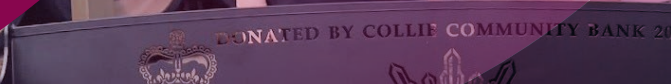


# Annual Report 2022

Collie & Districts  
Community Financial  
Services Limited

Community Bank  
Collie & Districts

ABN 76 096 536 355



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# Chairman's report

For year ending 30 June 2022

It has been another successful, but hard year for Community Bank Collie & Districts.

The book value has grown past the \$235 million mark and returns to the community is at \$7.2 million.

This year's shareholder dividend is not as high as previous years, but we have returned just below \$1.5 million to shareholders in the last 18 years.

All of this is only possible with the continuing support of shareholders and customers, so I would like to thank those who have supported us in the last year.

I would also like to thank Narelle and Kellie for their leadership. It has been a pleasure to work with you.

To all the staff, your dedication to our Community Bank and to Collie is amazing. I have seen the amount of effort you put in daily - thank you all very much.

Glyn Yates retired this year after 17 years on the Board. Glyn has not hesitated to put his hand up to help and, over the years, held most of the Board's senior positions (if not all). He has also been an immense help and inspiration to me personally. He showed great leadership in the way he conducted himself at Board meetings.

He inspired me to be involved in other Community Banks and set an example of how we could all be involved in the relationship between community banking and Bendigo Bank. Thank you, Glyn.

We also welcomed some new Directors to our Board this year. To them, and the rest of the Board, I thank you for your support, ideas, and hard work.

To our partners, Bendigo Bank. I would like to thank you, especially the WA management for its ongoing work to help us grow and in making sure we are doing the best for our shareholders and our community.

For us to keep growing, we need everyone's support.

Please talk to our staff about your banking, insurances, and superannuation requirements.

We ask only for the opportunity to provide a quote; it might save you some money, but if it's the same then at least you know some of the profits are going back into your community.

We all love to help our community and we all do banking. When you do business with Community Bank Collie, you can do both.

And you can be part of the Community Bank that believes in Collie and wants to help our town grow.



**Jeff Riley**  
Chairman

# Manager's report

For year ending 30 June 2022

Community Bank Collie & Districts recorded more than \$2 million above its deposits target in the 2021-22 financial year. Our branch target was \$12,200,000, and we recorded \$14,348,485.

Unfortunately, we fell short in lending growth.

Our shortfall was due to large amounts of property sales, driven by ideal selling conditions in the economy.

These sales ultimately meant more discharges for our branch, and a decrease in our book value.

This year, we handled 94 discharges, totalling \$18,300,423. This is a \$10 million decrease in our book, compared with the 54 discharges in 2020-21.

The high number of sales and the subsequent losses pulled back our lending figures and made it significantly more difficult to reach our overall growth target of \$16.4 million.

We received 152 lending applications totalling \$31,441,712. Of those, we provided 114 approvals and 113 settlements.

Overall, we achieved \$8,077,613 in total growth.

We were close to hitting our insurance targets, falling short by \$4778.90. Our target was \$49,717, and we reached \$44,938.10.

With the increased reliance on internet banking, we recorded an 11 percent decrease in over-the-counter transactions. We handled 29,969 in-branch transactions, which is a decrease of 3,733 from last year.

These achievements are a testament to the hard work of our staff despite difficult economic conditions, and the exceptional products and services our branch offers.

This year's most notable grant recipients were:

- Riverview Residence Inc - \$500,000
- Collie Radio Station - \$429,000
- Mountain bike trails - \$51,000.

In other areas of business, we excelled.

COVID-19 continued to impact our day-to-day business activities as many staff contracted the virus - only one staff member has managed to dodge it! Despite the staff shortages, the overall impact was minimal in comparison to what we have previously experienced due to the pandemic. Some staff members continued to work from home, and we were forced to close for the lunch hour. We are optimistic that the effects of COVID-19 on our business will lessen moving forward.

I would like to extend my thanks to our Board of Directors. I appreciate their time and dedication to our company, as well as their approachable manner and willingness to lend a hand.

This financial year also brought the retirement of Board member, Glyn Yates. Glyn helped to steer our branch for more than 17 years, including roles with the National Council in collaboration with Bendigo Bank. Glyn was a great mentor, and his knowledge and expertise will be missed. We wish him all the best with his future endeavours.

A big thank you goes to our partners at Bendigo Bank – State Manager Joe Faraone and Regional Manager Michelle Brace. I appreciate their ongoing support, along with our specialists Fiona Szyzka from business banking, Garry Harvey from Rural Bank, Alana Eleche from IAG and Samantha Bitter from Wealth.

## Manager's report (continued)

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In terms of staffing, we welcomed Keeley Annandale to our customer service team. We are also preparing to farewell Breanna De Angelis and Danelle Cockram as they prepare for maternity leave. We wish them all the best for their new arrivals.

It was a successful year for us in terms of being recognised for our work in the community. We were thrilled to be named winners of four categories in the 2022 Collie Small Business Awards. We were also named finalists in three divisions of the 2022 South West Business Excellence Awards. We look forward to the winners' announcements in late October.

I must acknowledge the hard work and dedication of my staff. The work it takes to reach targets and provide the best experience and products to our customers is phenomenal, and I cannot begin to thank my staff for all that they do. None of this would be possible without them.

I look forward to seeing what we can achieve together in this next financial year.



