Annual Report 2024

Upper Yarra Community Enterprise Limited

Community Bank
Warburton and Yarra Junction

ABN 54 090 252 627

Investing Community Assets to Build Community

1995

2000 — **Community Bank Warburton**
Here for YOU since 2000

2008 — **Community Bank Yarra Junction**
Here for YOU since 2008

2012 — **Warburton Waterwheel**
Providing operational support since 2012

2018 — **Upper Yarra Community Power Pty Ltd – Warburton Mini Hydro**
Company owned and established since 2018

2024

Upper Yarra Community Enterprise Limited

ABN 54 090 252 627

Supporting YOUR community

Community Bank · Warburton and Yarra Junction

Contents

Chairman’s report

For year ending 30 June 2024

Our Mission

Investing Community Assets to Build Community

Welcome to the Upper Yarra Community Enterprise Limited (UYCE) Annual Report for the year ending 30 June 2024. It has been another very good year for our organisation and whilst not achieving the record results of the previous year we have recorded our second-best financial performance over our history of 24 years. Another great outcome and a credit to all the team.

This report represents a consolidated set of accounts for the operations of UYCE and Upper Yarra Community Power Pty Ltd (UYCP).

Financial Performance

Our financial year profit before tax and Community Investments was $819,688. Whilst a decrease from $1,172,477 in 2022/23 still an excellent result. The reduction in profit was mainly due to a downturn in fee income, as we saw the financial market come down from the highs of 2022/23.

We have maintained our objective of building a strong balance sheet. As at the end of the financial year our total assets were $3.85 million, comprising over $903,000 in cash and deposits. This is in addition to holding a $320,000 balance in the Community Enterprise Foundation Tax Concession Charity Fund and Bendigo Bank shares valued at $260,000.

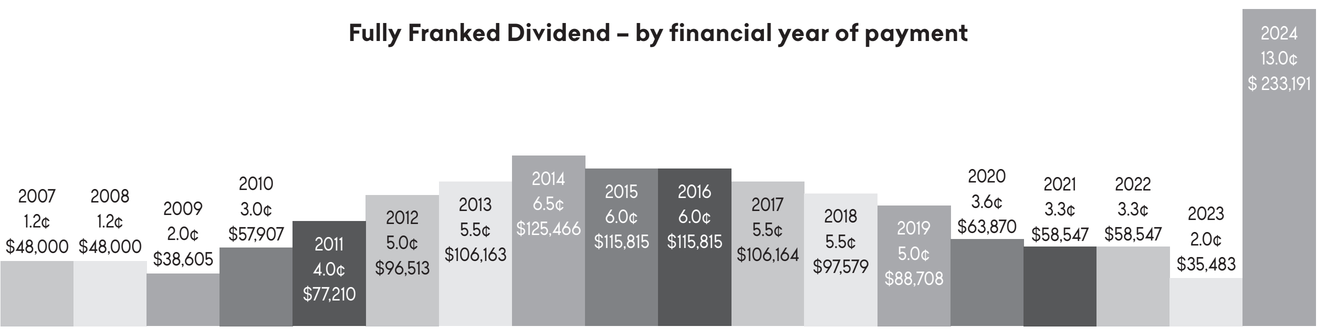
This is significant given that over the financial year we undertook a buyback of shares at a cost of $90,000 and paid out $318,000 for the Upper Yarra Community Power (UYCP) loan from Bendigo Bank. This UYCP loan now reflected on the UYCE balance sheet as an interest free loan payable by UYCP from any of their future profits.

The Shareholder Dividend paid in November 2023 was 13.0 cents per share fully franked, significantly up from 2.0 cents the previous year. The dividend announcement for 2024, is yet to be made, and is likely to be down on the previous year but still positive compared to dividend payments prior to 2023.

Staff and Board

Branch and Corporate staffing over the last 12 months have remained stable.

During the year we have onboarded one new Director Louise Hogan who has made a positive contribution to the Board, and still have one vacant position on the Board, and welcomed one new branch staff team member.



*Share Dividend Announcements occur in September for the previous Financial Year.

I would again like to thank Kristy Sumner (Senior Branch Manager) for her commitment and resilience in conjunction with her team. Good financial results do not happen without the absolute support and dedication from the staff. I also take this opportunity to thank my fellow Board members for volunteering their time, their professionalism and their ongoing commitment. Corporate staff have continued to focus on delivery of the company strategic plan, and are to be congratulated on their collective achievements over the past year.

Community Investment

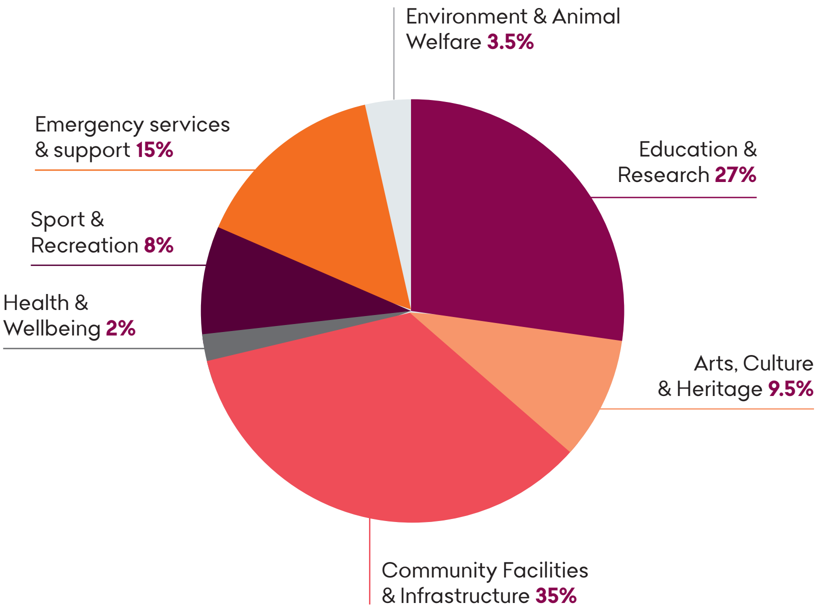
During 2023/24 Upper Yarra Community Enterprise invested a total of $586,585 in local communities as sponsorships, grants, scholarships, donations, funds invested for future community projects and dividend payments. This sees a highly commended total return of profits to community of $6,703,136 since we opened our first branch in 2000.

Through the Community Investment Program alone we have now invested over $5 million. In addition to this we have returned over $1.68 million to our shareholders in dividends. A truly amazing achievement.

We are also a proud local employer who uses local suppliers and service providers where possible.

Contributions to community recipients for the year totalled $231,927

Community contributions % by category 2023/24



A full list of recipients that directly benefitted from our Community Investment Program for 2023/24 are listed later in this report. Refer Table 1 on page 7.

A full list of recipients that directly benefitted from our Community Investment Program for 2023/24 are listed later in this report. (Refer Community Investment page 7, Table 1)

Upper Yarra Community Power Pty Ltd (Warburton Mini Hydro)

UYCE continues to support the Ythan Creek Power Station Mini Hydro located on site at the Warburton Golf and Sports Club. This is managed by UYCP Pty Ltd, as a wholly owned subsidiary of UYCE. I would take this opportunity to thank the Volunteer Directors, Luke Whiteside (Chair), Nick Killey, Neil Jorgensen and Garry Lewis for their continued contribution throughout the year.

Due to the requirements to consolidate the operations of UYCE and UYCP into one set of accounts, and to ensure transparency this Annual Report includes a statement covering the financial performance of each individual organisation for the 2023/24 period (Refer Consolidated Entity Disclosure Statement pages 50-52).

The Hydro performed slightly below expectation for the financial year running at an operating loss of $24,129.

This project relies on favourable weather conditions which have been below average throughout 2023/24, and the feed in tariff (FIT) payable to UYCP for the power generated, is also an all important factor in the performance outcome. The FIT has reduced substantially in recent years from 12.4 cents per unit in July 2021 to 7.2 cents in the 2023/24 year and reducing further to 4.0 cents for 2024/25.

Total income for UYCP over recent years has reduced significantly from $106,000 in 2020/21 to $74,614 in 2022/23 and down to $61,357 in 2023/24. The performance and sustainability of the Hydro continues to be a focus for both respective Boards. During the 2023/24 financial year it was agreed that UYCE would payout the Bendigo Bank loan to UYCP. This has left UYCP with an interest free loan payable to UYCE totalling $443,000, with annual repayments representing 85% of surplus cash generated annually by the Hydro. Whilst this represents a potential payback period of over 30 years it was assessed as being the most favourable financial result for both organisations. UYCP is also working with a social enterprise power provider, Indigo Power, on installing batteries at the site through the benefit of government grants. Whilst detailed financial analysis has yet to be finalised the project has the potential to provide benefit to UYCP and possibly the Warburton Golf and Sports Club. Negotiations will be ongoing throughout the 2024/25 financial year.

