

# Annual Report 2024

Tongala & District Financial  
Services Limited

Community Bank  
Tongala and Mathoura

ABN 22 094 331 665



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# Chairman's report

For year ending 30 June 2024



The banking environment post Covid-19 has been challenging for most sectors of the banking industry, with change being the predominant theme. At Community Bank

Tongala and Mathoura, this change has become our modus operandi. While adapting to these changes has been demanding, we believe they will ultimately benefit our customers, shareholders, and the communities of Tongala and Mathoura in the years to come.

## Key Changes and Appointments

In August, the Board made a significant decision to appoint Sharon Ebsworth as Company Secretary. Sharon brings a wealth of experience and enthusiasm, which we deeply appreciate.

Kevin Livingston, our Branch Manager for the past seven years, retired at the end of March. We are pleased to welcome Hamish Urquhart, a former Branch Manager with Queensland Country Bank from Atherton in far north Queensland, as his successor. Hamish was chosen from a pool of highly qualified candidates, and we are excited to have him on board. We wish Kevin and Mary a long and happy retirement.

This year, we also welcomed two new part-time Customer Service Officers, Renee Simm and Sharon Martin. Their addition ensures greater flexibility within our branch staff network.

We extend our sincere gratitude to Hannah Tuxworth and Kerry Cox for their outstanding service during the transition from Kevin to Hamish and the recruitment of our two new Customer Service Officers. The branch ran short-staffed for a long period, and their dedication was invaluable.

## Community Engagement and Sponsorships

Community Bank Tongala and Mathoura had a standout year in securing significant sponsorship agreements during the financial year. Notably, we signed three-year agreements with Goulburn Murray Cricket to sponsor junior cricket within the district and with the Tongala Football Netball Club as an Associate Sponsor, which includes the purchase of netball dresses and football jumpers.

We are also proud to support the "Boys to the Bush" program with Tongala Primary and St. Patrick's Tongala. Additionally, we funded the purchase and installation of outdoor benches at Mathoura Public School, new air conditioners for Tongala Senior Citizens, a cool room for Tongala Bowls Club, computers for Tongala Activities Centre, and security cameras for Tongala Op Shop just to name a few. All our grants and sponsorships support community groups that do wonderful things for our community.

## Financial Performance and Outlook

Thanks to elevated interest rates Tongala & District Financial Services Limited has experienced a more favourable economic environment over the past 12 months. However, the economic outlook remains uncertain. Inflation may persist, keeping interest rates static. The cost of living will likely remain elevated, posing challenges for many, especially in terms of rent. Despite these challenges, the Board recently decided to pay a fully franked dividend of 8 cents per share for 2024.

In conclusion, while the post-Covid banking environment has presented numerous challenges, the Board and staff of Community Bank Tongala and Mathoura have embraced these changes to better serve our customers and communities. We look forward to continued growth and success in the coming year.

**John Bentley**  
**Chair**  
**Tongala & District Financial Services Limited**

# Manager's report

For year ending 30 June 2024



It is with great pleasure that I present to you the Branch Manager's Report for Community Bank Tongala and Mathoura for the 2023/24 financial year.

I began my role as Branch Manager

on 24 June 2024, diving straight into the heart of community engagement through presentations and our highly anticipated Grant presentation night. The warm welcome from both the team and the local community has made my transition into the role an enjoyable experience.

## Branch and Agency Business

As of the end of June 2024, Community Bank Tongala and Mathoura proudly served 2,684 customers. Our customers' loyalty is the driving force behind our ability to reinvest over \$1,000,000 into the local communities over the past 24 years—a testament to the power of community banking.

At the close of the 2023/2024 financial year, our business figures stand as follows:

- Loans: \$16,383,076
- Deposits: \$50,390,481
- Rural & Wealth: \$4,808,138
- Other Business: \$63,445
- Total: \$71,645,140

## Team Updates

This year has seen significant changes in our team, with both farewells and new beginnings reflecting the natural evolution of our branch.

### Farewells

In September 2023, we said farewell to Kate Nunn, who had been a valued member of our team for nearly 17 years. Kate's departure marked the end of an era, and

her unwavering dedication and exemplary customer service will be missed by both her colleagues and the community.

In March 2024, Branch Manager Kevin Livingston retired, leaving behind a legacy of strong leadership and camaraderie. Kevin's influence on the team and the branch will be remembered fondly, and we wish him all the best as he enjoys his well-earned retirement.

Most recently, in September 2024, we saw the departure of Customer Relationship Manager Hannah Tuxworth, who decided to pursue a new path outside the banking industry. Hannah was a key figure in the branch for the past seven years, and her contributions have been invaluable. Both our staff and customers will deeply miss her presence and expertise.

## New Additions

In April, we were pleased to welcome two part-time Customer Service Officers (CSOs), Renee Simm and Sharon Martin. They have joined forces with Kerry Cox, our full-time CSO, to continue providing exceptional service and support to our valued customers. Sharon and Renee have quickly become integral parts of our team, bringing enthusiasm and dedication to their roles.

