

Annual Report 2021

Coleraine and District
Financial Services Limited

Community Bank
Coleraine

ABN 77 102 030 017

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Chairman's report

For year ending 30 June 2021

I'm pleased to be reporting on another year of achievements for the Coleraine & District Financial Services; thanks to the dedicated contributions of my fellow Directors and our dynamic staff.

The impact of the Coronavirus (Covid-19) pandemic is not anything we could have foreseen. For both business and on a personal level it has been a roller coaster ride. As an essential service, our focus has been on keeping our doors open while understanding and responding to our customers' needs in an environment that continues to change with many lockdowns and restrictions to manage; I thank our customers for utilising and embracing our online banking services during these times. We as a board have also continued to adapt within the environment with most of us now competent with video conferencing for monthly meetings.

Branch Manager Mary-Ann Summers joined our team just over 12 months ago and has continued to strengthen our team beyond our greatest expectation along with becoming a respected and valued community member. Unfortunately we have seen a turnover of staff in the past 12 months. Sharon, Narelle and Bailey, thank you for your contributions and I wish you all the best for the future. I would like to formally welcome our current team Bethany, Bernadette, Katrina and Cassie; I am sure under Mary-Ann's mentoring all customers will continue to be provided with professional customer service during this transition period.

Our banking partner Bendigo and Adelaide Bank Limited have continued their professional support via Jason Chuck our Regional Manager. Jason's enthusiasm, knowledge and dedication is a pleasure to work with and this helps maintain a strong working relationship. This working relationship along with our valued staff efforts have contributed to driving funds under management to near \$100M.

To the board of Directors of the Coleraine & District Financial Services Limited; I have great respect and appreciation to each and every one of you. Without your continued efforts behind the scenes our bank would not be this successful. Coralie Coulson, Steve Zippel, Geoff Mitchell, Rhianna Paton, Simon Ferrier, Janelle Tooley, Beccy Wishart, Andrew Povey, Tim Leeming and Lisa Gartlan-Betinsky; thank you for your continued support and value you bring to this business and our community.

In April; the Coleraine & District Financial Services Limited along with many of you our shareholders were disappointed when the Casterton Agency was closed. Please know that I heard the frustration within the community however with your support we have been able to continue to service the Casterton district. Our focus this year will be to continue to work together and further strengthen our relationships within the community. Please come in and say hello at our new office space of Judith Cameron on Thursday mornings.

As we have all seen with Covid-19 restrictions and lockdowns frequently in place many of our local community groups have had to adapt, either cancelling events with short notice, playing sport with no spectators or capping how many they allow into events. However our clubs and community groups still have expenses to pay with either no or very little income with these restrictions. To ensure that our clubs could survive the pandemic and ensure that once we go back into "Covid normal" there would be a place for us, our kids or the person next door to play, socialise or reconnect with people was really important to the Coleraine & District Financial Services; we are proud to be able to invest in our communities future by providing sponsorship in these uncertain times. As we say "the more banking business we can build, the more the community benefits" and "when you understand the concept, why wouldn't you bank with us"?

Finally, to our shareholders, I thank you for your continued support, without your support we would not have been able to return more than \$930K back into our local community. Now that is an achievement that we can all be proud of.



Grant Little
Chairman

Branch Manager's report

For year ending 30 June 2021

I'm very happy to again be presenting my Branch Managers Report to you, our supporters.

Today there are more than 324 Community Bank branches throughout Australia, partnering with one of Australia's largest retail banks, and providing banking services to customers who want their banking to make a difference to their local communities.

To date, more than \$250 million has been returned communities just like ours across Australia.

Customers

What a year it's been! We all thought that Covid would come and go quickly, however it's hung around, making us all change our working habits, our banking habits, and our social habits.

I'd like to thank everyone for your support of our ongoing Covid work arounds, for checking in to the branch when you visit us, and for your support and acceptance of our limitations over this very trying period that we've all been impacted by.

Today, many more people use our website, online banking and apps to transact and complete their everyday banking than ever before. We are still available in branch for face to face meetings, and we've also retained an office in Casterton on Thursday mornings to assist our Casterton customers.

Over the last year our funds under management have grown from \$86.3M to \$98.3M, with the number of customers supporting us remaining above 2000.

With the increased use of technology, and with the effect of the Covid-19 restrictions, teller transactions have dropped slightly from 13,877 to 13,026 for the year, and the number of accounts has dropped to 2,002. This has been due to a number of factors, including the good work that our team have done making sure that our customers have the accounts that they need, and that they're not paying for accounts that they don't use or don't get a benefit from.

Staff

Bethany, Bernadette and Katrina continue to assist our customers and are the backbone of our branch, providing professional and knowledgeable service to our customers and support to myself.

We said goodbye to Sharon, Narelle and Bailey, and we send all of them our best wishes for their future endeavours.

Sadly, we closed our agency at Casterton in April, however we continue to provide a face to face, non cash service at the offices of Judith Cameron every Thursday morning (Covid restrictions permitting). We thank Judith and Donna for allowing us the opportunity to continue to service the Casterton community in this way.