**Narelle Michalak**  
**Branch Manager**

# Bendigo and Adelaide Bank report

For year ending 30 June 2022

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

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

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

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

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

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

Warmest regards,



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

# Directors' report

For the financial year ended 30 June 2022

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

## Directors

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

|                           |  |
|---------------------------|--|
| Name:                     | Jeffrey Ian Riley  |
| Title:                    | Chair  |
| Experience and expertise: | Jeff has lived in Collie all of his life and has spent most of the last 40 years working as a carpenter. Jeff is self-employed running a building partnership with his wife Leigh. Jeff lives on a small family farm just out of Collie and he loves the Collie lifestyle (the bush and the river). Jeff is also the Community Bank WA State Representative for the collaborative marketing group and on the State preventative maintenance committee. Jeff is also Deputy Chair for the Collie Festival Committee for Festiv Arty. Jeff is also a volunteer firefighter for the Harris River Bush Fire Brigade. |
| Special responsibilities: | Human Resources, Scholarship, Finance and Premises Committees  |
| Name:                     | Anne-Marie Kathryn Farrell   |
| Title:                    | Secretary  |
| Experience and expertise: | Manager at Collie Motorplex for 5 years, Owner/Operator and Instructor of Alert Driving, Treasurer of Collie Suicide Prevention Network, Treasurer of Historic Competition Motorcycle Club of WA. Previously employed by South32 Worsley Alumina Pty Ltd for 24 years. Life Member of Collie Netball Association and Collie Ladies Dart Association.   |
| Special responsibilities: | Human Resources, Premises and Scholarship Committees   |
| Name:                     | Ian Houghton Miffing   |
| Title:                    | Non-executive director   |
| Experience and expertise: | Ian is currently retired and a former Chief Executive Officer of the Shire of Collie, Justice of the Peace, Collie Shire Councillor, Board Secretary of The Coal Miners Welfare Board of WA. Member of Worsley Alumina Community Liaison Committee. Member of Griffin Coal Community Reference Board. Secretary of the North Collie Hall Management Group.   |
| Special responsibilities: | Marketing and Scholarship Committees   |
| Name:                     | Kenneth William Smallwood  |
| Title:                    | Non-executive director   |
| Experience and expertise: | Kenneth is currently retired and a ex-Chief Engineer UK Merchant Navy, emigrated to WA from Scotland in 1983. Worked in the Power Generation industry in WA, SE Asia and Singapore for over 24 years, in various positions in both operations and maintenance. Former Treasurer of Collie Community Bank.  |
| Special responsibilities: | Marketing and Premises Committees  |
| Name:                     | John Alfred Piavanini  |
| Title:                    | Non-executive director   |
| Experience and expertise: | John is a business proprietor selling new and used earthmoving parts as well as rental and farming properties, in which he has been self employed for the past 50 years. He was the former Collie Shire Councillor for 18 years, past Member of the Board of Collie Chamber of Commerce and Industry and a former Board Member of the Bunbury Wellington Economic Alliance. He is currently Vice President of Collie Vintage Tractor Club, President of Collie Vintage Car Club and a Director of TOS Pty Ltd and Talmac Pty Ltd.  |
| Special responsibilities: | Chair Marketing and member of Premises Committee   |

## Directors' report (continued)

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Name: Julie Anne Pelliciarì  
Title: Non-executive director  
Experience and expertise: Julie is a Risk and Social Responsibility Manager and a Member of Australian Institute of Company Directors; volunteering on many community organisations and held various officer positions; involvement in the development of business strategic plans and risk and continuity plans for medium to large businesses; partner of family business.  
Special responsibilities: Sponsorship and Finance Committee

Name: Carissa Jane Page  
Title: Non-executive director  
Experience and expertise: Diploma of Management, past owner of Chicken Treat, Collie, bus driver and admin assistant, Vice President Fairview Primary P & C, Secretary Fairview Primary School Board.  
Special responsibilities: Finance Committee

Name: Sasacha Maree Shepherd  
Title: Non-executive director (appointed 5 November 2021)  
Experience and expertise: Sasacha has lived in Collie all of her life and is married with three Children. Committee Member of Collie Festival Committee and Co-ordinator Festiv Arty Collie. Sasacha, her husband and children are also members of various sporting clubs in Collie and Liam (son) is a committee member of Heart Hub Southwest. Sasacha is a Retail Assistant and was previously Collie Senior High School Uniform coordinator and P&C President.  
Special responsibilities: Human Resources and Franchise Committees

Name: Vanessa Tamsin Seymour Emmett  
Title: Non-executive director (appointed 10 May 2022)  
Experience and expertise: Community Development Officer for the Shire of Collie, Secretary of the Collie Festival Committee, Event Director of Collie River Trail Parkrun, Committee Member of the PCYC Advisory Board. Past employment includes Swimming Teacher for the education Department of WA, Crew Member at McDonalds, Tour guide in Australia and Africa and Qualified Norland Nanny

Name: Glyn Yates  
Title: Non-executive director (resigned 1 March 2022)  
Experience and expertise: Chair Keystart Home Loans Ltd, Chair Country Housing Authority, past Chair and Director Geographe Bay Community Enterprises Limited, Past Councillor and Deputy Shire President Shire of Collie, Past President Collie Chamber of Commerce and Industry Inc., Past National Chair and WA representative on the Community Bank National Council, Chair Accredited Grass-fed Beef Co-op. Tertiary Qualifications in Forestry, business proprietor for nearly 30 years. Business interests in forestry, land management, farming, commercial property and enterprise management, Graduate Australian Institute of Company Directors.  
Special responsibilities: Treasurer, Human Resources, Admin and Finance Committees

Name: Mitchell Kris Davidson  
Title: Non-executive director (resigned 20 April 2022)  
Experience and expertise: Currently a Licensed Real Estate Agent and Branch Manager for LJ Hooker Collie Office. Formerly a Sales Agent for Summit Realty Southwest, 14 years at Griffin Coal as a Production Operator, with eight years as an Explosives Technician (Shot Firer), Horticultural Apprentice at Shire of Collie between 2002-2005, Swimming Instructor at Department of Education between 2001-2006. Voluntary work - Meals on Wheels, member of the Collie Chamber of Commerce and Griffin Social Club Committee.  
Special responsibilities: Marketing and Community Development Committees

### Company secretary

The Company secretary is Anne-Marie Farrell. Anne was appointed to the position of Company secretary on 23 November 2015.



# Directors' report (continued)

## Principal activity

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

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

## Review of operations

The profit for the company after providing for income tax amounted to \$236,962 (30 June 2021: \$227,830).

Operations have continued to perform in line with expectations.

