

# Annual Report 2023

Coleambally Finance  
Group Limited

ABN 52 086 241 509

Community Bank  
Coleambally



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# Notice of Annual General Meeting

Coleambally Finance Group Limited ABN 52 086 241 509

Registered Office: 1 Brolga Place, Coleambally NSW 2707

## NOTICE OF ANNUAL GENERAL MEETING

The twenty fifth ANNUAL GENERAL MEETING of COLEAMBALLY FINANCE GROUP LIMITED will be held at Coleambally Community Club on Thursday, 30 November 2023 at 6:00pm.

### AGENDA

#### Minutes of the Annual General Meeting dated 28 November 2022

#### Chair's Report

For the year ended 30 June 2023.

#### Adoption of Accounts

To receive and consider the financial statements and reports to the members comprising:

The Financial Report for the year ended 30 June 2023.

The Directors' Report and Declaration for the year ended 30 June 2023.

The Auditor's Declaration and Report for the year ended 30 June 2023.

#### Election of Directors

To elect two Directors:

Lynne Stuckings and Kevan Boyle retire in accordance with the constitution and being eligible, may offer to re-elect. Kevan Boyle is retiring and does not seek re-election.

#### General Business

To discuss any business that may be lawfully brought forward.

By Order of the Board

#### Notes

Lynne Stuckings and Kevan Boyle will retire under Section 45 of the Constitution of Coleambally Finance Group Ltd and being eligible, may offer to re-elect.

From the company constitution any two members of the company can nominate any other member to serve as an office-bearer or other Director.

Nomination and Consent to Act forms may be collected from Community Bank Coleambally, 1 Brolga Place, Coleambally and lodged by 5:00pm, 16 November 2023.

A list of candidate's names in alphabetical order with the nominators and seconders names will be posted in the registered office up to seven days prior to the Annual General Meeting.

A member is entitled to appoint a proxy to attend and vote in his/her stead. That person need not be a member of the company but should be over the age of 18 years. Proxy forms must be lodged at the registered office, 1 Brolga Place, Coleambally up to 48 hours before the meeting.

# AGM Minutes

## **Annual General Meeting of Coleambally Finance Group Limited held at Brolga Hotel Function Room, Coleambally, 28 November 2022**

**Meeting Opened:** At 6.00pm and Lynne Stuckings welcomed attendees, Shane Holness, Chair and Director of Western Riverina Community Financial Services Pty Ltd and Tim Butt, Regional Manager, Bendigo and Adelaide Bank Ltd.

**Attendance:** Recorded in the official attendance register.

**Apologies:** Heather Perkins and Jeanette Burnett

**Previous Minutes:** The Minutes of the AGM on 9 December 2021 were accepted as correct. Moved: Paul Muir.  
Seconded: Kevan Boyle. Carried: All in favour.

**Chair's Report:** The Chair's Report was accepted. Moved: Bernie Star. Seconded: Kevan Boyle. Carried: All in favour.

**Adoption of Accounts:** The Financial Statements for the year ended 30 June 2022. The Directors' Report and Declaration for the year ended 30 June 2022; The Auditor's Declaration and Report for the year ended 30 June 2022.

Moved: Chris Noack. Seconded: Bernard Star. Carried: All in favour.

**Election of Directors:** Paul Muir and Rob Kerr retire under Section 45 of the Constitution of Coleambally Finance Group Ltd, and they offered to re-elect. Paul and Rob were thanked for re-electing without the need for an election.

**New Directors:** Heather Perkins, Bernard Star and Jeanette Burnett were thanked for their nominations and were appointed directors.

### **General Business:**

Lynne Stuckings gave an update on staff noting Katie has been a Customer Service Officer with us for a year and new staff Issy and Bree started in the last couple of weeks. Sarah is Branch Operations Manager for the next year with Jess on maternity leave.

Rob Fairweather commented on interest rates and Board direction.

Paul Muir talked about repaying pledge funds and legal advice about the process. Sponsorships and grant payments of \$25,000 this year and we have more prospective grants in the pipeline. The Bank bus has been sent to auction.

Shane summarised the results of increased revenue noting margin on loans and Rural Bank book compared to last year. With interest rate rises, we stay profitable and indicates a significant increase in income this year. Shane gave an update on the Western Riverina strategy and the mobile lending team.

Tim reported that deposits remain strong with growth in lending for the Region behind target. There's focus on risk and getting operations correct and working closely with staff to stay relevant to customers.

Lynne and Paul thanked the staff and directors as well as Shane, Tim and attendees.

**Meeting Closed:** With no further business to discuss the meeting closed at 6.50pm.

# Chair's report

For year ending 30 June 2023

Coleambally Finance Group Limited have had another busy but successful year in an environment where rising interest rates have created many challenges for our borrowers and at the same time have seen gains for investors and our community. Net profit for the year was \$98,189.

The increased margin allowed us to deliver profits back to our community with direct sponsorships of \$54,698 and grants through the Community Enterprise Foundation. These grants included \$40,000 to Coleambally Volunteer Rescue Squad for the purchase of an updated vehicle; \$30,000 to Coleambally Pre School to help with set up costs for the new and very necessary Coleambally Day Care Centre; \$14,443 to Coleambally Central School P & C for education and research and finally \$4,000 to the biennial Taste Coleambally Food and Farm Festival.

The profit for the year enabled us to contribute over \$750,000 to the Community Enterprise Foundation, our biggest contribution to date. This will be available for future appropriate projects within our community.

Our staff, Mary, Sarah, Bree, Issy, Satnam and Jess continue to provide excellent support and advice to our strong customer base. Thank you all for your contribution both to our community and to the profit of Coleambally Finance Group.

Thank you also to our pledge holders who had the foresight to enable us to operate a successful Community Bank Branch and of course our valuable customers.

The Bendigo and Adelaide Bank Community Bank model celebrates its 25th anniversary this year and has returned more than \$320 million back into local communities. Keep an eye out for Community Bank Coleambally's celebrations that are happening in March 2024, our very own 25th anniversary. Community Bank Coleambally was the second Community Bank to open in New South Wales after Community Bank Henty and the eighth Community Bank in Australia.



**Lynne Stuckings**  
Chair

# 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

For the year ended 30 June 2023

The Directors present their report, together with the financial statements, on Coleambally Finance Group Ltd for the financial year ended 30 June 2023.

## Board of Directors

The following persons were Directors of Coleambally Finance Group Ltd during the whole of the financial year up to the date of this report, unless otherwise stated:

Lynne Stuckings	
Title:	Chair
Qualifications:	
Experience & Expertise:	Farmer, Proprietor Retail Business, Director Cypress View Lodge Limited and Chair Chamber of Commerce & Industry Inc.

