Annual Report 2022

Caloundra City Community Support Services Limited

Community Bank
Caloundra

ABN 76 122 651 969

Contents

Chairman's report

For year ending 30 June 2022

Despite another year coping with the long tail of COVID-19 and its myriad of challenges, I am pleased to report that our Community Bank Caloundra has had its best year since opening in 2007. This is due to both improved market conditions and a very proactive and committed branch team.

We are sympathetic, nonetheless, to countless other businesses in our region, nationally and globally who have suffered greatly due to restricted travel, supply chain issues and major difficulties for small businesses, in particular, with staffing and customer numbers always unknown or difficult to manage.

During these conditions our bank continued to provide essential financial services in Caloundra to both personal and business customers. We too shared concerns about the uncertainty of staff being available to work, but thankfully we did well.

Now as a nation, we face economic changes which are already becoming stressful for some. We may have come through the mask-wearing and social distancing requirements of the past two years, but now we look to a world of change with increasing cost of living plus world economic uncertainty.

Thankfully, our committed branch staff do an excellent job in being able to identify customers that might be experiencing financial risk. They go above and beyond in assisting them, and are also very proactive in seeking other new business opportunities.

The end of our lease arrangement at 1/99 Bulcock Street, Caloundra on 2 May 2022 spurred our Board to consider the possibility and weigh up the options of leasing or purchasing a property. The Board settled on purchasing 89B Bulcock Street in late 2021 with a view to relocate the branch before the lease expired.

Our partner, Bendigo and Adelaide Bank, ensured we were fitted out for the re-located branch to open on 26 April 2022. They also assisted with the de-fit of the old branch after our 15 years of occupancy.

We are thankful to our lessors, Martin and Sandra Butler, who provided the building for that whole period. The new branch has been fitted with the new Bendigo and Adelaide Bank branding and looks terrific. We encourage you to pop in to have a look or for a chat with our friendly team in the new look facility.

Our Managers' report provides an overview of some of the new business opportunities we have achieved during this past year as well as the community groups and organisations we are proud to have supported.

It is because of our unique business model, where we feed into prosperity, not off it, that we are able to continue providing financial services and assistance to Caloundra and district residents and visitors. Thank you for your support.

Yours sincerely,

Colin Rose
Chairman

Manager's report

For year ending 30 June 2022

We have had a year with lots of challenges and changes, but most of all it's been a very productive year which has enabled us to continue serving our Caloundra community in the best way we know how. Along with our customers, we have still needed to modify the way we go about our daily lives – I think this is now the new norm.

It has been great that we have been able to get back into our local community to give our support to the many community groups, clubs and schools that we have sponsored over numerous years. It's also been important to us to support small business, and through our partnership with the Caloundra Chamber of Commerce, we have enjoyed attending the #CoffeeinCaloundra events where we've been able to meet other business owners. Our referral program has continued to be very successful for us with mutual benefit for both the referral partners and our community enterprise – we're currently commencing a new referral partnership which is exciting for us both. It brings me great satisfaction when I see the different organisations that we support collaborating together. We very much see ourselves as being a community connector – we're better together!

Community Bank Caloundra has had another great year of financial growth – we have once again achieved all our targets across the business. Our results are due to the strength of our relationships we continue to build and the vast exposure we have in the Caloundra and surrounding community – both personally and professionally. We promote and market our branch across multiple platforms and tell our story wherever we go.

We have also had the opportunity to collaborate with local real estate – Better Home and Gardens – both in Caloundra and Beerwah – assisting clients who are seeking home loan and investment loan finance. This has started to generate opportunities with many more to come. We are grateful for the fantastic collaboration we have with Danelle Wiseman and her whole team at Better Homes and Gardens Real Estate.

Wow – we bought a building – this has brought so much excitement to our branch team. It's been great seeing the new Bendigo Bank branding come to life in our freshly fitted out premises at 89B Bulcock Street. I think this is so great for our community – with many banks closing branches or reducing staff numbers on the ground – this story tells our local and surrounding community "we're not going anywhere". This has also brought a fresh lease of life to our working environment along with many lovely comments from all our customers.