Warburton Waterwheel Visitor Information Centre

We have again provided in-kind support to the operation of the Warburton Waterwheel Visitor Information Centre throughout the 2023/24 financial year. The Waterwheel is the official site for tourism promotion in the Upper Yarra / Warburton Valley and provides visitor information, an Art Gallery and showcases the work of local artists and artisans through a retail space.

I would take this opportunity to acknowledge all the volunteers who are the lifeblood of the success of the organisation. I would also like to acknowledge the contribution of the Warburton Waterwheel Board consisting of Michael Hibbert (Chair), Peta Godenzi, Alison Fitzgerald and Rodney McKail.

We have been in ongoing discussions with the Warburton Waterwheel Ltd Board who have undertaken an ambitious project in 2024/25 to become independent from UYCE. More details on this project will be provided throughout the 2024/25 financial year.

The Road Ahead

We are excited to be celebrating our 25th birthday in February 2025. This will be an opportunity to publicly thank our pioneering shareholders for their foresight, and all customers and shareholders for their ongoing support over the years.

It is difficult to determine how long the improved market conditions and associated margins will continue, and this will be carefully monitored by the Board. Budget predictions for 2024/25 show a further slowing down in profits from $850,000 in 2023/24 to a forecast $600,000 in 2024/25. Whilst still a good result the Board acknowledges that this downward trend needs to be carefully monitored and planned for. Equally the Board is very conscious of ensuring that we take full advantage of these strong market conditions.

Our UYCE Strategic Plan was updated throughout the year and delivery of the 2023-2027 plan will remain our focus moving forward. Whilst it is anticipated that 2024/25 will again be a good year from a financial perspective, we will be undertaking a full review of our corporate structure in the first half of 2024/25 to ensure that we are best placed to meet the challenges into the future. More details will be provided on this project at the 2024 Annual General Meeting (AGM).

The Board have also agreed to move forward with certification as a Social Enterprise. Shareholder endorsement will be sought at the 2024 AGM. If successful it will enable Upper Yarra Community Enterprise Limited to achieve social enterprise accreditation with Social Traders and to be formally recognised for the contribution we have made to our community.

In closing I would again like to thank all our customers and shareholders for their continuing support. Reminding all that the Community Bank model relies on support from our local community. As Shareholders you too play an important ambassador role in the model, so please do take full advantage of our banking services; and encourage family, friends, and others, to do the same. The ongoing success of our Community Bank model relies on ongoing local support and participation.

Best wishes to all.

Rodney McKail
Chair and Managing Director
Upper Yarra Community Enterprise Ltd

Senior Branch Manager's report

For year ending 30 June 2024

It remained our focus to adjust to the everchanging economic and banking environments with alternate offerings, digital banking accessibility and scam awareness being raised and continually discussed with our customers new and old.

As at 30 June 2024, Community Bank Warburton and Yarra Junction branches total business footings stand at $267.5 million, showing an increase of $8.5 million from the previous financial year. This total is made up of $83 million in lending, $181.5 million in deposits with an additional $3 million sitting in other business.

With interest rate increases slowing the housing market, we saw some contraction in our lending footings. However, it was another strong year for our deposit growth seeing an overall increase of almost $18.9 million.

It remained our focus to adjust to the everchanging economic and banking environments with alternate offerings, digital banking accessibility and scam awareness being raised and continually discussed with our customers new and old.

We are committed to providing a stable staffing structure and being a local employer of choice. Other than welcoming a new staff member to the team in July, there has been no other staff movement in our business for 2023/24.

It was fantastic for our Community Groups to be able to come together and attend a Community Grants Presentation Night in person, for our second round of Community Grants for 2023/24. Held in June we presented over $58,000 to 16 groups for a various range of worthy Community Projects; on top of the $86,185 distributed from our first grant round. Over the last 24 years our business has now contributed upward of $5 million back into our local Community.

We will continue to focus on overall business growth and community engagement. We are looking forward to an exciting year ahead as planning is underway to celebrate our 25 years of Community Banking, and the milestone 25th Birthday of Community Bank Warburton.

Thank you to our Upper Yarra Community Enterprise Chair and Managing Director Rodney McKail for his continued support, assistance, and guidance; our Volunteer Board members for their trust and continued progressive approach to our business; and our Shareholders, Customers, Community Groups, Sporting Clubs and Businesses for their ongoing support.

I am extremely grateful to our amazing and dedicated team of staff. Their passion, professionalism and care given to our customers is commendable. I thank them for their commitment to our business.

We sincerely appreciate you allowing us to assist with all your banking needs which in turn allows us to continue to contribute to a strong and sustainable community.

Kind regards,

Kristy Sumner
Senior Branch Manager

Community contributions

This year saw the following organisations (or individuals) benefit from our Community Investment program through sponsorship, grant, scholarship or donation; and either direct from UYCE or our UYCE Community Enterprise Foundation Tax Concession Charity Fund (TCC) the Philanthropic arm of the Bendigo and Adelaide Bank Group. The balance of our CEF TCC account at year end was $320,000 which is available for distribution in future years.

$231,927
to 67 recipients
in 2023/24

COMMUNITY INVESTMENT
More than
$5 million
since 2000

Community Investment Spend by Project 2023/24	
Donations (3)	$6,500
Grants (26)	$140,547
Scholarships (3)	$9,000
Sponsorships (35)	$75,880
TOTAL	**$231,927**

67
Projects supported 2023/24

54
Recipient groups supported in 2023/24

Community Bank Warburton and Yarra Junction

Proudly supporting YOUR Community since 2000

Investing Community Assets to Build Community

Table 1 - Community Contributions 2023/24 by Recipient

Recipient	Project	Amount
ADRA Community Care Centre-Redwood/ Warburton	Redwood playspace, parents retreat and café	$3,069
Ashlyn Hermansen	UYCE Annual Youth Scholarship program 2024	$3,000
Auspicious Arts auspicing The River Folk Festival	The River Folk Festival 2023 (December)	$3,500
Cire Services Incorporated	Halloween Street Party Yarra Junction (31Oct)	$5,000
Cooper Allum	UYCE Youth Initiative Award 2023	$1,000
Country Fire Authority Reefton Fire Brigade	Safety First program	$2,580
Forever Friends Animal Rescue FFAR	Special needs car park and equipment	$8,000
Gladysdale Primary School	Community Defibrillator	$2,205
Gladysdale Primary School	School Support program	$1,900
Gladysdale Primary School	School Transport program	$1,000
Grace Cole	UYCE Annual Youth Scholarship program 2024	$3,000
Koha Community Café	Financial pressure donation	$5,000
Little Yarra Steiner School	Improving Cultural Responsiveness/Community Connection EVENT (Nov)	$2,000
Lucas Rush	UYCE Annual Youth Scholarship program 2024	$3,000
Marley Perry	UYCE Youth Initiative Award 2023	$1,000
Millgrove Resident's Action Group	Annual Millgrove Light Show	$7,500
Millgrove Resident's Action Group	Millgrove Community Open Day October 2023	$13,500
Milwarra Primary School	School Support program	$2,950
Milwarra Primary School	School Transport program	$3,600
Mongrel Mens Health	Donation via Altitude Hair to Mens' Health Prostrate Appeal 2023 event	$500

Community investment (continued)