## Dividends

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

|  |                |
|--|----------------|
|  | <b>2022</b>    |
|  | <b>\$</b>      |
| Fully franked dividend of 30 cents per share (2021: 32.29 cents) | <u>129,078</u> |

## Significant changes in the state of affairs

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

## Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

## Likely developments

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

## Environmental regulation

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

## Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2022, and the number of meetings attended by each director were:

|                   | Board    |          | Marketing Committee |          | Finance Committee |          | Scholarship Committee |          |
|-------------------|----------|----------|---------------------|----------|-------------------|----------|-----------------------|----------|
|                   | Eligible | Attended | Eligible            | Attended | Eligible          | Attended | Eligible              | Attended |
| Jeffrey Riley     | 12       | 12       | -                   | -        | 1                 | 1        | 1                     | 1        |
| Anne-Marie Farrel | 13       | 8        | -                   | -        | -                 | -        | 1                     | 1        |
| Ian Miffing       | 13       | 13       | 8                   | 8        | -                 | -        | 1                     | 1        |
| Kenneth Smallwood | 13       | 12       | 8                   | 7        | -                 | -        | -                     | -        |
| John Piavanini    | 13       | 12       | 8                   | 8        | -                 | -        | -                     | -        |
| Julie Pellicciari | 13       | 11       | 5                   | 3        | 2                 | 2        | -                     | -        |
| Carissa Page      | 13       | 10       | -                   | -        | 2                 | 2        | -                     | -        |
| Sasacha Shepherd  | 8        | 6        | -                   | -        | -                 | -        | -                     | -        |
| Vanessa Tamsin    |          |          |                     |          |                   |          |                       |          |
| Emmett            | 2        | 2        | -                   | -        | -                 | -        | -                     | -        |
| Glyn Yates        | 9        | 7        | -                   | -        | 1                 | 1        | -                     | -        |
| Mitchell Davidson | 11       | 8        | 6                   | 5        | -                 | -        | -                     | -        |

## 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.

## Directors' report (continued)

### Directors' interests

The interest in company shareholdings for each director are:

|                               | Balance at<br>the start of<br>the year<br>\$ | Changes<br>\$ | Balance at<br>the end of the<br>year<br>\$ |
|-------------------------------|--|---------------|--|
| Jeffrey Ian Riley             | 500  | -             | 500  |
| Anne-Marie Kathryn Farrell    | 3,000  | -             | 3,000                                      |
| Ian Houghton Miffing          | 1,001  | -             | 1,001                                      |
| Kenneth William Smallwood     | 20,000                                       | -             | 20,000                                     |
| John Alfred Piavanini         | 2,501  | -             | 2,501                                      |
| Julie Anne Pelliciarì         | 500  | -             | 500  |
| Sasacha Maree Shepherd        | -  | -             | -  |
| Carissa Jane Page             | 200  | -             | 200  |
| Vanessa Tamsin Seymour Emmett | -  | -             | -  |
| Glyn Yates                    | 5,000  | -             | 5,000                                      |
| Mitchell Kris Davidson        | -  | -             | -  |

### Indemnity and insurance of directors and officers

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

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

### Indemnity and insurance of auditor

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

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

### Non-audit services

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

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

- all non-audit services have been reviewed by the Board to ensure they do not impact on the impartiality, integrity and objectivity of the auditor
- 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.

## Directors' report (continued)

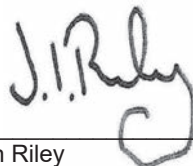
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### **Auditor's independence declaration**

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

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

On behalf of the directors

A handwritten signature in black ink, appearing to read 'J.I. Riley', written over a horizontal line.

Jeffrey Ian Riley  
Chair

9 September 2022

# Auditor's independence declaration



61 Bull Street  
Bendigo VIC 3550

[afs@afsbendigo.com.au](mailto:afs@afsbendigo.com.au)  
03 5443 0344

## Independent auditor's independence declaration under section 307C of the Corporations Act 2001 to the Directors of Collie & Districts Community Financial Services Limited

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

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

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

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

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

**Joshua Griffin**  
Lead Auditor



# Financial statements

## Collie & Districts Community Financial Services Limited Statement of profit or loss and other comprehensive income For the year ended 30 June 2022

|   | Note | 2022<br>\$     | 2021<br>\$     |
|---|------|----------------|----------------|
| Revenue from contracts with customers                               | 6    | 1,439,198      | 1,527,196      |
| Other revenue   | 7    | 22,871         | 74,814         |
| Finance revenue   |      | 1,643          | 1,433          |
| Employee benefits expense   | 8    | (730,468)      | (703,470)      |
| Advertising and marketing costs                                     |      | (40,178)       | (22,156)       |
| Occupancy and associated costs                                      |      | (23,410)       | (26,396)       |
| System costs  |      | (22,254)       | (25,303)       |
| Depreciation and amortisation expense                               | 8    | (55,276)       | (39,278)       |
| Finance costs   | 8    | (10)           | (8)            |
| General administration expenses                                     |      | (108,720)      | (119,074)      |
| <b>Profit before community contributions and income tax expense</b> |      | 483,396        | 667,758        |
| Charitable donations and sponsorships expense                       |      | (166,798)      | (376,605)      |
| <b>Profit before income tax expense</b>                             |      | 316,598        | 291,153        |
| Income tax expense  | 9    | (79,636)       | (63,323)       |
| <b>Profit after income tax expense for the year</b>                 | 18   | 236,962        | 227,830        |
| Other comprehensive income for the year, net of tax                 |      | -              | -              |
| <b>Total comprehensive income for the year</b>                      |      | <u>236,962</u> | <u>227,830</u> |
|   |      | <b>Cents</b>   | <b>Cents</b>   |
| Basic earnings per share  | 26   | 55.07          | 52.95          |
| Diluted earnings per share  | 26   | 55.07          | 52.95          |