Our Agribusiness Manager Hannah Ronaldson was replaced by Alex Fraser in November after Hannah moved on to greener pastures, and he does a great job in looking after our Agribusiness customers with the support of his assistant Nikki Vrankovic. Our Small Business Manager Craig McFarlane supports our business customers, along with the Business Bankers who help us with our bigger Business and Commercial lending requirements.

Belinda Palmer also continues to support us in her role as our Farm/Small Business Insurance Specialist.

Board of Directors & Shareholders

As always, it's been a busy year for our Directors who volunteer their time to help grow our Community Bank, and to assist the communities of Coleraine, Casterton, Merino, Balmoral and Harrow with the allocation of sponsorship and grant monies. Their time and efforts are greatly appreciated by our staff, as it allows us to concentrate on looking after our customers, and we thank them for this.

Sponsorships included support to Coleraine Racing Club, Coleraine P&A Society, Casterton Football Netball Club, Coleraine Football Netball Club, the Balmoral Bush Nursing Centre and the Harrow Balmoral Football Netball club. Our regular sponsorships of these and many more community groups didn't cease during Covid, as we realise that clubs also have ongoing expenses and commitments that need to be met, and without access to their usual membership income and sponsorship grants, many would be in difficult circumstances.

This support is only able to be made because of you, our customers, supporting our branch and trusting us with your bank accounts, your insurance policies, and your lending. Every new account, loan or insurance policy we hold adds to the money available to support our communities.

In Closing

It's been 12 months since the creation of our new South West Vic Region, and we've settled into the new structure well. We've built a strong working relationship with the Regional Office support team, and with the other branches in the South West Vic Region.

We'd like to thank our Regional Manager Jason Chuck for his support and commitment over the last 12 months, and look forward to the next 12 months growing our Regions' prosperity alongside them, and with their continued support.

The Community Bank model says that every time people bank with their local Community Bank branch, the bottom line increases, which in turn increases the amount of community contributions and dividends available to be disbursed to the community.

This remains true with the Coleraine and District Community Bank®, with contributions of over \$930,000 invested directly back into the communities of Coleraine, Casterton, Merino, Harrow and Balmoral, and this has happened because people like you have chosen to bank with us.

If you know someone who'd like to bank with us, but is unsure of how to take the first step, please tell them to give us a call! We're happy to talk to anyone that wants to support their local community this way, and are available at any time to answer questions.

We believe that banking is more than just about profits, it's about giving back to our communities, and seeing them grow and thrive. And that's a benefit for everyone!

Mary-Ann Summers
Branch Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2021

On behalf of Bendigo and Adelaide Bank, thank you! As a shareholder of your local Community Bank company, you are playing an important role in supporting your community.

It has been a tumultuous year for every community across Australia, and across the world. For our business, recognition that banking is an essential service has meant that we've kept the doors open, albeit with conditions that none of us could ever imagine having to work with.

Face masks, perspex screens, signed documents to cross state borders, checking in customers with QR codes and ensuring hand sanitiser stations are filled aren't what you would expect as a bank employee.

Then there's the fact that while communities have been, and continue to go in and out of lockdown, digital and online banking has become the norm.

So, what does that mean for Bendigo Bank and the Community Bank that you are invested in both as a shareholder, and a customer?

What we're seeing is that your Community Bank is still as important, if not more so, than when you first invested as a shareholder. If the pandemic has taught us anything, it has taught us the importance of place, of our local community, our local economy, our community-based organisations, the importance of social connection and the importance of your local Community Enterprise – your Community Bank in providing, leadership, support, and assistance in these difficult times.

As we continue to adapt to this rapidly changing world one thing that continues to be important to us all is supporting each another and our strong sense of community.

Your continued support as a shareholder is essential to the success of your local community. Thank you for continuing to back your Community Bank company and your community.

Collin Brady
Head of Community Development

COLERAINE AND DISTRICT FINANCIAL SERVICES LIMITED
Community Grants, Donations & Sponsorships
Approved For Year ended 30th June 2021

Tertiary/Schools/Kindergarten:

• St Joseph's Primary School – Raffle & Twilight Fair	\$720	
• Coleraine Primary School – Swimming Program	\$1,000	
• Coleraine & District Kindergarten Inc.	\$500	
• Bendigo Bank Tertiary Scholarship Program x 2 recipients	\$4,000	
• Glenelg & Southern LLEN Youth Leadership Program	\$1,000	
• Year 6 Graduation Bursaries (9 students x \$100 each - 6 schools)	\$900	\$8,120

Sporting:

• Harrow/Balmoral Football & Netball Club (2nd year of 3 year deal)	\$5,000	
• Harrow Tennis Club	\$1,000	
• Merino Golf Club	\$300	
• Coleraine Football & Netball Club (2nd year of 3 year deal)	\$5,000	
• Coleraine Golf Club - Sponsorship	\$500	
• Coleraine Bowling Club - Tournament	\$350	
• Coleraine Racing Club Sponsorship	\$2,100	
• Casterton Polocrosse Club	\$500	
• Casterton-Sandford Football Netball Club (2nd year of 3 year deal)	\$5,000	
• Casterton Bowls Club	\$300	
• Casterton Golf Club	\$3,600	
• Wal Smith Cycling Club	\$500	
• Wando Vale Hall Dog Trial	\$250	\$24,400

