Annual Report 2022

Cobden & Districts Community Finance Limited

Community Bank
Cobden & Districts and Camperdown

ABN 84 117 781 049

Contents

Chairman's report

For year ending 30 June 2022

On behalf of the Board of Directors of Cobden & District Finance Limited, it is my pleasure to present the Annual Report for 2021-22.

The impact of COVID-19 continued throughout the year resulting in continuing staff absences and difficulties with Board meetings. Under such pressure the staff continued to provide excellent banking services to our communities and rose to the daily challenges which confronted them.

We lost a number of staff during the year and would like to thank them all for their commitment to the organisation during their time with us. After nine years Matt Clarke left in November to pursue a new career path. Branch Manager Ken Black accepted a position as Branch Manager at Colac in March. Ken was with us for three years and I would like to thank him for his contribution to the growth of Community Bank Cobden & Districts and Camperdown and particularly for developing a strong staff culture during this time with us. Liz Hay also moved to the Bendigo Bank Colac after working with us part time for nine months.

Our new Branch Manager, Robyn Ackland joined us in April and brought with her a wealth of experience in lending. Kayla Lenehan, our former trainee, returned to fill Matt's position and Alexandra Macaronis was promoted from trainee to full-time staff member. A new trainee, Gemma Kelly commenced in March. Meanwhile with these changes in staffing Margaret McMaster and Dianne van Heusen have done a remarkable job keeping both branches operational and I would particularly like to thank them for the commitment and dedication they have to our Community Bank branches.

Unfortunately we also lost Board members during the year due to changes in their employment. Although Marcus Hooker was only on the committee for a short while his contribution to the Marketing team was greatly appreciated and he certainly helped improve the branches Facebook presence. Penny MacDonald was also a great loss to the Board with her extensive knowledge of governance.

Our immediate past Chair, Brooke Love also resigned in December. Brooke's contribution during her five years on the Board was invaluable especially with her understanding of governance and strategic direction. I would personally like to thank Brooke for the support and wise counsel she has given me in my first year in the role of Chairman.

The Board welcomed new Board member, Melissa Humphries in January. Melissa has a wealth of experience in Community Banking having previously held the position of Company Secretary in the Yarra Ranges area and we welcome her to the Board.

I would like to thank Board members Brad Collins, Lisa Dickinson, Bill Duncanson James Green, Chris Spokes and Greg Suter for their support during the past year and their ongoing dedication, commitment and contribution to Community Bank Cobden & Districts and Camperdown. This dedicated team has a strong passion for community banking and promoting our point of difference of giving back to the community.

Both the staff and Board members voluntarily and willing give of their time to attend community events as well as committee meetings and this is greatly appreciated.

I would also like to acknowledge Company Secretary Jan Fleming and Accountant Julie Finney for their time and commitment..

Former Directors Gary Kimber and Milton Parlour continue to take a role as Ambassadors actively participating in committee meetings and events.

I would particularly like to thank Regional Manager, Jason Chuck for his support, especially with staffing during some difficult times during the past year.

During the year the Board engaged consultants to assist with development of a Strategic Plan. This will help guide the Board in decision making over the next three years.

The Cobden building was sold during 2021-22 and there was a new lease signed with the new owner for five years with a further two by five year extensions. This means that Community Bank Cobden & Districts has long-term security of tenure for at least the next 15 years.

As part of this the Board has recognised the importance of developing a better relationship with the Rural Bank and we are working to develop a stronger relationship with Rural Bank Regional Manager Kathryn Davis and her team.

We are very proud that in the 2021-22 year Community Bank Cobden & Districts and Camperdown contributed over $47,500 to the community despite many community groups having curtailed their activities post COVID-19. One of our longer term community commitments has been to the Cobden Business Network with a $10,000 contribution for three years for a Business and Economic Development Consultant.

We have again been able to maintain our commitment to our shareholders with a 5c dividend.

In the next financial year we will reach $750,000 of community contributions. This will be a big milestone and we should be all very proud of the banks contribution to the Corangamite Shire communities.

As banking continues to adapt to change, the many challenges which affect both the staff and Board will continue. I am sure that we are all up to these challenges and we will strive to maintain our banking services, community investment and support of the Community Bank in the Cobden and Camperdown communities and beyond. This can only be done with the continuing and increased support of the community.

Patricia Robertson
Chairman

Manager's report

For year ending 30 June 2022

It is with pleasure that I present the annual report for the 2021-21 year.

I would like to start by thanking our wonderful staff for their commitment, passion and contribution to our business and our community. We farewelled Matt Clark, Liz Hay and Kayla Lenehan during year and thank them for their contribution. We welcomed Gemma Kelly on a full-time traineeship to Community Bank Cobden and Cat McVilly on a full-time position to our Community Bank Camperdown team. Thank you to Margaret McMaster, Dianne Van Heusden and Alex Macaronis for their service throughout the year. We are particularly grateful for the support of our Regional Manager Jason Chuck and also the wider Bendigo Bank network.

