



Caulfield Park Community  
Financial Services Limited

# Annual Report 2023

ABN 42 106 397 504



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# Chair's Report

For the year ended 30 June 2023

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Dear Shareholders and Community Members,

As we reflect on the past financial year, I am honoured to present the Chairman's Report for Caulfield Park Community Financial Services Ltd (Caulfield Park). This year was marked with several accomplishments, challenges, and opportunities that have both tested and strengthened our bank.

## 1. Staff

Our staff has been the backbone of our operations. In the past year, we saw 3 staff members leave our team and we were required to replace and train new staff. The Team responded to the increased workload. I would like to thank them for their unwavering commitment, especially during challenging times, enabling us to offer exceptional service to our customers and maintain a competitive edge in the industry. I want to take this opportunity to express my gratitude to each staff member for their dedication and resilience. We have been fortunate to employ some excellent replacements and our capability to service more lending will be at full strength by the end of 2023. We have also been fortunate to gain a staff member to fill the position of Mobile Banker. The mobile Banker commences work in October and will contribute more new lending to our portfolio.

## 2. Directors and others

Our Board of Directors, with their rich experience and diverse expertise, has provided guidance and strategic direction. I would like to thank all board members for their support of me since taking over the role of Chair. With regular board meetings, we are establishing a long-term strategy for the business. We have built a very strong business over almost 20 years. Next year we will celebrate our 20-year anniversary and we are already planning events to celebrate and publicize our success.

I want to thank the Vic Metro Support Team at Bendigo Bank and in particular our Bayside Regional Manager Peter Rice and our Business Performance Manager Simon Sponza.

Finally in this section I want to recognise and thank Mr Frank Levy of Sackville Wilks, Solicitors who have acted as our Honorary Solicitors and Mr Joseph Kalb of Lowe Lippmann Chartered Accountants who have acted as our Honorary Tax Advisors throughout the year for their services.

## 3. Financial Aspects

We had a great year with our total Loans and Deposits growing by 10% over the previous year and we benefited from the rapid rise in interest rates which caused the Caulfield Park margin income to increase by 55%. The past financial year saw us achieve a profit of \$663,281 after tax. (2022 \$105,408) Our total shareholders' funds are now \$968,795 ( 2022 \$ 379,025 ) and have grown by approximately 155%, reinforcing our robust financial position. This has allowed us to contribute significantly to our community.

## 4. Community Engagement and Grants

One of the core values of Caulfield Park is our commitment to the community we serve. Everything we do is focused on our determination to feed into our customers and community and not off them. This year, we proudly distributed Direct donations, Sponsorship, and Grant payments including to the Community Enterprise Foundation totalling \$424,124.00 (2022 \$285,605). We have since our establishment in 2004 now given back over \$3.4 million to our community. These funds have made a difference in the outcomes of many community sporting, care, and charitable organizations.

In conclusion, I'd like to extend my gratitude to our shareholders for their continued trust, our customers for their loyalty, and our staff and directors for their dedication. As we look forward to the next financial year, we remain committed to our vision of building a stronger community and delivering unparalleled banking services.

Sincerely,

**David Clarke**

Chair

Caulfield Park Community Financial Services Ltd.

# Manager's Report

For the year ended 30 June 2023

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The 2023 financial year was a challenge for the team with 3 senior staff members leaving the business. Guireh Darer was promoted to Branch Manager at Community Bank Highett, Thisura Thamnegara left to join another Bank and Hannah Downes left the business for personal reasons having decided to move back to the country to spend time with her family.

During the year we had growth of \$28.25m across all business classes. Our branch lending and deposit showed slow growth of about \$13.84 m in the 2023 financial year. Our Business banking book had good growth which helped us exceed our overall growth target. We also had satisfactory performance across other business areas such as insurance, credit cards and wealth. Our customer numbers increased by 134 giving us net growth of 5.2 % in net new customers over the prior year. Our products per customer increased by 5.6 % to 2.125 products per customer in comparison to the previous year. At end of the year total footing grew to \$313.88m consisting total deposits at \$140.28m, total lending at \$157.83.4m and other business at \$15.77m.

We celebrated promotion of our Customer Relationship Officer Singh Ahuja to Customer Relationship Manager. We also welcomed two new staff members Shanaya Godfrey and Nansy Firooztash to our team. I also want to acknowledge the continuing good work of our other two team members, Rachael Mwangi and Krisela Najtellari and I thank the whole team for working so well together. Our staff celebrated some nominations and awards for their hard work and excellent customer service during the year. Our team celebrated some success at Regional annual awards by receiving Regional Managers Award for consistency in business success across all parts of the business. The branch was also recognised for continuing to invest in growth and success of our staff.

Going forward to the 2024 financial year we are looking forward to achieving another year of consistent and strong performance. We will continue to invest in the growth of our staff so they can assist our customers to achieve their financial goals.

Our focus for the 2024 financial year will be

- To assist our customers with strategies in managing their finances in this environment of increased cost of living.
- Help our customers with strategies in protecting themselves from increased levels of threat from scammers.
- Engage more in person with our local community organisations to continue educating the community of our community banking model.

