

# Annual Report 2021

Caloundra City Community  
Support Services Limited

Community Bank  
Caloundra

ABN 76 122 651 969



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# Chairman's report

For year ending 30 June 2021

A year ago our Branch Manager gave thanks to all those who banked with us and gave us the opportunity to provide assistance to our local community. As the world, and, closer to home, our local community struggled to come to grips with the COVID-19 pandemic, we didn't foresee we would have another year of ongoing disruption. Understandably, many have had enough.

This time has served to remind us of how important it is to identify and support the needs of our customers and our community. For some, it has meant not seeing family members for many months, missed medical appointments, little or no work and if working in the tourism sector, one disappointment after another.

Our world today, and no doubt into the future, is a different place. Wearing masks, social distancing, checking in when we visit almost anywhere we go except home has become the norm. Despite these ongoing restrictions, we have much to be thankful for.

We have experienced our best year of business growth since our branch opened in May 2007. This achievement is the culmination of our efforts over the last fourteen years to entrench our Community Bank as a vital social enterprise servicing Caloundra and the surrounding district.

Our long-serving staff are one of our greatest assets. Pip, Angela, Casey, Roxanne and Maria take pride in looking after our customers and are proactive in seeking new business. Our Board welcomed Jason Marquenie in April. Jason brings considerable experience to the team and has taken on the role of Treasurer. He has quickly adapted and presented valuable updates to the Board each month.

We have continued to show our support across a number of club sports as well as Surf Life Saving, mental health organisations and school groups. While COVID-19 delayed or restricted some activities, the vast majority were postponed, avoiding cancellation and ensuring vital funding still flowed to the community.

The Board has also been exploring opportunities to co-share retail spaces with other businesses in Baringa and Beerwah. There are some promising opportunities which we will further investigate over the coming weeks.

Shareholders continue to receive a dividend year on year. Your support is appreciated. Despite the industry trends, Community Bank Caloundra still receives significant foot traffic and our team welcome the opportunity to provide this personal service. Nonetheless, our focus remains on staying relevant and broadening our reach to include younger customers. As such, we continue to evolve our digital offerings. We believe we can satisfy the desires of the newer, younger customers with the suite of products being offered by our partner, Bendigo and Adelaide Bank, on the digital platform. Most of our younger customers don't visit a branch but still have need for intuitive mobile banking products and services.

Our hope for our shareholders, customers, staff and Caloundra community is that the end of 2021 brings renewed hope, joy and happiness. We are very lucky to be living in this wonderful part of Australia and look forward to all the good things 2022 will bring.



**Colin Rose**  
Chairman

# Manager's report

For year ending 30 June 2021

The past year has brought our team many challenges, success, moments to appreciate and great gratitude for our customers, community, staff, shareholders, Directors and all those around us. We have all had to modify the way we go about our daily lives, the way we interact with our customers and the way we involve ourselves in our community. We are proud to say we have managed this well and at all times have strived to exceed the expectations of our customers and community.

Despite the challenges facing our customers and community, we have continued to stay close utilising every line of communication and support where we are able. We have also embarked on a digital education program with many, again in response to the necessity of COVID-19 and the rapid requirement for digital products and services.

Our Community Bank Caloundra has had a fantastic year of financial growth – we have achieved all our targets across the business. Our results are testament to the strength of our relationships with our personal and business customers, community groups, schools and clubs. We have promoted and marketed our branch across multiple platforms and have leveraged our sponsored events to ensure we have the opportunity to tell our story. Our team continues to build our business pipeline and grow our customer base by engaging in these very meaningful conversations.

We continue to support our community groups, clubs, schools and small business and collaborate where we can, to share the love, through our referral program. This has been a very successful program for us with mutual benefit for both the referral partners and our community enterprise. We are really proud to see how our sponsorships and donations can make a difference and contribute to the reduction of expenses for these organisations.

I would like to thank our branch team for their contribution and hard work to ensure we achieved our results. This year has been especially difficult negotiating one week to the next with ongoing and ever-changing COVID-19 restrictions. We never thought we would have the need to use a tape measure as part of our job. The knowledge and skillset of our branch team is second to none – and for that I am truly grateful. I would also like to thank our team and their families for all their hours



volunteering at the community events – these have been both fun and rewarding. I am excited for where Community Bank Caloundra is heading both in the community and as a business. Our team believes: “success builds success” and look forward to the year ahead.

I would also like to thank our shareholders for your support. We would love to see more of you bank with us. Please pop in or give us a call, this is your business too. I would also like to thank our Regional Manager, Rohan Quirey, for his ongoing support. He keeps us on our toes and is always available. Lastly, thank you to our Community Bank Caloundra Board for all your ongoing support and guidance. Our Board is made up of successful businesspeople with a broad skillset and diverse experience. It is encouraging to see the strategic thinking and exciting plans for the future of our Community Bank Caloundra. I am proud to work for our Community Bank company and I am extremely passionate about what we can achieve together. I love to tell our story and will continue to share the vision to be ‘Australia’s Bank of Choice’. Come and join us and share our great story with your family and friends.

A handwritten signature in black ink, which appears to read 'Pip Fawcett'.

**Pip Fawcett**  
**Branch Manager**

# Bendigo and Adelaide Bank report

For year ending 30 June 2021

On behalf of Bendigo and Adelaide Bank, thank you! As a shareholder of your local Community Bank company, you are playing an important role in supporting your community.

It has been a tumultuous year for every community across Australia, and across the world. For our business, recognition that banking is an essential service has meant that we've kept the doors open, albeit with conditions that none of us could ever imagine having to work with.

Face masks, perspex screens, signed documents to cross state borders, checking in customers with QR codes and ensuring hand sanitiser stations are filled aren't what you would expect as a bank employee.

Then there's the fact that while communities have been, and continue to go in and out of lockdown, digital and online banking has become the norm.