Paul Muir	
Title:	Non-Executive Director
Qualifications:	VRA NSW Volunteer and RFS Volunteer
Experience & Expertise:	Maintenance and Infrastructure - Coleambally Irrigation Co-operative Limited.

Rob Kerr	
Title:	Non-Executive Director- Resigned 31 March 2023
Qualifications:	
Experience & Expertise:	Farmer.

Kevan Boyle	
Title:	Non-Executive Director
Qualifications:	
Experience & Expertise:	Retired.

Heather Perkins	
Title:	Non-Executive Director- Appointed 28 November 2022
Qualifications:	Bachelor of Applied Science (Agriculture), Diploma of Education
Experience & Expertise:	Farmer.

Bernard Star	
Title:	Non-Executive Director- Appointed 28 November 2022
Qualifications:	Advanced Diploma of Agriculture, Certificate IV in Conservation & Land Management, Certificate IV in Property Services (Stock and Station)
Experience & Expertise:	Corporate Compliance & Customer Service – Coleambally Irrigation Co-operative Limited.

Jeanette Burnett	
Title:	Non-Executive Director- Appointed 28 November 2022
Qualifications:	
Experience & Expertise:	Farmer.

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

No Directors have material interests in contracts or proposed contracts with the company.

# Directors' report (continued)

## Directors' Meetings

Attendances by each Director during the year were as follows:

Director	Board Meetings	
	A	B
Lynne Stuckings	2	1
Paul Muir	2	2
Rob Kerr	2	2
Kevan Boyle	2	1
Heather Perkins	1	1
Bernard Star	1	1
Jeanette Burnett	1	1

A - The number of meetings eligible to attend.

B - The number of meetings attended.

-- Not a member of that committee.

## Company Secretary

The following person held the position of Company Secretary at the end of the financial year.

Paul Muir	
Qualifications:	Company Secretary
Experience & Expertise:	Maintenance and Infrastructure - Coleambally Irrigation Co-operative Limited.

## Principal Activities

The principal activities of the company during the course of the financial year were in providing Community Bank branch services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

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

## Operating Results

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

	30 June 2023 (\$)	30 June 2022 (\$)	Movement
Profit After Tax	98,189	88,437	11%

## Directors' Benefits

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



# Directors' report (continued)

## Director's Interests

Director	Pledged Funds		
	Balance at 1 July 2022	Changes During the Year	Balance at 30 June 2023
Lynne Stuckings	-	-	-
Paul Muir	750	-	750
Rob Kerr	5,500	-	5,500
Kevan Boyle	2,350	-	2,350
Heather Perkins	-	-	-
Bernard Star	-	-	-
Jeanette Burnett	-	2,000	2,000

## Significant Changes in the State of Affairs

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

## Events Since the end of the Financial Year

No matters or circumstances have arisen since the end of the financial year that significantly impact or may significantly impact the operations of the company, the results of those operations or the state of affairs of the company, in future financial years.

## Likely Developments

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

## Environmental Regulations

The company is not subject to any significant environmental regulation.

## Indemnification & Insurance of Directors & Officers

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

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

## 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*.

## Directors' report (continued)

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### 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 (RSD Audit) for audit and non-audit services provided during the year are set out in Note 32 to the accounts.

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

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

### 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 on page 10 of this financial report.

Signed in accordance with a resolution of the Board of Directors at Coleambally, NSW.



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**Lynne Stuckings**  
Chair

Dated this 26th day of September, 2023

# Auditor's independence declaration



41A Breen Street  
Bendigo, Victoria  
PO Box 448, Bendigo, VIC, 3552

Ph: (03) 4435 3550  
admin@rsdaudit.com.au  
www.rsdaudit.com.au

## **Auditors Independence Declaration under section 307C of the Corporations Act 2001 to the Directors of Coleambally Finance Group Limited**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Coleambally Finance Group Limited. As the lead audit partner for the audit of the financial report for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.

**RSD Audit**

A handwritten signature in black ink, appearing to read 'Mahesh Silva'.

**Mahesh Silva**  
**Partner**  
41A Breen Street  
Bendigo VIC 3550

**Dated:** 28 September 2023

Richmond Sinnott & Delahunty, trading as RSD Audit  
ABN 85 619 186 908  
Liability limited by a scheme approved under Professional Standards Legislation

# Financial statements

## Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2023

	Note	2023 \$	2022 \$
<b>Revenue</b>			
Revenue from contracts with customers	7	2,276,611	1,493,424
Other revenue	8	26,913	39,770
Finance income	9	3,739	-
		<b>2,307,263</b>	<b>1,533,194</b>
<b>Expenses</b>			
Employee benefits expense	10	(841,968)	(791,299)
Depreciation and amortisation	10	(75,364)	(65,541)
Finance costs	10	(24,975)	(24,066)
Bad and doubtful debts expense		(70)	(424)
Administration and general costs		(195,752)	(217,483)
Occupancy expenses		(51,917)	(53,795)
IT expenses		(32,197)	(34,498)
Motor Vehicles Expenses		(13,626)	(16,474)
Other expenses		(94,684)	(94,881)
		<b>(1,330,553)</b>	<b>(1,298,461)</b>
<b>Operating profit before charitable donations and sponsorship</b>		<b>976,710</b>	<b>234,733</b>
Charitable donations and sponsorship	10	(829,237)	(109,233)
<b>Profit before income tax</b>		<b>147,473</b>	<b>125,500</b>
Income tax expense	11	(49,284)	(37,063)
<b>Profit for the year after income tax</b>		<b>98,189</b>	<b>88,437</b>
Other comprehensive income		46,555	(6,853)
<b>Total comprehensive income for the year</b>		<b>144,744</b>	<b>81,584</b>
Profit attributable to the ordinary shareholders of the company		144,744	81,584
<b>Total comprehensive income attributable to ordinary shareholders of the company</b>		<b>144,744</b>	<b>81,584</b>