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

## Financial statements (continued)

### Collie & Districts Community Financial Services Limited Statement of financial position As at 30 June 2022

|                                | Note | 2022<br>\$       | 2021<br>\$       |
|--------------------------------|------|------------------|------------------|
| <b>Assets</b>                  |      |                  |                  |
| <b>Current assets</b>          |      |                  |                  |
| Cash and cash equivalents      | 10   | 638,742          | 449,324          |
| Trade and other receivables    | 11   | 139,153          | 139,289          |
| Total current assets           |      | <u>777,895</u>   | <u>588,613</u>   |
| <b>Non-current assets</b>      |      |                  |                  |
| Property, plant and equipment  | 12   | 697,929          | 691,458          |
| Intangibles                    | 13   | 56,883           | 3,731            |
| Deferred tax assets            | 9    | 10,598           | 4,755            |
| Total non-current assets       |      | <u>765,410</u>   | <u>699,944</u>   |
| <b>Total assets</b>            |      | <u>1,543,305</u> | <u>1,288,557</u> |
| <b>Liabilities</b>             |      |                  |                  |
| <b>Current liabilities</b>     |      |                  |                  |
| Trade and other payables       | 14   | 61,399           | 9,655            |
| Borrowings                     | 15   | 176              | 166              |
| Current tax liabilities        | 9    | 40,998           | 10,385           |
| Employee benefits              | 16   | 102,150          | 87,891           |
| Total current liabilities      |      | <u>204,723</u>   | <u>108,097</u>   |
| <b>Non-current liabilities</b> |      |                  |                  |
| Trade and other payables       | 14   | 48,159           | -                |
| Employee benefits              | 16   | 11,351           | 9,272            |
| Total non-current liabilities  |      | <u>59,510</u>    | <u>9,272</u>     |
| <b>Total liabilities</b>       |      | <u>264,233</u>   | <u>117,369</u>   |
| <b>Net assets</b>              |      | <u>1,279,072</u> | <u>1,171,188</u> |
| <b>Equity</b>                  |      |                  |                  |
| Issued capital                 | 17   | 430,259          | 430,259          |
| Retained earnings              | 18   | 848,813          | 740,929          |
| <b>Total equity</b>            |      | <u>1,279,072</u> | <u>1,171,188</u> |

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

## Financial statements (continued)

### Collie & Districts Community Financial Services Limited Statement of changes in equity For the year ended 30 June 2022

|  | Note | Issued<br>capital<br>\$ | Retained<br>earnings<br>\$ | Total<br>equity<br>\$   |
|--|------|-------------------------|----------------------------|-------------------------|
| <b>Balance at 1 July 2020</b>                                |      | <u>430,259</u>          | <u>652,073</u>             | <u>1,082,332</u>        |
| Profit after income tax expense                              |      | <u>-</u>                | <u>227,830</u>             | <u>227,830</u>          |
| <i>Transactions with owners in their capacity as owners:</i> |      |                         |                            |                         |
| Dividends provided for                                       | 20   | <u>-</u>                | <u>(138,974)</u>           | <u>(138,974)</u>        |
| <b>Balance at 30 June 2021</b>                               |      | <u><u>430,259</u></u>   | <u><u>740,929</u></u>      | <u><u>1,171,188</u></u> |
| <br>   |      |                         |                            |                         |
| <b>Balance at 1 July 2021</b>                                |      | <u>430,259</u>          | <u>740,929</u>             | <u>1,171,188</u>        |
| Profit after income tax expense                              |      | <u>-</u>                | <u>236,962</u>             | <u>236,962</u>          |
| <i>Transactions with owners in their capacity as owners:</i> |      |                         |                            |                         |
| Dividends provided for                                       | 20   | <u>-</u>                | <u>(129,078)</u>           | <u>(129,078)</u>        |
| <b>Balance at 30 June 2022</b>                               |      | <u><u>430,259</u></u>   | <u><u>848,813</u></u>      | <u><u>1,279,072</u></u> |

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

## Financial statements (continued)

### Collie & Districts Community Financial Services Limited Statement of cash flows For the year ended 30 June 2022

|  | Note | 2022<br>\$            | 2021<br>\$            |
|--|------|-----------------------|-----------------------|
| <b>Cash flows from operating activities</b>                      |      |                       |                       |
| Receipts from customers (inclusive of GST)                       |      | 1,610,177             | 1,757,382             |
| Payments to suppliers and employees (inclusive of GST)           |      | <u>(1,181,450)</u>    | <u>(1,453,881)</u>    |
|  |      | 428,727               | 303,501               |
| Interest received  |      | 1,159                 | 1,433                 |
| Income taxes paid  |      | <u>(54,866)</u>       | <u>(70,143)</u>       |
| Net cash provided by operating activities                        | 25   | <u>375,020</u>        | <u>234,791</u>        |
| <b>Cash flows from investing activities</b>                      |      |                       |                       |
| Payments for property, plant and equipment                       |      | (49,264)              | (15,092)              |
| Payments for intangibles   |      | <u>(7,260)</u>        | <u>-</u>              |
| Net cash used in investing activities                            |      | <u>(56,524)</u>       | <u>(15,092)</u>       |
| <b>Cash flows from financing activities</b>                      |      |                       |                       |
| Dividends paid   | 20   | <u>(129,078)</u>      | <u>(138,974)</u>      |
| Net cash used in financing activities                            |      | <u>(129,078)</u>      | <u>(138,974)</u>      |
| Net increase in cash and cash equivalents                        |      | 189,418               | 80,725                |
| Cash and cash equivalents at the beginning of the financial year |      | <u>449,324</u>        | <u>368,599</u>        |
| Cash and cash equivalents at the end of the financial year       | 10   | <u><u>638,742</u></u> | <u><u>449,324</u></u> |

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



# Notes to the financial statements

For the year ended 30 June 2022

## Note 1. Reporting entity

The financial statements cover Collie & Districts Community Financial Services Limited (the company) as an individual entity. The financial statements are presented in Australian dollars, which is the company's functional and presentation currency.

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 70 Forrest Street, Collie WA 6225.

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 9 September 2022. The directors have the power to amend and reissue the financial statements.