Community:

• Coleraine Community Car – Fuel (Western District Health Service)	\$1,000	
• Coleraine P & A Society – Fireworks display	\$4,000	
• Coleraine Old Shire Hall Inc.	\$500	
• Coleraine District Development Association – Adam Lindsay Gordon Monument	\$2,000	
• Coleraine & District Action Club – Drive in Movie Night	\$500	
• Artist of the Valley & Gorman's Art Show event	\$200	
• Harrow Bush Nursing Centre	\$500	\$8,700

Charitable:

• Uniting Bank Foodshare	\$300	
• Coleraine Football Netball Club Charity Auction	\$300	\$600

Community Grants:

• Balmoral Bush Nursing Centre Building Improvements	\$20,000	\$20,000
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GRAND TOTAL: **\$61,820**

** The above projects were approved by the Board during 2020/2021 and some will be expended in 2021/2022 **

COLERAINE AND DISTRICT FINANCIAL SERVICES LIMITED

ABN 77 102 030 017

Directors' Report

The Directors present their report, together with the financial statements, on Coleraine & District Financial Services Limited for the financial year ended 30 June 2021.

Board of Directors

The following persons were Directors of Coleraine & District Financial Services Limited during the whole of the financial year up to the date of this report, unless otherwise stated:

GRANT JAMES LITTLE

Title: Chair
Qualifications: Masters of Business Management
Experience & Expertise: 20 years managing Nareen Station Pty Ltd, Chairman of the Coleraine Hospital Advisory Committee, local CFA captain.

CORALIE LOUISE COULSON

Title: Director
Qualifications: Diploma Orthoptics, Australian College of Ophthalmology & Graduate Australian Institute Company Directors
Experience & Expertise: Employed as an Orthoptist in private Ophthalmological practices & Adelaide Children's Hospital 1974-1981
Practice Manager, Coleraine Casterton Medical, 1997-2003
Councillor, Southern Grampians Shire Council 2004-2008
Director, Glenelg Hopkins Catchment Management Authority 2009 - 2013.
Director, Great South Coast Group (Regional Development body) 2012 - 2017
Admin Assistant, Coleraine Casterton Medical - current

JANELLE TOOLEY

Title: Director
Qualifications: Certificate III Financial Services
Experience & Expertise: Employed as 'SWL Co-ordinator' supporting senior secondary students connect with work placements to support VET studies and supporting careers pathways within the regional secondary schools. Currently school council member for Baimbridge College for past five years. Past employee of the Coleraine & District Financial Services from branch opening until 2016.

RHIANNA PATON

Title: Director
Qualifications: Certificate III in Financial Services (Accounts/Clerical)
Experience & Expertise: Employed in Finance at the hospital for the past 16 years with experience within many of the roles. Heavily involved on local kindergarten COM in various roles including Treasurer, Fundraising and President for six years. Also on the St Joseph's Primary School Advisory Council and Parent Committee.

REBECCA WISHART

Title: Director
Qualifications: Bachelor of Commerce (Accounting), CPA completed 2009, UNSW SMSF Specialisation
Experience & Expertise: Been working in the accounting industry since graduating in 2004. From 2007 to now have solely worked in the self managed superfund sector. Been a director of Grampians Accounting Services since 2009 - which is my current employer. Was also treasurer of the Coleraine Football Netball Club for seven years.

COLERAINE AND DISTRICT FINANCIAL SERVICES LIMITED

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Directors' Report

LISA GARTLAN-BETINKSY

Title: Director
Qualifications: Bachelor of Arts (Music / Applied Mathematics), Graduate Diploma in Education, Certificate IV in Information Technology, Certificate IV in Training & Assessment, Certificate IV in Financial Services (Bookkeeping), Diploma of Accounting, Member of the Institute of Certified Bookkeepers
Experience & Expertise: Worked in education, administration finance and project management for many years. Volunteer and treasurer/secretary for a number of organisations including adult literacy programs, Tertiary Education Management, rural fire brigade, kindergarten and sports associations.

SIMON RODERICK FERRIER

Title: Director
Qualifications: Advanced Diploma in Applied Science & Farm Management
Experience & Expertise: Training Co-ordinator at RIST, Lecturer/Project Officer at Murrumbidgee College of Agriculture, Consultant World Food Program (Cambodia & Thailand), Teacher in pang, Mechanic with Dept. Crown Lands & Survey.

GEOFF MITCHELL

Title: Director
Qualifications:
Experience & Expertise: Past president of the Young Farmers, past president and life member of the Casterton Apex Club, past president and life member of the Casterton - Sandford Football Netball Club, past captain of the Sandford Rural Fire brigade and still active in this organisation, current owner / manager of Moredun Hill Pastoral Co.

STEVE ZIPPEL

Title: Director
Qualifications: Qualified Carpenter / Joiner
Experience & Expertise: 30 years building experience. Presently employed at Casterton Memorial Hospital as maintenance supervisor.