The Team at Community Bank Caulfield Park would personally like to thank Shareholders, Board, State Support and above all our customers for their continued support. We look forward to working with all of you in 2024 financial year and sharing success stories.

Best wishes,

**Jignesh Jasani**

Branch Manager

# Community Organisations Awarded Sponsorships and Grants 2022-2023

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Access Inc.	Le Page Park Panthers Cricket Club
Alfred Health (Caulfield Hospital)	Lider School Inc
All Things Equal	Maccabi Aquatics Club
B'nai Brith Victoria	Maccabi Football Club
Bentleigh United Cobras	Magen David Adom Australia
Brighton North Rotary	Melbourne Jewish Charity
C Care Inc	Moorabbin Cricket Club
Camp Gan Welfare	National Council of Jewish Women Aust. (Vic) Ltd
Carnegie South Cricket Club	Netzer Australia
Carnegie United Cricket Club	NextGen Philanthropy
Caulfield Hebrew Congregation	Omega Cricket Club
Caulfield Park Sports Club Inc	Parish of Saint Anthony Glen Huntly
Caulfield South Primary School	Pathways Melbourne Inc
Chabad Institutions Of Victoria	Pet Medical Crisis Fund
Chevra Hatzolah Melbourne Inc	Refuah Aust
Emmy Monash Aged Care Inc	Russian Cultural & TV
FoodFilled Incorporated	Scout Association - Tzofim Onnot
Friends of Sassoon Yehuda Inc	South East Cricket Association
Glen Eira Adult Learning Centre	Smile on Seniors Oz Inc
Glen Eira City Council - Caulfield Park Play Space	South Caulfield Hebrew Congregation
Glen Eira City Council - Community Bus	South Melbourne Womens Football Club
Glen Eira City Council- Defibrillator	St Marys Anglican Church Caulfield
Glen Eira Emergency Climate Action	Theatrical Inc
Haven for New Mothers and Babies	United Jewish Education Board
Impact for Women Inc	Victorian Assoc of Jewish Ex-sevice (VAJEX)
Jewish Childrens Aid Society	Washington Park Cricket Club
Jewish Holocaust Centre Foundation	Wizo Vic
Jewish Russian Community Soup Kitchen Ltd	Zionism Victoria
Knit One Give One	

# Community Bank Report 2023

## BEN Message

August 2023

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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.

Warmest regards,

**Justine Minne**

Bendigo and Adelaide Bank

## **Caulfield Park Community Financial Services Limited**

### **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:	David Keith Clarke
Title:	Non-executive director
Experience and expertise:	Over 30 years of experience in senior management positions with a strong bent towards marketing, advertising and sales. Managerial Director of Snap Caulfield South.
Special responsibilities:	Chairman, Grants and Community Engagement Committee.
Name:	Jeffrey Allan Kagan
Title:	Non-executive director
Experience and expertise:	Jeffrey has worked in consulting and financial services businesses for over 25 years having held Executive and Senior Finance roles in leading strategic and operational change, driving business growth and operational efficiency. Jeffrey holds a Bachelor of Economics (Monash), is a Chartered Accountant, holds a Diploma in Applied Finance and Investment (FINSIA) and is a Graduate of the Australian Institute of Company Directors (GAICD). Jeffrey has been involved in community youth and sporting groups in Executive roles for 30 years. Currently Chief Financial Officer of Mind Australia, a provider of Mental Health Supports and a Community housing provider.
Special responsibilities:	Treasurer and Chair of Finance, Audit & Risk Committee, Member of Governance, Remuneration & Nomination Committee.
Name:	Samuel Parasol OAM
Title:	Non-executive director
Experience and expertise:	Sam has been owner and company director of a clothing business for over 40 years, and has had extensive involvement in community and sporting organisations for over 50 years. Amongst many roles, Sam is a previous president of Maccabi, was inducted into Maccabi Hall of Fame and has been elevated to Legend. Sam headed the inaugural steering committee that established the company and held the position of Chairman for over 10 years. Sam is presently a Councillor for the City of Glen Eira. He holds a Bachelor of Economics. Fellow - Justice of the Peace.
Special responsibilities:	Member of Finance, Audit & Risk Committee and Grants and Community Engagement Committee.
Name:	Mark Ellison
Title:	Non-executive director
Experience and expertise:	Mark has 45 years of experience in finance roles including public practice. He was a partner of EY Paris and has been CFO in private and public companies. He has also been a consultant in corporate finance. Mark holds the following qualifications: Master of Arts from the University of Cambridge, MBA from INSEAD, Chartered Accountant (ICAEW) and CPA (New York). He is a Graduate of the Australian Institute of Company Directors. Director and Treasurer of several community organisations, including Kehilat Nitzan Tikkun Olam PBI Ltd (KNTO), a public Benevolent institution based in Caulfield.
Special responsibilities:	Secretary, Member of the Finance, Audit and Risk Committee, and Member of Governance, Remuneration & Nomination Committee.