Thank you also to the previous Branch Manager Robyn Ackland for her contribution and we wish her well in her new role with Bendigo Bank closer to her home.

The Board of Directors continue to work hard on a volunteer basis to support and guide the business in providing important banking services to our community. Thank you to the customers and shareholders for their support, you play an important part in increasing our brand. The more we grow, the more we can pay in dividends and community contributions.

The balance sheet increased by $7.5 million dollars and our customers increased by 4% to 3,209 over the financial year.

	2021	2022	Variance
Balance sheet totals			
Cobden	$83.1 million	$87.8 million	$4.7 million
Camperdown	$68.3 million	$71.1 million	$2.8 million
Total	**$151.4 million**	**$158.9 million**	**$7.5 million**
Customer numbers			
Cobden	1,691	1,783	92
Camperdown	1,388	1,426	38
Total	**3,079**	**3,209**	**130**

Our vision is to be Australia.'s bank of choice and our purpose is to feed into prosperity, not off it. The banking landscape continues to change, and we will be part of that change. Bendigo Bank and our Board of Directors have developed key strategic plans to ensure we deliver meaningful outcomes for all our stakeholders.

Please continue to tell our story so we can help our community grow.

Ken Black
Former Branch Manager
Community Bank Cobden & District
Community Bank Camperdown

Supporting our local community

$703,000
Community contributions since 2006

Since opening for business in 2006 the customers of the Community Bank Cobden & Districts and Camperdown have returned more than $703,000 into the local community by supporting the following clubs, organisations, and groups.

- 1st Cobden Scout Group
- U3A Corangamite
- Advance Camperdown
- Apex Park Camperdown
- Ban the Bulb Project
- Beacon Newsletter (Port Campbell)
- Bookar Cricket Club
- Bostocks Creek Fire Brigade
- Camperdown & District Community House
- Camperdown & District Historical Society
- Camperdown Ambulance Aux.
- Camperdown Angling Club
- Camperdown Bowling Club
- Camperdown Business Network
- Camperdown College
- Camperdown Community Stadium
- Camperdown Cruise Inc.
- Camperdown Cycling Club
- Camperdown Fire Brigade
- Camperdown Football Netball Club
- Camperdown Garden Club
- Camperdown Girl Guides
- Camperdown Golf Club
- Camperdown Golf Bowls Club
- Camperdown Hospital Aux – Arts Show
- Camperdown Little Athletics
- Camperdown NextGen Inc.
- Camperdown P&A Society
- Camperdown Playgroup Inc.
- Camperdown Pre-School Assoc.
- Camperdown Probus Club Inc.
- Camperdown Races
- Camperdown SES
- Camperdown Swimming Pool
- Camperdown Theatre Co. Ltd
- Camperdown Timboon Rail Trail Committee
- Camperdown Toy Library
- Camperdown Traders Night
- Camperdown Turf Club
- Camperdown Uniting Church
- Cancer Council Vic
- Christmas Community Meal
- Cobden & District Health Services
- Cobden & District Historical Society
- Cobden & District Kindergarten
- Cobden & District Pony Club
- Cobden Aero Club
- Cobden Airport Committee of Management
- Cobden Amateur Angling Club Inc.
- Cobden Amateur Swimming Club
- Cobden Art Club (CDHS)
- Cobden Art Group
- Cobden Bowling Club
- Cobden Civic Hall
- Cobden Fire Brigade
- Cobden Football Netball Club
- Cobden Golf Club Inc.
- Cobden Health
- Cobden Junior Football Club
- Cobden Men's Shed
- Cobden Playgroup
- Cobden Primary School
- Cobden Quota
- Cobden Recreation Reserve
- Cobden Safety House Committee
- Cobden Squash Club
- Cobden Swimming and Life-Saving Club
- Cobden Technical School
- Cobden Tennis Association
- Cobrico Hall
- Cooinda Terang
- Corangamite AFLW Challenge Cup
- Corangamite Arts Inc.
- Corangamite Junior Hockey Association – U14 uniforms
- Corangamite Model Aircraft Club
- Corangamite Sportsmen's Club Inc.
- Corangamite U3A
- Crayfest Port Campbell
- Derrinallum College
- Derrinallum Progress Association
- Derrinallum Yacht & Power Boat Club
- Fire Fundraiser
- Great South Coast Events Inc.
- Great South Coast Events Trestle 10
- Hampden Tennis Association
- Heytesbury Agricultural Society
- Heytesbury Indoor Bias Bowls Assoc.
- JDRF – Ava's team
- John Maher Road Safety Presentations
- LINC Church Services
- Lions Club of Camperdown
- Lismore Primary School
- Mercy Regional College
- Netball Association
- Nirranda Football Netball Club Inc.
- Noorat & District Pastoral Society
- Noorat Agricultural Society
- Pomborneit Fire Brigade
- Port Campbell Police
- Port Campbell Progress Group
- Port Campbell Surf Life Saving Club
- Probus Club of Camperdown
- Probus Club of Cobden
- Progressing Cobden Inc.
- Relay for Life
- Robert Burns Festival
- Rock The Clock Camperdown
- Rotary Club of Camperdown
- Rotary Club of Cobden
- Royal Children's Hospital
- Shine For Life Church – Family Fun Day
- Simpson & District Community Centre – Ball & Chain newsletter
- Simpson Bowls Club
- Simpson Football Netball Club
- Simpson Indoor Bias Bowls Club
- Simpson Kindergarten
- Skipton & District Camp Draft Club
- South West Cricket Association Inc.
- South Western Model Engineers Inc.
- South West Health Care
- South West Kart Club
- South West Vic Bushfire Appeal
- South West's Big Freeze
- South Western District Restoration Group
- Southwest Healthcare Camperdown
- St Mary's Anglican Church Guild
- St Patricks School
- Terang Police – CPR Machines
- Timboon P12 School
- Tuniversal Music Group
- United Church in Australia
- Variety Club of Victoria
- Victorian Bushfire Appeal
- Weerite Public Hall
- WestVic Dairy
- Yachting Western Victoria
- Youth Taking Action