I would like to express my sincere thanks to our loyal customers who continue to support Community Bank Tongala and Mathoura, the Board of Tongala & District Financial Services Limited, and our dedicated staff in Tongala and at our Mathoura Agency. Special thanks also to our Regional Managers, Kendall Beattie and Galen Munari, for their guidance and support throughout the year.

As we look forward to the 2024/2025 financial year, I am excited about the opportunities ahead and confident in our ability to continue delivering outstanding service to our community.

Thank you all for your ongoing support.

**Hamish Urquhart**  
**Branch Manager**  
**Community Bank Tongala and Mathoura**

# Community contributions

Tongala & District Financial Services Limited  
Financial Year 2023/24

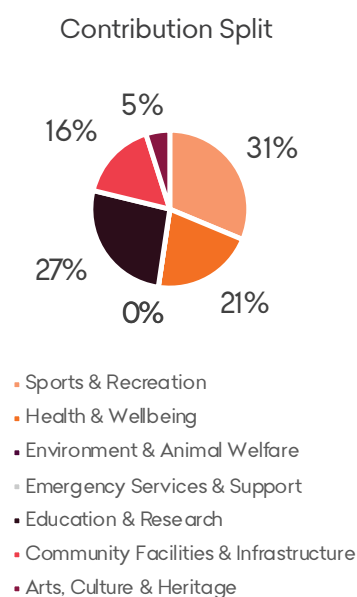
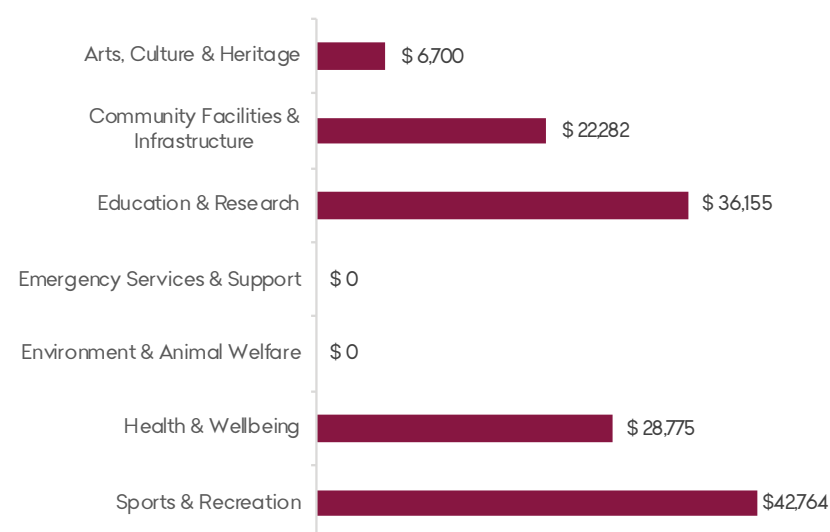
Contribution Totals by Type	
Donation	\$ 0
Grant	\$ 59,664
Scholarship	\$ 16,900
Sponsorship	\$ 60,112
<b>Total</b>	<b>\$ 136,676</b>

National Contribution	
FY24	\$40,457,751
Projects funded	8021
<b>\$360 million</b> reinvested back into local communities	

Contribution Totals by Sector	
Sports & Recreation	\$ 42,764
Health & Wellbeing	\$ 28,775
Environment & Animal Welfare	\$ 0
Emergency Services & Support	\$ 0
Education & Research	\$ 36,155
Community Facilities & Infrastructure	\$ 22,282
Arts, Culture & Heritage	\$ 6,700
<b>Total</b>	<b>\$ 136,676</b>



## Contribution Split by Sector





## Community contributions (continued)

### Contributions 2023/24

Sector	Recipient
<b>Grant</b>	
Health & Wellbeing	Tongala Community Activities Centre INC
Health & Wellbeing	3rd Cavalry Regiment (Vietnam) Assoc
Health & Wellbeing	Moama Anglican Grammar
Health & Wellbeing	Tongala Recreation Reserve inc
Education & Research	Mathoura Preschool
Education & Research	Ava Wardlaw - Mathoura Public School
Education & Research	Hunter Radley
Education & Research	Mathoura Public School P&C Association
Community Facilities & Infrastructure	Tongala Lawn Tennis Club
Community Facilities & Infrastructure	RSL of Tongala Sub Branch Inc.
Community Facilities & Infrastructure	Koyuga Inc
Community Facilities & Infrastructure	Tongala Senior Citizens
Community Facilities & Infrastructure	Tongala Community Charity Op Shop Inc
Sports & Recreation	Tongala Football Netball Club
Sports & Recreation	Tongala Bowls Club Inc
<b>Sponsorship</b>	
Community Facilities & Infrastructure	Tongala Recreation Reserve
Community Facilities & Infrastructure	Campaspe Shire - 2024 Business Awards
Arts, Culture & Heritage	Tongala Development Group
Arts, Culture & Heritage	Embrace Church
Sports & Recreation	Goulburn Murray Cricket Club
Sports & Recreation	Tongala Cricket Club
Sports & Recreation	Tongala Football Netball Club
Sports & Recreation	Tongala Bowls Club
Sports & Recreation	Mathoura Golf Club
Education & Research	Tongala Girl Guides
Education & Research	Tongala P.S.
Education & Research	Tongala P.S
<b>Scholarship</b>	
Education & Research	Bradley Emery
Education & Research	Georgia Fitzallen
Education & Research	Hayley Wickham
Education & Research	Rory Hendry
Education & Research	Shila Cleveland
Education & Research	William Keirl
Education & Research	Connor Whitecross
Education & Research	Connor McGowan
Education & Research	Kynan Saunders
Education & Research	Kare Doolan
Education & Research	Maya Kellett