So, what does that mean for Bendigo Bank and the Community Bank that you are invested in both as a shareholder, and a customer?

What we're seeing is that your Community Bank is still as important, if not more so, than when you first invested as a shareholder. If the pandemic has taught us anything, it has taught us the importance of place, of our local community, our local economy, our community-based

organisations, the importance of social connection and the importance of your local Community Enterprise – your Community Bank in providing, leadership, support, and assistance in these difficult times.

As we continue to adapt to this rapidly changing world one thing that continues to be important to us all is supporting each other and our strong sense of community.

Your continued support as a shareholder is essential to the success of your local community. Thank you for continuing to back your Community Bank company and your community.



**Collin Brady**  
**Head of Community Development**



# Directors' report

The directors present their report together with the financial statements of the company for the financial year ended 30 June 2021.

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## Directors

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

John Colin Rose

Chairman

Occupation: Retired

Qualifications, experience and expertise: Following a 22-year service in the Australian Defence Force (RAAF), Colin spent 14 years in Victoria growing vegetables in Yan Yean and Warragul followed by 10 years in the role of Operations Manager for a large flower and bulb farming business. On retiring in October 2004, Colin and his wife Jennifer moved to Caloundra and immediately joined a steering committee for the establishment of the Community Bank Caloundra. Caloundra City Community Support Services was established in 2006 with Colin as Treasurer of the inaugural Board. The company has a franchise agreement with Bendigo Bank to operate the Community Bank Caloundra which opened in May 2007. Colin became Chair in 2014 and deeply appreciates the directors who all serve the company voluntarily. Colin also maintains leadership roles in community organisations with voluntary service for the past 16 years including assisting with administrative and financial responsibilities of Caloundra City Life Baptist Church. Col is also Body Corp Chair of Eden Point complex consisting of 22 residential residences & 2 commercial businesses.

Special responsibilities: Chair

Interest in shares: 7,801 ordinary shares

Edward John Hall

Non-executive director

Occupation: Non-executive Director

Qualifications, experience and expertise: John has lived at Golden Beach with his wife Helen since 2003. On his retirement in 2013, John had been a chief executive in both the public and private sectors for over 25 years (Queensland Treasury, a major Queensland law firm and Queensland's economic regulator). John has also been a company director for over 25 years, in listed public companies, unlisted public companies, government business enterprises, government public authorities and private businesses (in sand mining, tourism and events, superannuation, investment and funds management and overseas and domestic debt raising and management). John has degrees in Economics and Commerce and a Masters degree in Business Administration. John now works part time as a company director. In addition to his role with the Caloundra Community Bank, he is on the board of Visit Sunshine Coast (the regional tourism body for the Sunshine Coast) and is an independent member of the Sunshine Coast Grammar School Council. John is a Fellow of the Australian Institute of Company Directors.

Other current directorships: Sunshine Coast Destination Limited (trading as Visit Sunshine Coast).

Special responsibilities: Chair of Finance Committee

Interest in shares: 2,000 ordinary shares

Robert Bruce Campbell

Non-executive director

Occupation: Commercial Director

Qualifications, experience and expertise: Robert is responsible for the management of the Australian and New Zealand operations of a large multi-national engineering company. He was previously involved in management positions of engineering companies servicing Oil & Gas, Mining, and major Infrastructure Projects both domestically and internationally. Formal qualifications in management, project management, marketing, materials science and key business responsibilities in the areas of Occupational Health and Safety and Risk Management. Current member of the Dicky Beach Surf Life Saving Club - Member Constitution Committee and Finance Committee. Surf Life Saving Queensland Sunshine Coast Branch - Life Member and Deputy Director Junior Activities: Surf Life Saving Queensland - State Membership Services Officer and Chair of Meritorious Awards and Lifesaving Panel: Surf Life Saving Australia Development Advisory Committee - (all volunteer positions).

Special responsibilities: Chair of Marketing Committee

Interest in shares: nil share interest held

## Directors' report (continued)

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### Directors (continued)

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Amanda Louise Zinn

Non-executive director

Occupation: Project Support Officer

Qualifications, experience and expertise: Amanda is a professional Executive Assistant with over 30 years' experience, working in high level roles with Boards and committees in both the public and private sector. Appointed to the Board in 2016, Amanda has served as the Chair of the governance committee and is now the Company Secretary. Amanda has a passion for good governance and for serving the community. Amanda holds a Diploma of Business Administration, Diploma of Leadership and Management, Cert IV in Government (Statutory Compliance & Investigations). Amanda has completed the AICD Director and Company Secretary course through Governance Institute of Australia. Amanda is Vice President of the Caloundra Chorale and Theatre Company and Secretary of the Eisteddfod Council of Queensland.

Special responsibilities: Company Secretary

Interest in shares: nil share interest held

Ann Elizabeth Sutherland

Non-executive director

Occupation: Lawyer

Qualifications, experience and expertise: Ann is a lawyer with extensive international experience covering litigation and rule of law in senior legal and management roles. Ann worked for the United Nations (UN) from 1995 – 2017 investigating and prosecuting senior leaders accused of war crimes, genocide and crimes against humanity. Prior to working for the UN, Ann lived and worked in South Australia. Ann holds Bachelor's degrees in Commerce and Law and a Master in Public International Law, specialising in International Criminal Law. Ann is also an accredited mediator. Since moving to the Caloundra area in September 2018, Ann has integrated in local community through sport and volunteer work joining the Community Bank Company Board as well as the Caloundra Triathlon Club. Ann is also a keen golfer and is a member of the Pelican Waters and Caloundra Golf Clubs.

