Annual Report 2023

Caloundra City Community Support Services Limited

Community Bank
Caloundra

ABN 76 122 651 969

Contents

Chair's report

For year ending 30 June 2023

The past financial year has been another good year for our Community Bank Caloundra branch of Bendigo Bank. The challenges are ever present to attract business, but we are well positioned with a committed staff.

We are fortunate to have the same staff in place that we have had for years. This past year they have spent considerable time ensuring our existing customers are coping during our tough economic situation. At the same time, we have seen business growth with customers seeking investment and loan rates.

Underpinning our positive results is a growing understanding by our customers of our unique Community Bank model. This year we celebrated 25 years of the Community Bank network – one which has given more than $320 million over this period to local communities across Australia. Together with the practical support of our 1,500 Directors, these funds have enabled community infrastructures to be built, enhanced club sport, strengthened the arts and culturally diverse communities, improved educational outcomes and grown healthy places for Australians to live and work.

Last year I reported we had been in our new branch location for just two months. Naturally, with everything being new, there was a feeling of euphoria for our staff and customers who visited. We also encouraged our shareholders to check out the new branch. One year on we can advise the look and feel of the branch is still very fresh and vibrant - making it as inviting as ever for our branch team to provide the personal care they are so well known for.

Caloundra City Community Support Services Limited continue to sponsor numerous organisations from sporting clubs to surf clubs to cultural groups and schools. Our marketing and sponsorship committee are also ensuring we support those who provide services to the needy in our community.

In Caloundra we are not immune to homelessness or stress related issues – we believe there are opportunities where we can "chip in" to those who already provide special support for the needy in our community. Our Branch Manager, Pip Fawcett, will provide a glimpse of some of these opportunities in her report. She will also provide insight regarding where and how we continue to grow our business.

Bendigo Bank has introduced changes which our Board are seeking to include in our business model. One is the cyber security issues facing Australian companies. We are addressing this as a matter of urgency and are appreciative of tangible assistance from Bendigo Bank.

The Board would like to express our thanks to those who are shareholders with the company. Many have been shareholders since early 2007. Sixteen plus years have rolled by and with every year we are proud to grow the support given to Caloundra and the surrounding community.

Again, thank you for your loyalty.

Yours sincerely,

Colin Rose
Chair

Manager's report

For year ending 30 June 2023

Given the challenging and ever changing past couple of years – we weren't sure what 2023 would bring. We are happy to say, it has been a very successful year for us at Community Bank Caloundra. Without too many disruptions, we've been able to do what we do best – and that is to be of service to our local community.

We have been out and about amongst it all – in addition, Caloundra City Community Support Services Limited continues supporting and giving back to local and surrounding community groups, clubs, schools, and organisations. We are passionate about the great relationships we have built with many small businesses. In particular, our relationship with the Caloundra Chamber of Commerce has enabled us the opportunity to enhance our existing relationships whilst making new ones through regular attendance at their numerous networking events throughout the year. We very much see ourselves as being a community connector – after all, we're better together.

Community Bank Caloundra has enjoyed another terrific year of financial growth. We have achieved all our targets across the business, which we've been fortunate to do in preceding years as well. These results have been achieved largely because of the deep connections we have with the local community which has led to a very engaged customer base. We pride ourselves on our customer service, attention to detail, and the care we show for each and every customer. This sense of community is in our DNA and we tell our story wherever we go.

Also attributing to our success is our beautiful new branch – it's hard to believe we've been here over 18 months. We have made it our home and encourage you all to also consider it a place that's your own. Being community minded, we go the extra mile – you will always see a display or promotion in branch to support local businesses, schools or charity organisations – we want our success to be your success.

I would also like to take this opportunity to personally thank our branch team for their ongoing contributions over the last financial year – without you we wouldn't be where we are. The skills, knowledge and experience of our team is undoubtably the best in the region – so for that I am very grateful, and I'm sure so are our customers.

Thank you to our shareholders for your support – we would love to see you bank with us. We also want to share with you the passion we have for our community and for the incredible and unique Community Bank model that is making a difference to communities across this country.

Thank you also to our Board of Directors for all your support and for believing in what we do. I would particularly like to acknowledge Colin Rose, our Chair and Rob Campbell, the head of our marketing and sponsorship committee. Your commitment to attending events and daily involvement in our branch activities is very much appreciated.

Finally, thanks must also go to our Regional Manager, Rohan Quirey, for his ongoing support and guidance throughout the year. He always encourages us to be the best version of ourselves and provides us with the tools to support our success.

Wishing everyone a very safe and happy festive season and look forward to another fantastic year ahead in 2024.