From top: 3rd Cavalry, Tongala Bowls Club new coolroom, Tongala Football Netball Club, Mathoura P.S. with their new tables and chairs, Tongala Senior Citizens.



# Bendigo and Adelaide Bank report

For year ending 30 June 2024

This past year has been particularly significant for Bendigo Bank and the Community Bank network. After five years apart, we had the opportunity to come together in person and connect in Bendigo at our National Conference in September.

It was lovely to see so many familiar faces and to meet many directors who haven't attended previously. We feel proud to support such an amazing network.

We are committed to our strategy and the qualities that make Bendigo Bank unique, by staying true to our connection with communities, our regional roots, and our position as Australia's most trusted bank.

As Bendigo Bank adapts to the evolving digital landscape and changing customer expectations, the Community Bank Network is organically evolving in response.

Over the past 12 months, we have seen Community Bank companies seek to enhance their presence within their communities more than ever.

This has been through expanding or consolidating branch sites, collaborating with local, state, and national governments to support community initiatives, or by prioritising social value alongside financial performance through Social Trader accreditation.

The anniversary of the Community Bank model, along with changing environmental factors, provides an opportunity to reset and establish a clear pathway towards the next 25 years.

Bendigo Bank's purpose, to feed into the prosperity of communities, and our willingness to ensure our purpose is relevant to the needs of communities in which we are present, is a key contributor to our commercial success.

When we utilise our combined strengths, exercise our imaginations and have the courage to commit to creating our own opportunities, we will be the partner of choice for customers and communities regardless of location or cause.

Community, regional presence, and trust are the distinctive attributes of Bendigo Bank that we have maintained and plan to uphold in the future.

While Bendigo Bank emphasises commercial success, our foundation remains in community values. Our aim is to generate mutual value by providing solutions to local challenges.

On behalf of Bendigo Bank, thank you for being a shareholder in your local Community Bank. Your contribution helps foster economic growth, creates employment opportunities, and provides essential financial services to the members of your community.

Your dedication and support is making a positive impact on your community.

**Justine Minne**  
**Bendigo and Adelaide Bank**

# Community Bank National Council report

For year ending 30 June 2024



## Community Bank network: celebrating 26 years of empowering communities

This year our Community Bank network celebrated 26 years of providing grassroots support to metro, regional, rural and remote communities across Australia. It's a milestone that has been widely applauded by our customers and partners who recognise the significant role we play in the lives of everyday Australians. We're there when it matters – whether that be as second responders in times of natural disaster, crisis and need; or as community builders, providing resources and support; help and hope.

In the 2022-23 financial year, our Community Bank network gave back more than \$32 million in grants, sponsorships and donations to local community projects and initiatives. Over 26 years, we have returned more than \$324 million to local communities for emergency services; facilities and infrastructure; sport and recreation; education and research; health and wellbeing; art, culture and heritage as well as environment and animal welfare.

As a shareholder in your local Community Bank, you are part of this incredible social enterprise network that is playing an ever-important role in the Australian economy. With close working relationships with local, state and federal government, peak governing bodies, clubs and community organisations, we are integrally connected and in tune with the needs of everyday Australians.

Our Community Bank network is a first mover in Australia with our unique social enterprise model. The first Community Bank opened its doors in 1998, and since then, the network has grown to 305 Community Bank branches. Today we represent a diverse cross-section of Australia with more than 215 community enterprises, 70,000+ shareholders, 1500+ volunteer directors, 1700 staff and 950,000 customers.

Our Community Bank National Council (CBNC) plays a pivotal role in these relationships. The CBNC consists of both elected and appointed members from every state and territory. The role of council is to represent the network with its partners and to engage in strategic planning that delivers positive outcomes for our business and our communities.

The 2024 - 2026 Community Bank National Council Strategic Plan has four key focus areas:

- Impact – a planned, deliberate approach with investments that enhance community prosperity.
- Leadership and advocacy – to ensure the long-term sustainability of our enterprises.
- Network alignment – enabling us to develop and nurture partnerships that align with our defined areas of social impact.
- Commercial prosperity – supporting the commercial success of our enterprises.

