586	38,637
Adjustments for:		
Depreciation and amortisation	78,285	60,165
Net loss on disposal of non-current assets	3,586	-
Lease liabilities interest	6,809	7,925
Change in operating assets and liabilities:		
Increase in trade and other receivables	(65,588)	(26,355)
Decrease in deferred tax assets	13,587	12,908
Increase/(decrease) in trade and other payables	40,668	(29,475)
Increase in provision for income tax	113,726	-
Increase/(decrease) in employee benefits	(9,249)	25,636
Increase in other provisions	868	831
Net cash provided by operating activities	**549,278**	**90,272**

Note 26. Earnings per share

	2023 $	2022 $
Profit after income tax	**366,586**	**38,637**

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	851,010	851,010
Weighted average number of ordinary shares used in calculating diluted earnings per share	**851,010**	**851,010**

	Cents	Cents
Basic earnings per share	43.08	4.54
Diluted earnings per share	43.08	4.54

Accounting policy for earnings per share

Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Monbulk & District Community Enterprises Limited, by the weighted average number of ordinary shares outstanding during the financial year.

Note 27. Commitments

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

Note 28. Contingencies

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

Note 29. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Directors' declaration

For the financial year ended 30 June 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

L. Koelewyn

Leonardus Josephus Cornelis Koelewyn
Chairman

18 October 2023

Independent audit report

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
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Independent auditor's report to the Directors of Monbulk & District Community Enterprises Limited

Report on the Audit of the Financial Report

Opinion

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

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

In our opinion, the accompanying financial report of Monbulk & District 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 2023 and of its financial performance for the year ended on that date; and
ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
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Other Information

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

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

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

Auditor's responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated:18th October 2023

Joshua Griffin
Lead Auditor

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Bendigo Bank

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