## Caulfield Park Community Financial Services Limited

### Directors' report

30 June 2023

Name: Gary Arnold Hershan  
Title: Non-executive director  
Experience and expertise: Gary is a retired Chartered Accountant with over 50 years experience in Public Accounting. Over this time he has provided business, accounting and taxation advice to many businesses, particularly in the SME sector. He has held executive positions in a number of not-for-profit organisations. Gary's qualifications include Bachelor of Commerce ( Hons.) and Chartered Accountant.  
Special responsibilities: Member of the Finance, Audit and Risk Committee, and Grants and Community Engagement Committee.

Name: Mark Rodney Landis  
Title: Non-executive director  
Experience and expertise: Mark Landis is the Managing Director of MRL Management Services, a Risk Management and Management Consulting Company, which jointly developed "The Results Optimiser (TM) (TRO)" a leading Business Profit Diagnostic Tool. He has over 25 years of energy, procurement and risk management experience and has held several senior roles including Manager of Hydrocarbons at BHP, Manager utilities at BHP, Global head of energy for Newcrest Mining, and eight years as a senior executive at Origin Energy, almost four years of which he managed the National Commercial Sales Team. He has a bachelor of Economics with majors in Accounting and Economics from Monash University and is married with two children.  
Special responsibilities: Chairman of Grants and Community Engagement Committee.

Name: Roslyn Gunn  
Title: Non-executive director  
Experience and expertise: Roslyn is passionate about social justice and has extensive experience in community projects within numerous and diverse organisations and charities. Roslyn has a reputation for being the starting point for projects, creative concepts, end to end project management, data driven performance analysis, and creating strategic partnerships for mutually beneficial outcomes. Roslyn believes that values-based leadership and diversity is key to effectual leadership. Roslyn has experience in Project Management, Operations Policy and Process, and Brand Strategy. Roslyn holds a Bachelor of Business (Accounting) from Monash University, and CPA from the Australian Society of Certified Practising Accountants.  
Special responsibilities: Member of Grants and Community Engagement Committee, and Member of Governance, Remuneration & Nomination Committee.

Name: Robyn Marian Taft  
Title: Non-executive director (appointed 27 February 2023)  
Experience and expertise: Robyn has spent over thirty-five years in legal practice as an in-house counsel in leading commercial, not-for-profit and government organisations in diverse industries including transport, energy, health and other essential services. Her last role was Corporate Counsel for Glen Eira City Council where she managed a staff of six and was responsible for legal services, procurement, governance, risk and the Council secretariat. She retired from full-time employment in 2018 and works casually as a legal researcher, and enjoys spending time with her grand-children and doing voluntary work for Melbourne East Disability Advocacy. Robyn holds a Bachelor of Arts, Master of Laws and Graduate Diploma in Intellectual Property Law, all from the University of Melbourne.  
Special responsibilities: Member of the Governance, Remuneration & Nomination Committee.

## Caulfield Park Community Financial Services Limited

### Directors' report

30 June 2023

Name: Anne-Marie Cade  
Title: Non-executive directors (resigned 10 February 2023)  
Experience and expertise: Anne-Marie runs a boutique Mediation and Coaching practice. She is a lawyer and a national accredited mediator. She also works as an adjunct lecturer and mentor at the College of Law. She is a Councillor at the City of Glen Eira. Anne-Marie has a Bachelor of Laws (The University of Colombo), Graduate Diploma in Legal Practice (Leo Cussen Centre for Law) and a Master of Laws in Applied Law majoring in Family Dispute Resolution Practice.  
Special responsibilities: Member of Governance, Remuneration & Nomination Committee.

Name: Graeme Goldman  
Title: Non-executive director (resigned 17 November 2022)  
Experience and expertise: Director, CEO & MD, with expertise in growing start-up businesses, small & medium sized businesses, as well as being the Managing Director of the local subsidiary of an international publicly listed corporation. Entrepreneur experienced with over 25 years of global corporate & business experience & expertise, having worked in a number of leading branded goods companies in both the wholesale & retail arenas. Currently Executive Director of Clark Rubber.  
Special responsibilities: Member of Grants and Community Engagement Committee.

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

#### Company secretary

The company secretary is Mark Ellison. Mark was appointed to the position of company secretary on 22 December 2020.

#### 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 \$663,281 (30 June 2022: \$105,408).

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.

	<b>2023</b>
	<b>\$</b>
Fully franked dividend of 10 cents per share (2022: 10 cents)	<u>73,511</u>

#### Significant changes in the state of affairs

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

#### Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 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.