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

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

## Note 3. Significant accounting policies

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

### Changes in accounting policies, standards and interpretations

There are a number of amendments to accounting standards issued by the AASB that became mandatorily effective for accounting periods beginning on or after 1 July 2021, and are therefore relevant for the current financial year. The amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

### Current and non-current classification

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

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

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

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

### Impairment

#### *Non-derivative financial assets*

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

## Notes to the financial statements (continued)

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### Note 3. Significant accounting policies (continued)

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

#### *Non-financial assets*

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

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

#### **Goods and Services Tax (GST)**

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

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

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

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

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

#### *Coronavirus (COVID-19) pandemic*

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. There does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

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

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

#### *Impairment of non-financial assets other than goodwill and other indefinite life intangible assets*

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

#### *Recovery of deferred tax assets*

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

## Notes to the financial statements (continued)

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

#### *Employee benefits provision*

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

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

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

### Note 5. Economic dependency

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

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

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

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

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

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

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

### Note 6. Revenue from contracts with customers

|                                       | 2022<br>\$       | 2021<br>\$       |
|---------------------------------------|------------------|------------------|
| Margin income                         | 1,180,554        | 1,260,029        |
| Fee income                            | 95,499           | 99,467           |
| Commission income                     | 163,145          | 167,700          |
| Revenue from contracts with customers | <u>1,439,198</u> | <u>1,527,196</u> |

## Notes to the financial statements (continued)

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

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:

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

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

#### *Revenue calculation*

The franchise agreement provides that three forms of revenue may be earned by the company which are margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services. The revenue earned by the company is dependent on the business that it generates. 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 |
| <b>plus:</b>  | any deposit returns i.e. interest return applied by Bendigo Bank for a deposit  |
| <b>minus:</b> | any costs of funds i.e. interest applied by Bendigo Bank to fund a loan.        |

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

#### *Commission*

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

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

#### *Fee income*

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

#### *Core banking products*

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

#### *Ability to change financial return*

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

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

## Notes to the financial statements (continued)

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

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

### Note 7. Other revenue

|                 | 2022<br>\$    | 2021<br>\$    |
|-----------------|---------------|---------------|
| Cash flow boost | -             | 50,000        |
| Rental income   | 22,871        | 24,312        |
| Other income    | -             | 502           |
| Other revenue   | <u>22,871</u> | <u>74,814</u> |

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.

| <u>Revenue stream</u> | <u>Revenue recognition policy</u>   |
|-----------------------|---|
| Cash flow boost       | Cash flow boost income is recognised when the right to the payment is established (e.g. monthly or quarterly in the activity statement).  |
| Rental income         | Rental income from owned properties, is accounted for on a straight-line basis over the lease term. If not received at balance date, revenue is reflected on the balance sheet as a receivable and carried at its recoverable amount. |
| 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 GST.

#### *Cash flow boost*

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

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

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

### Note 8. Expenses

#### Depreciation and amortisation expense

|   | 2022<br>\$    | 2021<br>\$    |
|---|---------------|---------------|
| <i>Depreciation of non-current assets</i> |               |               |
| Buildings                                 | 8,986         | 8,986         |
| Improvements                              | 17,602        | 5,797         |
| Plant and equipment                       | 7,424         | 4,522         |
| Motor vehicles                            | 8,781         | 8,781         |
|   | <u>42,793</u> | <u>28,086</u> |
| <i>Amortisation of intangible assets</i>  |               |               |
| Franchise fee                             | 2,206         | 2,238         |
| Franchise renewal process fee             | 10,277        | 8,954         |
|   | <u>12,483</u> | <u>11,192</u> |
|   | <u>55,276</u> | <u>39,278</u> |

## Notes to the financial statements (continued)

### Note 8. Expenses (continued)

#### Employee benefits expense

|  | 2022<br>\$     | 2021<br>\$     |
|--|----------------|----------------|
| Wages and salaries                     | 639,398        | 622,511        |
| Non-cash benefits                      | 8,860          | 11,997         |
| Superannuation contributions           | 64,336         | 59,065         |
| Expenses related to long service leave | (1,892)        | (4,265)        |
| Other expenses                         | 19,766         | 14,162         |
|  | <u>730,468</u> | <u>703,470</u> |

#### Leases recognition exemption

|                                       | 2022<br>\$   | 2021<br>\$    |
|---------------------------------------|--------------|---------------|
| Expenses relating to low-value leases | <u>9,555</u> | <u>10,665</u> |

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

#### Charitable donations, sponsorships and grants

|  | 2022<br>\$     | 2021<br>\$     |
|--|----------------|----------------|
| Direct donation, sponsorship and grant payments      | 66,798         | 13,761         |
| Contribution to the Community Enterprise Foundation™ | 100,000        | 350,000        |
|  | <u>166,798</u> | <u>363,761</u> |

#### Community Enterprise Foundation™ contributions

|                                    | 2022<br>\$     | 2021<br>\$       |
|------------------------------------|----------------|------------------|
| <i>Disaggregation of CEF funds</i> |                |                  |
| Opening balance                    | 1,127,471      | 902,426          |
| Contributions paid in              | 100,000        | 350,000          |
| Grants paid out                    | (551,700)      | (113,000)        |
| Interest received                  | 5,387          | 5,543            |
| Management fees incurred           | (5,000)        | (17,498)         |
| Balance available for distribution | <u>676,158</u> | <u>1,127,471</u> |

### Note 9. Income tax

|                               | 2022<br>\$    | 2021<br>\$    |
|-------------------------------|---------------|---------------|
| <i>Income tax expense</i>     |               |               |
| Current tax                   | 85,479        | 61,682        |
| Movement in deferred tax      | (5,843)       | 1,451         |
| Reduction in company tax rate | -             | 190           |
| Aggregate income tax expense  | <u>79,636</u> | <u>63,323</u> |