Special responsibilities: Chair of Governance Committee

Interest in shares: nil share interest held

William Eykman

Non-executive director (resigned 28 July 2021)

Occupation: Consultant

Qualifications, experience and expertise: Prior to currently being a consultant, Bill was employed in a number of roles including Real Estate Manager for the Victorian Gov't, General Manager Port of Melbourne, Property Director for an international subsidiary of General Motors and the Real Estate Director on start up of Optus. Qualifications include diplomas in Project Management, Real Estate, Valuation, Business Management and a Masters in Corporate Real Estate. Skills relate to Business, Finance, People Management and Business Development. Bill is also a volunteer driver for Comlink, a supplier of transport services to the community - mainly infirm and disability aged.

Special responsibilities: Low Volume (Share) Market

Interest in shares: nil share interest held

Katie Wilke

Non-executive director

Occupation: Public Relations

Qualifications, experience and expertise: Katie has spent 16 years as a specialist PR consultant, working across public transport, tourism, property development and new home construction, fitness, and NFPs. A mother of 4 in the local community, has community grassroots connections in target markets. Holds a Communications degree, with a triple major in Public Relations, Marketing and Journalism (Griffith University, 2005). Heavily involved in the local school and sporting communities, with active registrations in soccer, tennis, piano, futsal and nippers (I am an active member at Kings Beach mets). Katie's personal hobbies include training for a triathlon, swimming, surfing, and assisting NFP's. Katie has previously been an active member of the Rural Fire Brigade and also Surf Life saving.

Special responsibilities: Nil

Interest in shares: nil share interest held

## Directors' report (continued)

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### Directors (continued)

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Elizabeth Mary Taylor

Non-executive director

Occupation: Dietitian, Key Account Manager

Qualifications, experience and expertise: Elizabeth has a Bachelor of Science (Food Science & Nutrition) from Griffith University in Brisbane QLD (1997-2000). She went on to complete a Masters of Dietetics at the University of Queensland in Brisbane QLD (2010-2011) and is an Accredited Practising Dietitian. Elizabeth has since become part of the Dietitians Association of Australia (2012-Current).

Special responsibilities: Nil

Interest in shares: nil share interest held

Matthew Schmidt

Non-executive director

Occupation: Business Analyst

Qualifications, experience and expertise: Matthew holds a Bachelor of Science from the University of Queensland, he is the General Manager at Bottled Water Co, Vice President of M & A in the aerospace industry.

Special responsibilities: Nil

Interest in shares: nil share interest held

Jason Marquenie

Treasurer (appointed 28 April 2021)

Occupation: Quality Assurance Specialist

Qualifications, experience and expertise: Jason has been working for 18 years in commercial aviation and defence industries. He is an experienced airline pilot, Flight Operations and safety management systems adviser, and safety & quality auditor. He has also been heavily involved in the general administrative, business and accounting aspects of his family's occupational therapy clinic. Jason holds a Bachelor of Business and Commerce (Management/Accounting), Safety and Lead Auditor qualification, and Certificate IV in Training and Assessment. Dedicated father of three young boys, he is involved in various primary school and kids sporting activities in the Caloundra community.

Special responsibilities: Treasurer

Interest in shares: nil share interest held

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

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

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### Company Secretary

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The company secretary is Amanda Zinn. Amanda was appointed to the position of secretary on 27 February 2019.

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### Principal activity

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

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

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### Operating results

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

Year ended	Year ended
30 June 2021	30 June 2020
\$	\$
109,214	56,751



## Directors' report (continued)

### Directors' interests

	Fully paid ordinary shares		
	Balance at start of the year	Changes during the year	Balance at end of the year
John Colin Rose	7,801	-	7,801
Edward John Hall	2,000	-	2,000
Robert Bruce Campbell	-	-	-
Amanda Louise Zinn	-	-	-
Ann Elizabeth Sutherland	-	-	-
William Eykman	-	-	-
Katie Wilke	-	-	-
Elizabeth Mary Taylor	-	-	-
Matthew Schmidt	-	-	-
Jason Marquenie	-	-	-

### Dividends

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

	Cents per share	Total amount \$
Final unfranked dividend	3.5	27,376

### Significant changes in the state of affairs

Since January 2020, COVID-19 has developed and spread globally. In response, the Commonwealth and State Government introduced a range of social isolation measures to limit the spread of the virus. Such measures have been revised, as appropriate, based on case numbers and the level of community transmission. Whilst there has been no significant changes on the company's financial performance so far, uncertainty remains on the future impact of COVID-19 to the company's operations.

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

### Events since the end of the financial year

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company the results of those operations or the state of affairs of the company, in future years.

### Likely developments

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

### Environmental regulation

The company is not subject to any significant environmental regulation.

### 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)

### Indemnification and insurance of directors and officers

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

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

### Directors' meetings

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

*E - eligible to attend*  
*A - number attended*

John Colin Rose  
Edward John Hall  
Robert Bruce Campbell  
Amanda Louise Zinn  
Ann Elizabeth Sutherland  
William Eykman  
Katie Wilke  
Elizabeth Mary Taylor  
Matthew Schmidt  
Jason Marquenie

Board Meetings		Sub-Committee Meetings			
		Governance		Marketing	
<i>E</i>	<i>A</i>	<i>E</i>	<i>A</i>	<i>E</i>	<i>A</i>
12	11	2	2	4	3
12	7	-	-	-	-
12	9	-	-	4	4
12	11	2	2	4	1
12	10	2	2	-	-
12	8	-	-	-	-
12	8	-	-	-	-
12	7	-	-	-	-
12	10	-	-	-	-
3	3	-	-	-	-

### Proceedings on behalf of the company

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

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

### Non audit services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non audit services provided during the year are set out in note 25 to the accounts.

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

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

## Directors' report (continued)

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### Auditor's independence declaration

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A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 11.

Signed in accordance with a resolution of the directors at Caloundra, Queensland.



