

# Annual Report 2021

Mareeba & Dimbulah  
Financial Services Limited

Community Bank  
Mareeba and Dimbulah  
ABN 53 115 503 930



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# About Us

**Our Vision:** "Passionate about, Engaging with and Investing in, our Community"

**Our Purpose:** "We work with and invest in our communities, to embrace opportunities for a sustainable and positive future"

**Our Values:** "To mirror the Bendigo Bank values - Teamwork, Integrity Performance, Engagement, Leadership and Passion"

Mareeba and Dimbulah Community Bank Company on behalf of its owners, will ensure that it achieves its mission and strategic goals, whilst also meeting all legal and moral responsibilities.

The Board's key function is to govern the Company rather than day to day management of the banking business.



The Board's role is to gather support within the community by providing referrals and introductions, while it is the branch staffs role to convert these opportunities into business on the books.

Strengths of the board are the quality of our Directors, their local knowledge and business acumen across the group.

The Board will:

- Be responsible to the community, shareholders and Bendigo Adelaide Bank.
- Monitor compliance.
- Educate the community on the benefits of the Community Bank model.
- Review the composition of the board on a regular basis.

Role of Directors:

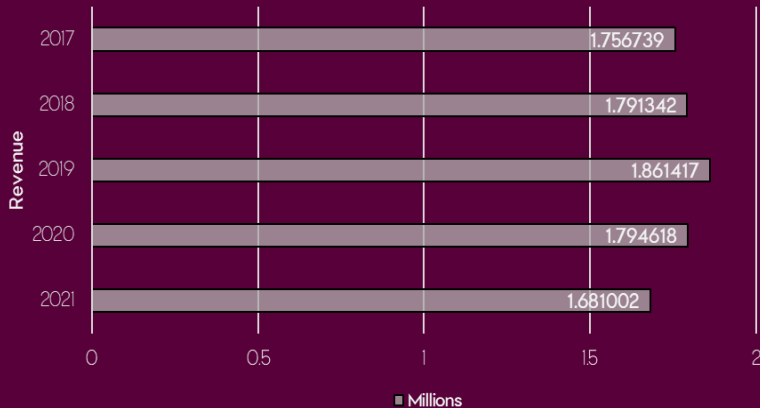
1. Promote our Community Bank branches within the communities.
2. Provide referrals to Branch Managers and Business Banking Manager.
3. Act as ambassadors of the Community Bank Company.
4. Attend at least one Bendigo Bank Director Education Program or conference each year.
5. Relate the Community Bank story throughout the community.

Role of the Branch Manager:

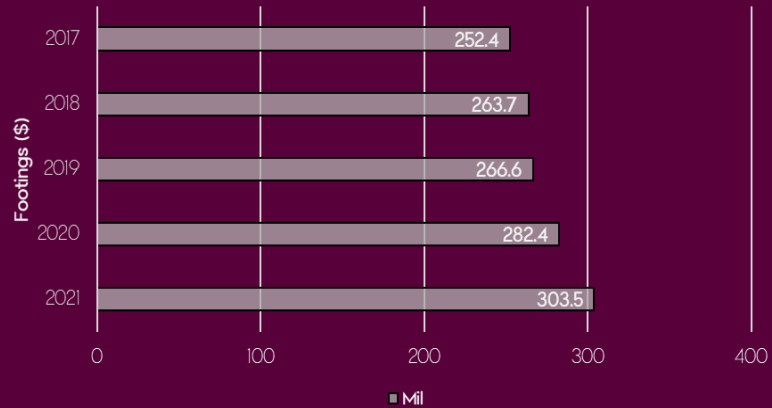
1. Be responsible for achieving the agreed financial budgets and business objectives.
2. Provide reports on the business and advise to the Board of Directors.
3. Ensure new markets are continually developed for the promotion of the group's products and services.
4. Seek, obtain and refer relevant leads to the appropriate specialists
5. Maintain an awareness and report on competitor activity.

# Performance Snapshot

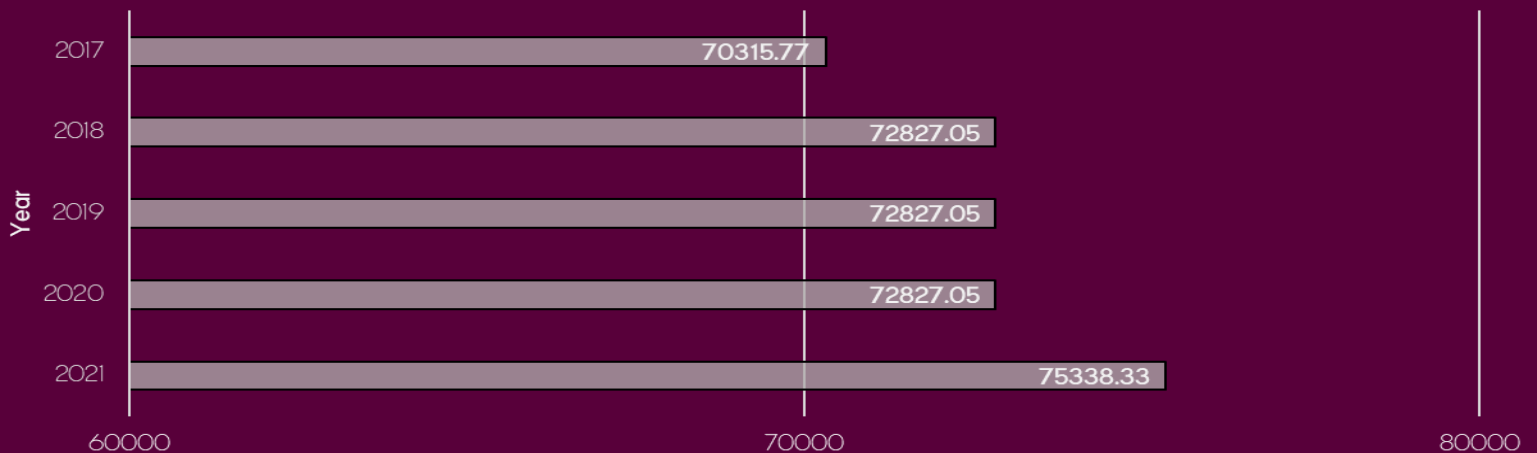
Revenue (\$)



Footings (\$) by Mil



Fully Franked Dividend (\$)



## Local Impact



## Community Investment



## Chairman's Report



There are a number of benefits the Bendigo Bank - Community Bank - model brings to the table, not least of which is the valuable contribution it makes to providing banking services to our communities. This is even more relevant given the, now evidently, uncertainties being displayed by the major banks, and other regional banks, in reducing services to smaller communities, of which our community of Mareeba and indeed the wider Tablelands is experiencing. This changing of how services are provided is not confined to other banking institutions, as Bendigo & Adelaide Bank itself, strives for market position, growth and efficiencies in its operations. If there is one thing that can be said about the future landscape of banking services, there is one certainty, expect change and with that comes some degree of uncertainty.