## Notes to the financial statements (continued)

### Note 9. Income tax (continued)

|  | 2022<br>\$      | 2021<br>\$      |
|--|-----------------|-----------------|
| <i>Prima facie income tax reconciliation</i>     |                 |                 |
| Profit before income tax expense                 | 316,598         | 291,153         |
| Tax at the statutory tax rate of 25% (2021: 26%) | 79,150          | 75,700          |
| Tax effect of:                                   |                 |                 |
| Non-deductible expenses                          | 486             | 434             |
| Other assessable income                          | -               | (13,001)        |
| Movement in company tax rate                     | -               | 190             |
| Income tax expense                               | <u>79,636</u>   | <u>63,323</u>   |
|  | 2022<br>\$      | 2021<br>\$      |
| <i>Deferred tax assets/(liabilities)</i>         |                 |                 |
| Employee benefits                                | 28,375          | 24,291          |
| Accrued expenses                                 | 800             | -               |
| Income accruals                                  | (121)           | -               |
| Property, plant and equipment                    | <u>(18,456)</u> | <u>(19,536)</u> |
| Deferred tax asset                               | <u>10,598</u>   | <u>4,755</u>    |
|  | 2022<br>\$      | 2021<br>\$      |
| Provision for income tax                         | <u>40,998</u>   | <u>10,385</u>   |

#### *Accounting policy for income tax*

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

#### *Accounting policy for current tax*

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

#### *Accounting policy for deferred tax*

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

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

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

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

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

## Notes to the financial statements (continued)

### Note 10. Cash and cash equivalents

|                          | 2022<br>\$ | 2021<br>\$ |
|--------------------------|------------|------------|
| Cash at bank and on hand | 638,742    | 449,324    |

#### *Accounting policy for cash and cash equivalents*

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

### Note 11. Trade and other receivables

|                   | 2022<br>\$     | 2021<br>\$     |
|-------------------|----------------|----------------|
| Trade receivables | 131,465        | 133,361        |
| Accrued income    | 484            | -              |
| Prepayments       | 7,204          | 5,928          |
|                   | <u>7,688</u>   | <u>5,928</u>   |
|                   | <u>139,153</u> | <u>139,289</u> |

#### *Accounting policy for trade and other receivables*

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

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

### Note 12. Property, plant and equipment

|                                | 2022<br>\$     | 2021<br>\$     |
|--------------------------------|----------------|----------------|
| Land - at cost                 | 200,000        | 200,000        |
| Buildings - at cost            | 359,421        | 359,421        |
| Less: Accumulated depreciation | (95,243)       | (86,257)       |
|                                | <u>264,178</u> | <u>273,164</u> |
| Improvements - at cost         | 247,119        | 223,079        |
| Less: Accumulated depreciation | (79,398)       | (61,796)       |
|                                | <u>167,721</u> | <u>161,283</u> |
| Plant and equipment - at cost  | 94,524         | 69,299         |
| Less: Accumulated depreciation | (54,549)       | (47,124)       |
|                                | <u>39,975</u>  | <u>22,175</u>  |
| Motor vehicles - at cost       | 43,906         | 43,906         |
| Less: Accumulated depreciation | (17,851)       | (9,070)        |
|                                | <u>26,055</u>  | <u>34,836</u>  |
|                                | <u>697,929</u> | <u>691,458</u> |



## Notes to the financial statements (continued)

### Note 12. Property, plant and equipment (continued)

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

|                         | Land<br>\$     | Buildings<br>\$ | Improvements<br>\$ | Plant and<br>equipment<br>\$ | Motor<br>vehicles<br>\$ | Total<br>\$    |
|-------------------------|----------------|-----------------|--------------------|------------------------------|-------------------------|----------------|
| Balance at 1 July 2020  | 200,000        | 282,150         | 167,080            | 11,606                       | 43,617                  | 704,453        |
| Additions               | -              | -               | -                  | 15,091                       | -                       | 15,091         |
| Depreciation            | -              | (8,986)         | (5,797)            | (4,522)                      | (8,781)                 | (28,086)       |
| Balance at 30 June 2021 | 200,000        | 273,164         | 161,283            | 22,175                       | 34,836                  | 691,458        |
| Additions               | -              | -               | 24,040             | 25,224                       | -                       | 49,264         |
| Depreciation            | -              | (8,986)         | (17,602)           | (7,424)                      | (8,781)                 | (42,793)       |
| Balance at 30 June 2022 | <u>200,000</u> | <u>264,178</u>  | <u>167,721</u>     | <u>39,975</u>                | <u>26,055</u>           | <u>697,929</u> |

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

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

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

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

|                     |               |
|---------------------|---------------|
| Building            | 40 years      |
| Improvements        | 11 years      |
| Plant and equipment | 1 to 10 years |
| Motor vehicles      | 5 years       |

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

Improvements are depreciated over the estimated useful life of the assets which is generally based on expected re-fit requirements.

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

#### Changes in estimates

The company's review of estimates resulted in changes in the useful life of some of the Collie & District branch improvements. The useful life had previously been assessed as 40 years until 2056. This is now expected to be 11 years until 2027. The effect of these changes on actual and expected depreciation expense was as follows:

|   | 2022<br>\$ | 2023<br>\$ | 2024<br>\$ | 2025<br>\$ | 2026+<br>\$ |
|---|------------|------------|------------|------------|-------------|
| (Decrease) increase in depreciation expense | 10,665     | 10,665     | 10,665     | 10,665     | (42,660)    |

### Note 13. Intangibles

|                                | 2022<br>\$    | 2021<br>\$   |
|--------------------------------|---------------|--------------|
| Franchise fee                  | 72,131        | 61,192       |
| Less: Accumulated amortisation | (62,651)      | (60,445)     |
|                                | <u>9,480</u>  | <u>747</u>   |
| Franchise renewal fee          | 99,465        | 44,769       |
| Less: Accumulated amortisation | (52,062)      | (41,785)     |
|                                | <u>47,403</u> | <u>2,984</u> |
|                                | <u>56,883</u> | <u>3,731</u> |

## Notes to the financial statements (continued)

### Note 13. Intangibles (continued)

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

|                         | Franchise fee<br>\$ | Franchise<br>renewal fee<br>\$ | Total<br>\$   |
|-------------------------|---------------------|--------------------------------|---------------|
| Balance at 1 July 2020  | 2,985               | 11,938                         | 14,923        |
| Amortisation expense    | (2,238)             | (8,954)                        | (11,192)      |
| Balance at 30 June 2021 | 747                 | 2,984                          | 3,731         |
| Additions               | 10,939              | 54,696                         | 65,635        |
| Amortisation expense    | (2,206)             | (10,277)                       | (12,483)      |
| Balance at 30 June 2022 | <u>9,480</u>        | <u>47,403</u>                  | <u>56,883</u> |

#### Additions

During the financial year the franchise fee was renewed. The franchise fee is to be amortised over five years to October 2026.