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John Colin Rose, Chair

Dated this 25th day of September 2021

# Auditor's independence declaration



61 Bull Street  
Bendigo VIC 3550  
afs@afsbendigo.com.au  
03 5443 0344

## Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Caloundra City Community Support Services Limited

As lead auditor for the audit of Caloundra City Community Support Services Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

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

**Andrew Frewin Stewart**  
61 Bull Street, Bendigo, Vic, 3550  
Dated: 25 September 2021

**Adrian Downing**  
Lead Auditor



# Financial statements

## Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2021

	Notes	2021 \$	2020 \$
Revenue from contracts with customers	8	776,317	719,552
Other revenue	9	22,896	26,221
Employee benefit expenses	10c)	(371,785)	(421,926)
Charitable donations, sponsorship, advertising and promotion		(54,728)	(43,915)
Occupancy and associated costs		(27,307)	(24,057)
Systems costs		(20,831)	(21,748)
Depreciation and amortisation expense	10a)	(98,030)	(59,640)
Finance costs	10b)	(5,794)	(8,939)
General administration expenses		(71,338)	(81,244)
<b>Profit before income tax expense</b>		<b>149,400</b>	<b>84,304</b>
Income tax expense	11a)	(40,186)	(27,553)
<b>Profit after income tax expense</b>		<b>109,214</b>	<b>56,751</b>
<b>Total comprehensive income for the year attributable to the ordinary shareholders of the company:</b>		<b>109,214</b>	<b>56,751</b>
<b>Earnings per share</b>		<b>¢</b>	<b>¢</b>
- Basic and diluted earnings per share:	28a)	13.96	7.26

The accompanying notes form part of these financial statements

## Financial statements (continued)

### Statement of Financial Position

as at 30 June 2021

	Notes	2021 \$	2020 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	12	346,604	213,723
Trade and other receivables	13a)	41,398	41,351
<b>Total current assets</b>		<b>388,002</b>	<b>255,074</b>
<b>Non-current assets</b>			
Trade and other receivables	13b)	-	2,648
Property, plant and equipment	14a)	35,663	78,949
Right-of-use assets	15a)	33,399	71,495
Intangible assets	16a)	11,192	24,623
Deferred tax asset	17a)	28,117	68,300
<b>Total non-current assets</b>		<b>108,371</b>	<b>246,015</b>
<b>Total assets</b>		<b>496,373</b>	<b>501,089</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	18a)	7,864	28,618
Lease liabilities	19a)	50,773	62,677
Provisions	20a)	28,830	-
<b>Total current liabilities</b>		<b>87,467</b>	<b>91,295</b>
<b>Non-current liabilities</b>			
Lease liabilities	19b)	-	55,241
Provisions	20b)	-	27,485
<b>Total non-current liabilities</b>		<b>-</b>	<b>82,726</b>
<b>Total liabilities</b>		<b>87,467</b>	<b>174,021</b>
<b>Net assets</b>		<b>408,906</b>	<b>327,068</b>
<b>EQUITY</b>			
Issued capital	21a)	751,177	751,177
Accumulated losses	22	(342,271)	(424,109)
<b>Total equity</b>		<b>408,906</b>	<b>327,068</b>

The accompanying notes form part of these financial statements



## Financial statements (continued)

### Statement of Changes in Equity for the year ended 30 June 2021

	Notes	Issued capital \$	Accumulated losses \$	Total equity \$
<b>Balance at 1 July 2019</b>		751,177	(453,484)	297,693
Total comprehensive income for the year		-	56,751	56,751
<b>Transactions with owners in their capacity as owners:</b>				
Dividends provided for or paid	27a)	-	(27,376)	(27,376)
<b>Balance at 30 June 2020</b>		<b>751,177</b>	<b>(424,109)</b>	<b>327,068</b>
<b>Balance at 1 July 2020</b>		751,177	(424,109)	327,068
Total comprehensive income for the year		-	109,214	109,214
<b>Transactions with owners in their capacity as owners:</b>				
Dividends provided for or paid	27a)	-	(27,376)	(27,376)
<b>Balance at 30 June 2021</b>		<b>751,177</b>	<b>(342,271)</b>	<b>408,906</b>

The accompanying notes form part of these financial statements

## Financial statements (continued)

### Statement of Cash Flows

for the year ended 30 June 2021

	Notes	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		832,329	761,072
Payments to suppliers and employees		(576,942)	(609,427)
Interest received		396	826
Interest paid		-	(723)
Lease payments (interest component)	10b)	(4,450)	(6,932)
Lease payments not included in the measurement of lease liabilities	10d)	(7,190)	(7,501)
<b>Net cash provided by operating activities</b>	23	<b>244,143</b>	<b>137,315</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(2,135)	(645)
Payments for intangible assets		(13,522)	(13,522)
<b>Net cash used in investing activities</b>		<b>(15,657)</b>	<b>(14,167)</b>
<b>Cash flows from financing activities</b>			
Lease payments (principal component)		(68,229)	(64,839)
Dividends paid	27a)	(27,376)	(27,376)
<b>Net cash used in financing activities</b>		<b>(95,605)</b>	<b>(92,215)</b>
<b>Net cash increase in cash held</b>		<b>132,881</b>	<b>30,933</b>
Cash and cash equivalents at the beginning of the financial year		213,723	182,790
<b>Cash and cash equivalents at the end of the financial year</b>	12	<b>346,604</b>	<b>213,723</b>

The accompanying notes form part of these financial statements

# Notes to the financial statements

For the year ended 30 June 2021

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**Note 1      Reporting entity**

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This is the financial report for Caloundra City Community Support Services Limited (the company). The company is a for profit entity limited by shares, and incorporated and domiciled in Australia. The registered office and principal place of business is:

Registered Office	Principal Place of Business
Shop 1/99 Bulcock Street Caloundra QLD 4551	Shop 1/99 Bulcock Street Caloundra QLD 4551

Further information on the nature of the operations and principal activity of the company is provided in the directors' report. Information on the company's related party relationships is provided in Note 26.

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

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

The financial statements have been prepared on an accrual and historical cost basis. The financial report is presented in Australian dollars and all values are rounded to the nearest dollar, unless otherwise stated.