SHANNYN MCELGUNN

Title: Director
Qualifications: Bachelor of Education (Primary)
Experience & Expertise: Language teacher (Indonesian) at St Joseph's Coleraine and Sacred Heart, Casterton 2014-present. Classroom teacher St. Joseph's Warrnambool 2006, 2009-2011, Special Needs Co-ordinator and classroom teacher Petts Hills School, London UK 2007-2008. Community involvement includes Coleraine Playgroup co-ordinator, President of the St. Joseph's Parent Association, Mini Vinnies (Warrnambool and Coleraine) and various fundraising groups.

GABRIELLE BAUDINETTE

Title: Director
Qualifications: CPA; Diploma of Financial Planning
Experience & Expertise: Director of Coleraine Joinery & Building Supplies with my husband Quentin. Volunteer with the Coleraine Fire Brigade. Previously worked for 10 years in Aged Care Finance. Previous member of the Coleraine Hospital Advisory Committee for 10 years. Interests include bush walking, singing and reading.

COLERAINE AND DISTRICT FINANCIAL SERVICES LIMITED

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Directors' Report

ANDREW POVEY

Title: Director
Qualifications: Qualified Plumber and Gasfitter. Certificate IV In Business (Front line Management).
Experience & Expertise: Employed at Wannon Water as Team Leader Civil Maintenance.
Life Member Hamilton and District Cricket Association.
Past President of three years with Coleraine Football Netball Club.
Seven years as Manager of Junior Football within Coleraine Football Netball Club. Current Football Manager South West District Football Netball League.

TIMOTHY LEEMING

Title: Director
Qualifications: Diploma of Agriculture. Cert 4 in Workplace Training and Assessment
Experience & Expertise: Co-owner and Manager of Paradoo Prime 1997 - Current. Program Leader RIST 99-2003. Life Member of the Harrow Balmoral FNC. Regional Chair Southern Australian Livestock Research Council 2015-2019. Bestwool Bestlamb Advisory 2014-2019. Facilitated Glenelg Bestwool Bestlamb Group 2006-2019. Former President of Harrow Balmoral FNC, Balmoral P & A Society, Tussock Jumpers Fundraising. Current Pres Mullagh Championships. Capt Pigeon Ponds CFA. Deliverer of various extension programs in Ag.

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' Meetings

Attendances by each Director during the year were as follows:

Director	Board Meetings	
	A	B
GRANT JAMES LITTLE	11	11
CORALIE LOUISE COULSON	11	11
JANELLE TOOLEY	5	4
RHIANNA PATON	11	10
REBECCA WISHART	11	10
LISA GARTLAN-BETINKSY	9	7
SIMON RODERICK FERRIER	11	8
GEOFF MITCHELL	11	11
STEVE ZIPPEL	11	8
SHANNYN MCELGUNN	4	2
GABRIELLE BAUDINETTE	2	0
ANDREW POVEY	11	9
TIMOTHY LEEMING	11	6

A - The number of meetings eligible to attend.

B - The number of meetings attended.

-- Not a member of that committee.

Coleraine & District Financial Services Limited
ABN 77 102 030 017
Directors' Report

Company Secretary

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

REBECCA WISHART Rebecca Wishart has been the Company Secretary of Coleraine & District Financial Services Limited since 2017.

Experience & Expertise: Rebecca's qualifications and experience include a Bachelor of Commerce and CPA registration.

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 2021 (\$)	31 June 2020 (\$)	Movement
Profit After Tax	42,672	49,043	-13%

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.

Dividends

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

	Cents per Share	Total amount
Final fully franked dividend	0.00	-
Total Amount	0.00	-

Options

No options over issued shares were granted during or since the end of the financial year and there were no options outstanding as at the date of this report.

Significant Changes in the State of Affairs

During the financial year, the Australian economy was greatly impacted by COVID-19. Bendigo Bank, as franchisor, announced a suite of measures aimed at providing relief to customers affected by the COVID-19 pandemic. The uncertain economic conditions has not materially impacted the company's earnings for the financial year. As the pandemic continues to affect the economic environment, uncertainty remains on the future impact of COVID 19 to the company's operations.

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.

Coleraine & District Financial Services Limited

ABN 77 102 030 017

Directors' Report

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*.

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 in this financial report.

Signed in accordance with a resolution of the Board of Directors at Coleraine, Victoria.



Grant Little
Director

Dated this 15th day of September 2021

Auditor's Independence Declaration

As lead auditor for the audit of Coleraine & District Financial Services Ltd for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Coleraine & District Financial Services Limited.