The certainties we hope to achieve are not defined, while important, by the bottom line. Local opportunity and investment is the essence of what we strive to achieve, whether that is providing an opportunity for a return for investors in ownership of a local company, a vital injection of funds for programmes or infrastructure projects, to the very important opportunity for employment, in a very important industry in our community. We do these things and more, through integrity, leadership, performance, teamwork, engagement and passion, the values we provide to our community and what we are about.

Our purpose is to work with and invest in our communities, to embrace opportunities for a sustainable and positive future. Having a firm business base is so important in achieving these ends. The company, over the last fifteen years has returned, invested and made available in excess of **four million dollars** to our communities. The company holds a cash reserve in excess of one million dollars, a comfortable position, achieved by the stewardship of a competent group of directors, and a board and staff confident about the future.

We've moved forward in the last twelve months, showing good growth, and once again exceeding budget expectations and bringing total business footings over **three hundred and five million**, a growth of 8% on the previous year. Despite this, revenue continues to be a source for concern, with a drop of about 6%. Even so, the company has contributed over sixty thousand through our marketing development activities and again banked (\$250,000) into the Community Enterprise Foundation for grant projects.

As a Board we continue to maintain a firm focus on corporate governance and community impact with the aim of delivering on our Vision of "Passionate about, Engaging with and Investing in, our Community".

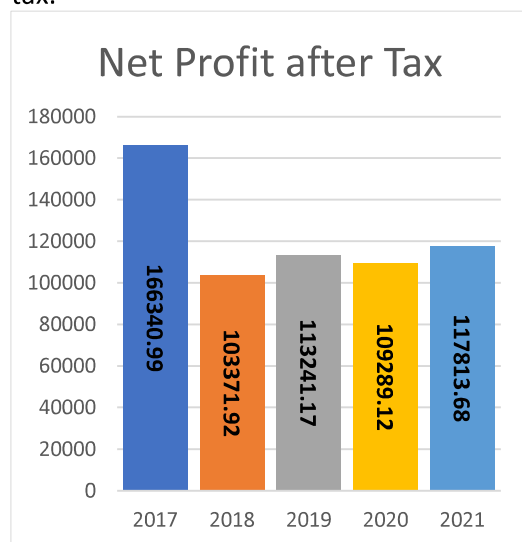
A handwritten signature in dark ink, appearing to read 'G Teitzel', written in a cursive style.

Gilbert Teitzel  
Chair

# Treasurer's Report

## Operating results

Despite challenging business conditions leading to a fall in gross revenue of 6%, the management of the board and strong support from the local community has contributed to an 8% increase in net profit after income tax.



The Board continues to monitor the changing climate in the banking industry and endeavours to maintain a strong relationship with Bendigo and Adelaide Bank to grow our capacity to help support, engage and invest in our community.

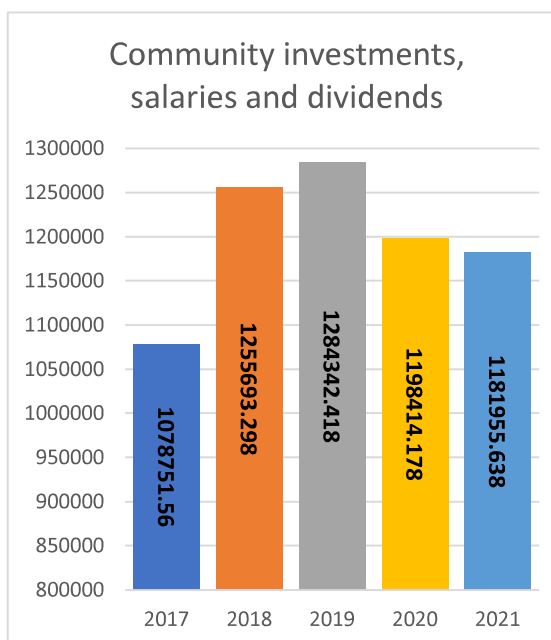
## Dividends

In December 2020, the Company paid a full franked dividend of 7.25 cents per share based on the performance of the 2020 financial year.

The Directors have determined that a fully franked dividend of 7.5 cents per share will be paid for the 2021 financial year, which is to be paid in December 2021.

## Investment in Our Community

2021 provided our local community with many hurdles in operating their businesses, fundraising for not-for-profit organisations and coordinating community events.



Despite these challenges, the support our company has been able to provide to community groups, staff and shareholders through sponsorships, donations, salaries and dividends for the 2021 financial year totalled \$1.18 million.

Michael Hoskin  
Treasurer



# Operations Manager's Report

In the last 16 years since opening our doors at Mareeba and Dimbulah as a Community Bank, our role provides a REAL bank experience, with REAL stories and making a REAL difference in our local Community.

With our partner Bendigo Bank, we are Australia's 5th largest retail bank with a vision to be Australia's bank of choice. We'll get there by making life easier for staff, customers, partners, and shareholders, ensuring our customers and communities are at the heart of everything we do.

The COVID-19 pandemic has shown us that it's more important than ever to focus on connecting with our customers and being committed to our customers and our communities. Through this pandemic we are supporting our customers through face-to-face interactions and moving forward towards the new and convenient way of online and digital banking. Bendigo Bank are already ahead when it comes to their online offerings, and the move to digital banking is committed to making this a priority, especially for those customers who don't want to step into a traditional bank. We encourage all our customers to come into the branch to find out more about what exciting and new products are available.

Your banking helps generate income that is paid back to the community in many ways, such as shareholder dividends, grants and sponsorships, which is vital income for so many local and not-for-profit groups.

The Mareeba and Dimbulah Community Bank branches have continued to grow, achieving a growth of \$22.7 million. This growth is tabled below with an overall holding of \$305.1 million for the 2021 financial year. This total growth was across several areas of the bank - BBL lending, BBL deposits, with a large growth in Rural Bank lending and Rural Bank deposits in both Branches.

## **Mareeba and Dimbulah Community Bank Branches**

Financial Year Total Business – Mareeba and Dimbulah

2011/2012 \$155.3 million  
2012/2013 \$170.6 million  
2013/2014 \$181.0 million  
2014/2015 \$201.4 million  
2015/2016 \$221.6 million  
2016/2017 \$252.4 million  
2017/2018 \$263.7 million  
2018/2019 \$266.6 million  
2019/2020 \$282.4 million  
2020/2021 \$305.1 Million

Our passion, our people and our focus is supporting our team members by ensuring our business is a great workplace, with opportunities to grow professionally and this remains a strategic priority to upskill our staff, with an opportunity to further develop their careers.