#### Accounting policy for intangible assets

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

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

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

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

| <u>Asset class</u>    | <u>Method</u> | <u>Useful life</u>                | <u>Expiry/renewal date</u> |
|-----------------------|---------------|-----------------------------------|----------------------------|
| Franchise fee         | Straight-line | Over the franchise term (5 years) | October 2026               |
| Franchise renewal fee | Straight-line | Over the franchise term (5 years) | October 2026               |

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

#### Change in estimates

During the financial year, the company assessed estimates used for intangible assets including useful lives, residual values, and amortisation methods. There were no changes in estimates for the current reporting period.

### Note 14. Trade and other payables

|                                | 2022<br>\$    | 2021<br>\$   |
|--------------------------------|---------------|--------------|
| <i>Current liabilities</i>     |               |              |
| Trade payables                 | 3,438         | 2,798        |
| Other payables and accruals    | 57,961        | 6,857        |
|                                | <u>61,399</u> | <u>9,655</u> |
| <i>Non-current liabilities</i> |               |              |
| Other payables and accruals    | <u>48,159</u> | <u>-</u>     |

#### Accounting policy for trade and other payables

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

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

## Notes to the financial statements (continued)

### Note 15. Borrowings

|                            | 2022<br>\$ | 2021<br>\$ |
|----------------------------|------------|------------|
| <i>Current liabilities</i> |            |            |
| Bank loans                 | 176        | 166        |

#### *Bank loans*

The company maintains a line of credit with Bendigo Bank. A \$66,324 commercial loan facility was secured by the company's assets and was drawn to \$176 as at 30 June 2022. Interest is payable at a rate of 6.39% (2021: 5.64%).

#### *Accounting policy for borrowings*

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

### Note 16. Employee benefits

|                                | 2022<br>\$     | 2021<br>\$    |
|--------------------------------|----------------|---------------|
| <i>Current liabilities</i>     |                |               |
| Annual leave                   | 57,850         | 39,620        |
| Long service leave             | 44,300         | 48,271        |
|                                | <u>102,150</u> | <u>87,891</u> |
| <i>Non-current liabilities</i> |                |               |
| Long service leave             | <u>11,351</u>  | <u>9,272</u>  |

#### *Accounting policy for employee benefits*

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

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

#### *Superannuation contributions*

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

#### *Short-term employee benefits*

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

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

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

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

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

# Notes to the financial statements (continued)

## Note 17. Issued capital

|                              | 2022<br>Shares | 2021<br>Shares | 2022<br>\$ | 2021<br>\$ |
|------------------------------|----------------|----------------|------------|------------|
| Ordinary shares - fully paid | 430,259        | 430,259        | 430,259    | 430,259    |

### *Accounting policy for issued capital*

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

### *Rights attached to issued capital*

#### *Ordinary shares*

#### Voting rights

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

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

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

#### Dividends

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

#### Transfer

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

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

#### *Prohibited shareholding interest*

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

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

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

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

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

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

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

## Notes to the financial statements (continued)

### Note 18. Retained earnings

|  | 2022<br>\$       | 2021<br>\$       |
|--|------------------|------------------|
| Retained earnings at the beginning of the financial year | 740,929          | 652,073          |
| Profit after income tax expense for the year             | 236,962          | 227,830          |
| Dividends paid (note 20)                                 | <u>(129,078)</u> | <u>(138,974)</u> |
| Retained earnings at the end of the financial year       | <u>848,813</u>   | <u>740,929</u>   |

Retained earnings consists of cumulative profits/(losses) generated by the company since the incorporation of the company.

### Note 19. Capital management

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

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

The distribution limit is the greater of:

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

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

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

### Note 20. Dividends

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

|  | 2022<br>\$     | 2021<br>\$     |
|--|----------------|----------------|
| Fully franked dividend of 30 cents per share (2021: 32.29 cents) | <u>129,078</u> | <u>138,974</u> |

### Franking credits

|  | 2022<br>\$      | 2021<br>\$      |
|--|-----------------|-----------------|
| Franking account balance at the beginning of the financial year                    | 418,944         | 397,630         |
| Franking credits (debits) arising from income taxes paid (refunded)                | 54,866          | 70,143          |
| Franking debits from the payment of franked distributions                          | <u>(43,026)</u> | <u>(48,829)</u> |
|  | 430,784         | 418,944         |
| <i>Franking transactions that will arise subsequent to the financial year end:</i> |                 |                 |
| Balance at the end of the financial year   | 430,784         | 418,944         |
| Franking credits (debits) that will arise from payment (refund) of income tax      | 40,999          | 10,385          |
| Franking credits available for future reporting periods                            | <u>471,783</u>  | <u>429,329</u>  |

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

### Accounting policy for dividends

Dividends are recognised in the financial year they are declared.

## Notes to the financial statements (continued)

### Note 21. Financial instruments

|                              | 2022<br>\$     | 2021<br>\$     |
|------------------------------|----------------|----------------|
| <b>Financial assets</b>      |                |                |
| Trade and other receivables  | 131,949        | 133,361        |
| Cash and cash equivalents    | 638,742        | 449,324        |
|                              | <u>770,691</u> | <u>582,685</u> |
| <b>Financial liabilities</b> |                |                |
| Trade and other payables     | 109,558        | 9,655          |
| Bank loans                   | 176            | 166            |
|                              | <u>109,734</u> | <u>9,821</u>   |

#### *Accounting policy for financial instruments*

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

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

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

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

#### **Financial risk management**

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

#### **Market risk**

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

#### **Price risk**

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

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

Interest-bearing assets and liabilities are held with Bendigo Bank and subject to movements in market interest. 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 \$638,742 at 30 June 2022 (2021: \$449,324). The cash and cash equivalents are held with Bendigo Bank, which are rated BBB+ on Standard & Poor's credit ratings.