Recipient	Project	Amount
Mongrel Mens' Health	Donation via Altitude Hair to Mens' Health Prostrate Appeal 2024 event	$1,000
Outer East Football Netball Sponsorship	Season 2024 (and 2025) sponsorship $2000ex gst per branch per annum	$4,400
Phoenix Riding Club	Annual Dressage Day 16 March 2024 - section winners	$250
Powelltown Football Netball Club	Annual Sports Club Sponsorship program	$1,000
Powelltown Sporting Club INC	Community Hub refit	$36,300
Probus Club of Upper Yarra	Operational support	$720
Reefton CFA	Retention of volunteers/Community Engagement	$4,982
Tender Funerals Greater Eastern Melbourne	Talking Tender in the Upper Yarra Gallery exhibition (Oct)	$1,100
The Pottery Studio at YV ECOSS	Studio Improvements	$3,736
Upper Yarra Adult Riding Club	UYARC Official HRCAV Show - 15 Dec	$810
Upper Yarra Basketball Assoc	Annual Sports Club Sponsorship program	$1,000
Upper Yarra Emergency Services	Teenage Road Information Program 2023 (December)	$1,000
Upper Yarra Netball Assoc	Annual Sports Club Sponsorship program	$1,000
Upper Yarra Secondary College	School Support program	$5,000
Upper Yarra Secondary College	School Transport program	$3,000
Upper Yarra Social Services (Karinya Retirement Village)	Concrete pathways for mobility access in village	$13,520
Warburton Advancement League	Warburton Christmas Carols 2023	$2,000
Warburton Advancement League	Community Defibrillator - Warburton IGA	$2,205
Warburton Advancement League	Community Christmas Carols Event (Nov-Dec)	$2,000
Warburton Advancement League auspicing Warburton Valley Market	Community Engagement	$5,000
Warburton Bowls Club	Annual Sports Club Sponsorship program	$600
Warburton Bowls Club	Security cameras and signage	$3,600
Warburton District Chamber of Commerce & Industry (WVCEDA)	Sponsorship of WVCEDA Member Business forums (2)	$1,200
Warburton Fire Brigade CFA	Satellite Station and Support Vehicle equipment	$5,000
Warburton Golf & Sporting Club Inc	Annual Sports Club Sponsorship program	$600
Warburton Junior Netball Club	First Aid Training	$1,950
Warburton Millgrove Football Netball Club	Annual Sports Club Sponsorship program	$1,000
Warburton Primary School	School Support program	$2,800
Warburton Primary School	School Transport program	$3,200
Warburton Tennis Club	Annual Sports Club Sponsorship program	$600
Warburton Tennis Club	Outreach 2024 program into Primary Schools	$3,240
Wesburn Primary School	School Support program	$3,200

Community investment (continued)

Recipient	Project	Amount
Wesburn Primary School	School Transport program	$4,200
Yarra Junction Bowling Club	Annual Sports Club Sponsorship program	$600
Yarra Junction Bowling Club	Community Cup and Summer Social Barefoot Bowls	$600
Yarra Junction Cricket Club Inc	Annual Sports Club Sponsorship program	$600
Yarra Junction Football & Netball Club Inc	Annual Sports Club Sponsorship program	$1,000
Yarra Junction Junior Netball Club	Coach Education	$1,000
Yarra Junction Primary School	School Support program	$4,150
Yarra Junction Primary School	School Transport program	$10,000
Yarra Ranges Enterprise Centre (YREC)	YREC Building Façade upgrade	$3,200
Yarra Ranges Enterprise Centres Ltd	Simplified Marketing for Small Business June-Sep	$4,350
Yarra Ranges Film Society	Warburton Film Festival 2024	$2,500
Yarra Valley Bee Group	Community Defibrillator - Yarra Valley ECOSS	$2,205
Yarra Valley ECOSS	Wasted - infrasture support (roadway)	$10,000
Yarra Valley FM radio	Community media internship group program-youth	$1,500
Yarra Valley Soccer Club Inc	Annual Sports Club Sponsorship program	$1,000
Yarra Valley Soccer Club Inc	Community Defibrillator - Millgrove Recreation Reserve	$2,205

Upper Yarra Community Enterprise Limited

Youth Initiatives 2023/24

Our commitment to investing in our young people continued.

Ian De La Rue OAM Youth Initiative Award 2023

To recognise, acknowledge and reward a young person under 25 who makes a positive contribution to their community. First Awarded in 2012.

Awarded jointly to:

Marley Perry and Cooper Allum

Geoff Vickers Youth Scholarship 2024

To help young people in the Upper Yarra pursue and realise their academic dreams through 1st Year Tertiary support at University or TAFE.

Three Awarded at $3,000 to:

Ashlyn Hermansen, Grace Cole and Lucas Rush

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

For the financial year ended 30 June 2024

The Directors present their report, together with the consolidated financial statements, on Upper Yarra Community Enterprise Limited for the financial year ended 30 June 2024.

Board of Directors

The following persons were Directors of Upper Yarra Community Enterprise Limited during the whole of the financial year up to the date of this report, unless otherwise stated:

Rodney McKail

Title:	Chair / Managing Director
Qualifications:	
Experience & Expertise:	Rodney was employed in Local Government for over 40 years. He worked at the Upper Yarra Shire and Lilydale Shire (now Yarra Ranges) and Knox City Council, predominantly in the area of Governance. He is now retired, although took on the Managing Director role with UYCE in 2019.

Sally Brennan

Title:	Deputy Chair
Qualifications:	Bachelor of Adult Learning and Development, Master of Education, GAICD
Experience & Expertise:	Consultant in adult education, workforce and regional development. Demonstrated longstanding commitment to the Upper Yarra community, CEO Upper Yarra Community House (now Cire Services) for 23 years.

Elizabeth Fox

Title:	Non-Executive Director
Qualifications:	BBSc, Post Grad Diploma Psych, Post Grad Diploma Teaching, Secondary MA Special Ed
Experience & Expertise:	After co-ordinating the Learning Enhancement Department at Tintern Grammar for the past 15 years and working at Upper Yarra Secondary College for 18 years Elizabeth has recently retired with her sights set on new endeavours in the future.

Board of Directors (continued)

Neil Jorgensen

Title:	Non-Executive Director
Qualifications:	Bachelor of Education and Diploma of Teaching.
Experience & Expertise:	Neil was employed by the Victorian Department of Education for 43 years. During this time he undertook a variety of roles including classroom teaching and consultancy work. The last 25 years of his career were spent as a Principal in a number of schools.

Garry Michael Lewis

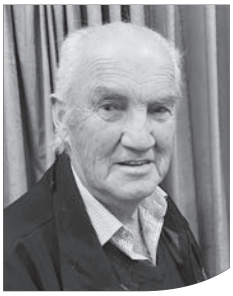
Title:	Non-Executive Director
Qualifications:	Bachelor of Education and Diploma of Primary Teaching.
Experience & Expertise:	Garry recently retired after serving 37 years with the Department of Education, his most recent role being as a Principal.

Richard Harding Butler

Title:	Non-Executive Director
Qualifications:	Degree in Interior Design
Experience & Expertise:	Ric has been a small business owner and was a founding director of office equipment franchise Office National. Ric has also served on a number of Not-For-Profit boards and local community organisations. Currently he is part of a Tinyhouse building company with a focus on providing cheap social housing.

Michael Norman Hibbert

Title:	Non-Executive Director
Qualifications:	
Experience & Expertise:	Michael ia a Three Bridges resident of 25 years, and currently runs Shortlist Private Tours for visitors to Melbourne and regional Victoria, specialising in day tours to the Yarra Valley. Previously he ran a National Marketing and Publishing business and consulted to the tourism and hospitality industries.



Gordon Stewart Buller

Title:	Non-Executive Director
Qualifications:	
Experience & Expertise:	A Warburton resident who has owned and operated businesses in the Yarra Valley since 1962. Currently semi-retired from Yarra Ranges Gas Heat and Cool, and involved as a volunteer in many local community groups

Board of Directors (continued)

Louise Anne Hogan (Appointed 20 July 2023)

Title: Non-Executive Director

Qualifications: BSc, MBA

Experience & Expertise: Louise is a corporate executive, with over three decades of enterprise experience across strategy, marketing, business development, M&A, people and culture. She has completed the Australian Institute of Company Directors.

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

No Directors have material interests in contracts or proposed contracts with the Company.

Directors' Meetings

Attendances by each Director during the year were as follows:

	Board Meetings		Audit Committee Meetings	
Director	A	B	A	B
Rodney McKail	11	11	3	3
Sally Brennan	11	6	-	-
Elizabeth Fox	11	9	-	-
Neil Jorgensen	11	8	-	-
Garry Michael Lewis	11	9	-	-
Richard Harding Butler	11	9	3	2
Michael Norman Hibbert	11	11	-	-
Gordon Stewart Buller	11	10	-	-
Louise Anne Hogan (Appointed 20 July 2023)	10	8	-	-

A - The number of meetings eligible to attend.
B - The number of meetings attended.
- - Not a member of that committee.

Company Secretary

The following person held the position of Company Secretary at the end of the financial year.

Rodney McKail

Qualifications:

Experience & Expertise: Rodney was employed in Local Government for over 40 years. He worked at the Upper Yarra Shire and Lilydale Shire (now Yarra Ranges) and Knox City Council, predominantly in the area of Governance. He is now retired, although took on the Managing Director role with UYCE in 2019.