The accompanying notes form part of these financial statements

## Financial statements (continued)

### Statement of Financial Position For the year ended 30 June 2023

	Note	2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	12	604,613	526,388
Trade and other receivables	13	227,731	151,333
Financial assets	14	54,272	53,843
Current tax asset	20	-	17,930
Other assets	15	11,434	10,323
<b>Total current assets</b>		<b>898,050</b>	<b>759,817</b>
<b>Non-current assets</b>			
Property, plant and equipment	17	384,697	370,354
Right-of-use assets	18	156,048	111,926
Intangible assets	19	8,790	22,277
WRCFS Interest	16	50,981	45,606
Deferred tax assets	20	55,550	51,243
<b>Total non-current assets</b>		<b>656,066</b>	<b>601,406</b>
<b>Total assets</b>		<b>1,554,116</b>	<b>1,361,223</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	21	74,827	136,594
Current tax liability	20	28,513	-
Borrowings	22	22,054	15,369
Lease liabilities	23	11,800	11,290
Employee benefits	24	168,854	136,197
<b>Total current liabilities</b>		<b>306,048</b>	<b>299,450</b>
<b>Non-current liabilities</b>			
Borrowings	22	24,149	25,956
Lease liabilities	23	158,920	110,458
Employee benefits	24	1,643	648
Restricted Funds	25	329,952	336,052
<b>Total non-current liabilities</b>		<b>514,664</b>	<b>473,114</b>
<b>Total liabilities</b>		<b>820,712</b>	<b>772,564</b>
<b>Net assets</b>		<b>733,404</b>	<b>588,659</b>
<b>Equity</b>			
Retained earnings	27	696,471	598,281
Reserves	28	36,933	(9,622)
<b>Total equity</b>		<b>733,404</b>	<b>588,659</b>

The accompanying notes form part of these financial statements

## Financial statements (continued)

### Statement of Changes in Equity For the year ended 30 June 2023

	Note	Retained Earnings	Financial Assets Reserve	Land & Buildings Revaluation Reserve	Total Equity
		\$	\$	\$	\$
<b>Balance at 1 July 2021</b>		<b>509,844</b>	<b>(2,769)</b>	-	<b>507,075</b>
<b>Comprehensive income for the year</b>					
Profit for the year		88,437	-	-	88,437
Other comprehensive income for the year			(6,853)	-	(6,853)
<b>Balance at 30 June 2022</b>		<b>598,281</b>	<b>(9,622)</b>	-	<b>588,659</b>
<b>Balance at 1 July 2022</b>		<b>598,281</b>	<b>(9,622)</b>	-	<b>588,659</b>
<b>Comprehensive income for the year</b>					
Profit for the year		98,190	-	-	98,190
Other comprehensive income for the year		-	(2,920)	49,475	46,555
<b>Balance at 30 June 2023</b>		<b>696,471</b>	<b>(12,542)</b>	<b>49,475</b>	<b>733,404</b>

The accompanying notes form part of these financial statements

## Financial statements (continued)

### Statement of Cash Flows For the year ended 30 June 2023

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		2,215,549	1,491,621
Payments to suppliers and employees		(2,078,908)	(1,308,109)
Dividends received		4,783	4,316
Interest paid		(24,975)	(24,066)
Interest received		3,739	-
Income tax paid		(7,148)	(31,405)
<b>Net cash flows provided by operating activities</b>	29b	<b>113,040</b>	<b>132,357</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		1,051	21,891
Purchase of property, plant and equipment		(10,078)	(26,734)
Purchase of investments		(3,349)	(3,021)
Purchase of intangible assets		(15,067)	(15,066)
<b>Net cash flows used in investing activities</b>		<b>(27,443)</b>	<b>(22,930)</b>
<b>Cash flows from financing activities</b>			
Proceeds from leases		25,046	-
Repayment of borrowings		(20,436)	(24,536)
Repayment of lease liabilities		(11,982)	(10,667)
<b>Net cash flows used in financing activities</b>		<b>(7,372)</b>	<b>(35,203)</b>
<b>Net increase in cash held</b>		<b>78,225</b>	<b>74,224</b>
Cash and cash equivalents at beginning of financial year		526,388	452,164
<b>Cash and cash equivalents at end of financial year</b>	29a	<b>604,613</b>	<b>526,388</b>

The accompanying notes form part of these financial statements

# Notes to the financial statements

For the year ended 30 June 2023

## Note 1. Corporate Information

These financial statements and notes represent those of Coleambally Finance Group Ltd (the Company) as an individual entity. Coleambally Finance Group Ltd is a company limited by guarantee, incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on 26th September 2023.

Further information on the nature of the operations and principal activity of the company is provided in the directors' report. Information on the company's related party relationships is provided in Note 31.

## Note 2. Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements represent the interests in joint arrangements for the conduct of the business. The joint arrangement is a partnership between the Coleambally Finance Group and Hillston and District Financial Services that is conducted and managed by the Western Riverina Community Financial Services Pty Ltd. The interests in joint arrangements are accounted for by recognising in the Company's financial statements, its share of assets and liabilities and any revenue and expenses as such joint arrangements in the proportions described in the Partnership Agreement.

The Company has the following joint arrangement:

- Western Riverina Community Financial Services Partnership

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar, unless otherwise stated.

## Note 3. Summary of Significant Accounting Policies

The company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

### (a) Economic Dependency

The Company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the following Community Banks branch:

Coleambally Community Bank, 1 Brolga Place, Coleambally, NSW 2707

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.



## Notes to the financial statements (continued)

### Note 3. Summary of Significant Accounting Policies (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
- 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.

#### (b) Revenue From Contracts With Customers

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

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

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

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

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

## Notes to the financial statements (continued)

### Note 3. Summary of Significant Accounting Policies (continued)

#### Revenue Calculation

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

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

#### Margin

Margin is arrived at through the following calculation:

Interest paid by customers on loans, less interest paid to customers on deposits
<i>plus</i>
Deposit returns (i.e. interest return applied by BABL on deposits)
<i>minus</i>
Any costs of funds (i.e. interest applied by BABL to fund a loan)

The company is entitled to a share of the margin earned by Bendigo and Adelaide 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 and Adelaide Bank 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 and Adelaide Bank may change the form and amount of financial return that the company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo and Adelaide 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. The effect of the change on the revenue earned by the company is entirely dependent on the change.

## Notes to the financial statements (continued)

### Note 3. Summary of Significant Accounting Policies (continued)

Bendigo and Adelaide 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 and Adelaide Bank's margin at that time. For other products and services, there is no restriction on the change Bendigo and Adelaide Bank may make.

#### (c) Other Revenue

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

Revenue	Revenue Recognition Policy
Discretionary financial contributions (also "Market Development Fund" or "MDF" income)	MDF income is recognised when the right to receive the payment is established. MDF income is discretionary and provided and receivable at month-end and paid within 14 days after month-end.
Other income	All other revenues that did not contain contracts with customers are recognised as goods and services are provided.

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

#### Discretionary Financial Contributions

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

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

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

#### (d) Employee Benefits

##### Short-term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for salary and wages (including non-monetary benefits), annual leave, and sick leave which are expected to be wholly settled within 12 months of the reporting date. They are measured at amounts expected to be paid when the liabilities are settled, plus related on-costs. Expenses for non-accumulating sick leave are recognised 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.

##### 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 estimate future cash outflows.

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

## Notes to the financial statements (continued)

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### Note 3. Summary of Significant Accounting Policies (continued)

#### (e) Tax

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

##### Current Income Tax

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

##### Deferred Tax

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

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

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

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

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

##### Goods & Services Tax

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.
- when receivables and payables are stated with the amount of GST included.