Warm regards

Pip Fawcett
Branch Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2023

Community and customer will always be at the heart of what we do at Bendigo and Adelaide Bank.

Together, we're setting up Community Banking for the future – growing our impact as a leading social impact movement to transform communities across Australia.

As we continue to evolve to meet the needs of our customers, we should feel proud that more Australians are choosing to do their banking with us and trust us with their financial goals. Our position as Australia's most trusted bank (Roy Morgan) reflects the esteem we are held in by our customers, and communities.

This year has been particularly significant for us. After five years apart, we had the opportunity to come together in person and connect through our State Connect program and in Bendigo at our National Conference in September. It has also been a record-breaking year for Community Bank with more than $32 million invested into local communities nationwide. This is our highest year on record and underscores our ongoing commitment to our customers and communities.

Reflecting on the 25 years since we opened our first Community Bank, I'm so grateful to the hard work of many passionate Directors (past and present). Everything we have done and continue to do is focused on our purpose to feed into the prosperity of our customers and communities, not off it.

On behalf of the Bank, thank you for continuing to play an essential role in supporting your community. I look forward to seeing us grow together and make a positive impact for generations to come.

Justine Minne
Bendigo and Adelaide Bank

Directors' report

30 June 2023

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2023.

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:	Non-executive director
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 Community Bank Caloundra, 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: Finance. Strategic planning and Honors and Awards Committees. Treasurer Dicky Beach Supporters Club, Surf Life Saving Queensland Sunshine Coast Branch Life Member and Deputy Director Junior Activities: Surf Life Saving Queensland Life Member and Membership Services Officer and Member of Meritorious Awards and Lifesaving Panel (all volunteer positions).
Special responsibilities:	Chair Marketing & Sponsorship 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.
Special responsibilities:	Member of Governance Committee

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:	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:	Sian McNamara
Title:	Non-executive director (appointed 13 December 2022)
Experience and expertise:	Sian is a Lawyer and also a Volunteer and Ambassador with Red Nose Australia.
Special responsibilities:	Secretary

Name:	Matthew Schmidt
Title:	Non-executive director (resigned 28 April 2023)
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

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

- Sian Erin McNamara was appointed company secretary on 13 December 2022.
- Amanda Drake was appointed company secretary on 27 February 2019 and ceased on 2 November 2022.

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 $474,485 (30 June 2022: $85,941).

The company has seen a significant increase in its revenue during the financial year. This is a result of the Reserve Bank of Australia (RBA) increasing the cash rate by 3.25% during the financial year moving from 0.85% to 4.10% as at 30 June 2023. The increased cash rate has had a direct impact on the revenue received by the company, increasing the net interest margin income received under the revenue share arrangement the company has with Bendigo Bank.

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

	2023 $
Unfranked dividend of 3.5 cents per share (2022: 3.5 cents)	27,376

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

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 30 June 2023 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 attended by each of the directors of the company during the financial year were:

	Board	
	Eligible	Attended
John Colin Rose	10	10
Edward John Hall	10	9
Robert Bruce Campbell	10	7
Amanda Louise Drake	10	9
Ann Elizabeth Sutherland	10	9
Jason Anthony Marquenie	10	6
Sian McNamara	6	3
Matthew Schmidt	8	5

Directors' benefits
No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

Directors' 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	9,700	17,501
Edward John Hall	2,000	38,000	40,000
Robert Bruce Campbell	-	25,000	25,000
Amanda Louise Drake	-	-	-
Ann Elizabeth Sutherland	-	3,800	3,800
Jason Anthony Marquenie	-	500	500
Sian McNamara	-	-	-
Matthew Schmidt	-	-	-

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 22 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
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the company, acting as an advocate for the company or jointly sharing risks and rewards.

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

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

On behalf of the directors

DocuSigned by:
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Colin John Rose
Chair

30 August 2023

Auditor's independence declaration

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

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of 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 2023, 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: 30 August 2023

Joshua Griffin
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 2023

	Note	2023 $	2022 $
Revenue from contracts with customers	6	1,360,904	799,809
Other revenue		-	5,032
Total revenue		1,360,904	804,841
Employee benefits expense	7	(428,785)	(404,984)
Advertising and marketing costs		(28,934)	(24,354)
Occupancy and associated costs		(29,458)	(41,301)
System costs		(28,528)	(31,258)
Depreciation and amortisation expense	7	(47,941)	(77,776)
Finance costs	7	(19,951)	(12,236)
General administration expenses		(81,292)	(80,923)
Total expenses before community contributions and income tax expense		(664,889)	(672,832)
Profit before community contributions and income tax expense		696,015	132,009
Charitable donations and sponsorships expense		(60,202)	(15,907)
Profit before income tax expense		635,813	116,102
Income tax expense	8	(161,328)	(30,161)
Profit after income tax expense for the year	16	474,485	85,941
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		474,485	85,941
		Cents	**Cents**
Basic earnings per share	24	60.66	10.99
Diluted earnings per share	24	60.66	10.99