**Caulfield Park Community Financial Services Limited**  
**Directors' report**  
**30 June 2023**

**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
David Keith Clarke	12	12
Jeffrey Allan Kagan	12	11
Samuel Parasol OAM	12	4
Mark Ellison	12	11
Gary Arnold Hershan	12	11
Mark Rodney Landis	12	12
Roslyn Gunn	12	11
Robyn Marian Taft	5	5
Anne-Marie Cade	7	1
Graeme Goldman	5	3

**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
David Keith Clarke	2,000	-	2,000
Jeffrey Allan Kagan	3,000	-	3,000
Samuel Parasol OAM	14,000	-	14,000
Mark Ellison	8,000	-	8,000
Gary Arnold Hershan	9,000	-	9,000
Mark Rodney Landis	4,000	-	4,000
Roslyn Gunn	-	-	-
Robyn Marian Taft	-	-	-
Anne-Marie Cade	-	-	-
Graeme Goldman	-	-	-

**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*.

**Caulfield Park Community Financial Services Limited**  
**Directors' report**  
**30 June 2023**

**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
- the non-audit services 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

*DAVID CLARKE*

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David Keith Clarke  
Chairman

18 September 2023



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 Caulfield Park Community Financial Services Limited

As lead auditor for the audit of Caulfield Park Community Financial 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: 18 September 2023

**Joshua Griffin**  
Lead Auditor



**Caulfield Park Community Financial 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	2,180,033	1,408,391
Other revenue	7	62,738	59,031
Finance revenue		16,207	1,628
Total revenue		<u>2,258,978</u>	<u>1,469,050</u>
Employee benefits expense	8	(653,545)	(693,142)
Advertising and marketing costs		(27,606)	(67,655)
Occupancy and associated costs		(29,124)	(33,579)
System costs		(18,387)	(25,339)
Depreciation and amortisation expense	8	(67,986)	(68,114)
Finance costs	8	(60,159)	(62,565)
General administration expenses		(91,999)	(92,361)
Total expenses before community contributions and income tax expense		<u>(948,806)</u>	<u>(1,042,755)</u>
<b>Profit before community contributions and income tax expense</b>		1,310,172	426,295
Charitable donations, sponsorships and grants expense	8	<u>(424,124)</u>	<u>(285,605)</u>
<b>Profit before income tax expense</b>		886,048	140,690
Income tax expense	9	<u>(222,767)</u>	<u>(35,282)</u>
<b>Profit after income tax expense for the year</b>	20	663,281	105,408
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u><u>663,281</u></u>	<u><u>105,408</u></u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	28	90.23	14.34
Diluted earnings per share	28	90.23	14.34

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

**Caulfield Park Community Financial Services Limited**  
**Statement of financial position**  
**As at 30 June 2023**

	Note	2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	1,479,122	754,960
Trade and other receivables	11	193,748	125,169
Total current assets		<u>1,672,870</u>	<u>880,129</u>
<b>Non-current assets</b>			
Investment properties	14	17,610	44,247
Property, plant and equipment	12	57,661	65,151
Right-of-use assets	13	38,115	523,778
Intangible assets	15	11,445	24,629
Deferred tax assets	9	151,562	154,752
Total non-current assets		<u>276,393</u>	<u>812,557</u>
<b>Total assets</b>		<u>1,949,263</u>	<u>1,692,686</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	16	47,611	57,794
Lease liabilities	17	80,345	48,394
Current tax liabilities	9	238,793	30,468
Employee benefits	18	66,834	77,095
Total current liabilities		<u>433,583</u>	<u>213,751</u>
<b>Non-current liabilities</b>			
Lease liabilities	17	541,263	1,087,167
Employee benefits	18	2,001	10,122
Lease make good provision		3,621	2,621
Total non-current liabilities		<u>546,885</u>	<u>1,099,910</u>
<b>Total liabilities</b>		<u>980,468</u>	<u>1,313,661</u>
<b>Net assets</b>		<u>968,795</u>	<u>379,025</u>
<b>Equity</b>			
Issued capital	19	545,255	545,255
Retained earnings/(accumulated losses)	20	423,540	(166,230)
<b>Total equity</b>		<u>968,795</u>	<u>379,025</u>

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

**Caulfield Park Community Financial Services Limited**  
**Statement of changes in equity**  
**For the year ended 30 June 2023**

	Note	Issued capital \$	Retained earnings \$	Total equity \$
<b>Balance at 1 July 2021</b>		545,255	(200,276)	344,979
Profit after income tax expense		-	105,408	105,408
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	105,408	105,408
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for	22	-	(71,362)	(71,362)
<b>Balance at 30 June 2022</b>		<u>545,255</u>	<u>(166,230)</u>	<u>379,025</u>
<b>Balance at 1 July 2022</b>		545,255	(166,230)	379,025
Profit after income tax expense		-	663,281	663,281
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	663,281	663,281
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for	22	-	(73,511)	(73,511)
<b>Balance at 30 June 2023</b>		<u>545,255</u>	<u>423,540</u>	<u>968,795</u>

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



**Caulfield Park Community Financial Services Limited**  
**Statement of cash flows**  
**For the year ended 30 June 2023**

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		2,403,031	1,595,746
Payments to suppliers and employees (inclusive of GST)		(1,488,721)	(1,303,043)
Interest received		16,207	1,628
Income taxes paid		<u>(11,252)</u>	<u>(1,530)</u>
Net cash provided by operating activities	27	<u>919,265</u>	<u>292,801</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		-	(3,884)
Payments for intangible assets		<u>(13,184)</u>	<u>(13,184)</u>
Net cash used in investing activities		<u>(13,184)</u>	<u>(17,068)</u>
<b>Cash flows from financing activities</b>			
Dividends paid	22	(73,511)	(71,362)
Repayment of lease liabilities	17	<u>(108,408)</u>	<u>(104,150)</u>
Net cash used in financing activities		<u>(181,919)</u>	<u>(175,512)</u>
Net increase in cash and cash equivalents		724,162	100,221
Cash and cash equivalents at the beginning of the financial year		<u>754,960</u>	<u>654,739</u>
Cash and cash equivalents at the end of the financial year	10	<u><u>1,479,122</u></u>	<u><u>754,960</u></u>

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

# Caulfield Park Community Financial Services Limited

## Notes to the financial statements

### 30 June 2023

#### Note 1. Reporting entity

The financial statements cover Caulfield Park Community Financial 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 193 Balaclava Road, Caulfield North VIC 3161.