These financial statements for the year ended 30 June 2021 were authorised for issue in accordance with a resolution of the directors on 25 September 2021.

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**Note 3      Changes in accounting policies, standards and interpretations**

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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 2020, 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.

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**Note 4      Summary of significant accounting policies**

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

**a)      Revenue from contracts with customers**

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

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

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:

## Notes to the financial statements (continued)

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### Note 4 Summary of significant accounting policies (*continued*)

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#### a) Revenue from contracts with customers (*continued*)

<u>Revenue</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 Goods and Services Tax (GST). There was no revenue from contracts with customers recognised over time during the financial year.

#### *Revenue calculation*

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

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

#### *Margin*

Margin is arrived at through the following calculation:

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

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

#### *Commission*

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

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

#### *Fee income*

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

#### *Core banking products*

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

## Notes to the financial statements (continued)

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### Note 4 Summary of significant accounting policies (*continued*)

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#### a) Revenue from contracts with customers (*continued*)

##### *Ability to change financial return*

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

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

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

#### b) Other revenue

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

##### Revenue

##### Revenue recognition policy

Discretionary financial contributions (also "Market Development Fund" or "MDF" income)

MDF income is recognised when the right to receive the payment is established. MDF income is discretionary and provided and receivable at month-end and paid within 14 days after month-end.

Other income

All other revenues that did not contain contracts with customers are recognised as goods and services are provided.

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

##### *Discretionary financial contributions*

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

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

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

#### c) Economic dependency - Bendigo Bank

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

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

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

## Notes to the financial statements (continued)

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### Note 4 Summary of significant accounting policies (*continued*)

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#### c) Economic dependency - Bendigo Bank (*continued*)

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.

#### d) Employee benefits

Bendigo Bank seconded employees to work for the company. Bendigo Bank charges the cost of these employees through the monthly profit share arrangement. The company recognises these expenses when recording the monthly invoice. No annual leave or long service leave liabilities are recognised for the company as these are Bendigo Bank employees.

#### e) Taxes

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

##### *Current income tax*

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

##### *Deferred tax*

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

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.



## Notes to the financial statements (continued)

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### Note 4 Summary of significant accounting policies (continued)

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#### e) Taxes (continued)

##### *Deferred tax (continued)*

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

##### *Goods and Services Tax*

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

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

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

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

#### f) Cash and cash equivalents

For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise cash on hand.

#### g) Property, plant and equipment

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

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

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

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

<u>Asset class</u>	<u>Method</u>	<u>Useful life</u>
Leasehold improvements	Straight-line	7 to 14 years
Plant and equipment	Straight-line	1 to 40 years

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

#### h) Intangible assets

Intangible assets of the company 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.

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

# Notes to the financial statements (continued)

## Note 4 Summary of significant accounting policies (continued)

### h) Intangible assets (continued)

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

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

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

### i) Financial instruments

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

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

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

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

### j) Impairment

#### *Non-derivative financial assets*

The company recognises a loss allowance for ECL on its trade receivables.

ECL's are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received.

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

#### Recognition of expected credit losses in financial statements

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

The company's trade receivables are limited to the monthly profit share distribution from Bendigo Bank, which is received 14 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 impairment loss allowance has been made in relation to trade receivables as at 30 June 2020.

#### *Non-financial assets*

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

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

## Notes to the financial statements (continued)

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### Note 4 Summary of significant accounting policies (*continued*)

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#### k) Issued capital

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

#### l) Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

#### m) Leases

At inception of a contract, the company assesses whether a contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration and obtain substantially all the economic benefits from the use of that asset.

##### *As a lessee*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the company's incremental borrowing rate.

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

Lease payments included in the measurement of the lease liability comprise fixed or variable lease payments that depend on an index or rate and lease payments in a renewal option if the company is reasonably certain to exercise that option. For leases of property the company has elected not to separate lease and non-lease components when calculating the lease liability.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the company changes its assessment of whether it will exercise an extension option or if there is a revised in-substance fixed lease payment.

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

Where the company is a lessee for the premises to conduct its business, extension options are included in the lease term except when the company is reasonably certain not to exercise the extension option. This is due to the significant disruption of relocating premises and the loss on disposal of leasehold improvements fitted out in the demised leased premises.

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

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

## Notes to the financial statements (continued)

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### Note 4 Summary of significant accounting policies (*continued*)

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#### m) Leases (*continued*)

##### *Short-term leases and leases of low-value assets*

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

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

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### Note 5 Significant accounting judgements, estimates, and assumptions

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In preparing these financial statements, management has made judgements and estimates that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

#### a) Judgements

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

<u>Note</u>	<u>Judgement</u>
- Note 19 - leases:	
a) control	a) whether a contract is or contains a lease at inception by assessing whether the company has the right to direct the use of the identified asset and obtain substantially all the economic benefits from the use of that asset;
b) lease term	b) whether the company is reasonably certain to exercise extension options, termination periods, and purchase options;
c) discount rates	c) judgement is required to determine the discount rate, where the discount rate is the company's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. The incremental borrowing rate is determined with reference to factors specific to the company and underlying asset including the amount, the lease term, economic environment and other relevant factors.

#### b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 30 June 2021 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

<u>Note</u>	<u>Assumptions</u>
- Note 17 - recognition of deferred tax assets	availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilised;
- Note 14 - estimation of useful lives of assets	key assumptions on historical experience and the condition of the asset;
- Note 20 - make-good provision	key assumptions on future cost estimates in restoring the leased premises in accordance with the lease agreement.

## Notes to the financial statements (continued)

### Note 6 Financial risk management

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

Risk management is carried out directly by the board of directors.