Bendigo and Adelaide Bank report

For year ending 30 June 2022

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

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

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

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

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

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

Warmest regards,

Justine Minne
Bendigo and Adelaide Bank

Directors' report

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

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

Name:	Patricia Jean Robertson
Title:	Chairman
Experience and expertise:	Past Mayor and Councillor of Town of Camperdown. Current Member of Rotary Club of Camperdown. Former Member and Past Chairman of Mt Leura and Mt Sugarloaf Committee of Management. Current Chairman of Camperdown - Timboon Rail Trail Committee. Past District Governor of Rotary International. Former member of Sunnyside House Board (25 years). Past school Council President (Camperdown Primary School and Camperdown Highschool).
Special responsibilities:	Chairman

Name:	Gregory Leigh Suter
Title:	Non-executive director
Experience and expertise:	Gregory is a self-employed and trade qualified cabinet maker.
Special responsibilities:	Finance and Risk Committee

Name:	Norman William Duncanson
Title:	Non-executive director
Experience and expertise:	Norman is currently retired with 30 years in Dairy Factory Manufacture Management. 6 years Industry Trainer/Assessor. Diploma Food Technology. Nationally Accredited Industry Trainer. Lions Club Member - 46 years. National Treasurer Lions Eye Health/Vision Programs. Trustee Lions District Charitable Fund. Accredited Lay Presider Uniting Church.
Special responsibilities:	CID/Marketing Committee

Name:	Lisa Louise Dickinson
Title:	Non-executive director
Experience and expertise:	Lisa is a Key Account Manger with past experience as a Site Manager - Reid Stockfeeds, volunteer work with the Cobden Football Netball Club, member of the Relay for Life Committee.
Special responsibilities:	Risk Committee

Name:	Bradley Weston Collins
Title:	Non-executive director
Experience and expertise:	Bradley is a Self-employed Dairy Farmer and Swim school owner with experience as a Westvic Dairy Board Member, Leadership Great South Coast 2019, Dairy Australia Developing Leaders Program 2018, Ecklin Discussion Group Member, Ecklin Hall Committee Member 2017-2021. St Patrick's Primary School Camperdown Board Member 2015-2018, Warrnambool Cheese & Butter Supplier Advisory Group Board Member 2015-2018.
Special responsibilities:	CID/Marketing Committee

Name:	Christopher Andrew Spokes
Title:	Non-executive director
Experience and expertise:	Christopher is a self-employed dairy farmer. Chair Weerite CFA, member of Weerite Public Hall Committee of management, Member of Corangamite UDV. Previously a licensed A Grade Electrician.
Special responsibilities:	CID/Marketing Committee

Name:	Melissa Joy Humphries
Title:	Non-executive director (appointed 21 March 2022)
Experience and expertise:	Melissa has over 10 years' experience as Company Secretary for a Community Bank company in northeast of Melbourne. Melissa's background is legal and administration and has attended sessions operated by the Governance Institute of Australia.
Special responsibilities:	Nil

Name:	James Alfred Green
Title:	Treasurer (resigned 11 August 2022)
Experience and expertise:	James is the Managing Director of Greencon Australia P/L. James has a Bachelor of Engineering, Certificate IV in T & A, GAICD. Past Chairman Cobden Sport Club. Past HFNL Board member. Past Port Campbell SLSC Committee member. Past Chairman CDCFL.
Special responsibilities:	Finance and Risk Committee

Name:	Brooke Love
Title:	Chair/Non-executive director (resigned 2 February 2022)
Experience and expertise:	Brooke is currently a Public Servant with a Bachelor of Applied Science and Physical Education. 20 years experience in facility management in the Aquatic & Recreation Industry. Brooke is a member of the Australian Institute of Company Directors and is a graduate of the Company Directors Course.
Special responsibilities:	CID/Marketing Committee

Name:	Marcus James Hooker
Title:	Non-executive director (resigned 20 September 2021)
Experience and expertise:	ICT professional with over 20 years of experience. Former Treasurer, President and current Secretary of Cobden Rotary Club. Media and customer relations within work roles over the past 10 years. Website creator and builder including online sales invoicing and delivery of products.
Special responsibilities:	CID/Marketing Committee