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

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

#### (f) Cash & Cash Equivalents

For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise: cash on hand, deposits held with banks, and short-term, highly liquid investments (mainly money market funds) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## Notes to the financial statements (continued)

### Note 3. Summary of Significant Accounting Policies (continued)

#### (g) Property, Plant & Equipment

##### Recognition & Measurement

Items of property, plant and equipment are measured at cost or fair value as applicable, which includes capitalised borrowings costs, less accumulated depreciation and any accumulated impairment losses.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

##### Subsequent Expenditure

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

##### Depreciation

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

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

Asset Class	Method	Useful Life
Buildings	Straight line	40 years
Leasehold improvements	Straight line	40 years
Plant & equipment	Straight line/ Diminishing value	1-20 years
Motor vehicles	Diminishing value	3-5 years

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

#### (h) Intangible Assets

Intangible assets of the company include the franchise fees paid to Bendigo Bank conveying the right to operate the Community Bank franchise.

##### Recognition & Measurement

Intangible assets acquired separately are measured on initial recognition at cost.

##### Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognised in profit or loss as incurred.

##### Amortisation

Intangible assets 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
Establishment fee	Straight line	Franchise term (5 years)
Franchise fee	Straight line	Franchise term (5 years)

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

# Notes to the financial statements (continued)

## Note 3. Summary of Significant Accounting Policies (continued)

### (i) Financial Instruments

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

Sub-note (i) and (j) refer to the following acronyms:

Acronym	Meaning
FVTPL	Fair value through profit or loss
FVTOCI	Fair value through other comprehensive income
SPPI	Solely payments of principal and interest
ECL	Expected credit loss
CGU	Cash-generating unit

#### Recognition & Initial Measurement

Trade receivables are initially recognised when they originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to the acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

#### Classification & Subsequent Measurement

##### Financial Assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVTOCI - debt investment; FVTOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVTOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

##### Financial Assets - Business Model Assessment

The company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed.

##### Financial Assets - Subsequent Measurement, Gains & Losses

For financial assets at amortised cost, these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

## Notes to the financial statements (continued)

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### Note 3. Summary of Significant Accounting Policies (*continued*)

#### *Financial Liabilities - Classification, Subsequent Measurement, Gains & Losses*

Borrowings and other financial liabilities (including trade payables) are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognised in profit or loss.

#### Derecognition

##### *Financial Assets*

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Where the company enters into transactions where it transfers assets recognised in the statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred asset, the transferred assets are not derecognised.

##### *Financial Liabilities*

The company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

#### Offsetting

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

### (j) Impairment

#### *Non-derivative Financial Instruments*

The company recognises a loss allowance for estimated credit losses (ECL)'s on its trade receivables.

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

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

#### *Recognition of ECL in Financial Statements*

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

## Notes to the financial statements (continued)

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### **Note 3. Summary of Significant Accounting Policies (continued)**

The company's trade receivables are limited to the monthly profit share distribution from Bendigo and Adelaide Bank, which is received 14 days post month end. Due to the reliance on Bendigo and Adelaide 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 and Adelaide Bank and found no instances of default. As a result no impairment loss allowance has been made in relation to trade receivables as at 30 June 2023.

#### **Non-financial Assets**

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

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

#### **(k) Issued Capital**

##### **Ordinary Shares**

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

#### **(l) Leases**

##### **As Lessee**

At commencement or on modification of a contract that contains a lease component, the company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for leases of property the company has elected not to separate lease and non-lease components and account for the lease and non-lease components as a single lease component.

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the company by the end of the lease term or the costs of the right-of-use asset reflects that the company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate.

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



## Notes to the financial statements (continued)

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### **Note 3. Summary of Significant Accounting Policies (continued)**

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual guarantee; and
- the exercise price under a purchase option the company is reasonable certain to exercise, lease payments in an option renewal period if the company is reasonably certain to exercise that option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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

#### *Short-term Leases & Leases of Low-value Assets*

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

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

#### *As Lessor*

The company has not been a party in an arrangement where it is a lessor.

### **(m) Standards Issued But Not Yet Effective**

There are no new standards effective for annual reporting periods beginning after 1 January 2022 that are expected to have a significant impact on the company's financial statements.

## Notes to the financial statements (continued)

### Note 4. Significant Accounting Judgements, Estimates & Assumptions

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to these estimates are recognised prospectively.

#### (a) Judgements

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

Note	Judgement
Note 7 - Revenue	Whether revenue is recognised over time or at a point in time.
Note 23 - Leases:	
(a) Control	Whether a contract is or contains a lease at inception by assessing whether the company has the right to direct the use of the identified asset and obtain substantially all the economic benefits from the use of that asset.
(b) Lease term	Whether the company is reasonably certain to exercise extension options, termination periods, and purchase options.
(c) Discount rates	Judgement is required to determine the discount rate, where the discount rate is the company's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. The incremental borrowing rate is determined with reference to factors specific to the company and underlying asset including: <ul style="list-style-type: none"> <li>• the amount</li> <li>• the lease term</li> <li>• economic environment</li> <li>• any other relevant factors.</li> </ul>

#### (b) Assumptions & Estimation Uncertainty

Information about assumptions and estimation uncertainties at 30 June 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note	Assumption
Note 20 - Recognition of deferred tax assets	Availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilised.
Note 3(g) & (h) - Estimation of asset useful lives	Key assumptions on historical experience and the condition of the asset.
Note 24 - Long service leave provision	Key assumptions on attrition rate of staff and expected pay increases through promotion and inflation.

# Notes to the financial statements (continued)

## Note 5. Financial Risk Management

The company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

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 utilise any derivative instruments.

Risk management is carried out directly by the Board of Directors.

### (a) Credit Risk

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

The company has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo and Adelaide Bank.

### (b) Liquidity Risk

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

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

30 June 2023		Contractual Cash Flows		
Non-derivative Financial Liability	Carrying Amount	< 12 Months	1 - 5 Years	> 5 Years
Lease liabilities	170,720	12,093	60,017	98,610

### (c) 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. There is no exposure to the company in regard to commodity price risk.

## Notes to the financial statements (continued)

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### **Note 5. Financial Risk Management (continued)**

#### Cash Flow & Fair Values Interest Rate Risk

Interest-bearing assets are held with Bendigo and Adelaide Bank and subject to movements in market interest. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest-rate risk.

The company held cash and cash equivalents of \$604,613 at 30 June 2023 (2022: \$526,388). The cash and cash equivalents are held with Bendigo & Adelaide Bank, which are rated BBB on Standard & Poor's credit ratings.