Principal Activities

The principal activities of the Company during the course of the financial year were in providing Community Bank branch services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

There has been no significant changes in the nature of these activities during the year.

Operating Results

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

	30 June 2024 ($)	30 June 2023 ($)	Movement
Profit After Tax	366,197	696,355	-47%

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.

Director's Interests

	Fully Paid Ordinary Shares		
Director	Balance at 1 July 2023	Changes During the Year	Balance at 30 June 2024
Rodney McKail	1,000	-	1,000
Sally Brennan	1,000	-	1,000
Elizabeth Fox	600	-	600
Neil Jorgensen	1,500	-	1,500
Garry Michael Lewis	-	-	-
Richard Harding Butler	6,000	-	6,000
Michael Norman Hibbert	3,000	-	3,000
Gordon Stewart Buller	40,650	-	40,650
Louise Anne Hogan (Appointed 20 July 2023)	-	-	-

Dividends

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

	Cents per Share	Total Amount ($)
Final fully franked dividend	13	$230,641
Total Amount	**13**	**$230,641**

Options

No options over issued shares were granted during or since the end of the financial year and there were no options outstanding as at the date of this report.

Significant Changes in the State of Affairs

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

Events Since the end of the Financial Year

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

Likely Developments

The Company will continue its policy of providing banking services to the community.

Environmental Regulations

The Company is not subject to any significant environmental regulation.

Indemnification & Insurance of Directors & Officers

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

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

Proceedings on Behalf of the Company

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

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

Non-audit Services

The Company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (RSD Audit) for audit and non-audit services provided during the year are set out in Note 31 to the accounts.

The Board of Directors 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 are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the company or jointly sharing risks and rewards.

Auditor's Independence Declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 17 of this consolidated financial report.

Signed in accordance with a resolution of the Board of Directors at Warburton, Victoria.

Rodney McKail
Chair/Director

Dated this 9th day of September, 2024

Auditor's independence declaration

41A Breen Street
Bendigo, Victoria
PO Box 448, Bendigo, VIC, 3552

Ph: (03) 4435 3550
admin@rsdaudit.com.au
www.rsdaudit.com.au

Auditors Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors of Upper Yarra Community Enterprise Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Upper Yarra Community Enterprise Limited. As the lead audit partner for the audit of the financial report for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) Any applicable code of professional conduct in relation to the audit.

RSD Audit

Mahesh Silva
Partner
41A Breen Street
Bendigo VIC 3550

Dated: 12 September 2024

Financial statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2024

	Note	2024 $	2023 $
Revenue			
Revenue from contracts with customers	7	2,220,117	2,565,434
Other revenue	8	39,585	38,276
Finance income	9	52,029	21,695
		2,311,731	**2,625,405**
Expenses			
Employee benefits expense	10	(1,045,207)	(953,543)
Depreciation and amortisation	10	(148,726)	(151,175)
Finance costs	10	(40,603)	(49,887)
Administration and general costs		(167,706)	(162,150)
Occupancy expenses		(67,722)	(47,817)
IT expenses		(68,653)	(62,599)
ATM Expenses		(13,226)	(12,699)
Fair value increase/(decrease)		64,307	(9,788)
Cost of goods sold		(4,507)	(3,270)
		(1,492,043)	**(1,452,928)**
Operating profit before charitable donations and sponsorship		**819,688**	**1,172,477**
Charitable donations and sponsorship	10	(335,652)	(199,768)
Profit before income tax		**484,036**	**972,709**
Income tax expense	11	(117,839)	(276,354)
Profit for the year after income tax		**366,197**	**696,355**
Other comprehensive income		-	84,902
Total comprehensive income for the year		**366,197**	**84,902**
Profit attributable to the ordinary shareholders of the company		366,197	781,257
Total comprehensive income attributable to ordinary shareholders of the company		**366,197**	**781,257**
Earnings per share		**¢**	**¢**
- basic and diluted earnings per share	33	22.69	39.25

The accompanying notes form part of these financial statements

Consolidated Statement of Financial Position
As at 30 June 2024

	Note	2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	12	139,220	79,774
Trade and other receivables	13	197,010	228,238
Inventories	14	19,201	23,708
Financial assets	15	1,023,362	1,500,993
Current tax asset	20	41,729	-
Other assets	16	9,188	10,764
Total current assets		**1,429,710**	**1,843,477**
Non-current assets			
Property, plant and equipment	17	1,953,726	2,016,559
Right-of-use assets	18	448,124	487,475
Intangible assets	19	15,716	42,659
Total non-current assets		**2,417,566**	**2,546,693**
Total assets		**3,847,276**	**4,390,170**
Liabilities			
Current liabilities			
Trade and other payables	21	63,822	101,262
Current tax liability	20	-	222,515
Borrowings	22	-	326,821
Lease liabilities	23	23,242	19,989
Employee benefits	24	205,599	186,251
Total current liabilities		**292,663**	**856,838**
Non-current liabilities			
Lease liabilities	23	506,196	529,438
Employee benefits	24	23,151	14,270
Deferred tax liability	20	106,367	118,093
Total non-current liabilities		**635,714**	**661,801**
Total liabilities		**928,377**	**1,518,639**
Net assets		**2,918,899**	**2,871,531**
Equity			
Issued capital	25	889,520	977,708
Retained earnings	26	1,548,135	1,412,579
Reserves	27	481,244	481,244
Total equity		**2,918,899**	**2,871,531**

The accompanying notes form part of these financial statements

Consolidated Statement of Changes in Equity
For the year ended 30 June 2024

	Note	Issued capital $	Retained earnings $	Reserves $	Total equity $
Balance at 1 July 2022		977,708	751,707	396,342	2,125,757
Comprehensive income for the year					
Profit for the year		-	696,355	-	696,355
Other comprehensive income for the year		-	-	84,902	84,902
Transactions with owners in their capacity as owners					
Dividends paid or provided	32	-	(35,483)	-	(35,483)
Balance at 30 June 2023		**977,708**	**1,412,579**	**481,244**	**2,871,531**
Balance at 1 July 2023		977,708	1,412,579	481,244	2,871,531
Comprehensive income for the year					
Profit for the year		-	366,197	-	366,197
Other comprehensive income for the year		-	-	-	-
Transactions with owners in their capacity as owners					
Dividends paid or provided	32	-	(230,641)	-	(230,641)
Share Buyback		(88,188)			(88,188)
Balance at 30 June 2024		**889,520**	**1,548,135**	**481,244**	**2,918,899**

The accompanying notes form part of these financial statements

Consolidated Statement of Cash Flows
For the year ended 30 June 2024

	Note	2024 $	2023 $
Cash flows from operating activities			
Receipts from customers		2,507,944	2,761,624
Payments to suppliers and employees		(1,934,450)	(1,668,335)
Dividends received		13,365	11,233
Interest paid		(10,785)	(19,137)
Interest received		52,029	21,695
Income tax paid		(393,808)	(51,163)
Net cash flows provided by operating activities	**28b**	**234,295**	**1,055,917**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	(50)
Proceeds from sale of investments		541,937	-
Purchase of property, plant and equipment		(21,510)	(60,897)
Purchase of investments		-	(1,020,789)
Purchase of intangible assets		(29,637)	(29,636)
Net cash flows from/(used in) investing activities		**490,790**	**(1,111,372)**
Cash flows from financing activities			
Repayment of borrowings		(326,821)	(24,784)
Repayment of lease liabilities		(19,989)	(17,141)
Dividends paid		(230,641)	(35,483)
Payment for Share Buy-back		(88,188)	-
Net cash flows used in financing activities		**(665,639)**	**(77,408)**
Net increase/(decrease) in cash held		**59,446**	**(132,863)**
Cash and cash equivalents at beginning of financial year		79,774	212,637
Cash and cash equivalents at end of financial year	**28a**	**139,220**	**79,774**

The accompanying notes form part of these financial statements

Notes to the financial statements

For the year ended 30 June 2024

Note 1. Corporate Information

These consolidated financial statements and notes represent those of Upper Yarra Community Enterprise Limited (the Company) as a consolidated entity. Upper Yarra Community Enterprise Limited is a company limited by shares, incorporated and domiciled in Australia. The consolidated financial statements were authorised for issue by the Directors on 2nd September 2024.

Further information on the nature of the operations and principal activity of the Company is provided in the directors' report. Information on the company's related party relationships is provided in Note 30.

Note 2. Basis of Preparation

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

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

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar, unless otherwise stated.