Name:	Penny Anne MacDonald
Title:	Non-executive director (resigned 17 July 2021)
Experience and expertise:	Penny is currently employed as Executive Services and Governance Coordinator at Corangamite Shire Council, having previously worked as Business Manager at Noorat Primary School and Law Librarian at Lander Rogers Lawyers in Melbourne. Penny has previously been involved with various community groups over the years including Noorat Scout Group, Noorat & District Agricultural & Pastoral Society and the Rotary Club of Terang. Penny holds a Bachelor of Business (Information Management) from RMIT and a Diploma of Library and Information studies from Box Hill TAFE. Skills she brings to the Board include governance, policy development and compliance.
Special responsibilities:	CID/Marketing Committee

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

Company secretary
The Company secretary is Janice Fleming. Janice was appointed to the position of Company secretary on 15 November 2017.

Experience and expertise:	Janice has a Diploma Business Management and Export Functions. Bookkeeping and administration certificates. Brief working history: 10 years Export Business Development SE Asia and NZ, 14 years Business Manager automotive field, 8 years Sales Development chemical field and 5 years Admin/Bookkeeping including AP/AR, BAS, Payroll.

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 $43,314 (30 June 2021: $57,507).

Operations have continued to perform in line with expectations.

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

	2022 $
Unfranked dividend of 5 cents per share (2021: 5 cents)	36,251

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

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

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

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

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

	Board		Community Investments & Innovation Development/Marketing Committee		Risk Committee		Finance Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Patricia Robertson	10	10	5	5	-	-	-	-
Gregory Suter	10	6	-	-	2	2	5	5
Norman Duncanson	10	9	12	11	-	-	-	-
Lisa Dickinson	10	6	-	-	2	2	7	1
Bradley Collins	10	7	12	8	-	-	7	2
Christopher Spokes	10	9	9	7	-	-	-	-
Melissa Humphries	3	2	-	-	-	-	-	-
James Green	10	5	-	-	2	1	12	2
Brooke Love	5	2	5	3	-	-	-	-
Marcus Hooker	3	2	2	1	-	-	-	-
Penny MacDonald	1	-	-	-	-	-	-	-

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

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

	Balance at the start of the year	Changes	Balance at the end of the year
Patricia Jean Robertson	1,000	-	1,000
Gregory Leigh Suter	1	-	1
Norman William Duncanson	500	-	500
Lisa Louise Dickinson	500	-	500
Bradley Weston Collins	-	-	-
Christopher Andrew Spokes	-	-	-
Melissa Joy Humphries	-	-	-
James Alfred Green	1,001	-	1,001
Brooke Love	-	-	-
Marcus James Hooker	-	-	-
Penelope Anne MacDonald	-	-	-

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

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

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

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

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

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

Non-audit services
The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 27 to the accounts.

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

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

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

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

On behalf of the directors

Patricia Jean Robertson
Chair

14 September 2022

Auditor's independence declaration

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

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Cobden & Districts Community Finance Limited

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 14 September 2022

Joshua Griffin
Lead Auditor

Financial statements

Cobden & Districts Community Finance Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 $	2021 $
Revenue from contracts with customers	6	747,093	732,893
Other revenue	7	78,486	88,248
Employee benefits expense	8	(475,146)	(466,114)
Advertising and marketing costs		(12,419)	(12,895)
Occupancy and associated costs		(30,736)	(30,265)
System costs		(31,091)	(32,468)
Depreciation and amortisation expense	8	(63,403)	(57,384)
Loss on disposal of assets		(5,901)	-
Finance costs	8	(7,379)	(6,993)
General administration expenses		(93,709)	(96,005)
Profit before community contributions and income tax expense		105,795	119,017
Charitable donations and sponsorships expense		(47,359)	(42,233)
Profit before income tax expense		58,436	76,784
Income tax expense	9	(15,122)	(19,277)
Profit after income tax expense for the year	21	43,314	57,507
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		43,314	57,507
		Cents	**Cents**
Basic earnings per share	29	5.97	7.93
Diluted earnings per share	29	5.97	7.93

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

Cobden & Districts Community Finance Limited
Statement of financial position
As at 30 June 2022

	Note	2022 $	2021 $
Assets			
Current assets			
Trade and other receivables	11	93,070	60,797
Total current assets		93,070	60,797
Non-current assets			
Property, plant and equipment	12	345,632	354,248
Right-of-use assets	13	213,044	135,231
Intangibles	14	74,580	99,439
Deferred tax assets	9	51,166	66,287
Total non-current assets		684,422	655,205
Total assets		777,492	716,002
Liabilities			
Current liabilities			
Trade and other payables	15	80,786	76,088
Borrowings	16	263	10,940
Lease liabilities	17	16,297	15,792
Employee benefits	18	50,651	31,650
Total current liabilities		147,997	134,470
Non-current liabilities			
Trade and other payables	15	54,691	82,037
Lease liabilities	17	197,313	128,680
Employee benefits	18	387	260
Provisions	19	5,121	5,635
Total non-current liabilities		257,512	216,612
Total liabilities		405,509	351,082
Net assets		371,983	364,920
Equity			
Issued capital	20	698,455	698,455
Accumulated losses	21	(326,472)	(333,535)
Total equity		371,983	364,920