It is through this strategic plan, which has a foundation built on connection and collaboration, that we will deliver a strong, and secure future for our directors, shareholders, staff and the communities we serve.

Warm regards

**Lauren Bean**  
**General Manager**  
**Community Bank National Council**



# Directors' report

## 30 June 2024

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

### Directors

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

Name:	John Charles Bentley
Title:	Non-executive director
Experience and expertise:	John is currently retired and was a Water Industry employee for 28 years. Member of Club, League and Recreational Reserve Committees for 27 years.
Special responsibilities:	Chair, Business Development Committee, Marketing and Sponsorship Committee and Finance Committee
Name:	Gregory James Rossborough
Title:	Non-executive director
Experience and expertise:	Previously Corporate Westpac Manager (26 years). General Manager in Licenced Club industry (20 years). Treasurer Tongala Football Netball Club.
Special responsibilities:	Finance, Budget, Shares, Business Development and Audit Sub Committee and Strategies, Procedures and H.R Sub Committee.
Name:	Paige Hannah Wade
Title:	Non-executive director
Experience and expertise:	Paige is a Senior accountant at Stubberfield Group. Paige holds a Bachelor of Commerce majoring in Accounting, Certified Practicing Certificate III in Agriculture. She is the past treasurer and a current coach and member of the Tongala Football Netball Club.
Special responsibilities:	Finance Committee and Business Development Committee
Name:	Karen Maree Palmer
Title:	Non-executive director
Experience and expertise:	Karen is a Coordinator/Manager and a previous CSO at bank - Tongala Community Bank. Current 'CERT' First Responder. Currently employed TCAC - co-ordinator. Other current directorships include Tongala Health - Governance Committee.
Special responsibilities:	Marketing and Sponsorship Committee
Name:	Marion Joan Moncrieff
Title:	Non-executive director
Experience and expertise:	Marion is a farmer from Koyuga. Marion was a music teacher at Moama Anglican Grammar for 12 years. Marion was a past president for the Dingley Primary School Parents Association for 2 years and a member of the Music & Arts Committee at Moama Anglican Grammar.
Special responsibilities:	Nil

### Company secretary

There have been two company secretaries holding the position during the financial year:

- Sharon Marie Ebsworth was appointed company secretary on 21 August 2023.
- Paige Wade was appointed company secretary on 26 February 2020 and ceased 21 August 2023.

## Directors' report (continued)

Name:	Sharon Marie Ebsworth
Experience and expertise:	Sharon is a seasoned professional in the financial services industry with a wealth of experience spanning over 12 years. As the Company Secretary at Tongala & Mathoura Financial Services, Sharon plays a pivotal role in overseeing compliance and governance matters within the organisation. Sharon's journey in the banking sector commenced at Westpac, where she held the prestigious position of Bank Manager, managing two full service branches and two agencies. Her exceptional leadership and financial acumen were evident from the start, and she quickly established herself as a trusted figure in the industry. Afterward, Sharon joined Bendigo and Adelaide Bank, where she held various key roles, including Retail Lending Manager, Mobile Relationship Manager, and Staff Banking. Her diverse background within Bendigo and Adelaide Bank allowed her to gain expertise in different facets of banking operations, from customer-centric roles to managerial responsibilities. Sharon's commitment to professional development is evident through her educational achievements. She holds an advanced diploma in Accounting, showcasing her dedication to financial excellence. Furthermore, Sharon recently completed a Women in Leadership Course, demonstrating her passion for advancing gender diversity and leadership in the workplace. Raised in Sydney, NSW, Sharon's journey took her to Regional NSW in 2009, where she resides with her husband and two children. Her dedication to both her family and her career exemplifies her ability to balance personal and professional life effectively.

### 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 \$33,414 (30 June 2023: \$25,075).

Operations have continued to perform in line with expectations.

### Dividends

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

	2024 \$	2023 \$
Fully franked dividend of 7 cents per share (2023: 5 cents)	23,895	17,068

### Significant changes in the state of affairs

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

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

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

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

### Likely developments and expected results of operations

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

### Environmental regulation

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

## Directors' report (continued)

### Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Board		Marketing & Sponsorship Committee		Finance Committee		Business Development Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
John Charles Bentley	11	11	10	10	11	11	6	6
Gregory James Rossborough	11	11	-	-	11	11	6	6
Paige Hannah Wade	11	10	-	-	11	11	6	6
Karen Maree Palmer	11	10	10	10	-	-	-	-
Marion Joan Moncrieff	11	8	-	-	-	-	-	-

### 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 20 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
John Charles Bentley	1,000	-	1,000
Gregory James Rossborough	-	-	-
Paige Hannah Wade	-	-	-
Karen Maree Palmer	-	-	-
Marion Joan Moncrieff	-	-	-

### Shares under option

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

### Shares issued on the exercise of options

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

### Indemnity and insurance of directors and officers

The company has indemnified all directors and 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*.

## Directors' report (continued)

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### 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.