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 2023

	Note	2023 $	2022 $
Assets			
Current assets			
Cash and cash equivalents	9	359,623	121,794
Trade and other receivables	10	84,765	50,416
Current tax assets	8	-	14,958
Total current assets		444,388	187,168
Non-current assets			
Property, plant and equipment	11	993,236	1,016,749
Intangible assets	12	50,914	63,912
Total non-current assets		1,044,150	1,080,661
Total assets		1,488,538	1,267,829
Liabilities			
Current liabilities			
Trade and other payables	13	33,000	5,711
Borrowings	14	32,160	65,556
Current tax liabilities	8	138,618	-
Total current liabilities		203,778	71,267
Non-current liabilities			
Trade and other payables	13	28,800	43,200
Borrowings	14	324,254	683,846
Deferred tax liabilities	8	17,126	2,045
Total non-current liabilities		370,180	729,091
Total liabilities		573,958	800,358
Net assets		914,580	467,471
Equity			
Issued capital	15	751,177	751,177
Retained earnings/(accumulated losses)	16	163,403	(283,706)
Total equity		914,580	467,471

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 2023

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2021		751,177	(342,271)	408,906
Profit after income tax expense		-	85,941	85,941
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	85,941	85,941
Transactions with owners in their capacity as owners:				
Dividends provided for	18	-	(27,376)	(27,376)
Balance at 30 June 2022		751,177	(283,706)	467,471
Balance at 1 July 2022		751,177	(283,706)	467,471
Profit after income tax expense		-	474,485	474,485
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	474,485	474,485
Transactions with owners in their capacity as owners:				
Dividends provided for	18	-	(27,376)	(27,376)
Balance at 30 June 2023		751,177	163,403	914,580

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 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,461,278	872,189
Payments to suppliers and employees (inclusive of GST)		(751,382)	(732,415)
Interest and other finance costs paid		(19,951)	(9,858)
Income taxes refunded/(paid)		7,329	(14,957)
Net cash provided by operating activities	23	697,274	114,959
Cash flows from investing activities			
Payments for property, plant and equipment		(12,899)	(1,009,813)
Payments for intangible assets		(26,182)	-
Net cash used in investing activities		(39,081)	(1,009,813)
Cash flows from financing activities			
Proceeds from borrowings		-	1,017,500
Repayment of lease liabilities		-	(51,982)
Dividends paid	18	(27,376)	(27,376)
Repayment of borrowings		(392,988)	(268,098)
Net cash provided by/(used in) financing activities		(420,364)	670,044
Net increase/(decrease) in cash and cash equivalents		237,829	(224,810)
Cash and cash equivalents at the beginning of the financial year		121,794	346,604
Cash and cash equivalents at the end of the financial year	9	359,623	121,794

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

Notes to the financial statements

30 June 2023

Note 1. Reporting entity

The financial statements cover Caloundra City Community Support Services Limited (the company) as an individual entity, which is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

Note 2. Basis of preparation and statement of compliance

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 August 2023. The directors have the power to amend and reissue the financial statements.

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 2022, 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 2023.

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

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

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

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

Impairment of non-financial assets
The company assesses impairment of non-financial 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 as the higher of its fair value less costs of disposal or value-in-use, each of 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.

Note 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in May 2027.

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

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

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

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

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

	2023 $	**2022** $
Margin income	1,243,982	671,993
Fee income	53,562	60,462
Commission income	63,360	67,354
	1,360,904	799,809

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.

Note 6. Revenue from contracts with customers (continued)

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, interest rates and funds transfer pricing and other factors, such as economic and local conditions.

Margin income
Margin on core banking products 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 income
Commission income 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 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.

Note 6. Revenue from contracts with customers (continued)

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

Note 7. Expenses

Employee benefits expense

	2023 $	2022 $
Wages and salaries	345,516	325,612
Superannuation contributions	38,611	34,391
Expenses related to long service leave	5,008	7,411
Other expenses	39,650	37,570
	428,785	404,984

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.