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

Cobden & Districts Community Finance Limited
Statement of changes in equity
For the year ended 30 June 2022

	Note	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 July 2020		698,455	(354,791)	343,664
Profit after income tax expense		-	57,507	57,507
Transactions with owners in their capacity as owners:				
Dividends provided for	23	-	(36,251)	(36,251)
Balance at 30 June 2021		698,455	(333,535)	364,920
Balance at 1 July 2021		698,455	(333,535)	364,920
Profit after income tax expense		-	43,314	43,314
Transactions with owners in their capacity as owners:				
Dividends provided for	23	-	(36,251)	(36,251)
Balance at 30 June 2022		698,455	(326,472)	371,983

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

Cobden & Districts Community Finance Limited
Statement of cash flows
For the year ended 30 June 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		864,870	897,792
Payments to suppliers and employees (inclusive of GST)		(742,880)	(747,736)
		121,990	150,056
Interest and other finance costs paid		(392)	(499)
Net cash provided by operating activities	28	121,598	149,557
Cash flows from investing activities			
Payment for right-of-use assets		(32,920)	-
Payments for property, plant and equipment		(26,440)	-
Payments for intangibles		(24,860)	(25,556)
Proceeds from disposal of right-of-use assets		13,636	-
Net cash used in investing activities		(70,584)	(25,556)
Cash flows from financing activities			
Repayment of lease liabilities	17	(24,942)	(23,256)
Proceeds from lease liabilities		20,990	-
Dividends paid	23	(36,251)	(36,251)
Repayment of borrowings	16	(823)	(49,193)
Net cash used in financing activities		(41,026)	(108,700)
Net increase in cash and cash equivalents		9,988	15,301
Cash and cash equivalents at the beginning of the financial year		(10,251)	(25,552)
Cash and cash equivalents at the end of the financial year	10	(263)	(10,251)

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

Notes to the financial statements

For the year ended 30 June 2022

Note 1. Reporting entity

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 37 Curdie Street, Cobden VIC 3266.

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 14 September 2022. The directors have the power to amend and reissue the financial statements.

Note 2. Basis of preparation and statement of compliance

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

Note 3. Significant accounting policies

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

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

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

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

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

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

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

Note 3. Significant accounting policies (continued)

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

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

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

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

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

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

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

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

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

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

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.

Note 5. Economic dependency (continued)

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

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

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

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

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

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

Note 6. Revenue from contracts with customers

	2022 $	2021 $
Margin income	524,182	519,075
Fee income	62,124	64,469
Commission income	160,787	149,349
Revenue from contracts with customers	747,093	732,893

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:

Note 6. Revenue from contracts with customers (continued)

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

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

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

Margin
Margin is arrived at through the following calculation:

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

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

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

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

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

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

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

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

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

Note 7. Other revenue

	2022 $	2021 $
Net gain on disposal of right-of-use asset	10,721	-
Market development fund	67,500	73,542
Cash flow boost	-	14,706
Other income	265	-
Other revenue	78,486	88,248

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

Revenue stream	Revenue recognition policy
Discretionary financial contributions (also "Market Development Fund" or "MDF" income)	MDF income is recognised when the right to receive the payment is established. MDF income is discretionary and provided and receivable at month-end and paid within 14 days after month-end.
Cash flow boost	Cash flow boost income is recognised when the right to the payment is established (e.g. monthly or quarterly in the activity statement).
Net gain on disposal of right-of-use asset	Revenue from the sale of property, plant and equipment is recognised when the buyer obtains control of the asset. Control is transferred when the buyer has the ability to direct the use of and substantially obtain the economic benefits from the asset.
Other income	All other revenues that did not contain contracts with customers are recognised as goods and services are provided.

All revenue is stated net of the amount of GST.

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

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

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

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

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

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

Note 8. Expenses

Depreciation and amortisation expense

	2022 $	2021 $
Depreciation of non-current assets		
Buildings	2,284	2,284
Leasehold improvements	15,294	9,902
Plant and equipment	1,617	1,788
	19,195	13,974
Depreciation of right-of-use assets		
Leased land and buildings	12,928	13,063
Leased motor vehicles	6,421	4,791
	19,349	17,854
Amortisation of intangible assets		
Franchise fee	4,143	4,259
Franchise establishment fee	10,000	10,000
Franchise renewal fee	10,716	11,297
	24,859	25,556
	63,403	57,384

Finance costs

	2022 $	2021 $
Bank loan interest paid or accrued	10	230
Bank overdraft interest paid or accrued	382	269
Lease interest expense	6,784	6,273
Unwinding of make-good provision	203	221
	7,379	6,993