McLaren Hunt
MCLAREN HUNT
AUDIT AND ASSURANCE

N.L. McClean
N.L.MCLEAN
PARTNER

Dated at Warrnambool, 15 September 2021

Coleraine & District Financial Services Limited

ABN 77 102 030 017

Statement of Profit or Loss

For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue			
Revenue from contracts with customers	5	492,958	522,018
Other revenue	6	53,518	65,863
Finance income	7	1,492	3,792
		547,968	591,673
Expenses			
Employee benefits expense	8	(244,190)	(257,970)
Depreciation and amortisation	8	(27,868)	(18,752)
Finance costs		-	(22)
Other expenses		(154,786)	(196,222)
		(426,844)	(472,966)
Operating profit before charitable donations and sponsorship		121,124	118,707
Charitable donations and sponsorship		(77,234)	(61,711)
Profit before income tax		43,890	56,996
Income tax expense		(1,218)	(7,953)
Profit for the year after income tax		42,672	49,043
Total comprehensive income attributable to ordinary shareholders of the company		42,672	49,043
Earnings per share		¢	¢
- basic and diluted earnings per share	28	9.09	10.45

The accompanying notes form part of these financial statements

Coleraine & District Financial Services Limited

ABN 77 102 030 017

Statement of Financial Position

For the year ended 30 June 2021

		2021	2020
	Note	\$	\$
Assets			
Current assets			
Cash and cash equivalents	10	86,087	117,223
Trade and other receivables	11	47,908	47,576
Financial assets	12	316,285	274,585
Current tax asset	17	2,237	4,273
Other assets	13	5,522	23,748
Total current assets		458,039	467,405
Non-current assets			
Property, plant and equipment	14	98,254	75,081
Right-of-use assets	15	101,363	109,967
Intangible assets	16	23,511	36,733
Total non-current assets		223,128	221,781
Total assets		681,167	689,186
Liabilities			
Current liabilities			
Trade and other payables	18	19,440	28,839
Lease liabilities	19	9,988	9,792
Employee benefits	20	12,509	12,546
Total current liabilities		41,937	51,177
Non-current liabilities			
Lease liabilities	19	97,258	103,320
Employee benefits	20	705	3,138
Deferred tax liability	17	18,619	18,988
Total non-current liabilities		116,582	125,446
Total liabilities		158,519	176,623
Net assets		522,648	512,563
Equity			
Issued capital	21	469,472	469,472
Retained earnings	22	53,176	43,091
Total equity		522,648	512,563

The accompanying notes form part of these financial statements

Coleraine & District Financial Services Limited

ABN 77 102 030 017

Statement of Changes in Equity

for the year ended 30 June 2021

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2019		469,472	(5,952)	463,520
Comprehensive income for the year				
Profit for the year		-	49,043	49,043
Transactions with owners in their capacity as owners				
Dividends paid or provided	27	-	-	
Balance at 30 June 2020		469,472	43,091	512,563
Balance at 1 July 2020		469,472	43,091	512,563
Comprehensive income for the year				
Profit for the year		-	42,672	42,672
Transactions with owners in their capacity as owners				
Dividends paid or provided	27	-	(32,587)	(32,587)
Balance at 30 June 2021		469,472	53,176	522,648

The accompanying notes form part of these financial statements

Coleraine & District Financial Services Limited
ABN 77 102 030 017
Statement of Cash Flows
for the year ended 30 June 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from customers		564,731	573,710
Payments to suppliers and employees		(484,720)	(510,971)
Net GST paid		-	(1,316)
Interest received		1,698	4,897
Income tax paid		449	(8,388)
Net cash flows provided by operating activities	23	82,158	57,932
Cash flows from investing activities			
Purchase of property, plant and equipment		(29,215)	-
Purchase of investments		(41,700)	(4,895)
Net cash flows used in investing activities		(70,915)	(4,895)
Cash flows from financing activities			
Repayment of lease liabilities		(9,792)	(9,600)
Dividends paid		(32,587)	-
Net cash flows used in financing activities		(42,379)	(9,600)
Net increase/(decrease) in cash held		(31,136)	43,437
Cash and cash equivalents at beginning of financial year		117,223	73,786
Cash and cash equivalents at end of financial year	23a	86,087	117,223

The accompanying notes form part of these financial statements

Coleraine & District Financial Services Limited

ABN 77 102 030 017

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Corporate Information

These financial statements and notes represent those of Coleraine & District Financial Services Limited (the Company) as an individual entity. Coleraine & District Financial Services Limited is a Company limited by shares, incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on 15th September 2021.

Further information on the nature of the operations and principal activity of the Company is provided in the Directors' Report.

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, 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 Bank** branch in Coleraine.

The Company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry.

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

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

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

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.

Coleraine & District Financial Services Limited

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 3. Summary of Significant Accounting Policies (continued)

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).

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Notes to the Financial Statements

for the year ended 30 June 2021

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
plus
Deposit returns (i.e. interest return applied by BABL on deposits)
minus
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.

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 3. Summary of Significant Accounting Policies (continued)

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.

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.
Cash flow boost	Cash flow boost income is recognised when the right to the payment is established (e.g. monthly or quarterly in the activity statement).
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.

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 3. Summary of Significant Accounting Policies (continued)

(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.

(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.

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 3. Summary of Significant Accounting Policies (continued)

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.

(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.

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 3. Summary of Significant Accounting Policies (continued)

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

Asset Class	Method	Rate
Leasehold improvements	Straight line	2.5 - 5%
Plant & equipment	Diminishing value / Straight line	10-20%
Motor vehicles	Diminishing value	25%

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
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.

(i) 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.

Note 3. Summary of Significant Accounting Policies (continued)

(j) 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.

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 reasonably 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.

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 3. Summary of Significant Accounting Policies (continued)

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.