#### a) Credit risk

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

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

#### b) Liquidity risk

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

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

30 June 2021

<u>Non-derivative financial liability</u>	<u>Carrying amount</u>	<u>Not later than 12 months</u>	<u>Contractual cash flows</u>	
			<u>Between 12 months and five years</u>	<u>Greater than five years</u>
Lease liabilities	50,773	51,980	-	-
Trade and other payables	7,864	7,864	-	-
	<u>58,637</u>	<u>59,844</u>	<u>-</u>	<u>-</u>

30 June 2020

<u>Non-derivative financial liability</u>	<u>Carrying amount</u>	<u>Not later than 12 months</u>	<u>Contractual cash flows</u>	
			<u>Between 12 months and five years</u>	<u>Greater than five years</u>
Lease liabilities	117,918	67,116	56,431	-
Trade and other payables	28,618	28,618	-	-
	<u>146,536</u>	<u>95,734</u>	<u>56,431</u>	<u>-</u>

#### c) Market risk

##### *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.

## Notes to the financial statements (continued)

### Note 6 Financial risk management (continued)

#### c) Market risk (continued)

##### Price risk

The company is not exposed to equity securities price risk as it holds 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 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 \$346,604 at 30 June 2021 (2020: \$213,723). The cash and cash equivalents are held with Bendigo Bank, which are rated BBB+ on Standard & Poor's credit ratings.

### Note 7 Capital management

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

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

The distribution limit is the greater of:

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

The board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2021 can be seen in the statement of profit or loss and other comprehensive Income.

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

### Note 8 Revenue from contracts with customers

	2021 \$	2020 \$
- Margin income	654,827	618,189
- Fee income	52,040	45,427
- Commission income	69,450	55,936
	<u>776,317</u>	<u>719,552</u>

### Note 9 Other revenue

	2021 \$	2020 \$
- Market development fund income	22,500	25,000
- Other income	396	1,221
	<u>22,896</u>	<u>26,221</u>



## Notes to the financial statements (continued)

### Note 10 Expenses

a) Depreciation and amortisation expense	2021 \$	2020 \$
<i>Depreciation of non-current assets:</i>		
- Leasehold improvements	43,617	5,573
- Plant and equipment	1,804	1,641
	<u>45,421</u>	<u>7,214</u>
<i>Depreciation of right-of-use assets</i>		
- Leased land and buildings	<u>39,178</u>	<u>38,996</u>
<i>Amortisation of intangible assets:</i>		
- Franchise fee	2,238	2,239
- Franchise renewal process fee	11,193	11,191
	<u>13,431</u>	<u>13,430</u>
Total depreciation and amortisation expense	<u>98,030</u>	<u>59,640</u>
<b>b) Finance costs</b>		
- Bank loan interest paid or accrued	341	733
- Lease interest expense	4,108	6,923
- Unwinding of make-good provision	1,345	1,283
	<u>5,794</u>	<u>8,939</u>
<b>c) Employee benefit expenses</b>		
Wages and salaries	308,828	343,504
Contributions to defined contribution plans	29,393	32,486
Expenses related to long service leave	984	862
Other expenses	32,580	45,074
	<u>371,785</u>	<u>421,926</u>
<b>d) Recognition exemption</b>		
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.		
	2021 \$	2020 \$
Expenses relating to short-term leases	<u>7,190</u>	<u>7,501</u>

### Note 11 Income tax expense

a) Amounts recognised in profit or loss	2021 \$	2020 \$
<i>Current tax expense</i>		
- Recoupment of prior year tax losses	46,559	20,611
- Movement in deferred tax	(7,498)	(15,938)
- Adjustment to deferred tax to reflect reduction in tax rate in future periods	1,125	3,940
- Adjustment to deferred tax on AASB 16 retrospective application	-	18,940
	<u>40,186</u>	<u>27,553</u>

## Notes to the financial statements (continued)

### Note 11 Income tax expense (continued)

b) <i>Prima facie</i> income tax reconciliation	2021 \$	2020 \$
Operating profit before taxation	149,400	84,304
Prima facie tax on profit from ordinary activities at 26% (2020: 27.5%)	38,844	23,184
Tax effect of:		
- Non-deductible expenses	225	420
- Other deductible expenses	7,490	-
- Temporary differences	-	(2,993)
- Movement in deferred tax	(7,498)	(15,938)
- Adjustment to deferred tax to reflect reduction in tax rate in future periods	1,125	3,940
- Leases initial recognition	-	18,940
	<u>40,186</u>	<u>27,553</u>

### Note 12 Cash and cash equivalents

	2021 \$	2020 \$
Cash at bank and on hand	<u>346,604</u>	<u>213,723</u>

### Note 13 Trade and other receivables

a) Current assets	2021 \$	2020 \$
Trade receivables	33,315	28,644
Prepayments	4,435	4,063
Lease receivables	2,648	7,644
Other receivables and accruals	1,000	1,000
	<u>41,398</u>	<u>41,351</u>

#### b) Non-current assets

Lease receivables	<u>-</u>	<u>2,648</u>
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The lease receivable relates to the present value measurement of a bus which was donated to a local community group Dicky Beach Surf Club (DBSC) in November 2016.

On 1 July 2019 in accordance with the newly adopted AASB 16 the company measured the future payments receivable for the right to use the asset by the DBSC. The company now systematically recognises the transfer of the bus over the lease term of five years as a sponsorship to DBSC in lieu of receiving payments. The company is still responsible for making the loan payments on the bus.

The initial sponsorship expense recognised in 2016 when the bus was donated and subsequent treatment under AASB 16 up until 30 June 2020 has been accounted for in the cumulative retrospective effect adjustment to retained earnings.