I would like to thank all our staff for their support and engagement throughout the year across both of our branches, providing the best customer experience, providing our customers with a seamless, exceptional experience to achieve their lifestyle and financial aspirations.

A big thank you to all the staff of Mareeba and Dimbulah Community Bank branches for all the additional volunteer hours that they offer our various community groups – Mareeba Rodeo, Eureka Rodeo, FNQ Field Day, Mareeba Bowls Club Rodeo Event, Mareeba annual Tennis tournament, Mutchilba Monthly Dinners, just to name a few.

### Our Team

Branch Operations Manager	Bev Dayes	
Business Development Manager	Ann-Maree Zugno	
Lending Team	Kristie-Lee Cabassi, Sara Teitzel, Jenni Savaglio, Tara McGrath	
Customer Service Team	Hannah Bell, Kyren Cater, Belinda Tomkinson, Rachael Bilic , Charlotte Phillips	
Business Banking Team	Stephen Gear, Joanne Ius, Leanne Tullemans	
Agribusiness Managers	Grant Turner	Patrick McArthur
Regional Manager	Kieran Herlihy	

We would like to acknowledge the Community Bank Company Board of Directors for their endless contribution throughout the year and their support. They provide for all our staff, who are constantly engaging with our community. And to say a big thank you to the shareholders, for your support and your advocacy of the Community Bank branches. This will continue to play a vital role in our communities’ future growth.

Bev Dayes  
Branch Operations Manager  
Mareeba and Dimbulah Community Bank



## Business Development Manager's Report

Well, the 2021 financial year has certainly been a year like no other.

In a year of business lockdowns and state border closures, banking as with everything else, faced its own challenges.

As the banking industry moved through the previous year's AUSTRAC proceedings combined with the country's natural disasters, we thought we had seen the worst of it and then in March 2020 we were hit with COVID-19. Fast forward 4-months to July 2020 and the bank's COVID-19 financial assistance packages were well and truly underway making this a priority for the start of the new financial year.

Customers were given the opportunity to defer their loan repayments for a 6-month period from March 2020 to September 2020. To accurately manage this process, every business customer and Agri-business customer was contacted by our bankers who reviewed their individual business needs and circumstances.

It is honestly hard to fathom the work involved in all of this and yet our bankers rolled up their sleeves and got down to the day-to-day business of supporting our customers through this period.

There were very few Business or Agri-business customers in the Mareeba and Dimbulah customer base who chose to defer their loan repayments. This in itself, is a testament to the quality of the businesses we service, and the care and due diligence performed by the bankers. As a result, there were no business loan defaults or Agri-business loan defaults from our customer base and businesses overall, operated with assistance from their business banking managers.

The story has been very similar in our Agri portfolio, although where our business customers paid down debt, our farmers have been borrowing for future growth. Rural bank reporting confirms that there has been strong production in horticulture and that cropping and dairy were the only sections showing growth in 2021. Rural bank lending growth for the Mareeba and Dimbulah Community bank, was above \$2.8 million and deposit growth above \$1.5 million in the 2021 financial year.

I was asked the other day, "what excites me most about the future of ag?" and really what isn't there to be excited about?

Farming is moving at a fast pace, and this in itself is exciting. There is a whole new generation embracing life on the land, chasing their dreams, raising their families and embracing new ideas and technologies. Australian farmers have always been an innovative bunch because they have had to be to compete on the world stage. Innovation in robotics, variable speed drives and GPS technologies are allowing them to automate a number of their practices. Soil probes are providing much needed data on moisture content, improving soil health and helping to improve land care. These technologies are assisting in reducing labour costs and at the same time increasing production levels. As a banker in the Agri space, there is nothing more satisfying than being part of their journey, enabling the process at the start, supporting them with their purchases and enjoying their pure excitement as they see their future develop.

Growth in Agri-business is something I will continue to drive as part of my role as Business Development Manager for the Community bank. Current indications in this area show no slowing down as it is an integral part for the future growth and development of the area.

If nothing else, the past year has highlighted our purpose and relevance as a Community bank supporting our customers impacted by COVID-19. Through it all we have remained focused on helping customers while still playing an important role within our community. The future looks bright, and I am looking forward to the challenges and celebrations the next 12 months will bring.

Ann-Maree Zugno  
Business Development Manager  
Community Bank - Mareeba and Dimbulah



# Bendigo and Adelaide Bank's Report

CB Annual Report 2021

BEN message

26-Aug-21

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. 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?

First, 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 other 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



# Director's Profile



Gilbert James Teitzel - Chairman - Appointed 28th July 2005  
Committees: Governance & Business Development Committee,  
Human Resources Committee  
Audit/Finance Committee and Strategic Planning Committee  
Gilbert is a Certified Practicing Accountant and  
an Associate Member of the Governance Institute of Australia



Gianfranco De Iacovo - Vice Chairman - Appointed 28th July 2005  
Committees: Marketing & Sponsorship Committee and  
Strategic Planning Committee  
Frank is a business owner



Rhonda Annette Stevens - Secretary - Appointed 21st November 2018  
Committees: Governance & Business Development Committee,  
Human Resources Committee, Audit/Finance  
Committee and Strategic Planning Committee and Public Relations  
Rhonda is Secretary/Treasurer of the Mareeba Turf Club  
Diploma of Financial Services, Diploma of Accounting, JP Qualified



Michael Peter Hoskin - Treasurer - Appointed 21st December 2017  
Committees: Chair of Audit/Finance Committee  
and Strategic Planning Committee  
Michael is a Certified Practicing Accountant



Graeme Eric Ford - Director - Appointed 28th July 2005  
Committees: Chair of Governance & Business Development and  
Chair of Human Resources Committees,  
Audit/Finance Committee and Strategic Planning Committee  
Graeme is a Director of Graeme Ford Motors Pty Ltd



Natasha Srhoj - Appointed 30th March 2011  
Community involvement- Various organisations and charities  
Rotary, Indie Rose Foundation, Mareeba Chamber of Commerce,  
The Great Wheelbarrow Race, Rotary FNQ Field Days  
Committees: Marketing & Sponsorship and Strategic Planning  
Natasha is the Accounts Manager at The Express Newspaper



Charles Edward Khan - Director - Appointed 27th August 2014  
Committees: Marketing & Sponsorship and Strategic Planning  
Committee  
Charles is an Ambulance Officer

# Governance Report

Our governance framework provides for the oversight of decision-making, actions and behavior to ensure we live our values, focus on our vision and align with our purpose.