I would like to personally thank our branch team for their contributions over the last financial year to ensure that we both achieve great results. We have stayed close to all our customers and assisted them through any challenges, educating them with the new and ongoing digital space we live in. I want to personally thank all our staff and their families for always helping out at the events we attend and for wearing the Community Bank Caloundra shirt with pride – you're part of the team.

Thank you to our shareholders for your support. I know those of you that have visited us at our new premises were excited with what you saw. For those who haven't yet stopped by – we would love to see you. We are very proud – and so should you be. I would also like to thank our Regional Manager, Rohan Quirey, for his ongoing support and guidance. He always encourages us to strive for success.

Lastly, thank you to Community Bank Caloundra Board of Directors for all your support. This has been a very exciting year for you all and I thank you for being bold with the business by purchasing a building. The many skillsets and experiences you bring have made it possible. I am so proud and passionate to work for Community Bank Caloundra and for what we achieve together. I love to be out there in the community telling our story as our vision is to be Australia's Bank of Choice. Our purpose will always be to feed into prosperity, not off it. I look forward to finishing this financial year strongly and with many new relationships in the community.

Pip Fawcett
Branch Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2022

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

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

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

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

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

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

Warmest regards,

Justine Minne
Bendigo and Adelaide Bank

Directors' report

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

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

Name:	John Colin Rose
Title:	Chair
Experience and expertise:	Following 22 years 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 Bendigo Community Bank Caloundra. Caloundra City Community Support Services Ltd 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. After leasing our premises for the past fifteen years we purchased 89B Bulcock Street and opened the updated branch on 27 April 2022. Colin also maintains leadership roles in community organisations with voluntary service for the past 18 years including assisting with administrative and financial responsibilities of Caloundra CityLife Baptist Church. He also serves on the Board of Caloundra Baptist Church Property Trust and is Chair of Eden Point Creekside Body Corp Committee. Eden Point Creekside complex comprises 22 residential residences & 2 commercial businesses.
Special responsibilities:	Chair

Name:	Edward John Hall
Title:	Non-executive director
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 30 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). John is a Fellow of the Australian Institute of Company Directors.
Special responsibilities:	Chair of Finance Committee

Name:	Robert Bruce Campbell
Title:	Non-executive director
Experience and expertise:	Prior to his retirement Robert was Commercial Director of the Australian and New Zealand operations of a large international 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 business management, project management, materials science and marketing as well as Occupational Health and Safety and Risk Management. Current member of the Dicky Beach Surf Life Saving Club : Member Constitution, Finance and Strategic Planning Committee. Treasurer Dicky Beach Supporters Club, 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

Name:	Amanda Louise Drake
Title:	Non-executive director
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, Board Director of Sunshine Coast Independent Living Services and previous Secretary of the Eisteddfod Council of Queensland.
Special responsibilities:	Company Secretary

Name:	Ann Elizabeth Sutherland
Title:	Non-executive director
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

Name:	Matthew Schmidt
Title:	Non-executive director
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

Name:	Jason Anthony Marquenie
Title:	Non-executive director
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 qualifications, and a 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

Name:	Katie Wilke
Title:	Non-executive director (resigned 1 May 2022)
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

Name:	Elizabeth Mary Taylor
Title:	Non-executive director (resigned 24 January 2022)
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 Practicing Dietitian. Elizabeth has since become part of the Dietitians Association of Australia (2012- Current).
Special responsibilities:	Nil

Name:	William Eykman
Title:	Non-executive director (resigned 28 July 2021)
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

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

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

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

Review of operations
The profit for the company after providing for income tax amounted to $85,941 (30 June 2021: $109,214).

Operations have continued to perform in line with expectations.