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

### 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 21 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:

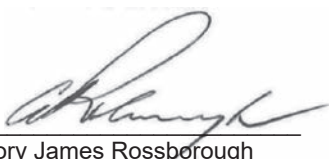
- all non-audit services have been reviewed by the finance committee to ensure they do not impact on the impartiality, integrity and objectivity of the auditor
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics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

### Auditor's independence declaration

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

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

On behalf of the directors



Gregory James Rossborough  
Director

29 September 2024



# 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 Tongala & District Financial Services Limited

As lead auditor for the audit of Tongala & District Financial Services Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

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

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

**Andrew Frewin Stewart**  
61 Bull Street, Bendigo, Vic, 3550  
Dated: 29 September 2024

A handwritten signature in black ink, appearing to read 'Jessica Ritchie'.

**Jessica Ritchie**  
**Lead Auditor**

# Financial statements

## Tongala & District Financial Services Limited Statement of profit or loss and other comprehensive income For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue from contracts with customers	6	723,985	769,854
Other revenue		10,181	29,220
Finance revenue		1	2,982
Total revenue		<u>734,167</u>	<u>802,056</u>
Employee benefits expense	7	(310,877)	(254,293)
Advertising and marketing costs		(11,811)	(5,045)
Occupancy and associated costs		(12,688)	(14,696)
System costs		(15,601)	(14,114)
Depreciation and amortisation expense	7	(24,410)	(25,112)
General administration expenses		(122,946)	(137,037)
Total expenses before community contributions and income tax expense		<u>(498,333)</u>	<u>(450,297)</u>
<b>Profit before community contributions and income tax expense</b>		235,834	351,759
Charitable donations and sponsorships expense	7	<u>(192,257)</u>	<u>(318,750)</u>
<b>Profit before income tax expense</b>		43,577	33,009
Income tax expense	8	<u>(10,163)</u>	<u>(7,934)</u>
<b>Profit after income tax expense for the year</b>		33,414	25,075
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u><u>33,414</u></u>	<u><u>25,075</u></u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	23	9.79	7.35
Diluted earnings per share	23	9.79	7.35

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

## Financial statements (continued)

### Tongala & District Financial Services Limited Statement of financial position As at 30 June 2024

	Note	2024 \$	2023 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	298,849	225,112
Trade and other receivables	10	60,570	71,681
Total current assets		<u>359,419</u>	<u>296,793</u>
<b>Non-current assets</b>			
Property, plant and equipment	11	175,402	179,974
Intangible assets	12	18,723	31,679
Total non-current assets		<u>194,125</u>	<u>211,653</u>
<b>Total assets</b>		<u>553,544</u>	<u>508,446</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13	134,480	70,856
Current tax liabilities	8	2,521	9,759
Employee benefits	14	5,075	15,397
Total current liabilities		<u>142,076</u>	<u>96,012</u>
<b>Non-current liabilities</b>			
Trade and other payables	13	-	14,856
Deferred tax liabilities	8	1,754	125
Employee benefits	14	9,523	6,781
Total non-current liabilities		<u>11,277</u>	<u>21,762</u>
<b>Total liabilities</b>		<u>153,353</u>	<u>117,774</u>
<b>Net assets</b>		<u>400,191</u>	<u>390,672</u>
<b>Equity</b>			
Issued capital	15	341,350	341,350
Retained earnings		<u>58,841</u>	<u>49,322</u>
<b>Total equity</b>		<u>400,191</u>	<u>390,672</u>

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

## Financial statements (continued)

### Tongala & District Financial Services Limited Statement of changes in equity For the year ended 30 June 2024

	Note	Issued capital \$	Retained earnings \$	Total equity \$
<b>Balance at 1 July 2022</b>		341,350	41,784	383,134
Profit after income tax expense		-	25,075	25,075
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	25,075	25,075
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	17	-	(17,068)	(17,068)
Adjustment to prior year dividend amount		-	(469)	(469)
<b>Balance at 30 June 2023</b>		<u>341,350</u>	<u>49,322</u>	<u>390,672</u>
<b>Balance at 1 July 2023</b>		341,350	49,322	390,672
Profit after income tax expense		-	33,414	33,414
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	33,414	33,414
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	17	-	(23,895)	(23,895)
<b>Balance at 30 June 2024</b>		<u>341,350</u>	<u>58,841</u>	<u>400,191</u>

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



## Financial statements (continued)

### Tongala & District Financial Services Limited Statement of cash flows For the year ended 30 June 2024

	Note	2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		817,683	843,466
Payments to suppliers and employees (inclusive of GST)		(683,893)	(790,188)
Interest received		1	2,982
Income taxes paid		(15,772)	(350)
Net cash provided by operating activities	22	118,019	55,910
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	11	(6,882)	(3,519)
Payments for intangible assets		(13,505)	(13,505)
Net cash used in investing activities		(20,387)	(17,024)
<b>Cash flows from financing activities</b>			
Dividends paid	17	(23,895)	(17,068)
Net cash used in financing activities		(23,895)	(17,068)
Net increase in cash and cash equivalents		73,737	21,818
Cash and cash equivalents at the beginning of the financial year		225,112	203,294
Cash and cash equivalents at the end of the financial year	9	<u>298,849</u>	<u>225,112</u>

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

# Notes to the financial statements

**30 June 2024**

## **Note 1. Reporting entity**

The financial statements cover Tongala & District Financial Services 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 35 Mangan Street, Tongala VIC 3621.