Note 3. Summary of Significant Accounting Policies

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

(a) Economic Dependency

TheCompanyhasenteredintoafranchiseagreementwithBendigoandAdelaideBankLimitedthatgoverns the management of the following Community Banks branches:

- Warburton Community Bank
- Yarra Junction Community Bank

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

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

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

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

Note 3. Summary of Significant Accounting Policies (continued)

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

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

- the design, layout and fit out of the Community Bank premises
- training for the branch manager and other employees in banking, management systems and interface protocol
- methods and procedures for the sale of products and provision of services
- 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.

(b) Revenue From Contracts With Customers

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

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

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

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

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

Revenue Calculation

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

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

Margin

Margin is arrived at through the following calculation:

Interest paid by customers on loans, less interest paid to customers on deposits

plus

Deposit returns (i.e. interest return applied by BABL on deposits)

minus

Any costs of funds (i.e. interest applied by BABL to fund a loan)

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

Note 3. Summary of Significant Accounting Policies (continued)

Commission

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

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

Fee Income

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

Core Banking Products

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

Ability to Change Financial Return

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

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

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

(c) Other Revenue

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

Revenue	Revenue Recognition Policy
Discretionary financial contributions (also "Market Development Fund" or "MDF" income)	MDF income is recognised when the right to receive the payment is established. MDF income is discretionary and provided and receivable at month-end and paid within 14 days after month-end.
Other income	All other revenues that did not contain contracts with customers are recognised as goods and services are provided.

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

Discretionary Financial Contributions

In addition to margin, commission and fee income, and separate from the franchise agreement, Bendigo Bank has also made MDF payments to the Company.

The amount has been based on the volume of business attributed to a branch. The purpose of the discretionary payments is to assist with local market development activities, including community sponsorships and grants. It is for the board to decide how to use the MDF.

The payments from Bendigo Bank are discretionary and may change the amount or stop making them at any time. The Company retains control over the funds, the funds are not refundable to Bendigo Bank.

Note 3. Summary of Significant Accounting Policies (continued)

(d) Employee Benefits

Short-term Employee Benefits

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

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.

Other Long-term Employee Benefits

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

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

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

(e) Tax

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

Current Income Tax

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

Deferred Tax

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

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

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

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

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

Goods & Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except:

- when the amount of GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue or expense item
- when receivables and payables are stated with the amount of GST included.

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 3. Summary of Significant Accounting Policies (continued)

(f) Cash & Cash Equivalents

For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise: cash on hand, deposits held with banks, and short-term, highly liquid investments (mainly money market funds) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(g) Property, Plant & Equipment

Recognition & Measurement

Items of property, plant and equipment are measured at cost or fair value as applicable, which includes capitalised borrowings costs, less accumulated depreciation and any accumulated impairment losses.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent Expenditure

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

Depreciation

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

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

Asset Class	Method	Useful Life
Buildings	Straight line	40 years
Leasehold improvements	Diminishing value	15 years
Plant & equipment	Diminishing value	1 - 20 years
Motor vehicles	Diminishing value	5 years
Plant & equipment	Diminishing value	1 - 40 years

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

(h) Intangible Assets

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

Recognition & Measurement

Intangible assets acquired separately are measured on initial recognition at cost.

Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognised in profit or loss as incurred.

Amortisation

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

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

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

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

Note 3. Summary of Significant Accounting Policies (continued)

(i) Financial Instruments

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

Sub-note (i) and (j) refer to the following acronyms:

Acronym	Meaning
FVTPL	Fair value through profit or loss
FVTOCI	Fair value through other comprehensive income
SPPI	Solely payments of principal and interest
ECL	Expected credit loss
CGU	Cash-generating unit

Recognition & Initial Measurement

Trade receivables are initially recognised when they originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to the acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification & Subsequent Measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVTOCI - debt investment; FVTOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVTOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial Assets - Business Model Assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed.

Financial Assets - Subsequent Measurement, Gains & Losses

For financial assets at amortised cost, these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial Liabilities - Classification, Subsequent Measurement, Gains & Losses

Borrowings and other financial liabilities (including trade payables) are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognised in profit or loss.

Note 3. Summary of Significant Accounting Policies (continued)

Derecognition

Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Where the Company enters into transactions where it transfers assets recognised in the statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred asset, the transferred assets are not derecognised.

Financial Liabilities

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

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

(j) Impairment

Non-derivative Financial Instruments

The Company recognises a loss allowance for estimated credit losses (ECL)'s on its trade receivables.

ECL's 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.

In measuring the ECL, a provision matrix for trade receivables is used, taking into consideration various data to get to an ECL, (i.e. diversity of its customer base, appropriate groupings of its historical loss experience etc.).

Recognition of ECL in Financial Statements

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The Company's trade receivables are limited to the monthly profit share distribution from Bendigo and Adelaide Bank, which is received 14 days post month end. Due to the reliance on Bendigo and Adelaide 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 and Adelaide Bank and found no instances of default. As a result no impairment loss allowance has been made in relation to trade receivables as at 30 June 2024.

Non-financial Assets

At each reporting date, the Company reviews the carrying amount of its non-financial assets (other than investment property, contracts assets, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The Company has assessed for impairment indicators and noted no material impacts on the carrying amount of non-financial assets.

(k) Issued Capital

Ordinary Shares

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

Note 3. Summary of Significant Accounting Policies (continued)

(l) Leases

As Lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for leases of property the company has elected not to separate lease and non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the costs of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

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

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual guarantee; and
- the exercise price under a purchase option the Company is reasonable certain to exercise, lease payments in an option renewal period if the company is reasonably certain to exercise that option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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

Short-term Leases & Leases of Low-value Assets

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

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

As Lessor

The Company has not been a party in an arrangement where it is a lessor.

(m) Standards Issued But Not Yet Effective

There are no new standards effective for annual reporting periods beginning after 1 July 2023 that are expected to have a significant impact on the Company's consolidated financial statements.

Note 3. Summary of Significant Accounting Policies (continued)

(n) Comparative Figures

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

Note 4. Significant Accounting Judgements, Estimates & Assumptions

During preparation of the consolidated financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual outcomes and balances may differ from these estimates.

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

(a) Judgements

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

Note	Judgement
Note 7 - Revenue	Whether revenue is recognised over time or at a point in time
Note 23 - Leases:	
(a) Control	Whether a contract is or contains a lease at inception by assessing whether the Company has the right to direct the use of the identified asset and obtain substantially all the economic benefits from the use of that asset
(b) Lease term	Whether the Company is reasonably certain to exercise extension options, termination periods, and purchase options
(c) Discount rates	Judgement is required to determine the discount rate, where the discount rate is the Company's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. The incremental borrowing rate is determined with reference to factors specific to the Company and underlying asset including: · the amount · the lease term · economic environment · any other relevant factors.

(b) Assumptions & Estimation Uncertainty

Information about assumptions and estimation uncertainties at 30 June 2024 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note	Assumption
Note 20 - Recognition of deferred tax assets	Availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilised
Note 17 - Estimation of asset useful lives	Key assumptions on historical experience and the condition of the asset
Note 24 - Long service leave provision	Key assumptions on attrition rate of staff and expected pay increases though promotion and inflation

Note 5. Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

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 utilise any derivative instruments.

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

(a) Credit Risk

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

The Company has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo and Adelaide Bank.

(b) Liquidity Risk

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

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

30 June 2024		Contractual Cash Flows		
Non-derivative Financial Liability	Carrying Amount	< 12 Months	1 - 5 Years	> 5 Years
Lease liabilities	529,438	51,800	228,765	450,553

(c) Market Risk

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

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

Price Risk

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

Cash Flow & Fair Values Interest Rate Risk

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

The Company held cash and cash equivalents of $139,220 at 30 June 2024 (2023: $79,774). The cash and cash equivalents are held with Bendigo & Adelaide Bank, which are rated BBB on Standard & Poor's credit ratings.

Note 6. Capital Management

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

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

Note 6. Capital Management

The distribution limit is the greater of:

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

(b) subject to the availability of distributable profits, the relevant rate of return multiplied by the average level of share capital of the Company over that 12 month period where the relevant rate of return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the Company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2024 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 7. Revenue From Contracts With Customers

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

	2024 $	2023 $
Revenue		
- Revenue from contracts with customers	2,158,760	2,490,820
- Feed in tariff & LGC income	61,357	74,614
	2,220,117	**2,565,434**
Disaggregation of Revenue From Contracts With Customers		
- Margin income	1,924,644	2,258,831
- Fee income	119,429	119,542
- Commission income	114,687	112,447
	2,158,760	**2,490,820**

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

Note 8. Other Revenue

The Company generates other sources of revenue as outlined below.