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

	2022 $
Unfranked dividend of 3.5 cents per share (2021: 3.5 cents)	27,376

Significant changes in the state of affairs
During the year the company moved branch premises to 89B Bulcock Street, which the company purchased through cash and loans.

Matters subsequent to the end of the financial year
Since the end of the year, the Reserve Bank of Australia (RBA) has increased the cash rate by 1.5 basis points moving from 0.85% at 30 June 2022 to 2.35% as at the date of signing these accounts. The increase in the cash rate has a direct impact on the revenue received by the company on its products (deposits and loans) offered to its customers. The company has noted a material increase in the revenue streams for the first couple of months July – August 2022.

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

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

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

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

	Board		Governance Committee	
	Eligible	Attended	Eligible	Attended
John Colin Rose	8	8	5	4
Edward John Hall	8	8	-	-
Robert Bruce Campbell	8	8	-	-
Amanda Louise Drake	8	6	5	4
Ann Elizabeth Sutherland	8	8	5	5
Matthew Schmidt	8	8	-	-
Jason Anthony Marquenie	8	6	-	-
Katie Wilke	7	5	-	-
Elizabeth Mary Taylor	4	1	-	-
William Eykman	1	1	-	-

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' interests
The interest in company shareholdings for each director are:

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

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

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

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

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

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

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

Non-audit services
The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 26 to the accounts.

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

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

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

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

On behalf of the directors

John Colin Rose
Chair

11 October 2022

Auditor's independence declaration

Andrew Frewin Stewart
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 2022, I declare that, to the best of my knowledge and belief, there have been:

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 11 October 2022

Adrian Downing
Lead Auditor

Financial statements

Caloundra City Community Support Services Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 $	2021 $
Revenue from contracts with customers	6	799,809	776,317
Other revenue	7	5,032	22,896
Employee benefits expense	8	(404,984)	(371,785)
Advertising and marketing costs		(24,354)	(34,949)
Occupancy and associated costs		(41,301)	(27,307)
System costs		(31,258)	(20,831)
Depreciation and amortisation expense	8	(77,776)	(98,030)
Finance costs	8	(12,236)	(5,794)
General administration expenses		(80,923)	(71,338)
Profit before community contributions and income tax expense		132,009	169,179
Charitable donations and sponsorships expense		(15,907)	(19,779)
Profit before income tax expense		116,102	149,400
Income tax expense	9	(30,161)	(40,186)
Profit after income tax expense for the year	20	85,941	109,214
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		85,941	109,214
		Cents	**Cents**
Basic earnings per share	28	10.99	13.96
Diluted earnings per share	28	10.99	13.96

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

Caloundra City Community Support Services Limited
Statement of financial position
As at 30 June 2022

	Note	2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	10	121,794	346,604
Trade and other receivables	11	80,033	41,398
Current tax assets	9	14,958	-
Total current assets		216,785	388,002
Non-current assets			
Property, plant and equipment	12	1,016,749	35,663
Right-of-use assets	13	-	33,399
Intangibles	14	63,912	11,192
Deferred tax assets	9	-	28,117
Total non-current assets		1,080,661	108,371
Total assets		1,297,446	496,373
Liabilities			
Current liabilities			
Trade and other payables	15	35,328	7,864
Borrowings	16	65,556	-
Lease liabilities	17	-	50,773
Total current liabilities		100,884	58,637
Non-current liabilities			
Trade and other payables	15	43,200	-
Borrowings	16	683,846	-
Deferred tax liabilities	9	2,045	-
Provisions	18	-	28,830
Total non-current liabilities		729,091	28,830
Total liabilities		829,975	87,467
Net assets		467,471	408,906
Equity			
Issued capital	19	751,177	751,177
Accumulated losses	20	(283,706)	(342,271)
Total equity		467,471	408,906

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

Caloundra City Community Support Services Limited
Statement of changes in equity
For the year ended 30 June 2022