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

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

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 September 2024. The directors have the power to amend and reissue the financial statements.

## **Note 3. Material accounting policy information**

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

### **Adoption of new and revised accounting standards**

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

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

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

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

### **Accounting standards issued but not yet effective**

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

### **Current and non-current classification**

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

# Notes to the financial statements (continued)

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## Note 3. Material accounting policy information (continued)

### Impairment of non-financial assets

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

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

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

## Note 4. Critical accounting judgements, estimates and assumptions

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

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

### Judgements

#### *Timing of revenue recognition associated with trail commission*

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

#### *Allowance for expected credit losses on trade and other receivables*

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

The company has not recognised an allowance for expected credit losses in relation to trade and other receivables for the following reasons:

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

## Notes to the financial statements (continued)

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

#### *Impairment of non-financial assets*

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

#### *Recovery of deferred tax assets*

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

### Estimates and assumptions

#### *Estimation of useful lives of assets*

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

#### *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.

### Note 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in December 2025.

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.



## Notes to the financial statements (continued)

### 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

	2024 \$	2023 \$
Margin income	650,822	697,454
Fee income	40,911	42,118
Commission income	32,252	30,282
	<u>723,985</u>	<u>769,854</u>

#### Accounting policy for revenue from contracts with customers

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

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

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

<u>Revenue stream</u>	<u>Includes</u>	<u>Performance obligation</u>	<u>Timing of recognition</u>
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.

## Notes to the financial statements (continued)

### Note 6. Revenue from contracts with customers (continued)

#### *Margin income*

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

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

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

#### *Commission income*

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

#### *Fee income*

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

#### *Core banking products*

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

#### *Ability to change financial return*

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

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

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

### Note 7. Expenses

#### Employee benefits expense

	2024 \$	2023 \$
Wages and salaries	267,787	215,973
Superannuation contributions	29,751	25,110
Expenses related to long service leave	(1,512)	2,434
Other expenses	14,851	10,776
	<u>310,877</u>	<u>254,293</u>

## Notes to the financial statements (continued)

### Note 7. Expenses (continued)

#### Depreciation and amortisation expense

	2024 \$	2023 \$
<i>Depreciation of non-current assets</i>		
Buildings	6,252	6,253
Plant and equipment	5,202	5,904
	<u>11,454</u>	<u>12,157</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	2,159	2,159
Franchise renewal fee	10,797	10,796
	<u>12,956</u>	<u>12,955</u>
	<u>24,410</u>	<u>25,112</u>

#### Charitable donations, sponsorships and grants

	2024 \$	2023 \$
Direct donation, sponsorship and grant payments	192,257	39,803
Contribution to the Community Enterprise Foundation™	-	278,947
	<u>192,257</u>	<u>318,750</u>

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.

## Notes to the financial statements (continued)

### Note 8. Income tax

	2024 \$	2023 \$
<i>Income tax expense</i>		
Current tax	9,574	9,914
Movement in deferred tax	1,630	(1,662)
Under/over adjustment	(1,041)	(318)
Aggregate income tax expense	<u>10,163</u>	<u>7,934</u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	<u>43,577</u>	<u>33,009</u>
Tax at the statutory tax rate of 25%	10,894	8,252
Tax effect of:		
Non-deductible expenses	<u>310</u>	<u>-</u>
Under/over adjustment	<u>11,204</u>	<u>8,252</u>
Income tax expense	<u>(1,041)</u>	<u>(318)</u>
	<u>10,163</u>	<u>7,934</u>
	2024 \$	2023 \$
<i>Deferred tax assets/(liabilities)</i>		
Property, plant and equipment	5,403	5,669
Employee benefits	(3,649)	(5,544)
Deferred tax liability	<u>1,754</u>	<u>125</u>
	2024 \$	2023 \$
Provision for income tax	<u>2,521</u>	<u>9,759</u>

#### *Accounting policy for income tax*

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

#### *Accounting policy for current tax*

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

#### *Accounting policy for deferred tax*

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

### Note 9. Cash and cash equivalents

	2024 \$	2023 \$
Cash at bank and on hand	<u>298,849</u>	<u>225,112</u>



## Notes to the financial statements (continued)

### Note 10. Trade and other receivables

	2024 \$	2023 \$
Trade receivables	60,001	71,112
Prepayments	569	569
	<u>60,570</u>	<u>71,681</u>

#### Allowance for expected credit losses

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	2024 \$	2023 \$
Financial assets at amortised cost classified as trade and other receivables		
Total trade and other receivables	60,570	71,681
less GST receivable from the ATO included in other receivables and accruals	-	(2,921)
	<u>60,570</u>	<u>68,760</u>