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 18 September 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.

**Caulfield Park Community Financial Services Limited**  
**Notes to the financial statements**  
**30 June 2023**

**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.

**Caulfield Park Community Financial Services Limited**  
**Notes to the financial statements**  
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**Note 4. Critical accounting judgements, estimates and assumptions (continued)**

*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.

*Employee benefits provision*

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

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

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

*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 in June 2024.

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.

**Caulfield Park Community Financial Services Limited**  
**Notes to the financial statements**  
**30 June 2023**

**Note 5. Economic dependency (continued)**

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	2,025,594	1,260,198
Fee income	58,783	52,637
Commission income	95,656	95,556
	<u>2,180,033</u>	<u>1,408,391</u>

*Revenue from contracts with customers*

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

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

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

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

# Caulfield Park Community Financial Services Limited

## Notes to the financial statements

### 30 June 2023

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

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
<b>plus:</b>	any deposit returns i.e. interest return applied by Bendigo Bank for a deposit
<b>minus:</b>	any costs of funds i.e. interest applied by Bendigo Bank to fund a loan.

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

##### *Commission 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.

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.

**Caulfield Park Community Financial Services Limited**  
**Notes to the financial statements**  
**30 June 2023**

**Note 7. Other revenue**

	<b>2023</b>	<b>2022</b>
	\$	\$
Rental income	62,074	59,031
Other income	664	-
	<u>62,738</u>	<u>59,031</u>

*Accounting policy for other revenue*

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

<u>Revenue stream</u>	<u>Revenue recognition policy</u>
Rental income	Rental income from right-of-use assets subleased is accounted for on a straight-line basis over the lease term. If not received at balance date, revenue is reflected on the balance sheet as a receivable and carried at its recoverable amount.
Other income	All other revenues that did not contain contracts with customers are recognised as goods and services are provided.

All revenue is stated net of the amount of GST.

**Note 8. Expenses**

**Employee benefits expense**

	<b>2023</b>	<b>2022</b>
	\$	\$
Wages and salaries	570,330	605,177
Superannuation contributions	60,480	60,386
Expenses related to long service leave	(5,227)	2,119
Other expenses	27,962	25,460
	<u>653,545</u>	<u>693,142</u>

**Depreciation and amortisation expense**

	<b>2023</b>	<b>2022</b>
	\$	\$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	3,590	3,591
Plant and equipment	1,857	1,965
Furniture and fittings	2,043	2,060
	<u>7,490</u>	<u>7,616</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	25,188	25,250
Investment property	22,124	22,064
	<u>47,312</u>	<u>47,314</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	2,198	2,198
Franchise renewal fee	10,986	10,986
	<u>13,184</u>	<u>13,184</u>
	<u>67,986</u>	<u>68,114</u>



**Caulfield Park Community Financial Services Limited**  
**Notes to the financial statements**  
**30 June 2023**

**Note 8. Expenses (continued)**

**Finance costs**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Lease interest expense	60,014	62,426
Unwinding of make-good provision	145	139
	<u>60,159</u>	<u>62,565</u>

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

**Leases recognition exemption**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Expenses relating to low-value leases	<u>7,031</u>	<u>8,542</u>

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

**Charitable donations, sponsorships and grants expense**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Direct donation, sponsorship and grant payments	242,306	215,605
Contribution to the Community Enterprise Foundation™	181,818	70,000
	<u>424,124</u>	<u>285,605</u>

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

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

When the company pays a contribution in to the CEF, the company loses control over the funds at that point. While the directors are involved in the payment of grants, the funds are not refundable to the company.



**Caulfield Park Community Financial Services Limited**  
**Notes to the financial statements**  
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**Note 9. Income tax**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Income tax expense</i>		
Current tax	219,577	40,738
Movement in deferred tax	3,190	(5,456)
	<u>222,767</u>	<u>35,282</u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	886,048	140,690
Tax at the statutory tax rate of 25%	221,512	35,173
Tax effect of:		
Non-deductible expenses	1,255	109
Income tax expense	<u>222,767</u>	<u>35,282</u>

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Deferred tax assets/(liabilities)</i>		
Employee benefits	17,209	21,804
Provision for lease make good	905	655
Lease liabilities	155,403	283,891
Right-of-use assets	(13,931)	(142,007)
Property, plant and equipment	(8,024)	(9,591)
Deferred tax asset	<u>151,562</u>	<u>154,752</u>

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Provision for income tax	<u>238,793</u>	<u>30,468</u>

*Accounting policy for income tax*

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate 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.