(k) Standards Issued But Not Yet Effective

There are no new standards effective for annual reporting periods beginning after 1 January 2020 that are expected to have a significant impact on the Company's financial statements.

(l) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

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Notes to the Financial Statements

for the year ended 30 June 2021

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 5 - Revenue	Whether revenue is recognised over time or at a point in time
Note 19 - 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">• the amount• the lease term• economic environment• any other relevant factors

(b) Assumptions & Estimation Uncertainty

Information about assumptions and estimation uncertainties at 30 June 2020 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 17 - 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 - Estimation of asset useful lives	Key assumptions on historical experience and the condition of the asset
Note 20 - Long service leave provision	Key assumptions on attrition rate of staff and expected pay increases through promotion and inflation

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 5. 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.

	2021	2020
	\$	\$
Revenue		
- Revenue from contracts with customers	492,958	522,018
	492,958	522,018
<i>Disaggregation of Revenue From Contracts With Customers</i>		
- Margin income	324,015	369,054
- Fee income	37,521	35,347
- Commission income	131,422	117,617
	492,958	522,018

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 6. Other Revenue

The Company generates other sources of revenue as outlined below.

	2021	2020
	\$	\$
Other Revenue		
- Market development fund income	35,000	35,000
- Cash flow boost	18,518	30,863
	53,518	65,863

Note 7. 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.

	2021	2020
	\$	\$
Finance Income		
<i>At amortised cost:</i>		
- Interest from term deposits	1,492	3,792
	1,492	3,792

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 8. Expenses

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

(a) Employee Benefits Expense

	2021	2020
	\$	\$
<i>Employee Benefits Expense</i>		
- Wages & salaries	217,133	248,595
- Superannuation costs	22,214	21,719
- movements in provisions	(3,880)	(13,005)
- Other expenses related to employees	8,723	661
	244,190	257,970

(b) Depreciation & Amortisation Expense

	2021	2020
	\$	\$
<i>Depreciation of Non-current Assets</i>		
- leasehold improvements	3,829	2,663
- plant and equipment	712	866
- motor vehicles	1,501	2,001
	6,042	5,530
<i>Depreciation of Right-of-use Assets</i>		
- leased buildings	8,604	8,604
	8,604	8,604
<i>Amortisation of Intangible Assets</i>		
- franchise fees	13,222	13,222
	13,222	13,222
Total depreciation & amortisation expense	27,868	27,356

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) 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	2021	2020
		\$	\$
<i>Community Investments & Sponsorship</i>			
- Direct sponsorship and grant payments		77,234	53,711
- Contribution to the Community Enterprise Foundation™	8(d)	36,364	8,000
		113,598	61,711

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 8. Expenses (continued)

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.

(d) 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	2021 \$	2020 \$
<i>Disaggregation of CEF Funds</i>			
Opening balance		47,351	58,663
Contributions paid	8(c)	40,000	8,000
Grants paid out		(26,000)	(22,000)
Interest received		294	1,951
GST		(1,636)	1,158
Management fees incurred		(1,818)	(421)
Balance available for distribution		58,19	47,351

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 9. 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

	2021	2020
	\$	\$
Current tax expense	1,587	4,251
Deferred tax expense	4,223	3,702
Under / (over) provision of prior years	(3,807)	-
	2,003	7,953

(b) Prima Facie Tax Payable

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

	2021	2020
	\$	\$
Prima facie tax on profit before income tax at 26% (2020: 27.5%)	11,411	15,674
<i>Add Tax Effect Of:</i>		
- Utilisation of previously unrecognised carried forward tax losses		
- Under / (over) provision of prior years	(3,807)	766
- Non-deductible expenses	(5,601)	(8,487)
Income tax attributable to the entity	2,003	7,953
The applicable weighted average effective tax rate is:	-2.78%	-13.95%

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 10. Cash & Cash Equivalents

	2021	2020
	\$	\$
Cash at bank and on hand	86,087	117,223
	86,087	117,223

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. Any bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

Note 11. Trade & Other Receivables

	2021	2020
	\$	\$
Current		
Trade receivables	47,908	47,576
	47,908	47,576

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 12. Financial Assets

	2021	2020
	\$	\$
<i>At Amortised Cost</i>		
Term deposits	316,285	274,585
	316,285	274,585

Term deposits classified as financial assets include only those with a maturity period greater than three months. Where maturity periods are less than three months, these investments are recorded as cash and cash equivalents.

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 13. Other Assets

	2021 \$	2020 \$
Prepayments	5,408	4,841
Accrued income	114	320
Other (ATO refund)	-	18,587
	5,522	23,748

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.