	Note	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 July 2020		751,177	(424,109)	327,068
Profit after income tax expense		-	109,214	109,214
Transactions with owners in their capacity as owners:				
Dividends provided for	22	-	(27,376)	(27,376)
Balance at 30 June 2021		751,177	(342,271)	408,906
Balance at 1 July 2021		751,177	(342,271)	408,906
Profit after income tax expense		-	85,941	85,941
Transactions with owners in their capacity as owners:				
Dividends provided for	22	-	(27,376)	(27,376)
Balance at 30 June 2022		751,177	(283,706)	467,471

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

Caloundra City Community Support Services Limited
Statement of cash flows
For the year ended 30 June 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		872,189	832,329
Payments to suppliers and employees (inclusive of GST)		(732,415)	(584,132)
		139,774	248,197
Interest received		-	396
Interest and other finance costs paid		(9,858)	-
Income taxes paid		(14,957)	-
Net cash provided by operating activities	27	114,959	248,593
Cash flows from investing activities			
Payments for property, plant and equipment		(1,009,813)	(2,135)
Payments for intangibles		-	(13,522)
Net cash used in investing activities		(1,009,813)	(15,657)
Cash flows from financing activities			
Proceeds from borrowings		1,017,500	-
Repayment of lease liabilities	17	(51,982)	(72,679)
Dividends paid	22	(27,376)	(27,376)
Repayment of borrowings		(268,098)	-
Net cash provided by/(used in) financing activities		670,044	(100,055)
Net increase/(decrease) in cash and cash equivalents		(224,810)	132,881
Cash and cash equivalents at the beginning of the financial year		346,604	213,723
Cash and cash equivalents at the end of the financial year	10	121,794	346,604

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

Notes to the financial statements

For the year ended 30 June 2022

Note 1. Reporting entity

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Unit 2, 89B Bulcock Street, Caloundra QLD 4551.

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 11 October 2022. The directors have the power to amend and reissue the financial statements.

Note 2. Basis of preparation and statement of compliance

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

Note 3. Significant accounting policies

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

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

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

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

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

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

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

Note 3. Significant accounting policies (continued)

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

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

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

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

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

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

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

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

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

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

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

Note 5. Economic dependency

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

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

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

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

Note 5. Economic dependency (continued)

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

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

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

Note 6. Revenue from contracts with customers

	2022 $	2021 $
Margin income	671,993	654,827
Fee income	60,462	52,040
Commission income	67,354	69,450
Revenue from contracts with customers	799,809	776,317

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

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

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

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

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

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

Note 6. Revenue from contracts with customers (continued)

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 Bendigo Bank to fund a loan.

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

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

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

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

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

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

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

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

Note 7. Other revenue

	2022 $	2021 $
Market development fund	5,000	22,500
Other income	32	396
Other revenue	5,032	22,896

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.

Note 7. Other revenue (continued)

Revenue stream	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 GST.

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

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

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

Note 8. Expenses

Depreciation and amortisation expense

	2022 $	2021 $
Depreciation of non-current assets		
Buildings	5,551	-
Leasehold improvements	23,771	43,617
Plant and equipment	2,780	1,804
	32,102	45,421
Depreciation of right-of-use assets		
Leased land and buildings	33,399	39,178
Amortisation of intangible assets		
Franchise fee	2,046	2,238
Franchise renewal fee	10,229	11,193
	12,275	13,431
	77,776	98,030

Finance costs

	2022 $	2021 $
Bank loan interest paid or accrued	9,858	-
Lease interest expense	1,209	4,450
Unwinding of make-good provision	1,169	1,344
	12,236	5,794

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

Note 8. Expenses (continued)

Employee benefits expense

	2022 $	2021 $
Wages and salaries	325,612	308,828
Superannuation contributions	34,391	29,393
Expenses related to long service leave	7,411	984
Other expenses	37,570	32,580
	404,984	371,785

Accounting policy for employee benefits
Bendigo Bank seconds 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.