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

Employee benefits expense

	2022 $	2021 $
Wages and salaries	408,930	401,978
Non-cash benefits	(4)	4,980
Superannuation contributions	36,201	33,383
Expenses related to long service leave	5,057	4,745
Other expenses	24,962	21,028
	475,146	466,114

Leases recognition exemption

	2022 $	2021 $
Expenses relating to low-value leases	11,587	10,857

Note 8. Expenses (continued)

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

Note 9. Income tax

	2022 $	2021 $
Income tax expense		
Movement in deferred tax	(5,151)	905
Reduction in company tax rate	-	2,652
Recoupment of prior year tax losses	20,273	15,720
Aggregate income tax expense	15,122	19,277
Prima facie income tax reconciliation		
Profit before income tax expense	58,436	76,784
Tax at the statutory tax rate of 25% (2021: 26%)	14,609	19,964
Tax effect of:		
Non-deductible expenses	513	485
Other assessable income	-	(3,824)
	15,122	16,625
Adjustment to deferred tax balances as a result of change in statutory tax rate	-	2,652
Income tax expense	15,122	19,277

	2022 $	2021 $
Deferred tax assets/(liabilities)		
Tax losses	37,277	57,550
Employee benefits	12,822	7,978
Provision for lease make good	1,280	1,409
Deductible prepayments	(3,006)	(2,677)
Income accruals	-	(129)
Lease liabilities	49,308	35,114
Right-of-use assets	(46,515)	(32,958)
Deferred tax asset	51,166	66,287

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

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

Note 9. Income tax (continued)

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

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

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

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

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

Note 10. Cash and cash equivalents

	2022 $	2021 $
Cash at bank and on hand	-	-

Reconciliation to cash and cash equivalents at the end of the financial year
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

	2022 $	2021 $
Balances as above	-	-
Bank overdraft (note 16)	(263)	(10,251)
Balance as per statement of cash flows	(263)	(10,251)

Accounting policy for cash and cash equivalents
For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Note 11. Trade and other receivables

	2022 $	2021 $
Trade receivables	81,042	49,521
Other receivables and accruals	-	53
Accrued income	-	516
Prepayments	12,028	10,707
	12,028	11,276
	93,070	60,797

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 11. Trade and other receivables (continued)

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

Note 12. Property, plant and equipment

	2022 $	2021 $
Land - at cost	49,252	49,252
Buildings - at cost	91,366	91,366
Less: Accumulated depreciation	(24,348)	(22,064)
	67,018	69,302
Leasehold improvements - at cost	352,090	358,753
Less: Accumulated depreciation	(143,490)	(145,438)
	208,600	213,315
Plant and equipment - at cost	58,259	60,315
Less: Accumulated depreciation	(37,497)	(37,936)
	20,762	22,379
	345,632	354,248

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

	Land $	Buildings $	Leasehold improvements $	Plant and equipment $	Total $
Balance at 1 July 2020	49,252	71,586	213,257	24,167	358,262
Additions	-	-	9,960	-	9,960
Depreciation	-	(2,284)	(9,902)	(1,788)	(13,974)
Balance at 30 June 2021	49,252	69,302	213,315	22,379	354,248
Additions	-	-	16,480	-	16,480
Disposals	-	-	(5,901)	-	(5,901)
Depreciation	-	(2,284)	(15,294)	(1,617)	(19,195)
Balance at 30 June 2022	49,252	67,018	208,600	20,762	345,632

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

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

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

Leasehold improvements	4 to 40 years
Plant & equipment	1 to 40 years
Motor Vehicles	5 years

Note 12. Property, plant and equipment (continued)

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

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

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

Changes in estimates
The company's review of estimates resulted in changes in the useful life of some of the Cobden branch leasehold improvements. The useful life had previously been assessed as 40 years until July 2046. This is now expected to be 25 years until June 2031. The effect of these changes on actual and expected depreciation expense was as follows:

	2022 $	**2023 $**	**2024 $**	**2025 $**	**2026+ $**
(Decrease) increase in depreciation expense	5,147	5,147	5,147	5,147	(20,588)

Note 13. Right-of-use assets

	2022 $	**2021 $**
Land and buildings - right-of-use	262,851	195,694
Less: Accumulated depreciation	(76,792)	(63,864)
	186,059	131,830
Motor vehicles - right-of-use	32,920	23,956
Less: Accumulated depreciation	(5,935)	(20,555)
	26,985	3,401
	213,044	135,231

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

	Land and buildings $	Motor vehicles $	Total $
Balance at 1 July 2020	143,700	8,192	151,892
Remeasurement adjustments	1,193	-	1,193
Depreciation expense	(13,063)	(4,791)	(17,854)
Balance at 30 June 2021	131,830	3,401	135,231
Additions	-	32,920	32,920
Remeasurement adjustments	67,157	-	67,157
Disposals	-	(2,915)	(2,915)
Depreciation expense	(12,928)	(6,421)	(19,349)
Balance at 30 June 2022	186,059	26,985	213,044

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

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

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

Refer to note 17 for more information on lease arrangements.