## The Board...



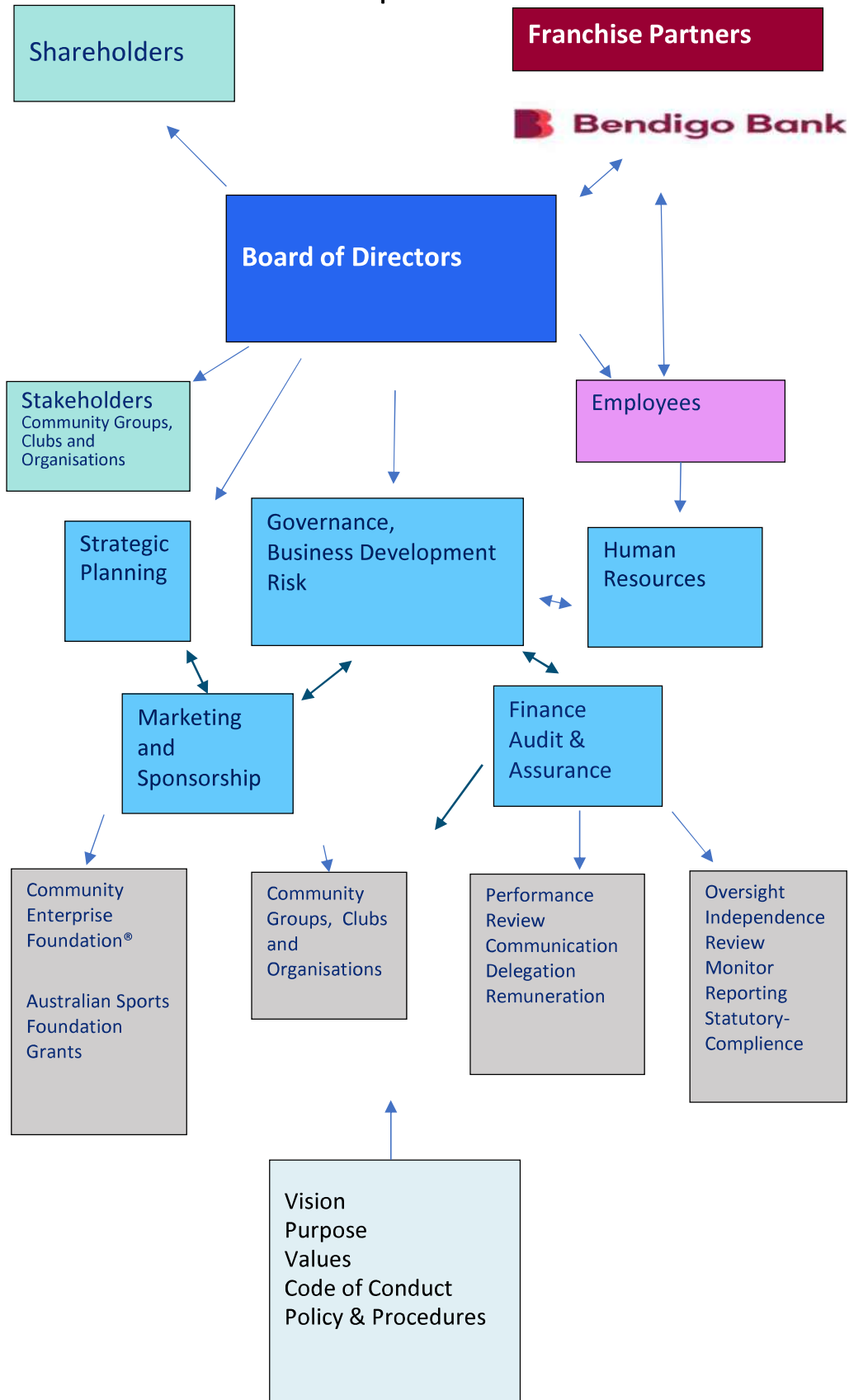
## About our Directors

These dedicated individuals, from varying backgrounds in our community, make up the board members of Mareeba & Dimbulah Financial Services Ltd. Information about each is set out below and in the Annual Financial Report each year. All Directors are non-executive Directors, whose independence is assessed on an annual basis. For this purpose, each Director is a non-executive Director who is free from any business or other association – except as otherwise reported in the Annual Financial Report and declared annually – that could materially interfere with the exercise of their independent judgement.

## The Governance framework...

The board of a company has a significant role in achieving the company's purpose and goals. The board has the onus to act in the best interests of the company's shareholders. The board is accountable to its shareholders and also to stakeholders in the community in which it supports. Sound overview by a strong and balanced board is vital in addressing a company's strategic direction. By such governance the board can fulfil its moral and legal responsibilities and also allow management to carry out its role within defined parameters without the day to day intervention of the board.

## Corporate Structure



**The role of the Board...**

The areas this board has identified that are relevant for a governance framework to enable it to make effective decisions are:

To provide strategic leadership, to proactively move the company's business forward and address emerging issues.

To encourage a diversity of opinion and views where collective, rather than individual decisions are made, that assures stakeholders that the board is fulfilling its responsibilities with due diligence and accountability.

To identify and understand:

- the key duties and responsibilities of an organisation's directors and officers
- the role of committees
- the role of external audit
- risk assessment from the perspective of the board and individual board members.

To provide a future focus rather than a present focus.

To adhere to a clear distinction between the board and Branch/Operations managers' roles; and

To be proactive rather than reactive to changes in the business environment.

**The role of the Board committees...**

To maximize its effectiveness, the board has implemented sub-committees, from which groups of individuals make decisions and recommendations for the board to approve; these sub-committees include:

Governance, Business Development and Risk Committee;

To adhere to good corporate ethics with a sense of duty to act in good faith and in the best interests of the company.

To provide performance reports to stakeholders on a timely basis.

To be aware of good corporate governance issues.

To make known to stakeholders the company's governance process and to report on the board's adherence to its corporate governance policies.

The Board recognises the opportunities to further develop and grow the business within our area. We aim to initially focus on the growth of enterprise within our community, however our longer term vision is to focus on enhancing the prospects of our broader district. We acknowledge the role the community company can play in assisting and developing local enterprise within the area and will actively embrace this role within the district.

Accordingly, the Board commits to:

Undertaking a thorough planning process prior to proceeding with business expansion. Consulting our shareholders, who are representative of the community, to ascertain their needs.

Recognising our shareholders commitment to the establishment of the business by payment of a shareholder return, prior to broadening the structure to encompass potential business expansion.

Balance our existing business needs and responsibilities to our shareholders and the community, with the goal of expanding our business to stimulate further economic

growth within the region.

Looking beyond banking at opportunities that will enhance opportunities within the district.

Work in partnership with Bendigo Bank to further expand the business, ensuring that future business expansion opportunities have the prior approval of Bendigo.

The Board will only consider business expansion opportunities that:

Introduce new and enhance existing services within our community.

Provide us with greater control over services we currently do not have control over.