Leases recognition exemption

	2022 $	2021 $
Expenses relating to low-value leases	15,511	7,190

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.

Note 9. Income tax

	2022 $	2021 $
Income tax expense		
Movement in deferred tax	32,656	(7,498)
Reduction in company tax rate	-	1,125
Recoupment of prior year tax losses	-	46,559
Future income tax benefit attributable to losses	(2,495)	-
Aggregate income tax expense	30,161	40,186
Prima facie income tax reconciliation		
Profit before income tax expense	116,102	149,400
Tax at the statutory tax rate of 25% (2021: 26%)	29,026	38,844
Tax effect of:		
Non-deductible expenses	1,135	217
Reduction in company tax rate	-	1,125
Income tax expense	30,161	40,186

Note 9. Income tax (continued)

	2022 $	2021 $
Deferred tax attributable to:		
expense accruals	434	608
make-good provision	-	7,208
lease liabilities	-	12,037
property, plant and equipment	(19,824)	2,427
carried-forward tax losses	17,345	14,849
right-of-use assets	-	(8,350)
finance lease receivable	-	(662)
Deferred tax asset/(liability)	(2,045)	28,117

	2022 $	2021 $
Income tax refund due	14,958	-

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

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

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

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

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

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

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

Note 10. Cash and cash equivalents

	2022 $	2021 $
Cash at bank and on hand	121,794	346,604

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

Note 11. Trade and other receivables

	2022 $	2021 $
Trade receivables	39,047	33,315
Other receivables and accruals	30,617	3,648
Prepayments	10,369	4,435
	40,986	8,083
	80,033	41,398

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

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

Note 12. Property, plant and equipment

	2022 $	2021 $
Land - at cost	330,000	-
Buildings - at cost	442,979	-
Less: Accumulated depreciation	(5,551)	-
	437,428	-
Leasehold improvements - at cost	233,203	170,559
Less: Accumulated depreciation	(3,158)	(149,943)
	230,045	20,616
Plant and equipment - at cost	98,615	91,610
Less: Accumulated depreciation	(79,339)	(76,563)
	19,276	15,047
	1,016,749	35,663

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

	Land $	Buildings $	Leasehold improvements $	Plant and equipment $	Total $
Balance at 1 July 2020	-	-	64,233	14,716	78,949
Additions	-	-	-	2,135	2,135
Depreciation	-	-	(43,617)	(1,804)	(45,421)
Balance at 30 June 2021	-	-	20,616	15,047	35,663
Additions	330,000	442,979	233,200	7,009	1,013,188
Depreciation	-	(5,551)	(23,771)	(2,780)	(32,102)
Balance at 30 June 2022	330,000	437,428	230,045	19,276	1,016,749

Note 12. Property, plant and equipment (continued)

Additions
During the financial year the company purchased the land and building located at 89B Bulcock Street and completed a fit-out before branch operations commenced from the location in April 2022.

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

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

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

Leasehold improvements	10 to 50 years
Plant and equipment	1 to 40 years
Buildings	10 to 40 years

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets. Land is not depreciated.

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

Changes in estimates
During the financial year, the company assessed estimates used for property, plant and equipment including useful lives, residual values, and depreciation methods. There were no changes in estimates for the current reporting period.

Note 13. Right-of-use assets

	2022 $	**2021 $**
Land and buildings - right-of-use	-	602,290
Less: Accumulated depreciation	-	(568,891)
	-	33,399

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

	Land and buildings $	Total $
Balance at 1 July 2020	71,495	71,495
Remeasurement adjustments	1,082	1,082
Depreciation expense	(39,178)	(39,178)
Balance at 30 June 2021	33,399	33,399
Depreciation expense	(33,399)	(33,399)
Balance at 30 June 2022	-	-

Note 13. Right-of-use assets (continued)

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

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

Refer to note 17 for more information on lease arrangements.