Note 14. Property, Plant & Equipment

(a) Carrying Amounts

	2021 \$			2020 \$		
	At Cost / Valuation	Accumulated Depreciation	Written Down Value	At Cost / Valuation	Accumulated Depreciation	Written Down Value
Leasehold improvements	159,220	69,193	90,027	130,005	65,364	64,641
Plant & equipment	15,324	11,600	3,724	15,324	10,888	4,436
Motor vehicles	9,588	5,085	4,503	9,588	3,584	6,004
	184,132	85,878	98,254	154,917	79,836	75,081

(b) Movements in Carrying Amounts

2021	Leasehold Imp. \$	Plant & Equipment \$	Motor Vehicles \$
Opening carrying value	64,641	4,436	6,004
Additions	29,215	-	-
Depreciation expense	(3,829)	(712)	(1,501)
Closing carrying value	90,027	3,724	4,503
2020	Leasehold Imp. \$	Plant & Equipment \$	Motor Vehicles \$
Opening carrying value	67,304	5,302	8,005
Depreciation expense	(2,663)	(866)	(2,001)
Closing carrying value	64,641	4,436	6,004

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 14. Property, Plant & Equipment (continued)

(c) Capital Expenditure Commitments

The entity does not have any capital expenditure commitments as at 30 June 2021 (2020: 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.

Note 15. 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 \$	Leased Plant & Equip. \$	Total ROU Asset \$
Leased asset	118,571	-	118,571
Depreciation	(17,208)	-	(17,208)
	101,363	-	101,363

Movements in carrying amounts:

	Leased Buildings \$	Leased Plant & Equip. \$	Total ROU Asset \$
Opening carrying value	118,571	-	118,571
Depreciation expense	(17,208)	-	(17,208)
Net carrying amount	101,363	-	101,363

AASB 16 Amounts Recognised in the Statement of Financial Position

	2021 \$	2020 \$
Depreciation expense related to right-of-use assets	8,604	8,604
Interest expense on lease liabilities	3,926	4,141

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 16. Intangible Assets

(a) Carrying Amounts

	2021			2020		
	At Cost / Valuation	Accumulated Amortisation	Written Down Value	At Cost / Valuation	Accumulated Amortisation	Written Down Value
Franchise fee	66,111	42,600	23,511	66,111	29,378	36,733
	66,111	42,600	23,511	66,111	29,378	36,733

(b) Movements in Carrying Amounts

2021	Franchise Fee \$
Opening carrying value	36,733
Amortisation expense	(13,222)
Closing carrying value	23,511

2020	Franchise Fee \$
Opening carrying value	49,955
Amortisation expense	(13,222)
Closing carrying value	36,733

Note 17. Tax Assets & Liabilities

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Notes to the Financial Statements

for the year ended 30 June 2021

(a) Current Tax

	2021	2020
	\$	\$
Income tax payable/(refundable)	(2,237)	(4,273)

(b) Deferred Tax

Movement in the Company's deferred tax balances for the year ended 30 June 2021:

	2021	2020
	\$	\$
<i>Deferred Tax Assets</i>		
- Expense accruals	1,200	1,708
- Unused tax losses	-	-
- Prepayments	-	(1,331)
- Employee provisions	3,304	4,313
Total deferred tax assets	4,504	4,690
<i>Deferred Tax Liabilities</i>		
- Right-of-use assets	1,471	865
- Accrued income	(29)	(88)
- Property, plant & equipment	(24,565)	(24,455)
Total deferred tax liabilities	(23,123)	(23,678)
Net deferred tax assets/(liabilities)	(18,619)	(18,988)

Note 18. Trade & Other Payables

	2021	2020
	\$	\$
Current		
Trade creditors	5,061	10,469
GST	5,496	6,200
PAYGW	2,368	4,244
Other creditors and accruals	6,515	7,926
	19,440	28,839

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 19. Lease Liabilities

Coleraine & District Financial Services Limited

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Notes to the Financial Statements

for the year ended 30 June 2021

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 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.

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:

	2021	2020
	\$	\$
Current	9,988	9,792
Non-current	97,258	103,320

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2021 were as follows:

	Minimum lease payments due				Total
	< 1 Year	1 - 2 Years	3 - 5 Years	> 5 years	
30 June 2021					
Lease payments	9,988	10,188	10,391	76,679	107,246
Net present values	9,988	10,188	10,391	76,679	107,246
30 June 2020					
Lease payments	9,792	9,988	10,188	87,070	117,038
Net present values	9,792	9,988	10,188	87,070	117,038

(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.

Note 20. Employee Benefits

Coleraine & District Financial Services Limited

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Notes to the Financial Statements

for the year ended 30 June 2021

	2021	2020
	\$	\$
Current		
Provision for annual leave	11,586	11,695
Provision for long service leave	923	851
	12,509	12,546
Non-Current		
Provision for long service leave	705	3,138
	705	3,138

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.

Note 21. Issued Capital

(a) Issued Capital

	2021		2020	
	Number	\$	Number	\$
Ordinary shares - fully paid	469,472	469,472	469,472	469,472
	469,472	469,472	469,472	469,472

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

(b) Movements in share capital

	2021	2020
	\$	\$
Fully paid ordinary shares:		
At the beginning of the reporting period	469,472	469,472
Shares issued during the year	-	-
At the end of the reporting period	469,472	469,472

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the shareholders' meetings each shareholder is entitled to one vote when a poll is called, or on a show of hands. The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the Company's residual assets.