Note 14. Intangibles

	2022	**2021**
	$	**$**
Franchise fee	71,440	71,440
Less: Accumulated amortisation	(59,010)	(54,867)
	12,430	16,573
Franchise renewal fee	157,203	157,203
Less: Accumulated amortisation	(125,053)	(114,337)
	32,150	42,866
Franchise establishment fee - Camperdown	50,000	50,000
Less: Accumulated amortisation	(20,000)	(10,000)
	30,000	40,000
	74,580	99,439

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

	Franchise fee	Establishment fee	Franchise renewal fee	Total
	$	$	$	$
Balance at 1 July 2020	12,259	50,000	11,297	73,556
Additions	8,573	-	42,866	51,439
Amortisation expense	(4,259)	(10,000)	(11,297)	(25,556)
Balance at 30 June 2021	16,573	40,000	42,866	99,439
Amortisation expense	(4,143)	(10,000)	(10,716)	(24,859)
Balance at 30 June 2022	12,430	30,000	32,150	74,580

Additions
During the previous financial year the Cobden franchise fee was renewed. This is to be amortised over four years to June 2025.

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.

Note 14. Intangibles (continued)

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

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

Asset class	Method	Useful life	Expiry/renewal date
Establishment fee	Straight-line	Over the franchise term (5 years)	June 2025
Franchise fee	Straight-line	Over the franchise term (4 years)	June 2025
Franchise renewal fee	Straight-line	Over the franchise term (4 years)	June 2025

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

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

Note 15. Trade and other payables

	2022 $	2021 $
Current liabilities		
Trade payables	18,824	25,593
Other payables and accruals	61,962	50,495
	80,786	76,088
Non-current liabilities		
Other payables and accruals	54,691	82,037

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

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

Note 16. Borrowings

	2022 $	2021 $
Current liabilities		
Bank overdraft	263	10,251
Secured bank loans	-	689
	263	10,940

Note 16. Borrowings (continued)

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	2022 $	2021 $
Total facilities		
Bank overdraft	100,000	100,000
Used at the reporting date		
Bank overdraft	263	10,251
Unused at the reporting date		
Bank overdraft	99,737	89,749

Bank overdraft
The bank overdraft is repayable on demand and used for cash management purposes. The bank overdraft has a rolling renewal date and is reviewed annually by the lender, Bendigo Bank. It is secured by a floating charge over the company's assets. As at balance date, the lender does not intend to reduce or end the overdraft facility within the next 12 months.

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

Note 17. Lease liabilities

	2022 $	2021 $
Current liabilities		
Land and buildings lease liabilities	18,022	17,238
Unexpired interest	(6,855)	(5,461)
Motor vehicle lease liabilities	5,593	4,100
Unexpired interest	(463)	(85)
	16,297	15,792
Non-current liabilities		
Land and buildings lease liabilities	232,797	153,718
Unexpired interest	(46,730)	(25,038)
Motor vehicle lease liabilities	11,653	-
Unexpired interest	(407)	-
	197,313	128,680

Reconciliation of lease liabilities

	2022 $	2021 $
Opening balance	144,472	160,259
Additional lease liabilities recognised	20,925	-
Remeasurement adjustments	66,371	1,196
Lease interest expense	6,784	6,273
Lease payments - total cash outflow	(24,942)	(23,256)
	213,610	144,472

Note 17. Lease liabilities (continued)

The company has negotiated an additional 5 year extension option for the current lease agreement. As such a remeasurement of the right-of-use asset, lease liability and make-good provision occurred using the revised lease term end date of June 2036.

Maturity analysis

	2022 $	2021 $
Not later than 12 months	23,615	21,338
Between 12 months and 5 years	77,685	67,521
Greater than 5 years	166,765	86,197
	268,065	175,056

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

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

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

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

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

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

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

The company's lease portfolio includes:

Cobden branch	The lease agreement commenced in July 2006. 5 year renewal options were exercised in 2011, 2016 and 2021. The company has 2 x 5 year renewal option available which for AASB 16: Leases purposes they are reasonably certain to exercise. As such, the lease term end date used in the calculation of the lease liability is June 2036. The discount rate used in calculations is 3.54%.
Motor Vehicle	The lease agreement commenced September 2021 and is a non-cancellable term of 4 years. Upon the final lease payment the registered security over the motor vehicles is removed.

Note 18. Employee benefits

	2022 $	2021 $
Current liabilities		
Annual leave	29,285	14,934
Long service leave	21,366	16,716
	50,651	31,650
Non-current liabilities		
Long service leave	387	260

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

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

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

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

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

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

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

Note 19. Provisions

	2022 $	2021 $
Lease make good	5,121	5,635

Note 19. Provisions (continued)

Reconciliation of lease make good provision

	2022 $	2021 $
Balance at the beginning	5,635	5,414
Present value unwinding	203	221
Provision remeasurements	(717)	-
	5,121	5,635

Lease make good
In accordance with the branch lease agreement, the company must restore the leased premises to the original condition before the expiry of the lease term. The company has estimated the provision to be $8,400 for the Cobden Branch lease, based on experience and consideration of the expected future costs to remove all fittings and the ATM as well as cost to remedy any damages caused during the removal process. The lease is due to expire on 30 June 2036 at which time it is expected the face-value costs to restore the premises will fall due.