Note 14. Intangibles

	2022 $	2021 $
Franchise fee	43,579	32,746
Less: Accumulated amortisation	(32,927)	(30,880)
	10,652	1,866
Franchise renewal fee	167,892	113,729
Less: Accumulated amortisation	(114,632)	(104,403)
	53,260	9,326
	63,912	11,192

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

	Franchise fee $	Franchise renewal fee $	Total $
Balance at 1 July 2020	4,104	20,519	24,623
Amortisation expense	(2,238)	(11,193)	(13,431)
Balance at 30 June 2021	1,866	9,326	11,192
Additions	10,832	54,163	64,995
Amortisation expense	(2,046)	(10,229)	(12,275)
Balance at 30 June 2022	10,652	53,260	63,912

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

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

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

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

Note 14. Intangibles (continued)

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

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	May 2027
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	May 2027

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

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

Note 15. Trade and other payables

	2022 $	2021 $
Current liabilities		
Trade payables	1,046	210
Other payables and accruals	34,282	7,654
	35,328	7,864
Non-current liabilities		
Other payables and accruals	43,200	-

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

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

Note 16. Borrowings

	2022 $	2021 $
Current liabilities		
Bank loans	65,556	-
Non-current liabilities		
Bank loans	683,846	-

Bank loans
Bank loans were taken out in the period to partly fund the purchase and fit out of the new branch.

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

Note 17. Lease liabilities

	2022 $	2021 $
Current liabilities		
Land and buildings lease liabilities	-	49,327
Unexpired interest	-	(1,180)
Motor vehicle lease liabilities	-	2,653
Unexpired interest	-	(27)
	-	50,773

Reconciliation of lease liabilities

	2022 $	2021 $
Opening balance	50,773	117,918
Remeasurement adjustments	-	1,084
Lease interest expense	1,209	4,450
Lease payments - total cash outflow	(51,982)	(72,679)
	-	50,773

Maturity analysis

	2022 $	2021 $
Not later than 12 months	-	51,980

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

Lease payments included in the measurement of the lease liability comprise fixed 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 company has applied judgement in estimating the remaining lease term including the effects of any extension options reasonably expected to be exercised, applying hindsight where appropriate.

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

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

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

Note 17. Lease liabilities (continued)

The company's lease portfolio includes:

Caloundra branch	The lease agreement commenced in December 2006 and ended April 2022 when the company moved into there new branch which is owned by the company.
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 was removed.

Note 18. Provisions

	2022 $	2021 $
Lease make good	-	28,830

Reconciliation of lease make good provision

	2022 $	2021 $
Balance at the beginning	28,830	27,485
Present value unwinding	1,169	1,345
Provision remeasurements	10,264	-
Settlement of provision	(40,263)	-
	-	28,830

Lease make good
Upon vacating the previous branch premises during the year, the company was required to pay $40,263 in order to restore the premises to it's original condition.

Accounting policy for provisions
Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Note 19. Issued capital

	2022 Shares	2021 Shares	2022 $	2021 $
Ordinary shares - fully paid	782,171	782,171	782,171	782,171
Less: Equity raising costs	-	-	(30,994)	(30,994)
	782,171	782,171	751,177	751,177

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

Rights attached to issued capital

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

Note 19. Issued capital (continued)

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

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

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

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

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

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the Board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- 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 257 shareholders (2021: 256 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 20. Accumulated losses

	2022 $	2021 $
Accumulated losses at the beginning of the financial year	(342,271)	(424,109)
Profit after income tax expense for the year	85,941	109,214
Dividends paid (note 22)	(27,376)	(27,376)
Accumulated losses at the end of the financial year	(283,706)	(342,271)

Note 21. Capital management

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

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

The distribution limit is the greater of:

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

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

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

Note 22. Dividends

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

	2022 $	2021 $
Unfranked dividend of 3.5 cents per share (2021: 3.5 cents)	27,376	27,376

Accounting policy for dividends
Dividends are recognised in the financial year they are declared.