### **Note 6. Capital Management**

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

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

The distribution limit is the greater of:

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

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2023 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.

## Notes to the financial statements (continued)

### Note 7. Revenue From Contracts With Customers

Revenue arises from the rendering of services through its franchise agreement with the Bendigo and Adelaide Bank Limited. The revenue recognised is measured by reference to the fair value of consideration received or receivable, excluding sales taxes, rebates, and trade discounts.

	2023 \$	2022 \$
<b>Revenue</b>		
- Revenue from contracts with customers	2,276,611	1,493,424
	<b>2,276,611</b>	<b>1,493,424</b>
<b>Disaggregation of Revenue From Contracts With Customers</b>		
- Margin income	1,658,575	847,802
- Fee income	73,931	71,583
- Commission income	544,105	574,039
	<b>2,276,611</b>	<b>1,493,424</b>

All revenue from contracts customers shown above was recognised at a point in time. There was no revenue from contracts with customers recognised over time during the financial year.

### Note 8. Other Revenue

The company generates other sources of revenue as outlined below.

	2023 \$	2022 \$
<b>Other Revenue</b>		
- Market development fund income	15,375	23,625
- Other revenue	11,538	16,145
	<b>26,913</b>	<b>39,770</b>

### Note 9. Finance Income

The company holds financial instruments measured at amortised cost. Interest income is recognised at the effective interest rate.

Term deposits which can be readily converted to a known amount of cash and subject to an insignificant risk of change may qualify as a cash equivalent.

	2023 \$	2022 \$
<b>Finance Income</b>		
At amortised cost:		
- Interest from term deposits	3,739	-
	<b>3,739</b>	<b>-</b>

## Notes to the financial statements (continued)

### Note 10. Expenses

Profit before income tax from continuing operations includes the following specific expenses:

#### (a) Employee Benefits Expense

	2023 \$	2022 \$
Employee Benefits Expense		
- Wages & salaries	685,980	692,101
- Superannuation costs	89,778	83,298
- Other expenses related to employees	66,210	15,900
	<b>841,968</b>	<b>791,299</b>

#### (b) Depreciation & Amortisation Expense

	2023 \$	2022 \$
Depreciation of Non-current Assets		
- buildings	4,159	4,151
- leasehold improvements	15,191	15,191
- plant and equipment	8,270	10,342
- motor vehicles	17,424	8,636
	<b>45,044</b>	<b>38,320</b>
Depreciation of Right-of-use Assets		
- leased buildings	16,832	13,123
	<b>16,832</b>	<b>13,123</b>
Amortisation of Intangible Assets		
- franchise fees	13,183	13,184
- establishment costs	304	914
	<b>13,487</b>	<b>14,098</b>
<b>Total depreciation &amp; amortisation expense</b>	<b>75,363</b>	<b>65,541</b>

The non-current tangible and intangible assets listed above are depreciated and amortised in accordance with the company's accounting policy (see Note 3(g) and 3(h) for details).

#### (c) Finance Costs

	2023 \$	2022 \$
Finance Costs		
- Interest paid	24,975	24,066
	<b>24,975</b>	<b>24,066</b>

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

## Notes to the financial statements (continued)

### Note 10. Expenses (continued)

#### (d) Community Investments & Sponsorship

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

	Note	2023 \$	2022 \$
Community Investments & Sponsorship			
- Direct sponsorship and grant payments		54,692	25,233
- Contribution to the Community Enterprise Foundation™	10(e)	774,545	84,000
		<b>829,237</b>	<b>109,233</b>

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

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

#### (e) Community Enterprise Foundation™ Contributions

During the financial year the company contributed funds to the CEF, the philanthropic arm of the Bendigo Bank. These contributions paid in form part of community investments and sponsorship expenditure included in profit or loss.

	Note	2023 \$	2022 \$
Disaggregation of CEF Funds			
Contributions paid	10(d)	774,545	84,000
Management fees incurred		38,727	4,200
Balance available for distribution		<b>813,272</b>	<b>88,200</b>

## Notes to the financial statements (continued)

### Note 11. Income Tax Expense

Income tax expense comprises current and deferred tax. Attributable current and deferred tax expense is recognised in the other comprehensive income or directly in equity as appropriate.

#### (a) The Components of Tax Expense

	2023	2022
	\$	\$
Current tax expense	53,591	24,880
Deferred tax expense	(4,307)	7,047
Under / (over) provision of prior years	-	5,136
	<b>49,284</b>	<b>37,063</b>

#### (b) *Prima Facie* Tax Payable

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

	2023	2022
	\$	\$
Prima facie tax on profit before income tax at 25% (2022: 25%)	48,507	31,375
Add Tax Effect Of:		
- Utilisation of previously unrecognised carried forward tax losses		
- Under / (over) provision of prior years	460	5,136
- Non-deductible franchise fee amortisation	76	228
- Franking credits gross up	-	1,295
- Change in company tax rates	2,222	2,050
- Temporary differences	4,278	(8,018)
- Movement in deferred tax	(6,259)	4,997
<b>Income tax attributable to the entity</b>	<b>49,284</b>	<b>37,063</b>
The applicable weighted average effective tax rate is:	33.42%	29.53%



## Notes to the financial statements (continued)

### Note 12. Cash & Cash Equivalents

	2023 \$	2022 \$
Cash at bank and on hand	283,085	198,780
Pledged Funds	321,528	327,608
	<b>604,613</b>	<b>526,388</b>

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less.

### Note 13. Trade & Other Receivables

	2023 \$	2022 \$
<b>Current</b>		
Trade receivables	227,731	151,333
	<b>227,731</b>	<b>151,333</b>

Trade and other receivables are initially measured at the transaction price. Trade and other receivables are due for settlement usually no more than 30 days from the date of recognition.

The Company's main debtor relates to the Bendigo & Adelaide Bank monthly profit share distribution, which is deposited within a reasonable timeframe each month. There are no items that require the application of the lifetime expected credit loss model.

### Note 14. Financial Assets

	2023 \$	2022 \$
<b>At FVTOCI</b>		
Listed investments	54,272	53,843
	<b>54,272</b>	<b>53,843</b>

### Note 15. Other Assets

	2023 \$	2022 \$
Prepayments	8,192	9,310
Security bond	858	528
Other	2,384	485
	<b>11,434</b>	<b>10,323</b>

Other assets represent items that will provide the entity with future economic benefits controlled by the entity as a result of past transactions or other past events.