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 22. Retained Earnings

	Note	2021 \$	2020 \$
Balance at the beginning of the reporting period		43,091	(5,952)
Profit for the year after income tax		42,672	49,043
Dividends paid	27	(32,587)	-
Balance at the end of the reporting period		53,176	43,091

Note 23. 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:

	2021 \$	2020 \$
Cash and cash equivalents (Note 10)	86,087	117,223
As per the Statement of Cash Flows	86,087	117,223

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

	2021 \$	2020 \$
Profit for the year after income tax	42,672	49,043
<i>Non-cash flows in profit</i>		
- Depreciation	19,264	18,752
- Leased assets	12,530	12,745
<i>Changes in assets and liabilities</i>		
- (Increase) / decrease in trade and other receivables	(126)	4,416
- (Increase) / decrease in prepayments and other assets	18,020	(17,873)
- (Increase) / decrease in deferred tax asset	(369)	5,068
- Increase / (decrease) in trade and other payables	(9,400)	4,377
- Increase / (decrease) in current tax liability	2,036	(5,502)
- Increase / (decrease) in provisions	(2,469)	(13,094)
Net cash flows from operating activities	82,158	57,932

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 24. 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	2021 \$	2020 \$
Financial Assets			
Trade and other receivables	11	47,908	47,576
Cash and cash equivalents	10	86,087	117,223
Term deposits	12	316,285	274,585
		450,280	439,384
Financial Liabilities			
Trade and other payables	18	19,440	28,839
Lease liabilities	19	107,246	113,112
		126,686	141,951

Note 25. 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.

(b) Key Management Personnel Compensation

Other than detailed below, no key management personnel or related party has entered into any contracts with the Company. There has been a remuneration policy developed as executive directors receive a nominal amount for their services. All other positions are held on a voluntary basis and those directors do not receive remuneration.

	2021 \$	2020 \$
Grant Little	2,000	2,000
Rebecca Wishart	1,750	1,500
Shannyn McElgunn	2,000	2,000
Lisa Gartlan-Betinsky	250	-
Gabrielle Baudinette	-	500
Total key management personnel compensation	6,000	6,000

Coleraine & District Financial Services Limited

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 25. Related Parties (continued)

Short-term Employee Benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive Directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to Executive Directors and other key management personnel.

Post-employment Benefits

These amounts are the current year's estimated cost of providing the Company's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

Other Long-term Benefits

These amounts represent long service leave benefits accruing during the year, long-term disability benefits and deferred bonus payments.

Share-based payments

These amounts represent the expense related to the participation of key management personnel in equity-settled benefits schemes as measured by the fair value of the options, rights and shares granted on grant date.

(c) 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.

(d) Transactions With Key Management Personnel & Related Parties

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

(e) 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.

(f) Other Key Management Transactions

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

Note 26. Auditor's Remuneration

Remuneration of the Auditor, McLaren Hunt Audit & Assurance, for:

	2021	2020
	\$	\$
Audit & Review Services	-	-
- Audit or review of the financial report	3,090	3,000
	3,090	3,000

Coleraine & District Financial Services Limited

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 27. Dividends

The following dividends were provided for and paid to shareholders during the reporting period as presented in the statement of changes in equity and statement of cash flows.

	2021		2020	
	Number	\$	Number	\$
Fully franked dividend	-	-	0.07	32,587
Dividends provided for and paid during the year	-	-	0.07	32,587

The tax rate at which dividends have been franked is 26% (2020: 27.5%).

Note 28. Earnings Per Share

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	2021	2020
	\$	\$
Profit attributable to ordinary shareholders	42,672	49,043
	Number	Number
Weighted average number of ordinary shares	469,472	469,472
	¢	¢
Basic and diluted earnings per share	9.09	10.45

Note 29. 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.

Note 30. Commitments & Contingencies

Any commitments for future expenditure associated with leases are recorded in Note 19. Details about any capital commitments are detailed in Note 14(d).

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 31. Company Details

The registered office and principal place of business is: 59 Whyte Street
Coleraine VIC 3315

Coleraine & District Financial Services Limited
ABN 77 102 030 017
Director's Declaration for the year ended 30 June 2021

In accordance with a resolution of the Directors of Coleraine & District Financial Services Limited, in the opinion of the Directors: we state that::

- 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 2021 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.



Grant Little
Director

Dated the 15th day of September 2021.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF COLERAINE & DISTRICT FINANCIAL SERVICES LIMITED

Opinion

We have audited the financial report of Coleraine & District Financial Services Limited, which comprises the balance sheet as at 30 June 2021, and the comprehensive income statement, the cash flow statement, statement of changes in equity for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

In our opinion, the accompanying financial report of Coleraine & District Financial Services Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis of 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 Coleraine & District Financial Services Limited in accordance with 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, and we have 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.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared to assist Coleraine & District Financial Services Limited. in complying with the to meet the requirements of the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors 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 controls 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 Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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 has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Coleraine & District Financial Services Limited's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the 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 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 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 Coleraine & District Financial Services Limited's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of director's 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 Coleraine & District Financial Services Limited'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 Coleraine & District Financial Services Limited to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

McLaren Hunt

MCLAREN HUNT
AUDIT AND ASSURANCE

N.L. McClean

N.L. MCLEAN
PARTNER

Dated at Warrnambool, 17 September 2021

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