**Caulfield Park Community Financial Services Limited**  
**Notes to the financial statements**  
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**Note 9. Income tax (continued)**

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**

	<b>2023</b>	<b>2022</b>
	\$	\$
Cash at bank and on hand	358,968	151,013
Term deposits	1,120,154	603,947
	<u>1,479,122</u>	<u>754,960</u>

*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**

	<b>2023</b>	<b>2022</b>
	\$	\$
Trade receivables	188,636	117,268
Prepayments	5,112	7,901
	<u>193,748</u>	<u>125,169</u>

*Accounting policy for trade and other receivables*

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

**Note 12. Property, plant and equipment**

	<b>2023</b>	<b>2022</b>
	\$	\$
Leasehold improvements - at cost	62,198	62,198
Less: Accumulated depreciation	(32,224)	(28,634)
	<u>29,974</u>	<u>33,564</u>
Plant and equipment - at cost	85,537	85,537
Less: Accumulated depreciation	(69,571)	(67,714)
	<u>15,966</u>	<u>17,823</u>
Furniture and fittings - at cost	73,334	73,334
Less: Accumulated depreciation	(61,613)	(59,570)
	<u>11,721</u>	<u>13,764</u>
	<u>57,661</u>	<u>65,151</u>

**Caulfield Park Community Financial Services Limited**  
**Notes to the financial statements**  
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**Note 12. Property, plant and equipment (continued)**

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

	Leasehold improvements \$	Plant and equipment \$	Furniture and fittings \$	Total \$
Balance at 1 July 2021	37,155	19,788	14,852	71,795
Additions	-	-	972	972
Depreciation	(3,591)	(1,965)	(2,060)	(7,616)
	<u>33,564</u>	<u>17,823</u>	<u>13,764</u>	<u>65,151</u>
Balance at 30 June 2022				
Depreciation	(3,590)	(1,857)	(2,043)	(7,490)
	<u>29,974</u>	<u>15,966</u>	<u>11,721</u>	<u>57,661</u>

*Accounting policy for property, plant and equipment*

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

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

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

Leasehold improvements	10 to 30 years
Plant and equipment	3 to 26 years
Furniture and fittings	2 to 13 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.

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**

	2023 \$	2022 \$
Land and buildings - right-of-use	558,465	932,489
Less: Accumulated depreciation	(520,350)	(408,711)
	<u>38,115</u>	<u>523,778</u>

**Caulfield Park Community Financial Services Limited**  
**Notes to the financial statements**  
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**Note 13. Right-of-use assets (continued)**

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

	Land and buildings \$
Balance at 1 July 2021	549,051
Remeasurement adjustments	(23)
Depreciation expense	<u>(25,250)</u>
Balance at 30 June 2022	523,778
Remeasurement adjustments	(460,475)
Depreciation expense	<u>(25,188)</u>
Balance at 30 June 2023	<u><u>38,115</u></u>

*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. Investment properties**

	2023 \$	2022 \$
Investment property - at cost	350,280	441,267
Less: Accumulated depreciation	<u>(332,670)</u>	<u>(397,020)</u>
	<u><u>17,610</u></u>	<u><u>44,247</u></u>

*Reconciliation*

Reconciliation of the beginning and end of the current and previous financial year are set out below:

Opening amount	44,247	66,311
Remeasurement adjustments	(4,513)	-
Depreciation expense	<u>(22,124)</u>	<u>(22,064)</u>
Closing amount	<u><u>17,610</u></u>	<u><u>44,247</u></u>

**Caulfield Park Community Financial Services Limited**  
**Notes to the financial statements**  
**30 June 2023**

**Note 14. Investment properties (continued)**

**Maturity analysis**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Minimum lease commitments receivable but not recognised in the financial statements:</i>		
1 year or less	56,784	56,784
Between 1 and 2 years	-	56,784
	<u>56,784</u>	<u>113,568</u>

The sublease commenced 1 July 2004. A 5 year renewal was exercised in July 2019. The above table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

*Accounting policy for investment properties - sublease*

The company subleases some of its property. The company initially measures the head lease in accordance with the accounting policies in note 17 'Lease liabilities' and note 13 'Right-of-use assets' before separately identifying the sublease portion under *AASB 140: Investment property*. The investment property is initially measured at cost under *AASB 16: leases* and subsequently measured at cost less accumulated depreciation under *AASB 140: investment properties*. The separately identifiable portion is calculated based on the sublease term and size of subleased area as a percentage of the head lease term and area.

*Accounting policy for subleases*

When the company acts as a lessor, it determines at lease inception whether each lease is a finance or operating lease.

To classify each lease, the company makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the company considers certain indicators such as whether the lease is for the major part of the economic life of the asset. Given the term of the sublease is less than the head lease term, the sublease does not meet the definition of a finance sublease and as such is an operating lease.

During the sublease term the company recognises sublease income in other revenue when earned. Depreciation on the right-of-use asset and interest on the lease liability is recognised under the head lease. The company recognise the sublease portion of the right-of-use asset within investment property.