Depreciation and amortisation expense

	2023 $	2022 $
Depreciation of non-current assets		
Buildings	13,506	5,551
Improvements	18,306	23,771
Plant and equipment	3,131	2,780
	34,943	32,102
Depreciation of right-of-use assets		
Leased land and buildings	-	33,399
Amortisation of intangible assets		
Franchise fee	2,166	2,046
Franchise renewal fee	10,832	10,229
	12,998	12,275
	47,941	77,776

Finance costs

	2023 $	2022 $
Bank loan interest paid or accrued	19,951	9,858
Lease interest expense	-	1,209
Unwinding of make-good provision	-	1,169
	19,951	12,236

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

Note 7. Expenses (continued)

Leases recognition exemption

	2023 $	2022 $
Expenses relating to low-value leases	9,816	15,511

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 Leases*. Expenses relating to low-value exempt leases are included in system costs expenses.

Note 8. Income tax

	2023 $	2022 $
Income tax expense		
Current tax	146,247	-
Movement in deferred tax	(2,263)	32,656
Recoupment of prior year tax losses	17,344	-
Future income tax benefit attributable to losses	-	(2,495)
Aggregate income tax expense	161,328	30,161
Prima facie income tax reconciliation		
Profit before income tax expense	635,813	116,102
Tax at the statutory tax rate of 25%	158,953	29,026
Tax effect of:		
Non-deductible expenses	2,375	1,135
Income tax expense	161,328	30,161

	2023 $	2022 $
Deferred tax attributable to:		
expense accruals	650	434
property, plant and equipment	(17,776)	(19,824)
carried-forward tax losses	-	17,345
Deferred tax liability	(17,126)	(2,045)

	2023 $	2022 $
Income tax refund due	-	14,958

	2023 $	2022 $
Provision for income tax	138,618	-

Note 8. Income tax (continued)

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

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

Accounting policy for deferred tax
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 9. Cash and cash equivalents

	2023 $	**2022 $**
Cash at bank and on hand	359,623	121,794

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 10. Trade and other receivables

	2023 $	**2022 $**
Trade receivables	74,763	39,047
Other receivables and accruals	-	1,000
Prepayments	10,002	10,369
	10,002	11,369
	84,765	50,416

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.

Note 10. Trade and other receivables (continued)

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

Note 11. Property, plant and equipment

	2023 $	**2022 $**
Land - at cost	330,000	330,000
Buildings - at cost	442,979	442,979
Less: Accumulated depreciation	(19,057)	(5,551)
	423,922	437,428
Improvements - at cost	240,210	233,203
Less: Accumulated depreciation	(21,464)	(3,158)
	218,746	230,045
Plant and equipment - at cost	95,736	98,615
Less: Accumulated depreciation	(75,168)	(79,339)
	20,568	19,276
	993,236	1,016,749

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

	Land $	Buildings $	Improvements $	Plant and equipment $	Total $
Balance at 1 July 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
Additions	-	-	7,007	5,892	12,899
Disposals	-	-	-	(1,469)	(1,469)
Depreciation	-	(13,506)	(18,306)	(3,131)	(34,943)
Balance at 30 June 2023	330,000	423,922	218,746	20,568	993,236

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:

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.

Note 11. Property, plant and equipment (continued)

Improvements are depreciated over 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 12. Intangible assets

	2023 $	**2022 $**
Franchise fee	43,579	43,579
Less: Accumulated amortisation	(35,093)	(32,927)
	8,486	10,652
Franchise renewal fee	167,892	167,892
Less: Accumulated amortisation	(125,464)	(114,632)
	42,428	53,260
	50,914	63,912

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

	Franchise fee $	Franchise renewal fee $	Total $
Balance at 1 July 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
Amortisation expense	(2,166)	(10,832)	(12,998)
Balance at 30 June 2023	8,486	42,428	50,914

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

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

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

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

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 and adjusted, if appropriate, at each reporting date.

Note 12. Intangible assets (continued)

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 13. Trade and other payables

	2023 $	2022 $
Current liabilities		
Trade payables	912	1,046
Other payables and accruals	32,088	4,665
	33,000	5,711
Non-current liabilities		
Other payables and accruals	28,800	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 14. Borrowings

	2023 $	2022 $
Current liabilities		
Bank loans	32,160	65,556
Non-current liabilities		
Bank loans	324,254	683,846

Bank loans
Bank loans were taken out in the previous 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 15. Issued capital

	2023 Shares	2022 Shares	2023 $	2022 $
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

Note 15. Issued capital (continued)

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

Rights attached to issued capital

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

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

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

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

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

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

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the Board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- 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 259 shareholders (2022: 257 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 their associates) has a prohibited shareholding interest in are suspended.