## Notes to the financial statements (continued)

### Note 14 Property, plant and equipment

a) Carrying amounts	2021 \$	2020 \$
<i>Leasehold improvements</i>		
At cost	170,559	170,559
Less: accumulated depreciation	(149,943)	(106,326)
	<u>20,616</u>	<u>64,233</u>
<i>Plant and equipment</i>		
At cost	91,610	89,475
Less: accumulated depreciation	(76,563)	(74,759)
	<u>15,047</u>	<u>14,716</u>
Total written down amount	<u>35,663</u>	<u>78,949</u>
b) Reconciliation of carrying amounts		
<i>Leasehold improvements</i>		
Carrying amount at beginning	64,233	69,806
Depreciation	(43,617)	(5,573)
	<u>20,616</u>	<u>64,233</u>
<i>Plant and equipment</i>		
Carrying amount at beginning	14,716	15,713
Additions	2,135	644
Depreciation	(1,804)	(1,641)
	<u>15,047</u>	<u>14,716</u>
Total written down amount	<u>35,663</u>	<u>78,949</u>
d) Changes in estimates		

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

The company's review of estimates resulted in changes in the useful life. The leasehold improvement's useful life had previously been assessed as 40 years. This is now expected to be 14 years, which is in line with current branch lease term. The effect of these changes on actual and expected depreciation expense was as follows:

	2021 \$	2022 \$	2023 \$	2024 \$	2025 \$
(Decrease) increase in depreciation expense	28,849	15,848	(54,697)	-	-

### Note 15 Right-of-use assets

a) Carrying amounts	2021 \$	2020 \$
<i>Leased land and buildings</i>		
At cost	602,290	601,208
Less: accumulated depreciation	(568,891)	(529,713)
	<u>33,399</u>	<u>71,495</u>

## Notes to the financial statements (continued)

### Note 15 Right-of-use assets (*continued*)

<b>b) Reconciliation of carrying amounts</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Leased land and buildings</i>		
Carrying amount at beginning	71,495	-
Initial recognition on transition	-	601,207
Accumulated depreciation on adoption	-	(490,716)
Remeasurement adjustments	1,082	-
Depreciation	(39,178)	(38,996)
	<u>33,399</u>	<u>71,495</u>

### Note 16 Intangible assets

<b>a) Carrying amounts</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Franchise fee</i>		
At cost	32,746	32,746
Less: accumulated amortisation	(30,880)	(28,642)
	<u>1,866</u>	<u>4,104</u>
<i>Franchise renewal process fee</i>		
At cost	113,729	113,729
Less: accumulated amortisation	(104,403)	(93,210)
	<u>9,326</u>	<u>20,519</u>
Total written down amount	<u>11,192</u>	<u>24,623</u>
<b>b) Reconciliation of carrying amounts</b>		
<i>Franchise fee</i>		
Carrying amount at beginning	4,104	6,343
Amortisation	(2,238)	(2,239)
Carrying amount at end	<u>1,866</u>	<u>4,104</u>
<i>Franchise renewal process fee</i>		
Carrying amount at beginning	20,519	31,710
Amortisation	(11,193)	(11,191)
Carrying amount at end	<u>9,326</u>	<u>20,519</u>
Total written down amount	<u>11,192</u>	<u>24,623</u>

### c) Changes in estimates

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

## Notes to the financial statements (continued)

### Note 17 Tax assets and liabilities

a) Deferred tax	2021 \$	2020 \$
<i>Deferred tax assets</i>		
- expense accruals	608	703
- make-good provision	7,208	7,146
- lease liability	12,037	27,996
- property, plant and equipment	2,427	-
- carried-forward tax losses	14,849	62,001
Total deferred tax assets	37,129	97,846
<i>Deferred tax liabilities</i>		
- property, plant and equipment	-	8,273
- right-of-use assets	8,350	18,589
- finance lease receivable	662	2,684
Total deferred tax liabilities	9,012	29,546
Net deferred tax assets (liabilities)	28,117	68,300
Movement in deferred tax charged to Statement of Profit or Loss and Other Comprehensive Income	(40,183)	(27,755)
Movement in deferred tax charged to Statement of Changes in Equity	-	18,940

### Note 18 Trade creditors and other payables

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

a) Current liabilities	2021 \$	2020 \$
Trade creditors	210	2,563
Other creditors and accruals	7,654	26,055
	7,864	28,618

### Note 19 Lease liabilities

Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate on the adoption date. The discount rate used on recognition was 4.79%.

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

The company's lease portfolio includes:

- Branch premises The lease agreement commenced in December 2006. A 5 year renewal option was exercised in May 2017. The company has 1 x 5 year renewal option available which for AASB 16: Leases purposes they are not reasonably certain to exercise. As such, the lease term end date used in the calculation of the lease liability is April 2022. The company is currently reviewing branch location options.
- Bus - Dicky Beach Surf Club The lease agreement commenced in November 2016 for a term of 5 years. Upon the final payment the registered security over the motor vehicle is removed.

## Notes to the financial statements (continued)

### Note 19 Lease liabilities (continued)

<b>a) Current lease liabilities</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Property lease liabilities	49,327	59,158
Unexpired interest	(1,180)	(4,098)
	<u>48,147</u>	<u>55,060</u>
Motor Vehicle lease liabilities	2,653	7,958
Unexpired interest	(27)	(341)
	<u>2,626</u>	<u>7,617</u>
Total current lease liabilities	<u>50,773</u>	<u>62,677</u>
<b>b) Non-current lease liabilities</b>		
Property lease liabilities	-	53,779
Unexpired interest	-	(1,162)
	<u>-</u>	<u>52,617</u>
Motor Vehicle lease liabilities	-	2,652
Unexpired interest	-	(28)
	<u>-</u>	<u>2,624</u>
Total non-current lease liabilities	<u>-</u>	<u>2,624</u>
Total lease liabilities	<u>-</u>	<u>55,241</u>
<b>c) Reconciliation of lease liabilities</b>		
Balance at the beginning (finance lease liabilities)	117,918	-
Initial recognition on AASB 16 transition	-	170,667
Additional lease liabilities recognised	-	17,467
Remeasurement adjustments	1,084	(5,377)
Lease payments - interest	4,450	6,932
Lease payments	(72,679)	(71,771)
	<u>50,773</u>	<u>117,918</u>
<b>d) Maturity analysis</b>		
- Not later than 12 months	51,980	67,116
- Between 12 months and 5 years	-	56,431
Total undiscounted lease payments	<u>51,980</u>	<u>123,547</u>
Unexpired interest	(1,207)	(5,629)
Present value of lease liabilities	<u>50,773</u>	<u>117,918</u>