#### Accounting policy for trade and other receivables

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

### Note 11. Property, plant and equipment

	2024 \$	2023 \$
Land - at cost	33,155	33,155
Buildings - at cost	159,704	159,704
Less: Accumulated depreciation	(28,444)	(22,192)
	<u>131,260</u>	<u>137,512</u>
Plant and equipment - at cost	162,869	155,987
Less: Accumulated depreciation	(151,882)	(146,680)
	<u>10,987</u>	<u>9,307</u>
	<u>175,402</u>	<u>179,974</u>

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

	Land \$	Buildings \$	Plant and equipment \$	Total \$
Balance at 1 July 2022	33,155	141,501	13,956	188,612
Additions	-	2,264	1,255	3,519
Depreciation	-	(6,253)	(5,904)	(12,157)
Balance at 30 June 2023	33,155	137,512	9,307	179,974
Additions	-	-	6,882	6,882
Depreciation	-	(6,252)	(5,202)	(11,454)
Balance at 30 June 2024	<u>33,155</u>	<u>131,260</u>	<u>10,987</u>	<u>175,402</u>

## Notes to the financial statements (continued)

### Note 11. Property, plant and equipment (continued)

#### *Accounting policy for property, plant and equipment*

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

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

Building	5 to 40 years
Plant and Equipment	5 years
Furniture and Fittings	5 to 10 years

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

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

### Note 12. Intangible assets

	2024 \$	2023 \$
Franchise fee	72,093	72,093
Less: Accumulated amortisation	(68,370)	(66,211)
	<u>3,723</u>	<u>5,882</u>
Franchise renewal fee	99,168	99,168
Less: Accumulated amortisation	(84,168)	(73,371)
	<u>15,000</u>	<u>25,797</u>
	<u><u>18,723</u></u>	<u><u>31,679</u></u>

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

	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2022	8,041	36,593	44,634
Amortisation expense	(2,159)	(10,796)	(12,955)
Balance at 30 June 2023	5,882	25,797	31,679
Amortisation expense	(2,159)	(10,797)	(12,956)
Balance at 30 June 2024	<u><u>3,723</u></u>	<u><u>15,000</u></u>	<u><u>18,723</u></u>

#### *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.

## Notes to the financial statements (continued)

### Note 12. Intangible assets (continued)

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

<u>Asset class</u>	<u>Method</u>	<u>Useful life</u>	<u>Expiry/renewal date</u>
Franchise fee	Straight-line	Over the franchise term (5 years)	December 2025
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	December 2025

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

### Note 13. Trade and other payables

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Trade payables	74,536	38,927
Other payables and accruals	59,944	31,929
	<u>134,480</u>	<u>70,856</u>
<i>Non-current liabilities</i>		
Other payables and accruals	-	14,856
	<u>-</u>	<u>14,856</u>
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	134,480	85,712
less GST payable to the ATO included in trade and other payables	(2,793)	-
	<u>131,687</u>	<u>85,712</u>

### Note 14. Employee benefits

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Annual leave	5,075	11,589
Long service leave	-	3,808
	<u>5,075</u>	<u>15,397</u>
<i>Non-current liabilities</i>		
Long service leave	9,523	6,781
	<u>9,523</u>	<u>6,781</u>

#### *Accounting policy for short-term employee benefits*

Liabilities for 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. Non-accumulating non-vesting sick leave is expensed when the leave is taken and is measured at the rates paid or payable.

#### *Accounting policy for other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

## Notes to the financial statements (continued)

### Note 14. Employee benefits (continued)

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

### Note 15. Issued capital

	2024 Shares	2023 Shares	2024 \$	2023 \$
Ordinary shares - fully paid	341,350	341,350	341,350	341,350

#### *Accounting policy for issued capital*

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

#### *Rights attached to issued capital*

##### *Ordinary shares*

##### *Voting rights*

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

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

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

##### *Dividends*

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

##### *Transfer*

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

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

##### *Prohibited shareholding interest*

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").

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

## Notes to the financial statements (continued)

### Note 15. Issued capital (continued)

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 16. 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 17. Dividends

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

	2024 \$	2023 \$
Fully franked dividend of 7 cents per share (2023: 5 cents)	23,895	17,068

## Notes to the financial statements (continued)

### Note 17. Dividends (continued)

#### Franking credits

	2024 \$	2023 \$
Franking account balance at the beginning of the financial year	72,860	77,785
Franking credits (debits) arising from income taxes paid (refunded)	15,772	764
Franking debits from the payment of franked distributions	(7,965)	(5,689)
annual income tax return	80,667	72,860
<i>Franking transactions that will arise subsequent to the financial year end:</i>		
Balance at the end of the financial year	80,667	72,860
Franking credits (debits) that will arise from payment (refund) of income tax	2,521	9,759
Franking credits available for future reporting periods	83,188	82,619

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

#### Accounting policy for dividends

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

### Note 18. Financial risk management

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

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

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

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

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

	2024 \$	2023 \$
<b>Financial assets at amortised cost</b>		
Trade and other receivables excluding prepayments (note 10)	60,570	71,112
Cash and cash equivalents (note 9)	298,849	225,112
	359,419	296,224
<b>Financial liabilities at amortised cost</b>		
Trade and other payables (note 13)	131,687	85,712

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



# Notes to the financial statements (continued)

## Note 18. Financial risk management (continued)

### Accounting policy for financial instruments

#### Financial assets

##### Classification

The company measures its financial assets at amortised cost.