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

Note 20. Issued capital

	2022 Shares	2021 Shares	2022 $	2021 $
Ordinary shares - fully paid	725,012	725,012	725,012	725,012
Less: Equity raising costs	-	-	(26,557)	(26,557)
	725,012	725,012	698,455	698,455

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.

Note 20. Issued capital (continued)

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

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

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

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the Board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 302. As at the date of this report, the company had 329 shareholders (2021: 329 shareholders).

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

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

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

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

Note 21. Accumulated losses

	2022 $	2021 $
Accumulated losses at the beginning of the financial year	(333,535)	(354,791)
Profit after income tax expense for the year	43,314	57,507
Dividends paid (note 23)	(36,251)	(36,251)
Accumulated losses at the end of the financial year	(326,472)	(333,535)

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

Note 22. Capital management

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

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

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

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

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

Note 23. Dividends

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

	2022 $	2021 $
Unfranked dividend of 5 cents per share (2021: 5 cents)	36,251	36,251

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

Note 24. Financial instruments

	2022 $	2021 $
Financial assets		
Trade and other receivables	81,042	50,090
Financial liabilities		
Trade and other payables	135,477	158,125
Lease liabilities	213,610	144,472
Bank loans	-	689
Bank overdrafts	263	10,251
	349,350	313,537

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, borrowings and lease liabilities.

Note 24. Financial instruments (continued)

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

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

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

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

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

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

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

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

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

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

Financing arrangements
Unused borrowing facilities at the reporting date:

	2022 **$**	**2021** **$**
Bank overdraft	99,737	89,749

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time.

Note 24. Financial instruments (continued)

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

2022	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives				
Bank overdraft	263	-	-	263
Trade and other payables	80,786	54,691	-	135,477
Lease liabilities	23,615	77,685	166,765	268,065
Total non-derivatives	104,664	132,376	166,765	403,805

2021	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives				
Bank overdraft	10,251	-	-	10,251
Bank loans	689	-	-	689
Trade and other payables	76,088	82,037	-	158,125
Lease liabilities	21,338	67,521	86,197	175,056
Total non-derivatives	108,366	149,558	86,197	344,121

Note 25. Key management personnel disclosures

The following persons were directors of Cobden & Districts Community Finance Limited during the financial year:

Patricia Jean Robertson
Gregory Leigh Suter
Norman William Duncanson
Lisa Louise Dickinson
Bradley Weston Collins
Christopher Andrew Spokes
Melissa Joy Humphries
James Alfred Green
Brooke Love
Marcus James Hooker
Penny Anne MacDonald

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 26. Related party transactions

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

Note 27. Remuneration of auditors

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

	2022 $	2021 $
Audit services		
Audit or review of the financial statements	5,600	5,000
Other services		
General advisory services	3,400	2,990
Share registry services	4,297	3,562
	7,697	6,552
	13,297	11,552

Note 28. Reconciliation of profit after income tax to net cash provided by operating activities

	2022 $	2021 $
Profit after income tax expense for the year	43,314	57,507
Adjustments for:		
Depreciation and amortisation	63,403	57,384
Net gain on disposal of non-current assets	(4,820)	-
Lease liabilities interest	6,784	6,273
Change in operating assets and liabilities:		
Increase in trade and other receivables	(32,273)	(3,892)
Decrease in deferred tax assets	15,121	19,277
Increase in trade and other payables	12,172	17,781
Increase/(decrease) in employee benefits	19,128	(4,994)
Increase/(decrease) in other provisions	(1,231)	221
Net cash provided by operating activities	121,598	149,557

Note 29. Earnings per share

	2022 $	2021 $
Profit after income tax	43,314	57,507
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	725,012	725,012
Weighted average number of ordinary shares used in calculating diluted earnings per share	725,012	725,012
	Cents	**Cents**
Basic earnings per share	5.97	7.93
Diluted earnings per share	5.97	7.93

Note 29. Earnings per share (continued)

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

Note 30. Commitments

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

Note 31. Contingencies

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

Note 32. Events after the reporting period

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

Directors' declaration

30 June 2022

In the directors' opinion:

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

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

On behalf of the directors

Patricia Jean Robertson
Chair

14 September 2022

Independent audit report

61 Bull Street
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03 5443 0344

Independent auditor's report to the Directors of Cobden & Districts Community Finance Limited

Report on the Audit of the Financial Report

Opinion

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

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

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

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

Basis for Opinion

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

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

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

AFS
Partners in success
Chartered Accountants

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Other Information

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

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's responsibilities for the Audit of the Financial Report

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

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 14 September 2022

Joshua Griffin
Lead Auditor

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/communitybankcobdenandcamperdown

Bendigo Bank

Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL/Australian Credit Licence 237879. (BNPAR22062) (10/22)