**Note 15. Intangible assets**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Franchise fee	43,917	43,917
Less: Accumulated amortisation	<u>(42,041)</u>	<u>(39,843)</u>
	1,876	4,074
Franchise renewal fee	169,577	169,577
Less: Accumulated amortisation	<u>(160,008)</u>	<u>(149,022)</u>
	9,569	20,555
	<u>11,445</u>	<u>24,629</u>

**Caulfield Park Community Financial Services Limited**  
**Notes to the financial statements**  
**30 June 2023**

**Note 15. Intangible assets (continued)**

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	6,272	31,541	37,813
Amortisation expense	<u>(2,198)</u>	<u>(10,986)</u>	<u>(13,184)</u>
Balance at 30 June 2022	4,074	20,555	24,629
Amortisation expense	<u>(2,198)</u>	<u>(10,986)</u>	<u>(13,184)</u>
Balance at 30 June 2023	<u><u>1,876</u></u>	<u><u>9,569</u></u>	<u><u>11,445</u></u>

*Accounting policy for intangible assets*

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

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

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

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

<u>Asset class</u>	<u>Method</u>	<u>Useful life</u>	<u>Expiry/renewal date</u>
Franchise fee	Straight-line	Over the franchise term (5 years)	June 2024
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	June 2024

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

*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 16. Trade and other payables**

	<b>2023</b> \$	<b>2022</b> \$
<i>Current liabilities</i>		
Trade payables	1,143	2,040
Other payables and accruals	<u>46,468</u>	<u>55,754</u>
	<u><u>47,611</u></u>	<u><u>57,794</u></u>

*Accounting policy for trade and other payables*

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

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

**Caulfield Park Community Financial Services Limited**  
**Notes to the financial statements**  
**30 June 2023**

**Note 17. Lease liabilities**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Land and buildings lease liabilities	111,884	108,393
Unexpired interest	<u>(31,539)</u>	<u>(59,999)</u>
	<u>80,345</u>	<u>48,394</u>
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	620,971	1,470,373
Unexpired interest	<u>(79,708)</u>	<u>(383,206)</u>
	<u>541,263</u>	<u>1,087,167</u>
<i>Reconciliation of lease liabilities</i>		
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Opening balance	1,135,561	1,177,283
Remeasurement adjustments	(465,559)	2
Lease interest expense	60,014	62,426
Lease payments - total cash outflow	<u>(108,408)</u>	<u>(104,150)</u>
	<u>621,608</u>	<u>1,135,561</u>
<i>Maturity analysis</i>		
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Not later than 12 months	111,884	108,393
Between 12 months and 5 years	488,088	471,583
Greater than 5 years	<u>132,883</u>	<u>998,790</u>
	<u>732,855</u>	<u>1,578,766</u>

*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 lease payments that depend on an index 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.

**Caulfield Park Community Financial Services Limited**  
**Notes to the financial statements**  
**30 June 2023**

**Note 17. Lease liabilities (continued)**

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 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.

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Caulfield Park Branch	5.39%	5 years	1 x 5 years	Yes	June 2029

*Remeasurement adjustments*

The company has reassessed the lease agreement and determined an additional 5 year renewal option was included within the initial recognition of the right-of-use asset, lease liability and make-good provision which is not available to the company. As such a remeasurement of the right-of-use asset, lease liability and make-good provision occurred using a revised lease term end date of 30 June 2029.

**Note 18. Employee benefits**

	2023 \$	2022 \$
<i>Current liabilities</i>		
Annual leave	31,816	45,980
Long service leave	35,018	31,115
	<u>66,834</u>	<u>77,095</u>
<i>Non-current liabilities</i>		
Long service leave	<u>2,001</u>	<u>10,122</u>

*Accounting policy for employee benefits*

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

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

*Superannuation contributions*

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

*Short-term employee benefits*

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

*Other long-term employee benefits*

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



**Caulfield Park Community Financial Services Limited**  
**Notes to the financial statements**  
**30 June 2023**

**Note 18. Employee benefits (continued)**

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

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

**Note 19. Issued capital**

	2023 Shares	2022 Shares	2023 \$	2022 \$
Ordinary shares - fully paid	735,107	735,107	735,107	735,107
Less: Equity raising costs	-	-	(42,830)	(42,830)
Less: Return of capital	-	-	(147,022)	(147,022)
	<u>735,107</u>	<u>735,107</u>	<u>545,255</u>	<u>545,255</u>

*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.

**Caulfield Park Community Financial Services Limited**  
**Notes to the financial statements**  
**30 June 2023**

**Note 19. Issued capital (continued)**

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

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

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

Where a person has a prohibited shareholding interest, the voting and dividend rights attaching to the shares in which the person (and their associates) has a prohibited shareholding interest in 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. Retained earnings/(accumulated losses)**

	2023 \$	2022 \$
Accumulated losses at the beginning of the financial year	(166,230)	(200,276)
Profit after income tax expense for the year	663,281	105,408
Dividends paid (note 22)	<u>(73,511)</u>	<u>(71,362)</u>
Retained earnings/(accumulated losses) at the end of the financial year	<u><u>423,540</u></u>	<u><u>(166,230)</u></u>

**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.

**Caulfield Park Community Financial Services Limited**  
**Notes to the financial statements**  
**30 June 2023**

**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.

	2023 \$	2022 \$
Fully franked dividend of 10 cents per share (2022: 10 cents)	<u>73,511</u>	<u>71,362</u>

The 10 cent dividend amount is different in the prior year due to calculating the dividend on a reduced total shareholding amount, as a result of a breach of the 10% prohibited shareholder limit. This has now been resolved.