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

##### Derecognition

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

##### Impairment of trade and other receivables

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

#### Financial liabilities

##### Classification

The company measures its financial liabilities at amortised cost.

##### Derecognition

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

##### Market risk

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

Interest-bearing assets and liabilities are held with Bendigo Bank and subject to movements in market interest rates. The company held cash and cash equivalents of \$298,849 at 30 June 2024 (2023: \$225,112).

##### Price risk

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

##### Liquidity risk

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

The following are the company's 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.

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>2024</b>				
Trade and other payables	131,687	-	-	131,687
Total non-derivatives	131,687	-	-	131,687

## Notes to the financial statements (continued)

### Note 18. Financial risk management (continued)

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>2023</b>				
Trade and other payables	73,778	14,856	-	88,634
Total non-derivatives	73,778	14,856	-	88,634

### Note 19. Key management personnel disclosures

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

John Charles Bentley  
Paige Hannah Wade  
Marion Joan Moncrieff

Gregory James Rossborough  
Karen Maree Palmer

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

### Note 20. Related party transactions

#### *Key management personnel*

Disclosures relating to key management personnel are set out in note 19.

#### *Receivable from and payable to related parties*

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

#### *Terms and conditions of transactions with related parties*

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

#### *Transactions with related parties*

The following transactions occurred with related parties:

	2024 \$	2023 \$
Greg Rossborough provided the company bookkeeping services. The total benefit received was:	9,100	9,100
The company provided a sponsorship to the Tongala Football Netball Club where Paige Wade is on the board	20,425	-

### Note 21. Remuneration of auditors

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

	2024 \$	2023 \$
<i>Audit services</i>		
Audit or review of the financial statements	6,650	5,400
<i>Other services</i>		
Taxation advice and tax compliance services	2,780	2,981
General advisory services	3,560	3,460
	6,340	6,441
	12,990	11,841

## Notes to the financial statements (continued)

### Note 22. Reconciliation of profit after income tax to net cash provided by operating activities

	2024 \$	2023 \$
Profit after income tax expense for the year	33,414	25,075
Adjustments for:		
Depreciation and amortisation	24,410	25,112
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	11,111	(35,468)
Increase in trade and other payables	62,273	32,085
Increase/(decrease) in provision for income tax	(7,238)	9,246
Increase/(decrease) in deferred tax liabilities	1,629	(1,662)
Increase/(decrease) in employee benefits	(7,580)	1,522
Net cash provided by operating activities	<u>118,019</u>	<u>55,910</u>

### Note 23. Earnings per share

	2024 \$	2023 \$
Profit after income tax	<u>33,414</u>	<u>25,075</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>341,350</u>	<u>341,350</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>341,350</u>	<u>341,350</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	9.79	7.35
Diluted earnings per share	9.79	7.35

### Note 24. Commitments

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

### Note 25. Contingencies

During the period the company signed a three-year sponsorship agreement with the Tongala Football Netball Club. The sponsorship agreement is for three \$10,000 payments to be made over three years which are contingent on a number of obligations required to be met by Tongala Football Netball Club.

The achievement of the obligations is reviewed at the end of the season in October each year prior to payment being granted for the following season.

There were no other contingent assets or liabilities at the date of this report that would materially affect the financial statements at the reporting date.

### Note 26. Events after the reporting period

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

# Directors' declaration

**30 June 2024**

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the company does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, a consolidated entity disclosure statement has not been included as section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

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

On behalf of the directors



Gregory James Rossborough  
Director

29 September 2024

# Independent audit report



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

## Independent auditor's report to the Directors of Tongala & District Financial Services Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Tongala & District Financial Services Limited (the company), which comprises:

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

In our opinion, the accompanying financial report of Tongala & District Financial Services Limited, is in accordance with the *Corporations Act 2001*, including:

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

#### Basis for Opinion

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

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

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



Andrew Frewin Stewart  
61 Bull Street Bendigo VIC 3550  
ABN: 65 684 604 390  
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## Other Information

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

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

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

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

## Responsibilities of the Directors for the Financial Report

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

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

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

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





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

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

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

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

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

**Andrew Frewin Stewart**  
61 Bull Street, Bendigo, Vic, 3550  
Dated: 29 September 2024

A handwritten signature in black ink, appearing to read 'Jessica Ritchie'.

**Jessica Ritchie**  
**Lead Auditor**

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