Note 23. Financial instruments

	2022 $	2021 $
Financial assets		
Trade and other receivables	69,664	36,963
Cash and cash equivalents	121,794	346,604
	191,458	383,567
Financial liabilities		
Trade and other payables	78,528	7,864
Lease liabilities	-	50,773
Bank loans	749,402	-
	827,930	58,637

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

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

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

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

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

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

Cash flow and fair value interest rate risk
Interest-bearing assets and liabilities are held with Bendigo Bank and subject to movements in market interest.

The company held cash and cash equivalents of $121,794 at 30 June 2022 (2021: $346,604). The cash and cash equivalents are held with Bendigo Bank, which are rated BBB+ on Standard & Poor's credit ratings.

Note 23. Financial instruments (continued)

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

	2022 Weighted average interest rate %	2022 Balance $
Bank loans	4.19%	749,402
Net exposure to cash flow interest rate risk		749,402

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

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

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

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

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

2022	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives				
Bank loans	65,556	327,780	356,066	749,402
Trade and other payables	35,328	43,200	-	78,528
Total non-derivatives	100,884	370,980	356,066	827,930

2021	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives				
Trade and other payables	7,864	-	-	7,864
Lease liabilities	51,980	-	-	51,980
Total non-derivatives	59,844	-	-	59,844

Note 24. Key management personnel disclosures

The following persons were directors of Caloundra City Community Support Services Limited during the financial year:

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

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

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

Note 25. Related party transactions

There were no transactions with related parties during the current and previous financial year.

Note 26. Remuneration of auditors

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

	2022 $	**2021 $**
Audit services		
Audit or review of the financial statements	5,200	5,000
Other services		
Taxation advice and tax compliance services	600	600
General advisory services	2,180	2,070
Share registry services	3,408	3,361
	6,188	6,031
	11,388	11,031

Note 27. Reconciliation of profit after income tax to net cash provided by operating activities

	2022 $	**2021 $**
Profit after income tax expense for the year	85,941	109,214
Adjustments for:		
Depreciation and amortisation	77,776	98,030
Lease liabilities interest	1,209	4,450
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(38,635)	2,602
Increase in income tax refund due	(14,958)	-
Decrease in deferred tax assets	28,117	40,185
Increase/(decrease) in trade and other payables	2,294	(7,233)
Increase in deferred tax liabilities	2,045	-
Increase/(decrease) in other provisions	(28,830)	1,345
Net cash provided by operating activities	114,959	248,593

Note 28. Earnings per share

	2022 $	2021 $
Profit after income tax	85,941	109,214
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	782,171	782,171
Weighted average number of ordinary shares used in calculating diluted earnings per share	782,171	782,171
	Cents	**Cents**
Basic earnings per share	10.99	13.96
Diluted earnings per share	10.99	13.96

Accounting policy for earnings per share
Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Caloundra City Community Support Services Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Note 29. Commitments

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

Note 30. Contingencies

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

Note 31. Events after the reporting period

Since the end of the year, the Reserve Bank of Australia (RBA) has increased the cash rate by 1.5 basis points moving from 0.85% at 30 June 2022 to 2.35% as at the date of signing these accounts. The increase in the cash rate has a direct impact on the revenue received by the company on its products (deposits and loans) offered to its customers. The company has noted a material increase in the revenue streams for the first couple of months July – August 2022.

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

Directors' declaration

For the financial year ended 30 June 2022

In the directors' opinion:

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

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

On behalf of the directors

John Colin Rose
Chair

11 October 2022

Independent audit report

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550

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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 (the company), which comprises:

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

In our opinion, the accompanying financial report of 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 2022 and of its financial performance for the year ended on that date; and
ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

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

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

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550

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03 5443 0344

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: 11 October 2022

Adrian Downing
Lead Auditor

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Bendigo Bank

Bendigo and Adelaide Bank Limited ABN 11 068 049 178, AFSL/Australian Credit Licence 237879 A1429506 OUT_25541900 06/09/2022