**Franking credits**

	2023 \$	2022 \$
Franking account balance at the beginning of the financial year	72,015	94,275
Franking credits (debits) arising from income taxes paid (refunded)	11,252	1,530
Franking debits from the payment of franked distributions	<u>(24,504)</u>	<u>(23,790)</u>
	<u>58,763</u>	<u>72,015</u>
<i>Franking transactions that will arise subsequent to the financial year end:</i>		
Balance at the end of the financial year	58,763	72,015
Franking credits (debits) that will arise from payment (refund) of income tax	238,793	30,468
Franking credits available for future reporting periods	<u>297,556</u>	<u>102,483</u>

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

*Accounting policy for dividends*

Dividends are recognised in the financial year they are declared.

**Note 23. Financial instruments**

	2023 \$	2022 \$
<b>Financial assets</b>		
Trade and other receivables	188,636	117,268
Cash and cash equivalents	1,479,122	754,960
	<u>1,667,758</u>	<u>872,228</u>
<b>Financial liabilities</b>		
Trade and other payables	47,611	57,794
Lease liabilities	621,608	1,135,561
	<u>669,219</u>	<u>1,193,355</u>

*Accounting policy for financial instruments*

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

**Caulfield Park Community Financial Services Limited**  
**Notes to the financial statements**  
**30 June 2023**

**Note 23. Financial instruments (continued)**

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

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

**Financial risk management**

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

**Market risk**

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of \$1,479,122 at 30 June 2023 (2022: \$754,960).

**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.

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>2023</b>				
Trade and other payables	47,611	-	-	47,611
Lease liabilities	111,884	488,088	132,883	732,855
Total non-derivatives	159,495	488,088	132,883	780,466

**Caulfield Park Community Financial Services Limited**  
**Notes to the financial statements**  
**30 June 2023**

**Note 23. Financial instruments (continued)**

<b>2022</b>	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Trade and other payables	57,794	-	-	57,794
Lease liabilities	108,393	471,583	998,790	1,578,766
Total non-derivatives	<u>166,187</u>	<u>471,583</u>	<u>998,790</u>	<u>1,636,560</u>

**Note 24. Key management personnel disclosures**

The following persons were directors of Caulfield Park Community Financial Services Limited during the financial year and/or up to the date of signing of these Financial Statements

David Keith Clarke	Mark Rodney Landis
Jeffrey Allan Kagan	Roslyn Gunn
Samuel Parasol OAM	Robyn Marian Taft
Mark Ellison	Anne-Marie Cade
Gary Arnold Hershan	Graeme Goldman

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:

	<b>2023</b> \$	<b>2022</b> \$
<i>Audit services</i>		
Audit or review of the financial statements	<u>5,710</u>	<u>5,200</u>
<i>Other services</i>		
General advisory services	3,390	2,750
Share registry services	<u>4,586</u>	<u>3,600</u>
	<u>7,976</u>	<u>6,350</u>
	<u><u>13,686</u></u>	<u><u>11,550</u></u>

**Caulfield Park Community Financial Services Limited**  
**Notes to the financial statements**  
**30 June 2023**

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

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Profit after income tax expense for the year	663,281	105,408
Adjustments for:		
Depreciation and amortisation	67,986	68,114
Lease liabilities interest	60,014	62,426
Change in operating assets and liabilities:		
Increase in trade and other receivables	(68,579)	(2,787)
Decrease in income tax refund due	-	8,741
Decrease/(increase) in deferred tax assets	3,190	(5,457)
Increase in trade and other payables	2,430	15,106
Increase in provision for income tax	208,325	30,468
Increase/(decrease) in employee benefits	(18,382)	10,644
Increase in other provisions	1,000	138
Net cash provided by operating activities	<u>919,265</u>	<u>292,801</u>

**Note 28. Earnings per share**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Profit after income tax	<u>663,281</u>	<u>105,408</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>735,107</u>	<u>735,107</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>735,107</u>	<u>735,107</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	90.23	14.34
Diluted earnings per share	90.23	14.34

*Accounting policy for earnings per share*

Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Caulfield Park Community Financial Services Limited, 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.

**Note 31. 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.

**Caulfield Park Community Financial Services Limited**  
**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

*DAVID CLARKE*

---

David Keith Clarke  
Chairman

18 September 2023



Andrew Frewin Stewart  
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ABN: 65 684 604 390  
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# Independent auditor's report to the Directors of Caulfield Park Community Financial Services Limited

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of Caulfield Park Community Financial 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 Caulfield Park Community Financial Services Limited, is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the company's financial position as at 30 June 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: 18 September 2023

**Joshua Griffin**  
Lead Auditor









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