### Note 20 Provisions

<b>a) Current liabilities</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Make-good on leased premises	<u>28,830</u>	<u>-</u>



## Notes to the financial statements (continued)

### Note 20 Provisions (continued)

b) Non-current liabilities	2021 \$	2020 \$
Make-good on leased premises	-	27,485

In accordance with the branch lease agreement, the company must restore the leased premises to the original condition before the expiry of the lease term. The company has estimated the provision to be \$30,000 based on experience and consideration of the expected future costs to remove all fittings and the ATM as well as cost to remedy any damages caused during the removal process. The lease is due to expire on 30 April 2022 at which time it is expected the face-value costs to restore the premises will fall due.

### Note 21 Issued capital

a) Issued capital	2021		2020	
	Number	\$	Number	\$
Ordinary shares - fully paid	782,171	782,171	782,171	782,171
Less: equity raising costs	-	(30,994)	-	(30,994)
	<u>782,171</u>	<u>751,177</u>	<u>782,171</u>	<u>751,177</u>

#### b) Rights attached to issued capital

##### Ordinary shares

##### Voting rights

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

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

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

##### Dividends

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

##### Transfer

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

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

## Notes to the financial statements (continued)

### Note 21 Issued capital (*continued*)

#### b) Rights attached to issued capital

##### *Prohibited shareholding interest*

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 247. As at the date of this report, the company had 256 shareholders (2019: 264 shareholders).

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

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

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

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

### Note 22 Accumulated losses

	Note	2021 \$	2020 \$
Balance at beginning of reporting period		(424,109)	(403,551)
Adjustment for transition to AASB 16		-	(49,933)
Net profit after tax from ordinary activities		109,214	56,751
Dividends provided for or paid	27a)	(27,376)	(27,376)
Balance at end of reporting period		<u>(342,271)</u>	<u>(424,109)</u>

## Notes to the financial statements (continued)

### Note 23 Reconciliation of cash flows from operating activities

	2021 \$	2020 \$
Net profit after tax from ordinary activities	109,214	56,751
Adjustments for:		
- Depreciation	84,599	46,210
- Amortisation	13,431	13,430
Changes in assets and liabilities:		
- (Increase)/decrease in trade and other receivables	2,602	(15,689)
- (Increase)/decrease in other assets	40,185	27,554
- Increase/(decrease) in trade and other payables	(7,233)	7,776
- Increase/(decrease) in provisions	1,345	1,283
Net cash flows provided by operating activities	<u>244,143</u>	<u>137,315</u>

### Note 24 Financial instruments

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

	Note	2021 \$	2020 \$
<b>Financial assets</b>			
Cash and cash equivalents	12	346,604	213,723
Trade and other receivables	13	41,398	43,999
		<u>388,002</u>	<u>257,722</u>
<b>Financial liabilities</b>			
Trade and other payables	18	7,864	28,618
Lease liabilities	19	50,773	117,918
		<u>58,637</u>	<u>146,536</u>

### Note 25 Auditor's remuneration

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

	2021 \$	2020 \$
<i>Audit and review services</i>		
- Audit and review of financial statements	<u>5,000</u>	<u>4,800</u>
<i>Non audit services</i>		
- Taxation advice and tax compliance services	600	600
- General advisory services	2,070	2,470
- Share registry services	3,361	3,225
Total auditor's remuneration	<u>11,031</u>	<u>11,095</u>

## Notes to the financial statements (continued)

### Note 26 Related parties

#### a) Details of key management personnel

The directors of the company during the financial year were:

John Colin Rose  
Edward John Hall  
Robert Bruce Campbell  
Amanda Louise Zinn  
Ann Elizabeth Sutherland  
William Eykman  
Katie Wilke  
Elizabeth Mary Taylor  
Matthew Schmidt  
Jason Marquenie

#### b) Key management personnel compensation

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.

#### c) Related party transactions

No director or related entity has entered into a material contract with the company.

### Note 27 Dividends provided for or paid

#### a) Dividends provided for and paid during the period

The following dividends were provided for and paid to shareholders during the reporting period as presented in the Statement of Changes in Equity and Statement of Cash Flows.

	30 June 2021		30 June 2020	
	Cents	\$	Cents	\$
Unfranked dividend	3.5	27,376	3.5	27,376
<b>a) Franking account balance</b>			<b>2021</b>	<b>2020</b>
			\$	\$
Franking credits available for future reporting periods			13,907	13,907

### Note 28 Earnings per share

#### a) Basic and diluted earnings per share

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

	2021	2020
	\$	\$
Profit attributable to ordinary shareholders	109,214	56,751
	Number	Number
Weighted-average number of ordinary shares	782,171	782,171
	Cents	Cents
Basic and diluted earnings per share	13.96	7.26

## Notes to the financial statements (continued)

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### **Note 29** Commitments

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

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### **Note 30** Contingencies

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

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### **Note 31** Subsequent events

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

# Directors' declaration

In accordance with a resolution of the directors of Caloundra City Community Support Services Limited, we state that:

In the opinion of the directors:

- (a) the financial statements and notes of the company are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
  - (ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



---

John Colin Rose, Chair

Dated this 25th day of September 2021

# Independent audit report



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03 5443 0344

## Independent auditor's report to the Directors of Caloundra City Community Support Services Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Caloundra City Community Support Services Limited's (the company), which comprises:

- Statement of financial position as at 30 June 2021
- 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 Caloundra City Community Support 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 2021 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: 25 September 2021

**Adrian Downing**  
Lead Auditor

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