	2024 $	2023 $
Other Revenue		
- Market development fund income	-	18,333
- Dividend received	13,365	11,233
- Rental Income	10,330	8,710
- Sundry Income	15,890	-
	39,585	**38,276**

Note 9. Finance Income

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

	2024 $	2023 $
Finance Income		
At amortised cost:		
- Interest from term deposits	52,029	21,695
	52,029	**21,695**

Note 10. Expenses

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

(a) Employee Benefits Expense

	2024 $	2023 $
Employee Benefits Expense		
- Wages & salaries	880,627	796,931
- Superannuation costs	93,885	86,666
- Other expenses related to employees	70,695	69,946
	1,045,207	**953,543**

(b) Depreciation & Amortisation Expense

	2024 $	2023 $
Depreciation of Non-current Assets		
- buildings	48,256	47,618
- leasehold improvements	5,279	4,133
- plant and equipment	21,784	23,054
- furniture and fittings	7,113	8,691
- start-up expenses	-	1,493
	82,432	**84,989**
Depreciation of Right-of-use Assets		
- leased buildings	39,351	39,243
	39,351	**39,243**
Amortisation of Intangible Assets		
- franchise fees	26,943	26,943
	26,943	**26,943**
Total depreciation & amortisation expense	**148,726**	**151,175**

The non-current tangible and intangible assets listed above are depreciated and amortised in accordance with the Company's accounting policy (see Note 3(g) and 3(h) for details).

Note 10. Expenses (continued)

(c) Finance Costs

	2024 $	2023 $
Finance Costs		
- Interest paid	10,785	19,137
- Interest - lease	29,818	30,750
	40,603	**49,887**

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

(d) Community Investments & Sponsorship

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

	Note	2024 $	2023 $
Community Investments & Sponsorship			
- Direct sponsorship and grant payments		72,107	28,926
- Contribution to the Community Enterprise Foundation™	10(e)	263,545	170,842
		335,652	**199,768**

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

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.

(e) Community Enterprise Foundation™ (CEF) Contributions

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

	Note	2024 $	2023 $
Disaggregation of CEF Funds			
Opening balance		219,685	101,104
Contributions paid	10(d)	263,545	170,842
Grants paid out		(159,002)	(46,172)
Interest received		7,650	2,452
Management fees incurred		(13,157)	(8,541)
Balance available for distribution		**318,721**	**219,685**

Note 11. Income Tax Expense

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

(a) The Components of Tax Expense

	2024 $	2023 $
Current tax expense	135,421	270,068
Deferred tax expense	(11,854)	10,972
Franking Credits	(5,728)	(4,814)
Prior year intercompany tax adjustment	-	128
	117,839	**276,354**

(b) Prima Facie Tax Payable

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

	2024 $	2023 $
Prima facie tax on profit before income tax at 25% (2023: 25%)	121,009	243,177
Add Tax Effect Of:		
- Imputation credits	(4,296)	(3,611)
- Over provision of prior years	(1)	(1)
- Inventory	1,127	818
- Change in company tax rates	-	-
- Temporary differences	9,678	24,596
- Permanent differences	-	-
- Movement in deferred tax	(11,854)	10,972
- Adjustment to account for tax loss	2,176	403
Income tax attributable to the entity	**117,839**	**276,354**
The applicable weighted average effective tax rate is:	24.35%	28.41%

Note 12. Cash & Cash Equivalents

	2024 $	2023 $
Cash at bank and on hand	139,220	79,774
	139,220	**79,774**

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

Note 13. Trade & Other Receivables

	2024 $	2023 $
Current		
Trade receivables	185,322	215,620
Other receivables	11,688	12,618
	197,010	**228,238**

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

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

Note 14. Inventories

	2024 $	2023 $
Renewal energy certificates	19,201	23,708
	19,201	**23,708**

Inventories acquired at no cost or generated internally are valued at the market value. Inventories held for sale are measured at the lower of cost and net realised value.

Note 15. Financial Assets

	2024 $	2023 $
At Amortised Cost		
Term deposits	763,608	1,318,911
At FVTPL		
Listed investments	259,754	182,082
	1,023,362	**1,500,993**

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

Note 16. Other Assets

	2024 $	2023 $
Prepayments	9,188	10,764
	9,188	**10,764**

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

Note 17. Property, Plant & Equipment

(a) Carrying Amounts

	2024 $			2023 $		
	At Cost / Valuation	Accumulated Depreciation	Written Down Value	At Cost / Valuation	Accumulated Depreciation	Written Down Value
Buildings	1,782,808	346,278	1,436,530	1,782,808	298,022	1,484,786
Leasehold improvements	253,940	130,373	123,567	232,430	125,094	107,336
Plant & equipment	586,754	232,711	354,043	600,960	223,315	377,645
Furniture & fittings	164,422	124,836	39,586	165,408	118,616	46,792
Start-up cost	220,596	220,596	-	220,596	220,596	-
Total	**3,008,520**	**1,054,794**	**1,953,726**	**3,002,202**	**985,643**	**2,016,559**

(b) Movements in Carrying Amounts

2024	Buildings $	Leasehold Imp. $	Plant & Equipment $	Furniture & Fittings $	Start-Up Cost $	Total
Opening carrying value	1,484,786	107,336	377,645	46,793	-	2,016,560
Additions	-	21,510	-	-	-	21,510
Disposals	-	-	(1,818)	(94)	-	(1,912)
Depreciation expense	(48,256)	(5,279)	(21,784)	(7,113)	-	(82,432)
Closing carrying value	**1,436,530**	**123,567**	**354,043**	**39,586**	**-**	**1,953,726**

2023	Buildings $	Leasehold Imp. $	Plant & Equipment $	Furniture & Fittings $	Start-Up Cost $	Total
Opening carrying value	1,443,472	67,785	392,993	50,730	1,493	1,956,473
Additions	88,932	43,684	8,429	4,754	-	145,799
Disposals	-	-	(723)	-	-	(723)
Depreciation expense	(47,618)	(4,133)	(23,054)	(8,691)	(1,493)	(84,989)
Closing carrying value	**1,484,786**	**107,336**	**377,645**	**46,793**	**-**	**2,016,560**

(c) Capital Expenditure Commitments

The entity does not have any capital expenditure commitments as at 30 June 2024 (2023: None).

(d) Changes in Estimates

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

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

Note 18. Right-of-use Assets

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

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

The company's lease portfolio includes buildings.

Note 18. Right-of-use Assets (continued)

Options to Extend or Terminate

The option to extend or terminate is contained in the property lease of the Company. All extension or termination options are only exercisable by the Company. The extension options or termination options which were probable to be exercised have been included in the calculation of the right-of-use asset.

AASB 16 Amounts Recognised in the Statement of Financial Position

	2024		2023	
	Leased Buildings $	Total ROU Asset $	Leased Buildings $	Total ROU Asset $
Leased asset	588,646	588,646	588,646	588,646
Depreciation	(140,522)	(140,522)	(101,171)	(101,171)
	448,124	**448,124**	**487,475**	**487,475**

Movements in carrying amounts:

	Leased Buildings $	Total ROU Asset $
Opening Carrying amount	487,475	487,475
Depreciation expense	(39,351)	(39,351)
Net carrying amount	**448,124**	**448,124**

AASB 16 Amounts Recognised in the Statement of Profit or Loss and Other Comprehensive Income

	2024 $	2023 $
Depreciation expense related to right-of-use assets	39,351	39,243
Interest expense on lease liabilities	29,818	30,750

Note 19. Intangible Assets

(a) Carrying Amounts

	2024			2023		
	At Cost / Valuation	Accumulated Amortisation	Written Down Value	At Cost / Valuation	Accumulated Amortisation	Written Down Value
Franchise fees	134,713	118,997	15,716	134,713	92,054	42,659
	134,713	**118,997**	**15,716**	**134,713**	**92,054**	**42,659**

(b) Movements in Carrying Amounts

2024	Franchise Fees $
Opening carrying value	42,659
Amortisation expense	(26,943)
Closing carrying value	**15,716**

Note 19. Intangible Assets (continued)

2023	Franchise Fees $
Opening carrying value	69,602
Disposals	(26,943)
Closing carrying value	**42,659**

Note 20. Tax Assets & Liabilities

(a) Current Tax

	2024 $	2023 $
Income tax (refundable)/payable	(41,729)	222,515

(b) Deferred Tax

Movement in the Company's deferred tax balances for the year ended 30 June 2024:

	30 June 2023 $	Recognised in P & L $	30 June 2024 $
Deferred Tax Assets			
- Expense accruals	5,049	1,793	6,842
- Unused tax losses	62,807	2,175	64,982
- Employee provisions	50,130	7,058	57,188
- ROU assets and lease liabilities from AASB 16	15,488	4,841	20,329
- Financial assets carried at FVTPL	11,438	(16,077)	(4,639)
Total deferred tax assets	**144,912**	**(210)**	**144,702**
Deferred Tax Liabilities			
- Property, plant & equipment	(257,159)	11,309	(245,850)
- Accrued income	(3,155)	233	(2,922)
- Prepayments	(2,691)	394	(2,297)
Total deferred tax liabilities	**(263,005)**	**11,936**	**(251,069)**
Net deferred tax liabilities	**(118,093)**	**11,726**	**(106,367)**

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

	30 June 2022 $	Recognised in P & L $	30 June 2023 $
Deferred Tax Assets			
- Expense accruals	4,792	257	5,049
- Unused tax losses	62,404	403	62,807
- Property, plant & equipment	40,489	9,641	50,130
- Employee provisions	9,963	5,525	15,488
- ROU assets and lease liabilities from AASB 16	8,991	2,447	11,438
- Financial assets carried at FVTPL			
Total deferred tax assets	**126,639**	**18,273**	**144,912**

Note 20. Tax Assets & Liabilities (continued)

	30 June 2022 $	Recognised in P & L $	30 June 2023 $
Deferred Tax Liabilities			
- Right-of-use assets	(230,154)	(27,005)	(257,159)
- Accrued income	(120)	(3,035)	(3,155)
- Prepayments	(3,150)	459	(2,691)
Total deferred tax liabilities	**(233,424)**	**(29,581)**	**(263,005)**
Net deferred tax (liabilities)	**(106,785)**	**(11,308)**	**(118,093)**

Note 21. Trade & Other Payables

	2024 $	2023 $
Current		
Trade creditors	5,617	2,285
Franchise fee payable	-	29,637
Other creditors and accruals	58,205	69,340
	63,822	**101,262**
Non-Current		
	-	**-**

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

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

Note 22. Borrowings

	2024 $	2023 $
Current		
Secured Liabilities		
Bank loan	-	326,821
	-	**326,821**
Total borrowings	**-**	**326,821**

Loans

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

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

The company has paid off the mortgage loan in full.

Note 23. Lease Liabilities

Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate on the adoption date. The discount rate used on recognition was 5.5%.

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

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

(a) Lease Portfolio

The Company's lease portfolio includes:

Lease	Details
Yarra Junction Branch	The lease agreement is a non-cancellable lease with an initial term of fifteen years which commenced in Dec 2020. The lease has no further option available.

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

(b) Lease Liabilities

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

	2024 $	2023 $
Current	23,242	19,989
Non-current	506,196	529,438

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2024 were as follows:

	Minimum lease payments due				
	< 1 Year	1 - 2 Years	3 - 5 Years	> 5 years	Total
30 June 2024					
Lease payments	51,800	53,872	174,893	450,553	731,118
Finance charges	(28,558)	(27,195)	(71,435)	(74,492)	(201,680)
Net present values	**23,242**	**26,677**	**103,458**	**376,061**	**529,438**
30 June 2023					
Lease payments	49,807	51,800	168,167	511,151	780,925
Finance charges	(29,818)	(28,558)	(76,761)	(96,361)	-231,498
Net present values	**19,989**	**23,242**	**91,406**	**414,790**	**549,427**

(c) Lease Payments Not Recognised as a Liability

The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

Note 24. Employee Benefits

	2024 $	2023 $
Current		
Provision for annual leave	113,648	89,717
Provision for long service leave	91,951	96,534
	205,599	**186,251**
Non-Current		
Provision for long service leave	23,151	14,270
	23,151	**14,270**

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

Employee Attrition Rates

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

Note 25. Issued Capital

(a) Issued Capital

	2024		2023	
	Number	$	Number	$
Ordinary shares - fully paid	1,614,110	906,264	1,774,160	994,452
Less: equity raising costs	-	(16,744)	-	(16,744)
	1,614,110	**889,520**	**1,774,160**	**977,708**

Ordinary shares are classified as equity.

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

(b) Movements in share capital

	2024 $	2023 $
Fully paid ordinary shares:		
At the beginning of the reporting period	1,774,160	1,774,160
Buyback	(160,050)	-
At the end of the reporting period	**1,614,110**	**1,774,160**

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

Note 26. Retained Earnings

	Note	2024 $	2023 $
Balance at the beginning of the reporting period		1,412,579	751,707
Profit for the year after income tax		366,197	696,355
Dividends paid	32	(230,641)	(35,483)
Balance at the end of the reporting period		**1,548,135**	**1,412,579**

Note 27. Reserves

	2024 $	2023 $
Asset Revaluation Reserve		
Balance at the beginning of the reporting period	481,244	396,342
Fair value movements during the period	-	84,902
Balance at the end of the reporting period	**481,244**	**481,244**

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

Note 28. Cash Flow Information

(a) Cash and cash equivalents balances as shown in the Statement of Financial Position can be reconciled to the Statement of Cash Flows as follows:

	Note	2024 $	2023 $
Cash and cash equivalents	12	139,220	79,774
As per the Statement of Cash Flows		**139,220**	**79,774**

(b) Reconciliation of cash flow from operations with profit after income tax

	2024 $	2023 $
Profit for the year after income tax	366,197	696,355
Non-cash flows in profit		
- Fair value (increase)/decrease	(64,307)	9,789
- Depreciation	82,431	84,989
- Amortisation	26,943	26,943
- Depreciation of ROU Leased	39,351	39,243
- Net loss on disposal of property, plant & equipment	1,911	772
- Bad Debts	87	5,005
Changes in assets and liabilities		
- (Increase) / decrease in trade and other receivables	31,141	(81,767)
- (Increase) / decrease in prepayments and other assets	1,577	1,834
- (Increase) / decrease in inventories	4,507	3,270
- (Increase) / decrease in deferred tax liabilities	(11,724)	11,308
- Increase / (decrease) in trade and other payables	(7,802)	5,727
- Increase / (decrease) in current tax liability	(264,244)	213,882
- Increase / (decrease) in provisions	28,227	38,567
Net cash flows from operating activities	**234,295**	**1,055,917**

Note 29. Financial Instruments

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

	Note	2024 $	2023 $
Financial Assets			
Trade and other receivables	13	197,010	228,238
Cash and cash equivalents	12	139,220	79,774
Term deposits	15	763,608	1,318,911
		1,099,838	**1,626,923**
Financial Liabilities			
Trade and other payables	21	63,822	101,262
Borrowings	22	-	326,821
Lease liabilities	23	529,438	549,427
		593,260	**977,510**

Note 30. Related Parties

(a) Key Management Personnel

Key management personnel includes any person having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any Director (whether executive or otherwise) of that Company. The only key management personnel identified for the Company are the Board of Directors, the members of which are listed in the Directors' report.

(b) Key Management Personnel Compensation

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

	2024 $	2023 $
Short-term employee benefits	37,440	37,440
Post-employment benefits	4,118	3,931
Other long-term benefits	16,651	12,643
Total key management personnel compensation	**58,209**	**54,014**

Short-term Employee Benefits

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

Post-employment Benefits

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

Other Long-term Benefits

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

Share-based payments

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

Note 30. Related Parties (continued)

(c) Other Related Parties

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

(d) Transactions With Key Management Personnel & Related Parties

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

Name of Related Party	Description of Goods or Services Provided	Value $
Rodney McKail & Garry Michael Lewis - Member, Warburton Millgrove Football Netball Club	Sponsorship	909
Rodney McKail & Garry Michael Lewis - Member, Warburton Millgrove Football Netball Club	Rent for board meetings	350
Rodney McKail - Member, Outer East Football Netball Competitions Inc	Sponsorship	4,000
Gordon Stewart Buller - Member, Upper Yarra River Reserve	Advertising	250

(e) Key Management Personnel Shareholdings

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

(f) Other Key Management Transactions

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

Note 31. Auditor's Remuneration

The appointed auditor of Upper Yarra Community Enterprise Limited for the year ended 30 June 2024 is RSD Audit. Amounts paid or due and payable to the auditor are outlined below.