Provide the ability to generate returns and capital to the district.

Provide facilities or services that facilitate valued social outcomes within the community.

Are ethically and morally consistent with our community's goals and objectives.

The Board is responsible for overseeing the establishment, implementation, review and monitoring of risk management systems and policies. It has established an integrated framework of committee policies and controls to identify, assess, monitor and manage risk. Executive management is responsible for implementing the policies and controls.

There are a number of policies that establish and support the risk management system, including the following Risk Management Principles and Systems Description.

- Branch Staffing
- Regulatory Compliance
- Strategic Objectives
- Community Aspirations
- Business Continuity Management

These themes are mindful of the importance of maintaining an open relationship with Bendigo Bank with respect to the boards Code of Conduct, issues around Privacy and Occupational Health and Safety .

#### **Sponsorship & Marketing Committee;**

Sponsorship is recognised as the purchase of tangible potential rights and benefits associated with an event, entrant, or organisation, which results in increased brand awareness, communication of key messages and increased customer base.

#### **A. Guidelines**

Recipients engaged in legal activities that are considered acceptable by normal community standards.

Sponsorship must align and be consistent with Bendigo Bank's corporate image and identity as a community based organisation. Staff and families of Community Bank branches are eligible for sponsorships of their community organisation if there are justifiable business reasons and tangible benefits are returned to the Community Bank branch.

#### **B. Assessment**

To assist Boards and Branch/Operations Managers evaluate the value of a sponsorship and identify if the sponsorship is successful and worthwhile continuing, attached is the Bendigo Bank's sponsorship review formula and sponsorship review form.

The form also highlights the specific areas that may need attention to generate greater sponsorship values.

This process involves two methods of evaluation, a qualitative assessment and a financial assessment, to enable a fair appraisal of the overall value of the sponsorship.

## 1. Qualitative Assessment

The Qualitative Assessment is to be undertaken by a minimum of three people, preferably the Branch Manager and two directors. Each person will independently complete their own review.

Questions are to be answered according to a scale from 1 – 5, with 1 demonstrating a poor score and 5 demonstrating an excellent score. All completed Review Forms are then to be discussed by the Board Sponsorship Committee. Five questions are provided in each category with points allocated to determine an overall rating. There is also space for comments.

## 2. Financial Assessment

The Financial Assessment is to be undertaken by the Branch Manager in conjunction with the Board Sponsorship Committee. Costs included in this review include the sponsorship cost, materials cost, printing, signage and freight, travel and accommodation, etc. It is important that sales performance and sales value for the year is also provided. The true financial investment in the sponsorship cannot be identified without all costs and income being accounted for.

### **Finance and Audit Committee;**

The Board recognizes the position of public trust it has accepted as the governing body of the Community Bank. The Board also acknowledges their role as a custodian of Bendigo Bank's assets in regard to the franchise. The Board will ensure that the company's and Bendigo's assets are protected, adequately maintained and not unnecessarily risked. The Board acknowledges the importance of making prudent financial decisions and acting in line with the Board's goals and objectives.

Accordingly, the Board commits to:

- Set an annual budget and actively monitor the budget, compared to actual performance, on a monthly basis.
- Review the budget on a six monthly basis and revise the budget forecast as required.
- Develop and implement a procedure to ensure the ongoing monitoring of the financial position of the company by the Board, the Branch Manager and Bendigo Bank.
- Utilise specialist advisers as required.
- Further the education of directors as required to ensure a full understanding of the financial position of the company.
- Use company funds to further Board approved purposes and priorities.
- Only spend funds that have been received in the financial year, unless offset by

- Board approved borrowings or withdrawals from reserves.
- Seek shareholder approval for capital expenditure where the proposed investment is a material change to the company's structure.
- Pay staff in accordance with their employment contracts.
- Ensure that tax or other government payments or returns are paid on time and filed accurately.
- Assertively pursue overdue receivables.
- Ensure there are adequate controls in place for Board members and staff with delegated expenditure authority.
- Comply with Australian Accounting standards.

The Audit Committee assists the board by providing oversight of the company's financial reporting responsibilities, including external audit independence and performance. The Audit Committee's responsibilities include:

- Reviewing the half-year and full-year statutory financial reports for recommendation to the board;
- Reviewing significant accounting estimates and judgements used for the preparation of the financial reports;
- Reviewing and approving any new or proposed changes in accounting policies;
- Monitoring developments in statutory reporting, accounting and disclosure requirements; and
- Reviewing the effectiveness of the internal control and risk management framework.

#### **Human Resources Committee;**

The Board recognises the role of the Branch/Operations Manager and acknowledges that the Branch/Operations Manager is responsible for the day to day operations of the business.

Accordingly, the Board delegates the following authority to the Branch/Operations Manager.

- Authorities as outlined in the Franchise Agreement and undertaken as part of the Manager's role.
- Overall management of the branch, and all operational functions within the branch structure.
- Commitment and authorisation of regular accounts payable up to \$2,000.
- Providing comments to the media, subject to prior approval by the Chairman and Bendigo Bank.
- Reduction or waiver of fees up to \$1,000 in order to win banking business.

The Board commits to

- Regularly reviewing the performance of the Branch/Operations Manager, in conjunction with Bendigo, against stated objectives and goals.
- Maintaining open communication lines between the Board and the Branch/Operations Manager and encouraging active communication from the Branch/Operations Manager to the Board.

The Board also acknowledges the authority delegated to the Branch/Operations Manager by Bendigo to make operational decisions up to \$2,000 on behalf of the company, and the potential risk to the company in the event of a loss as a result of a decision made by the Branch/Operations Manager. Further, the Board also recognizes that decisions made by the Branch/Operations Manager without the prior approval of Bendigo place the company at risk in the event of a loss to the branch.

The Board recognises that the staff of the community company are integral to the success of the Community Bank. The Board values the contribution made by the staff and the role that they play as ambassadors of the Community Bank. The Board acknowledges that the primary contact with the staff is through the manager, however the Board will ensure that all staff have the opportunity to approach the Board as required.

Accordingly, the Board commits to:

- Treat staff with respect and equality and at all times be fair and equitable in dealing with staff.
- Set clear objectives and goals for staff that contribute to the overall success of the company.
- Review these objectives and goals formally on an annual basis.
- While recognising the staff are seconded employees of Bendigo Bank, review staff remuneration on an annual basis, current market conditions and practices across the Community Bank network.
- Provide staff with the opportunity to further their individual aspirations as part of their career development.
- Regularly review the training requirements of our staff and ensure that appropriate training programs are in place.
- Provide a satisfying and rewarding workplace that, time and resource permitting, allows staff to participate in projects and activities which contribute to the enhancement of our community and district.
- Adopt Workplace Diversity and Occupational Health and Safety policies and review the policies on an annual basis.
- Ensure compliance with all regulatory requirements.