## Notes to the financial statements (continued)

### Note 16. WRCFS Interest

	2023 \$	2022 \$
WRCFS Partnership Distribution	619,104	477,626
WRCFS Employee adjustment period ending 31/12/12	338	338
60% WRCFS Net Assets 30 June 2023	(568,461)	(432,358)
	<b>50,981</b>	<b>45,606</b>

Coleambally Finance Group Limited is a 60% partner in the Western Riverina Community Financial Services Partnership, a partnership operated with Hillston & District Financial Services Limited. The franchise operations of Coleambally Finance Group Limited and Hillston & District Financial Services Limited are operated jointly by the Western Riverina Community Financial Services Partnership. Each partner records its share of revenue, expenses, assets and liabilities of the partnership.

### Note 17. Property, Plant & Equipment

#### (a) Carrying Amounts

	2023 \$			2022 \$		
	At Cost / Valuation	Accumulated Depreciation	Written Down Value	At Cost / Valuation	Accumulated Depreciation	Written Down Value
Land at fair value	21,360	-	21,360	17,796	-	17,796
Buildings at fair value	195,444	(255)	195,189	166,009	(12,572)	153,437
Leasehold improvements	139,103	(70,889)	68,214	139,103	(55,698)	83,405
Plant & equipment	238,740	(191,510)	47,230	232,621	(183,239)	49,382
Motor vehicles	74,415	(21,711)	52,704	97,455	(31,121)	66,334
	<b>669,062</b>	<b>(284,365)</b>	<b>384,697</b>	<b>652,984</b>	<b>(282,630)</b>	<b>370,354</b>

#### (b) Movements in Carrying Amounts

2023	Land \$	Buildings \$	Leasehold Imp. \$	Plant & Equipment \$	Motor Vehicles \$
Opening carrying value	17,796	153,437	83,405	49,382	66,334
Additions	-	-	-	6,118	3,960
Revaluations	3,564	45,911	-	-	-
Disposals	-	-	-	-	(166)
Depreciation expense	-	(4,159)	(15,191)	(8,270)	(17,424)
<b>Closing carrying value</b>	<b>21,360</b>	<b>195,189</b>	<b>68,214</b>	<b>47,230</b>	<b>52,704</b>

2022	Land \$	Buildings \$	Leasehold Imp. \$	Plant & Equipment \$	Motor Vehicles \$
Opening carrying value	17,796	157,588	98,596	56,120	26,405
Additions	-	-	-	3,604	70,457
Disposals	-	-	-	-	(21,892)
Depreciation expense	-	(4,151)	(15,191)	(10,342)	(8,636)
<b>Closing carrying value</b>	<b>17,796</b>	<b>153,437</b>	<b>83,405</b>	<b>49,382</b>	<b>66,334</b>

## Notes to the financial statements (continued)

### Note 17. Property, Plant & Equipment (continued)

#### (c) Capital Expenditure Commitments

The entity does not have any capital expenditure commitments as at 30 June 2023 (2022: None).

#### (d) Changes in Estimates

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

There were no changes in estimates for the current reporting period.

#### (e) Changes in Estimates

The freehold land and buildings were independently valued on 27 June 2023 by Opteon Property Group Pty Ltd. The valuation resulted in a revaluation increment of \$49,475 being recognised in the revaluation surplus for the year ended 30 June 2023.

### Note 18. Right-of-use Assets

Right-of-use assets are measured at amounts equal to the present value of enforceable future payments on the adoption date, adjusted for lease incentives, make-good provisions, and initial direct costs.

The company derecognises right-of-use assets at the termination of the lease period or when no future economic benefits are expected to be derived from the use of the underlying asset.

The company's lease portfolio includes buildings.

#### Options to Extend or Terminate

The option to extend or terminate are contained in the property lease of the Company. All extension or termination options are only exercisable by the Company. The extension options or termination options which were probable to be exercised have been included in the calculation of the right-of-use asset.

#### AASB 16 Amounts Recognised in the Statement of Financial Position

	Leased Buildings \$	Total ROU Asset \$
Leased asset	172,859	172,859
Depreciation	(16,811)	(16,811)
	<b>156,048</b>	<b>156,048</b>

#### Movements in carrying amounts:

	Leased Buildings \$
Opening carrying value	111,926
Additions	60,954
Depreciation expense	(16,832)
<b>Net carrying amount</b>	<b>156,048</b>

## Notes to the financial statements (continued)

### Note 18. Right-of-use Assets (continued)

AASB 16 Amounts Recognised in the Statement of Profit and Loss and Other Comprehensive Income

	2023 \$	2022 \$
Depreciation expense related to right-of-use assets	-	13,123
Interest expense on lease liabilities	8,473	7,261
Low value asset leases expense	527	-

### Note 19. Intangible Assets

#### (a) Carrying Amounts

	2023			2022		
	At Cost	Accumulated Amortisation	Written Down Value	At Cost	Accumulated Amortisation	Written Down Value
Franchise fees	65,919	(57,129)	8,790	65,919	(43,946)	21,973
Establishment fees	4,566	(4,566)	-	4,566	(4,262)	304
	<b>70,485</b>	<b>(61,695)</b>	<b>8,790</b>	<b>70,485</b>	<b>(48,208)</b>	<b>22,277</b>

#### (b) Movements in Carrying Amounts

2023	Franchise Fees \$	Establishment Fees \$
Opening carrying value	21,973	304
Amortisation expense	(13,183)	(304)
<b>Closing carrying value</b>	<b>8,790</b>	<b>-</b>

2022	Franchise Fees \$	Establishment Fees \$
Opening carrying value	35,157	1,218
Amortisation expense	(13,184)	(914)
<b>Closing carrying value</b>	<b>21,973</b>	<b>304</b>

## Notes to the financial statements (continued)

### Note 20. Tax Assets & Liabilities

#### (a) Current Tax

	2023 \$	2022 \$
Income tax payable/(refundable)	28,513	(17,930)

#### (b) Deferred Tax

Movement in the company's deferred tax balances for the year ended 30 June 2023:

	30 June 2022 \$	Recognised in P & L \$	30 June 2023 \$
<b>Deferred Tax Assets</b>			
- Expense accruals	454	34	488
- Financial assets carried at FVTOCI	5,152	-	5,152
- ROU assets and lease liabilities from AASB16	2,456	1,212	3,668
- Property, plant & equipment	8,970	7,017	15,987
- Employee provisions	34,211	8,413	42,624
<b>Total deferred tax assets</b>	<b>51,243</b>	<b>16,676</b>	<b>67,919</b>
<b>Deferred Tax Liabilities</b>			
- Financial assets carried at FVTPL	-	(12,369)	(12,369)
<b>Total deferred tax liabilities</b>	<b>-</b>	<b>(12,369)</b>	<b>(12,369)</b>
<b>Net deferred tax assets</b>	<b>51,243</b>	<b>4,307</b>	<b>55,550</b>

Movement in the company's deferred tax balances for the year ended 30 June 2022:

	30 June 2021 \$	Recognised in P & L \$	30 June 2022 \$
<b>Deferred Tax Assets</b>			
- Expense accruals	208	246	454
- Financial assets carried at FVTOCI	5,152	-	5,152
- ROU assets and lease liabilities from AASB16	1,842	614	2,456
- Property, plant & equipment	19,740	(10,770)	8,970
- Employee provisions	36,914	(2,703)	34,211
<b>Total deferred tax assets</b>	<b>63,856</b>	<b>(12,613)</b>	<b>51,243</b>
<b>Net deferred tax assets</b>	<b>63,856</b>	<b>(12,613)</b>	<b>51,243</b>

## Notes to the financial statements (continued)

### Note 21. Trade & Other Payables

	2023	2022
	\$	\$
<b>Current</b>		
Trade creditors	47,773	53,613
Other creditors and accruals	40,137	49,587
GST Payable	(13,083)	18,328
Franchise Fee payable	-	15,066
	<b>74,827</b>	<b>136,594</b>

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

### Note 22. Borrowings

	2023	2022
	\$	\$
<b>Current</b>		
<i>Secured Liabilities</i>		
Bank loan	27	59
Finance Leases	22,027	15,310
	<b>22,054</b>	<b>15,369</b>
<b>Non-Current</b>		
<i>Secured Liabilities</i>		
Finance Leases	24,149	25,956
	<b>24,149</b>	<b>25,956</b>
<b>Total borrowings</b>	<b>46,203</b>	<b>41,325</b>

#### Loans

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings as classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

The company has two finance leases which is subject to normal terms and conditions. The current interest rate is 3.9% and 4.65% respectively. These loans has been created to fund motor vehicles and is secured against the assets and are recorded at amortised cost.

## Notes to the financial statements (continued)

### Note 23. Lease Liabilities

Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate on the adoption date. The discount rate used on recognition was 5.39%.

The discount rate used in calculating the present value of enforceable future payments takes into account the particular circumstances applicable to the underlying leased assets (including the amount, lease term, economic environment, and other relevant factors).

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

#### (a) Lease Portfolio

The company's lease portfolio includes:

Lease	Details
Hillston Branch	The lease agreement is a non-cancellable lease with an initial term of five years which commenced in September 2019. The lease has two further five year extension option available.
Hay Branch	The lease agreement is a non-cancellable lease with an initial term of five years which commenced in May 2017. The lease has one further five year extension option available.

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.

#### (b) Lease Liabilities

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2023 \$	2022 \$
Current	11,800	11,290
Non-current	158,920	110,458

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2023 were as follows:

	Minimum lease payments due				
	\$				
	< 1 Year	1 - 2 Years	3 - 5 Years	> 5 years	Total
<b>30 June 2023</b>					
Lease payments	20,904	21,317	66,591	114,405	223,217
Finance charges	(8,811)	(8,120)	(19,772)	(15,794)	(52,497)
<b>Net present values</b>	<b>12,093</b>	<b>13,197</b>	<b>46,819</b>	<b>98,611</b>	<b>170,720</b>
<b>30 June 2022</b>					
Lease payments	17,928	17,928	52,444	73,359	161,659
Finance charges	(6,638)	(5,995)	(13,586)	(13,692)	(39,911)
<b>Net present values</b>	<b>11,290</b>	<b>11,933</b>	<b>38,858</b>	<b>59,667</b>	<b>121,748</b>

## Notes to the financial statements (continued)

### Note 23. Lease Liabilities (continued)

#### (c) Lease Payments Not Recognised as a Liability

The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of the lease liability is as follows:

	2023	2022
	\$	\$
Leases of low value assets	3,561	-
	<b>3,561</b>	<b>-</b>

At 30 June 2023, the Company was committed to short-term leases and the total commitment at that date was \$5,164.

Total cash outflows for leases for the year ended 30 June 2023 was \$1,069 (2022: \$Nil).

### Note 24. Employee Benefits

	2023	2022
	\$	\$
<b>Current</b>		
Provision for annual leave	83,897	65,034
Provision for long service leave	84,957	71,163
	<b>168,854</b>	<b>136,197</b>
<b>Non-Current</b>		
Provision for long service leave	1,643	648
	<b>1,643</b>	<b>648</b>

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

#### Employee Attrition Rates

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.



## Notes to the financial statements (continued)

### Note 25. Restricted Funds

#### (a) Issued Capital

	2023 \$	2022 \$
Pledges	329,952	336,052
	<b>329,952</b>	<b>336,052</b>

These are monies contributed at the commencement of the company. There is no maturity date on these pledges. They can only be redeemed if transferred or purchased by a current pledge holder or a new purchaser.

The pledged funds are to be held by Coleambally Finance Group Limited.

There is interest payable on the pledged funds each year at the discretion of the Board.

### Note 26. Guarantee

Coleambally Finance Group Limited is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum \$10 each towards any outstanding obligations of the company.

### Note 27. Retained Earnings

	Note	2023 \$	2022 \$
Balance at the beginning of the reporting period		598,282	509,845
Profit for the year after income tax		98,189	88,437
<b>Balance at the end of the reporting period</b>		<b>696,471</b>	<b>598,282</b>

### Note 28. Reserves

	2023 \$	2022 \$
Asset Revaluation Reserve		
Balance at the beginning of the reporting period	(9,622)	(2,769)
Fair value movements of Financial assets	(2,920)	(6,853)
Fair value movements of land and buildings	49,475	-
<b>Balance at the end of the reporting period</b>	<b>36,933</b>	<b>(9,622)</b>

The reserves represent undistributable gains recognised on the revaluation of current and non-current assets.

## Notes to the financial statements (continued)

### Note 29. Cash Flow Information

(a) Cash and cash equivalents balances as shown in the Statement of Financial Position can be reconciled to that shown in the Statement of Cash Flows as follows:

	Note	2023 \$	2022 \$
Cash and cash equivalents	12	604,613	526,388
As per the Statement of Cash Flows		<b>604,613</b>	<b>526,388</b>

### (b) Reconciliation of cash flow from operations with profit after income tax

	2023 \$	2022 \$
Profit for the year after income tax	98,189	88,437
Non-cash flows in profit		
- Depreciation	61,876	51,443
- Amortisation	13,487	14,097
- Bad debts	-	424
- Net profit on disposal of property, plant & equipment	(614)	-
Changes in assets and liabilities		
- Increase in trade and other receivables	(76,402)	(14,357)
- Increase in prepayments and other assets	(6,483)	(801)
- Increase in WRCFS Interest	(6,100)	(22,664)
- Increase / (decrease) in deferred tax asset	(4,307)	12,613
- Increase / (decrease) in trade and other payables	(46,701)	20,933
- Increase / (decrease) in current tax assets	46,443	(6,955)
- Increase / (decrease) in provisions	33,652	(10,813)
<b>Net cash flows from operating activities</b>	<b>113,040</b>	<b>132,357</b>

### Note 30. Financial Instruments

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

	Note	2023 \$	2022 \$
<b>Financial Assets</b>			
Trade and other receivables	13	227,731	151,333
Cash and cash equivalents	12	604,613	526,388
		<b>832,344</b>	<b>677,721</b>
<b>Financial Liabilities</b>			
Trade and other payables	21	74,827	136,594
Borrowings	22	46,203	41,325
Lease liabilities	23	170,720	121,748
		<b>291,750</b>	<b>299,667</b>

## Notes to the financial statements (continued)

### Note 31. Related Parties

#### (a) Key Management Personnel

Key management personnel includes any person having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any Director (whether executive or otherwise) of that company. The only key management personnel identified for the company are the Board of Directors, the members of which are listed in the Directors' report.