	2024 $	2023 $
Audit & Review Services		
Audit and review of financial statements (RSD Audit)	6,400	5,950
Total auditor's remuneration	**6,400**	**5,950**

Note 32. Dividends

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

	2024		2023	
	Number	$	Number	$
Fully franked dividend	1,774,160	230,641	1,774,160	35,483
Dividends provided for and paid during the year	**1,774,160**	**230,641**	**1,774,160**	**35,483**

The tax rate at which dividends have been franked is 25% (2023: 25%).

Note 32. Dividends (continued)

	2024 $	2023 $
Franking credit balance		
Balance at the beginning of the reporting period	393,100	348,944
Movements during the period	322,657	44,156
Balance at the end of the reporting period	**715,757**	**393,100**

Note 33. Earnings Per Share

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

	2024 $	2023 $
Profit attributable to ordinary shareholders	366,197	696,355

	Number	Number
Weighted average number of ordinary shares	1,614,110	1,774,160

	¢	¢
Basic and diluted earnings per share	22.69	39.25

Note 34. Events After the Reporting Period

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

Note 35. Commitments & Contingencies

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

The company has made a commitment of $300,000 grant to the Warburton Mountain Bike Destination Project.

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

Note 36. Company Details

The registered office of the Company is:

Upper Yarra Community Enterprise Limited	3399 Warburton Highway, Warburton, VIC, 3799.

The principal places of business are:

Warburton Community Bank Branch	3399 Warburton Highway, Warburton, VIC, 3799.
Yarra Junction Community Bank Branch	Shop 1/2452 Warburton Hwy, Yarra Junction VIC 3797

Note 37. Fair Value Measurements

The Company may measure some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair value of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The Company measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- freehold land and buildings
- listed investments.

The Company does not subsequently measure any liabilities at fair value on a non-recurring basis.

(a) Fair Value Hierarchy

AASB 13: Fair value measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level	Measurement Details
Level 1	Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Measurements based on unobservable inputs for the asset or liability.

Fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The following tables provide the fair values of the Company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

	30 June 2024			
	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring Fair Value Measurements				
Non-financial Assets				
Freehold land and Building	-	1,436,530	-	1,436,530
	-	**1,436,530**	**-**	**1,436,530**
Financial Assets				
Listed investments	259,754	-	-	259,754
	259,754	**-**	**-**	**259,754**

Note 37. Fair Value Measurements (continued)

	30 June 2023			
	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring Fair Value Measurements				
Non-financial Assets				
Freehold land and Building	-	1,484,786	-	1,484,786
	-	**1,484,786**	**-**	**1,484,786**
Financial Assets				
Listed investments	182,082	-	-	182,082
	182,082	**-**	**-**	**182,082**

Transfers between levels of the hierarchy

There were no transfers between levels for assets measured at fair value on a recurring basis during the reporting period (2023: no transfers).

Highest and best use

The current use of each asset measured at fair value is considered to be its highest and best use.

(b) Valuation Techniques

The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the company are consistent with one or more of the following valuation approaches:

Approach	Valuation Details
Market Approach	Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
Income Approach	Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
Cost Approach	Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Valuation Techniques & Inputs - Level 2 Fair Values

Asset	Fair Value at 30 June 2024 $	Valuation Techniques	Inputs Used
Freehold land and Building	1,436,530	Market approach	Market Rent, Capital Adjustments

The fair value of freehold land and buildings is determined at least every three years based on valuations by an independent valuer. At the end of each intervening period, the Directors review the independent valuation and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data and discounted cash flow methodologies.

There were no changes during the period in the valuation techniques used by the Company to determine Level 2 fair values.

Note 37. Fair Value Measurements (continued)

(c) Reconciliation of Recurring Level 2 Fair Value Measurements

Level 2	Freehold Land & Building $
Balance at the beginning of the year	1,484,786
Additions during the year	-
Losses recognised in profit or loss during the year	(48,256)
Settlements during the year	-
Balance at the end of the year	**1,436,530**

Consolidated Entity Disclosure Statement

For the financial year ended 30 June 2024

Basis of Preparation

The Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001*. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

Interests in Subsidiaries

(a) Composition of the Group

Entity name	Entity Type	Place formed/ Country of incorporation	Ownership interest (%)*	Tax residency
Upper Yarra Power Pty Ltd	Private Company	Australia	100%	Australia**

* The percentage of ownership interest held is equivalent to the percentage of shareholdings.

** Upper Yarra Community Enterprise Limited (the 'parent entity') and its wholly-owned Australian subsidiaries have not formed an income tax consolidated group under the tax consolidation regime.

(b) Significant restrictions relating to subsidiaries

There are no significant restrictions to access or use the assets and settle the liabilities of the Group.

(c) Subsidiary's financial statements

<u>Statement of Profit or Loss and Other Comprehensive Income</u>

The amounts disclosed below are prior to any inter-company eliminations

	2024 $	2023 $
Revenue	61,357	74,614
Expenses	-92,026	-97,875
Operating profit before charitable donations and sponsorship	-30,669	-23,261
Profit before income tax	**-30,669**	**-23,261**
Income tax expense	6,540	4,999
Profit for the year after income tax	**-24,129**	**-18,262**
Total comprehensive income attributable to ordinary shareholders of the company	**-24,129**	**-18,262**

(c) Subsidiary's financial statements (continuted)

Statement of Financial Position

	2024 $	2023 $
Assets		
Current assets	43,463	42,196
Non-current assets	841,675	817,216
Total assets	**885,138**	**859,412**
Liabilities		
Current liabilities	-	33,936
Non-current liabilities	526,937	443,146
Total liabilities	**526,937**	**477,082**
Net assets	**358,201**	**382,330**
Equity		
Issued capital	285,151	285,151
Retained earnings	73,050	97,179
Total equity	**358,201**	**382,330**

Parent Entity

The following information has been extracted from the books and records of the parent, Upper Yarra Community Enterprise Limited and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Upper Yarra Community Enterprise Limited has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Investments in subsidiary

Investments in subsidiary is accounted for at cost in the consolidated financial statements of the parent entity. No dividends received from subsidiary for 2024 financial year (2023 : NIL).

Parent entiy's financial statements

Statement of Profit or Loss and Other Comprehensive Income

	2024 $	2023 $
Revenue	2,250,374	2,550,791
Expenses	-1,400,017	-1,355,565
Operating profit before charitable donations and sponsorship	**850,357**	**1,195,226**
Charitable donations and sponsorship	-335,652	-199,768
Profit before income tax	**514,705**	**995,458**
Income tax expense	-124,380	-281,224
Profit for the year after income tax	**390,325**	**714,234**
Total comprehensive income for the year	-	84,902
Total comprehensive income attributable to ordinary shareholders of the company	**390,325**	**799,136**

Parent Entity (Continued)

Statement of Financial Position

	2024 $	2023 $
Assets		
Current assets	1,084,949	1,801,281
Non-current assets	2,714,130	2,140,118
Total assets	**3,799,079**	**3,941,399**
Liabilities		
Current liabilities	251,117	529,618
Non-current liabilities	700,937	636,253
Total liabilities	**952,054**	**1,165,871**
Net assets	**2,847,025**	**2,775,528**
Equity		
Issued capital	889,520	977,708
Retained earnings	1,476,261	1,316,576
Reserves	481,244	481,244
Total equity	**2,847,025**	**2,775,528**

Directors' declaration

For the financial year ended 30 June 2024

In accordance with a resolution of the directors of Upper Yarra Community Enterprise Limited, we state that:

In the opinion of the directors:

(a) The financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and

  (ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(c) The information disclosed in the attached consolidated entity disclosure statement, on page 50 is true and correct.

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

Rodney McKail
Chair/Director

Dated this 9th day of September, 2024

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF UPPER YARRA COMMUNITY ENTERPRISE LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Upper Yarra Community Enterprise Limited (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the accompanying financial report of Upper Yarra Community Enterprise 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 and its cash flows for the year then ended; and

(ii) complying with Australian Accounting Standards.

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 Entity in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's *APES 110 Code of Ethics* for Professional Accountants (including Independence Standards) 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 opinion.

Other Information

Those charged with governance 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 do 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.

Director's Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 to cease operations, or have no realistic alternative but to do so.

rsd Audit

Auditor's Responsibility for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. 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. Misstatements 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 Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control.

We 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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We 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.

We 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 obtain sufficient appropriate audit evidence regarding the financial information of the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. 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, related safeguards.

RSD Audit

Independence

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* (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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

RSD Audit
Chartered Accountants

Mahesh Silva
Partner
Bendigo

Dated: 12 September 2024

UYCE

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Bendigo Bank