#### Remuneration

The policy applies to each director who is an independent director, that is, not an employee of Bendigo & Adelaide Bank Limited. The fees payable are not related to performance of the company, but attendance and contribution to meetings and the business of the company, as appropriate. The power of the board to pay a remuneration meeting attendance fee is contained in clause 53 of the Company's Constitution.

Understanding of the requirements for this policy introduction

The following three policy points are to be included in this overall policy document.

These are adopted policy across all Community Banks. To ensure transparency is maintained throughout the process these points are adopted within Mareeba & Dimbulah Community Bank policy. The payment of any remuneration/meeting attendance fees to directors is made after the following considerations by the board:-

1. The Company must have sufficient Surplus Capital to ensure future stability of The Company and provision of sufficient reserves for future objectives;
2. The Shareholders have been rewarded on a commercial, but not excessive, basis for their contribution of Capital to the Business; and
3. The Company has contributed to Community Projects, with an overall focus on building the community's future prosperity and capacity.

#### Reasons for a policy to pay Remuneration

- The time and responsibility provided by directors to the month to month managing of the company and the 2 Branches. The Mareeba and Dimbulah Community Bank branches;
- There is an increased demand on time, for direct support and attendance with branches at "Community Partnership" arrangements to work towards and to both maintain and increase Community Bank awareness within the Community; and
- The increasing demand on Community Bank director's time from Bendigo & Adelaide Bank Limited with collaborative marketing and related projects.

#### Strategic Planning Committee;

The Board recognises its responsibility to the shareholders to set the strategic direction of the company. The Vision, Purposes and Values statements form the foundation that the strategic platform of the company is built on.

#### Accordingly, the Board commits to:

- Articulate the company's strategy to shareholders, Bendigo and the community on a regular basis.
- Ensure the company's Values are consistent with community's needs, the community enterprise philosophies, Bendigo and the broader Community Bank network.
- Monitor and review the Purpose, Vision and Values annually.
- Ensure the essence of the Community Bank philosophy is maintained in line with the community's goals.
- Maintain relevance within the community by identifying and supporting the community's needs on a short and long term basis.
- Ensure the Purpose, Vision and Values flow through all the activities of the company.
- Develop an annual strategic plan which sets the basis for the branch budget.
- Regular monitoring of the strategic plan and branch budget.

The use of these subcommittees will enable the workload to be balanced amongst the entire board in areas where individuals have and bring particular skills to that sub-committee;

- promoted an environment in which personal and board risk is understood, articulated and managed from a basis of sound governance policy and a risk management framework;
- investment in individual director and board education and training;

- encouraged a diversity of opinions and views as a means towards effective decision making by the board;
- adhered to a clear distinction between the board and Branch/Operations managers' roles; and
- recognised the views of our franchise agreement partner, Bendigo Bank & Adelaide Limited, in board discussions and to utilize its experience.

#### Reporting to our Shareholders...

The Board recognises that a cornerstone of the Community Bank concept's success is the ownership by the community, which is integral to driving business into the structure. While the model is co-operatively spirited, it is commercially based and the Board recognises the need for ongoing broad-based community ownership to ensure the long term commitment of the community and success of the business. Furthermore, the Board acknowledges that broad-based community ownership is essential in defining the services required within the community.

The Board places great importance on maintaining a strong relationship with our shareholders and keeping shareholders informed of the progress of the community company. The Board acknowledges responsibility to the shareholders in a legal sense and has identified the future benefits in marketing and developing business with the shareholder base. The shareholders are the owners of the business and a representative sample of the community. The Board will gather information about their shareholders needs, concerns, and aspirations, and remain up to date on matters concerning their shareholders' interests.

The Company is a public company registered with ASIC and is considered to be an unlisted disclosing entity not listed on any Stock Exchange. The company maintains its own share register through a share registry services group, AFS Share Registry Services, in Bendigo, via the Low Volume Market share trading process. Shareholders are able to login to the share registry website to review and update information at <https://www.registrydirect.com.au/login/afs-associates-pty-ltd/mareeba-dimbulah-financial-services-limited> Unlisted disclosing entities are subject to continuous disclosure obligations that require them to make material information available to investors as soon as practicable after having become aware of it.

#### **Engaging with and Investing in our community...**

The Board acknowledges the responsibility between recognising the significant investment the shareholders have made through their commitment to the structure, ensuring adequate reserves are in place to broaden the community enterprise, further expand the banking business and return profits to community projects.

Accordingly, investing in the community through profit distribution will be considered on the following basis.

- Adequate reserves of capital are in place to ensure the ongoing viability and the expansion of the business.
- Returns to shareholders will be on a commercial, but not excessive, basis in line with the Franchise Agreement.

- Projects undertaken will enhance and promote new infrastructure and services, along with building the capacity to enhance development and other beneficial opportunities within the community.
- Contributions to community projects will:
- Add value to the community.
- Represent a tangible positive benefit.
- Protect the integrity of the Community Bank, the Community Bank network and Bendigo Bank
- Be relevant to the wider community.
- Be non-politically motivated.
- Be consistent with the statements made to the community during the initial community bank campaign.
- Be considered in line with further enhancing our community's opportunities through a range of beyond banking initiatives and expanding the banking operation of the business.
- Funds distributed to a trust or another organisation will be bound by the ethical and moral standards of the community company.

Economic, environmental and social sustainability...

We discuss economic sustainability risks in the business through our governance committee meetings, particularly in light of our position of having little or no real control over revenue streams based on pricing of product, such that Bendigo Bank and its related entities do have.

Environmental sustainability includes our direct impacts on the environment and our indirect impacts through the activities of our franchise partners lending and other financial intermediary activities. Our business, like the Bendigo Bank (and associated entities) is committed to:

- Actively identifying environmental and climate risks and reporting these.
- Actively identifying opportunities to reduce our environmental footprint.
- Assisting our staff, customers, partners, shareholders and communities to identify opportunities to reduce their environmental footprints and to be better prepared for future climate risks.
- Considering the physical environment and future environmental and climate conditions in all relevant business decisions.
- Considering the impact of climate risks on the performance and sustainability of the business, and the communities we influence.

Social sustainability underlies everything we do. Our purpose is to feed into the prosperity of our customers and our communities, not off it.

Where relevant, we consider the social, climate and environmental outcomes of the business decisions we make.