Note 15. Issued capital (continued)

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

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

Note 16. Retained earnings/(accumulated losses)

	2023 $	2022 $
Accumulated losses at the beginning of the financial year	(283,706)	(342,271)
Profit after income tax expense for the year	474,485	85,941
Dividends paid (note 18)	(27,376)	(27,376)
Retained earnings/(accumulated losses) at the end of the financial year	163,403	(283,706)

Note 17. 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 18. 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.

	2023 $	2022 $
Unfranked dividend of 3.5 cents per share (2022: 3.5 cents)	27,376	27,376

Note 18. Dividends (continued)

Franking credits

	2023 $	2022 $
Franking account balance at the beginning of the financial year	14,958	-
Franking credits (debits) arising from income taxes paid (refunded)	(7,329)	14,958
	7,629	14,958
Franking transactions that will arise subsequent to the financial year end:		
Balance at the end of the financial year	7,629	14,958
Franking credits (debits) that will arise from payment (refund) of income tax	138,618	-
Franking credits available for future reporting periods	146,247	14,958

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

Note 19. Financial instruments

	2023 $	2022 $
Financial assets		
Trade and other receivables	74,763	40,047
Cash and cash equivalents	359,623	121,794
	434,386	161,841
Financial liabilities		
Trade and other payables	61,800	48,911
Bank loans	356,414	749,402
	418,214	798,313

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 bank loans.

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.

Note 19. Financial instruments (continued)

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.

Interest-bearing assets and liabilities are held with Bendigo Bank and earning on those are subject to movements in market interest rates.The company held cash and cash equivalents of $359,623 at 30 June 2023 (2022: $121,794)

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

	2023 Weighted average interest rate %	2023 Balance $
Bank loans	5.81%	356,414
Net exposure to cash flow interest rate risk		356,414

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

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.

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 Bendigo Bank is rated BBB+ on Standard & Poor's credit ratings.

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.

2023	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Bank loans	32,160	160,860	163,394	356,414
Trade and other payables	33,000	28,800	-	61,800
Total non-derivatives	65,160	189,660	163,394	418,214

Note 19. Financial instruments (continued)

2022	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Bank loans	65,556	327,780	356,066	749,402
Trade and other payables	5,711	43,200	-	48,911
Total non-derivatives	71,267	370,980	356,066	798,313

Note 20. Key management personnel disclosures

The following persons were directors of Caloundra City Community Support Services Limited during the financial yearand/or up to the date of signing of these Financial Statements

John Colin Rose	Ann Elizabeth Sutherland
Edward John Hall	Jason Anthony Marquenie
Robert Bruce Campbell	Sian McNamara
Amanda Louise Drake	Matthew Schmidt

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 21. Related party transactions

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

Note 22. 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:

	2023 $	**2022 $**
Audit services		
Audit or review of the financial statements	5,400	5,200
Other services		
Taxation advice and tax compliance services	660	600
General advisory services	3,860	2,180
Share registry services	3,519	3,408
	8,039	6,188
	13,439	11,388

Note 23. Reconciliation of profit after income tax to net cash provided by operating activities

	2023 $	2022 $
Profit after income tax expense for the year	474,485	85,941
Adjustments for:		
Depreciation and amortisation	47,941	77,776
Lease liabilities interest	-	1,209
Change in operating assets and liabilities:		
Increase in trade and other receivables	(34,349)	(38,635)
Decrease/(increase) in income tax refund due	14,958	(14,958)
Decrease in deferred tax assets	-	28,117
Decrease in other operating assets	1,469	-
Increase in trade and other payables	39,071	2,294
Increase in provision for income tax	138,618	-
Increase in deferred tax liabilities	15,081	2,045
Decrease in other provisions	-	(28,830)
Net cash provided by operating activities	697,274	114,959

Note 24. Earnings per share

	2023 $	2022 $
Profit after income tax	474,485	85,941
	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	60.66	10.99
Diluted earnings per share	60.66	10.99

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, by the weighted average number of ordinary shares outstanding during the financial year.

Note 25. Commitments

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

Note 26. Contingencies

There were no contingent liabilities or contingent assets at the date of this report.

Note 27. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Directors' declaration

30 June 2023

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 2023 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

DocuSigned by:

D376EF9D0000412...

Colin John Rose
Chair

30 August 2023

Independent audit report

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
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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 2023
- 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 2023 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 other information comprises the information included in the company's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon. The annual report may also include "other information" on the company'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. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

The directors are responsible for overseeing the company's financial reporting process.

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.

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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.

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: 30 August 2023

Joshua Griffin
Lead Auditor

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/caloundra

Bendigo Bank

Bendigo and Adelaide Bank Limited ABN 11 068 049 178, AFSL/Australian Credit Licence 237879 A1429506 OUT_31166155 25/08/2023