No Director of the company receives remuneration for services as a company director or committee member. These positions are held on a voluntary basis.

#### (b) Other Related Parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

#### (c) Transactions With Key Management Personnel & Related Parties

No key management personnel or related party has entered into any contracts with the company.

#### (d) Key Management Personnel Shareholdings

The number of ordinary shares in the company held by each key management personnel during the financial year has been disclosed in the Director's Report.

#### (e) Other Key Management Transactions

There has been no other transactions key management or related parties other than those described above.

### Note 32. Auditor's Remuneration

The appointed auditor of Coleambally Finance Group Ltd for the year ended 30 June 2023 is RSD Audit. Amounts paid or due and payable to the auditor are outlined below.

	2023	2022
	\$	\$
Audit & Review Services		
Audit and review of financial statements (RSD Audit)	6,750	6,420
<b>Total auditor's remuneration</b>	<b>6,750</b>	<b>6,420</b>

### Note 33. Events After the Reporting Period

There have been no significant events after the end of the financial year that would have a material impact on the financial statements or the company's state of affairs.

## Notes to the financial statements (continued)

### Note 34. Commitments & Contingencies

Any commitments for future expenditure associated with leases are recorded in Note 23. Details about any capital commitments are detailed in Note 16(c).

The company has no other commitments requiring disclosure.

There were no contingent liabilities or assets at the date of this report that would have an impact on the financial statements.

### Note 35. Company Details

The registered office of the company is:

Coleambally Finance Group Ltd

1 Brolga Place, Coleambally, NSW 2707

### Note 36. Fair Value Measurements

The company may measure some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair value of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The company measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- freehold land and buildings
- listed investments

The company does not subsequently measure any liabilities at fair value on a non-recurring basis.

#### (a) Fair Value Hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level	Measurement Details
Level 1	Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Measurements based on unobservable inputs for the asset or liability.

## Notes to the financial statements (continued)

### Note 36. Fair Value Measurements (continued)

Fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The following tables provide the fair values of the company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

	30 June 2023			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Recurring Fair Value Measurements</b>				
Non-financial Assets				
Freehold land	-	7,620	13,740	21,360
Buildings	-	142,380	52,809	195,189
	-	<b>150,000</b>	<b>66,549</b>	<b>216,549</b>
Financial Assets				
Listed investments	54,272	-	-	54,272
	<b>54,272</b>	-	-	<b>54,272</b>

	30 June 2022			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Recurring Fair Value Measurements</b>				
Non-financial Assets				
Freehold land	-	6,396	11,400	17,796
Buildings	-	119,680	33,756	153,436
	-	<b>126,076</b>	<b>45,156</b>	<b>171,232</b>
Financial Assets				
Listed investments	53,843	-	-	53,843
	<b>53,843</b>	-	-	<b>53,843</b>

There were no transfers between levels for assets measured at fair value on a recurring basis during the reporting period (2022: no transfers).

#### (b) Valuation Techniques

The company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the company are consistent with one or more of the following valuation approaches:

Approach	Valuation Details
Market Approach	Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
Income Approach	Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
Cost Approach	Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

## Notes to the financial statements (continued)

### Note 36. Fair Value Measurements (continued)

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

#### Valuation Techniques & Inputs - Level 2 Fair Values

Asset	Fair Value at 30 June 2023 \$	Valuation Techniques	Inputs Used
1 Brolga Place, Coleambally	150,000	Market Approach	Sales evidence. Unit of value by comparative basis (\$persqm).

The fair value of freehold land and buildings is determined at least every three years based on valuations by an independent valuer. At the end of each intervening period, the Directors review the independent valuation and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data and discounted cash flow methodologies.

There were no changes during the period in the valuation techniques used by the company to determine Level 2 fair values.

#### Valuation Techniques & Inputs - Level 3 Fair Values

Asset	Fair Value at 30 June 2023 \$	Valuation Techniques	Significant Unobservable Inputs
31-33 Brolga Place, Coleambally	66,549	Capitalisation of income based on current rent.	Annual rental income.

### (c) Reconciliation of Recurring Level 2 & 3 Fair Value Measurements

Level 2	Freehold Land \$	Buildings \$
Balance at the beginning of the year	6,396	119,680
Revaluation increment	1,224	25,734
Losses recognised in profit or loss during the year	-	(3,034)
<b>Balance at the end of the year</b>	<b>7,620</b>	<b>142,380</b>

Level 3	Freehold Land \$	Buildings \$
Balance at the beginning of the year	11,400	33,756
Revaluation increment	2,340	20,178
Losses recognised in profit or loss during the year	-	(1,125)
<b>Balance at the end of the year</b>	<b>13,740</b>	<b>52,809</b>

# Directors' declaration

For the year ended 30 June 2023

In accordance with a resolution of the directors of Coleambally Finance Group Ltd, we state that:

In the opinion of the directors:

- (a) The financial statements and notes of the company are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
  - (ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



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**Lynne Stuckings**  
Chair

Dated this 26th day of September, 2023

# Independent audit report



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEAMBALLY FINANCE GROUP LIMITED

### REPORT ON THE AUDIT OF THE FINANCIAL REPORT

#### Opinion

We have audited the financial report of Coleambally Finance Group Limited (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Coleambally Finance Group Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance and its cash flows for the year then ended; and
- (ii) complying with Australian Accounting Standards.

#### 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 Entity in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (including Independence Standards) 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 opinion.

#### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Director's Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 to cease operations, or have no realistic alternative but to do so.

Richmond Sinnott & Delahunty, trading as RSD Audit  
ABN 60 616 244 309  
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## Auditor's Responsibility for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. 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. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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.

## Independence

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* (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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

## RSD Audit

A handwritten signature in black ink, appearing to read 'Mahesh Silva'.

**Mahesh Silva**  
Partner

Dated: 27 September 2023.

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