*In all things the board shall be transparent in its dealings and have strong corporate governance focus. The board will adopt corporate governance policies and procedures that will guide Marceba & Dimbulah Financial Services Limited into the future.*

# Community Investment

Balance Sheet 2020/21



## Mareeba and Dimbulah Financial Services Limited



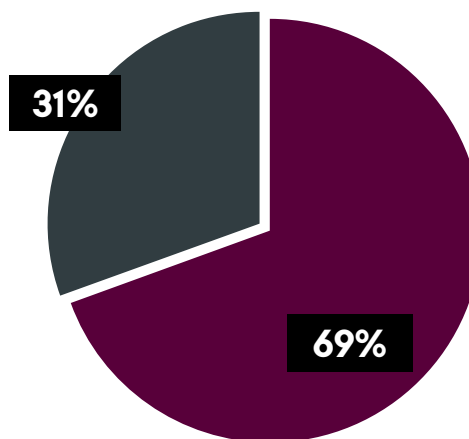
**Projects  
Funded**

**48**



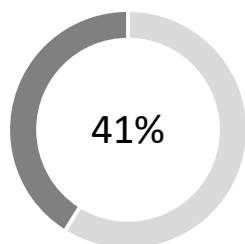
**Community  
Project  
Investment**

**\$175,671.36**



## Biggest Impact Area

Sport & Recreation

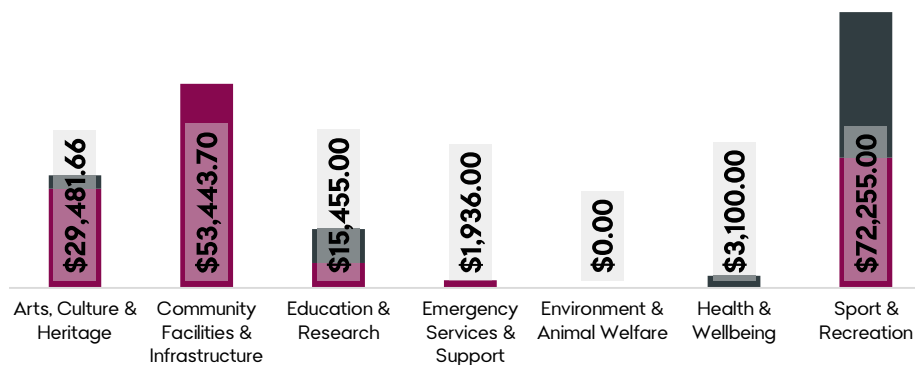


## Total Investment by Theme:

Grants	\$122,036.36
Sponsorships	\$53,635.00

## Total Investment by Sector:

- Donations
- Grant
- Sponsorships



## Branches

Community Bank Dimbulah

Community Bank Mareeba

# Community Investment

Balance Sheet 2020/21



QLD



**Projects  
Funded**

**741**

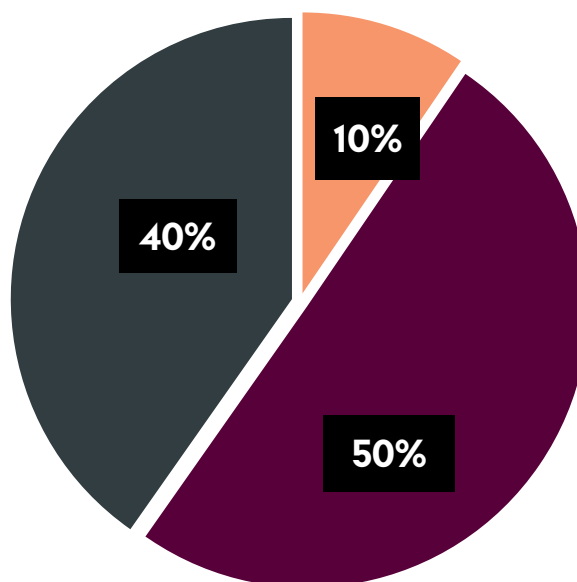
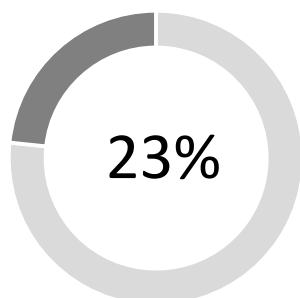


**Community  
Project  
Investment**

**\$1,950,833.62**

**Biggest Impact Area**

Sport & Recreation

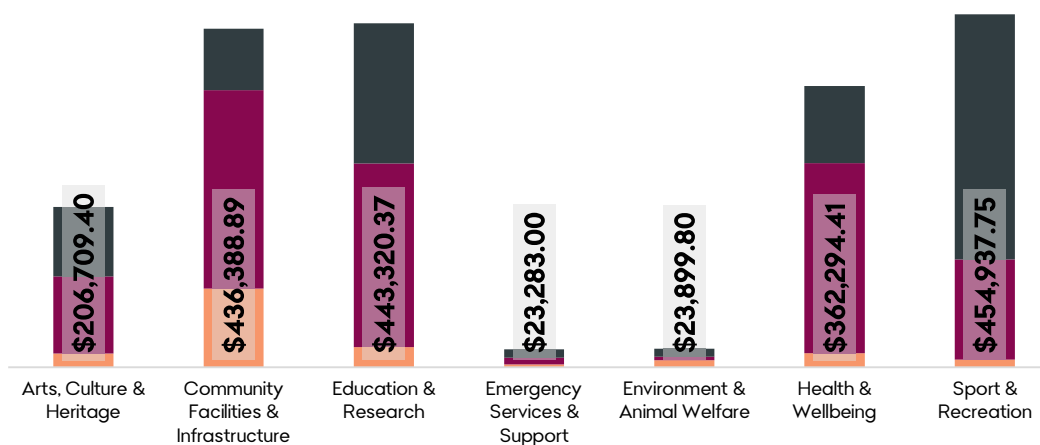


**Total Investment  
by Theme:**

Donations	\$185,492.53
Grants	\$980,032.47
Sponsorships	\$785,308.62

**Total Investment  
by Sector:**

■ Donations  
■ Grant  
■ Sponsorships



Bendigo and Adelaide Bank Limited, ABN 11 068 049 178 Australian Credit Licence 237879. (1510535-1510853) (09/20)