## Notes to the financial statements (continued)

### Note 21. Financial instruments (continued)

As at the reporting date, the company had the following variable rate borrowings outstanding:

|  | 2022                          |               | 2021                          |               |
|--|-------------------------------|---------------|-------------------------------|---------------|
|  | Nominal<br>interest rate<br>% | Balance<br>\$ | Nominal<br>interest rate<br>% | Balance<br>\$ |
| Bank loans                                   | 6.39%                         | 176           | 5.64%                         | 166           |
| Net exposure to cash flow interest rate risk |                               | 176           |                               | 166           |

An analysis by remaining contractual maturities is shown in 'liquidity risk' below.

#### Credit risk

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

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

#### Liquidity risk

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

#### Exposure to liquidity risk

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

|                          | 2022                 |                                |                    | Remaining<br>contractual<br>maturities<br>\$ |
|--------------------------|----------------------|--------------------------------|--------------------|--|
|                          | 1 year or less<br>\$ | Between 1<br>and 5 years<br>\$ | Over 5 years<br>\$ |  |
| <b>Non-derivatives</b>   |                      |                                |                    |  |
| Bank loans               | 176                  | -                              | -                  | 176  |
| Trade and other payables | 61,399               | 48,159                         | -                  | 109,558                                      |
| Total non-derivatives    | 61,575               | 48,159                         | -                  | 109,734                                      |
|                          |                      |                                |                    |  |
|                          | 2021                 |                                |                    | Remaining<br>contractual<br>maturities<br>\$ |
|                          | 1 year or less<br>\$ | Between 1<br>and 5 years<br>\$ | Over 5 years<br>\$ |  |
| <b>Non-derivatives</b>   |                      |                                |                    |  |
| Bank loans               | 166                  | -                              | -                  | 166  |
| Trade and other payables | 9,655                | -                              | -                  | 9,655  |
| Total non-derivatives    | 9,821                | -                              | -                  | 9,821  |

## Notes to the financial statements (continued)

### Note 22. Key management personnel disclosures

The following persons were directors of Collie & Districts Community Financial Services Limited during the financial year:

|                            |   |
|----------------------------|---|
| Jeffrey Ian Riley          | Carissa Jane Page                                     |
| Anne-Marie Kathryn Farrell | Sasacha Maree Shepherd (appointed 5 November 2021)    |
| Ian Houghton Miffing       | Vanessa Tamsin Seymour Emmett (appointed 10 May 2022) |
| Kenneth William Smallwood  | Glyn Yates (resigned 1 March 2022)                    |
| John Alfred Piavanini      | Mitchell Kris Davidson (resigned 20 April 2022)       |
| Julie Anne Pelliciarì      |   |

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

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

### Note 23. Related party transactions

The following transactions occurred with related parties:

|   | 2022<br>\$ | 2021<br>\$ |
|---|------------|------------|
| Branch renovations were completed by a company owned by Director Jeffrey Riley. The total benefit received was:   | 27,410     | -          |
| The son of Director Sasacha Shepherd received a University Scholarship which was paid through the CEF. Normal application process was followed and Sasacha did not vote on this item. The total benefit received was: | 3,000      | -          |
| Directors Jeff Riley, Sasacha Shepherd and Tamsin Emmett are Collie Festival Committee members. Total grants paid through the CEF to Collie Festival Committee was:   | 40,000     | -          |

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

### Note 24. Remuneration of auditors

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

|   | 2022<br>\$ | 2021<br>\$ |
|---|------------|------------|
| <i>Audit services</i>                       |            |            |
| Audit or review of the financial statements | 5,200      | 5,000      |
| <i>Other services</i>                       |            |            |
| Taxation advice and tax compliance services | 1,325      | 1,300      |
| General advisory services                   | 2,690      | 3,070      |
| Share registry services                     | 4,346      | 3,159      |
|   | 8,361      | 7,529      |
|   | 13,561     | 12,529     |



## Notes to the financial statements (continued)

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

|  | 2022<br>\$     | 2021<br>\$     |
|--|----------------|----------------|
| Profit after income tax expense for the year       | 236,962        | 227,830        |
| Adjustments for:                                   |                |                |
| Depreciation and amortisation                      | 55,276         | 39,278         |
| Change in operating assets and liabilities:        |                |                |
| Decrease/(increase) in trade and other receivables | 136            | (2,503)        |
| Increase in deferred tax assets                    | (5,843)        | (8,461)        |
| Decrease in other operating assets                 | -              | 1,641          |
| Increase/(decrease) in trade and other payables    | 41,538         | (17,548)       |
| Increase in provision for income tax               | 30,613         | -              |
| Increase/(decrease) in employee benefits           | 16,338         | (5,446)        |
| Net cash provided by operating activities          | <u>375,020</u> | <u>234,791</u> |

### Note 26. Earnings per share

|   | 2022<br>\$     | 2021<br>\$     |
|---|----------------|----------------|
| Profit after income tax   | <u>236,962</u> | <u>227,830</u> |
|   | Number         | Number         |
| Weighted average number of ordinary shares used in calculating basic earnings per share   | <u>430,259</u> | <u>430,259</u> |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | <u>430,259</u> | <u>430,259</u> |
|   | Cents          | Cents          |
| Basic earnings per share  | 55.07          | 52.95          |
| Diluted earnings per share  | 55.07          | 52.95          |

#### *Accounting policy for earnings per share*

Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Collie & Districts Community Financial Services Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

### Note 27. Commitments

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

### Note 28. Contingencies

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

### Note 29. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

# Directors' declaration

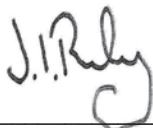
For the financial year ended 30 June 2022

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



---

Jeffrey Ian Riley  
Chair

9 September 2022

# Independent audit report



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## Independent auditor's report to the Directors of Collie & Districts Community Financial Services Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Collie & Districts Community Financial Services Limited's (the company), which comprises:

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

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

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

#### Basis for Opinion

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

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

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





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## Other Information

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

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

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

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

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

## Responsibilities of the Directors for the Financial Report

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

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

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

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



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

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

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

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

**Joshua Griffin**  
Lead Auditor

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