# Community Investment

Balance Sheet 2020/21



## National



Projects  
Funded

**6,805**



Community  
Project  
Investment

**\$21,317,101.51**



NSW/ACT **\$3,303,406.04**



NT **\$165,509.08**



QLD **\$1,950,833.62**



SA **\$1,129,154.66**



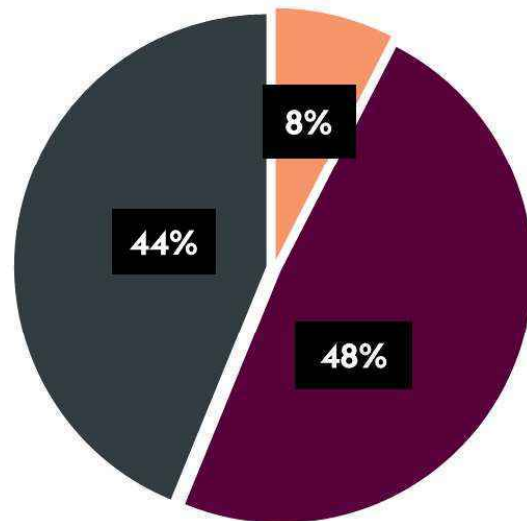
TAS **\$626,413.90**



VIC **\$12,059,797.92**



WA **\$2,081,986.29**

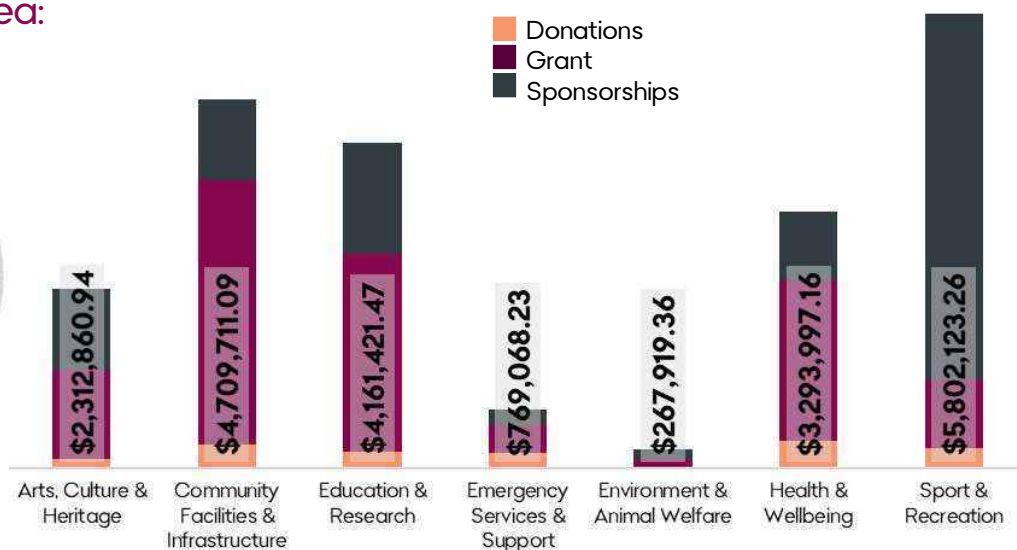
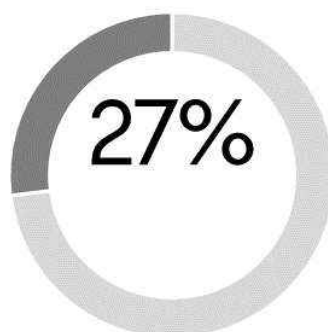


## Total Investment by Theme:

Donations	\$1,616,124.11
Grants	\$10,362,534.02
Sponsorships	\$9,338,443.38

## Biggest Impact Area:

Sport & Recreation



Bendigo and Adelaide Bank Limited, ABN 11 068 049 178 Australian Credit Licence 237879. (1510635-1510853) (09/20)

**Mareeba & Dimbulah Financial Services Ltd**

**ABN 53 115 503 930**

Financial Statements  
For the year ended 30 June 2021

**Mareeba & Dimbulah Financial Services Ltd**  
**ABN 53 115 503 930**

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**Mareeba & Dimbulah Financial Services Ltd**  
**ABN 53 115 503 930**  
**Directors' Report**

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Your directors present this report on the company for the financial year ended 30 June 2021.

## **Directors**

The names of the directors in office at any time during or since the end of the year are:

Name:	Gilbert James Teitzel
Position:	Chairman
Qualifications:	Certified Practising Accountant
Special Responsibilities:	Governance & Business Development Committee, Human Resources Committee, Audit/Finance Committee and Strategic Planning Committee
Name:	Gianfranco De Iacovo
Position:	Vice Chairman
Qualifications:	Business Owner
Special Responsibilities:	Marketing & Sponsorship Committee and Strategic Planning Committee
Name:	Rhonda Annette Stevens
Position:	Secretary
Qualifications:	Administration & Marketing
Special Responsibilities:	Governance & Business Development Committee, Governance Committee, Audit/Finance Committee, Strategic Planning Committee and Public Relations
Name:	Michael Peter Hoskin
Position:	Treasurer
Qualifications:	Certified Practising Accountant
Special Responsibilities:	Chair of Audit/Finance Committee and Strategic Planning Committee
Name:	Charles Edward Khan
Position:	Director
Qualifications:	Ambulance Officer
Special Responsibilities:	Marketing & Sponsorship Committee and Strategic Planning Committee
Name:	Michael Peter Hoskin
Position:	Chairman
Qualifications:	CPA
Special Responsibilities:	HR Finance
Name:	Natasha Barbara Srhoj
Position:	Director
Qualifications:	Accounts Manager - The Express
Special Responsibilities:	Marketing & Sponsorship Committee and Strategic Planning Committee
Name:	Graeme Eric Ford
Position:	Director
Qualifications:	Automotive Dealer
Special Responsibilities:	Chair of Governance & Business Development Committee, Chair of Human Resources Committee, Audit/Finance Committee and Strategic Planning Committee

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The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report.

## Mareeba & Dimbulah Financial Services Ltd

**ABN 53 115 503 930**

### Directors' Report

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

No directors have material interests in contracts or proposed contracts with the company, except for Gilbert Teitzel, whose firm provides accounting services to the company (refer note 18).

### Principal Activities

The principal activities of the company during the course of the year were providing Community banking services under management rights to operate a franchised branch of Bendigo Bank Limited in Mareeba and Dimbulah. No significant change in the nature of these activities occurred during the year.

### Review of Operations and Financial Results

Operations have continued to perform in line with expectations. The profit of the company for the financial year after providing for income tax amounted to:

Year ended	Year ended
30 June 2021	30 June 2020
\$	\$
117,813.68	106,539.12

### Significant Changes in the State of Affairs

As a result of the global coronavirus pandemic, the company does not believe there will be a material adverse effect on the financial performance and position of the company going forward due to the nature of our business operations, detailed in Note 1 (B) - Economic dependency - Bendigo and Adelaide Bank Limited.

The company has been eligible to receive the 'boosting cash flow for employers' economic stimulus provided by the Australian Government. During this financial year, the company has received credits of \$2,500 each on lodgement of the June, July, August and September 2020 BAS, totalling the minimum \$20,000 cash flow boost credits it is eligible for under the Government scheme. These amounts are non-assessable to the company and are detailed further at Note 4: Revenue.

### Dividends

The fully franked dividend of \$72,827.05 (\$0.0725 per share) with a 26% franking credit referred to in the previous directors' report dated 31 December 2020 was paid on 16 December 2020.

### Events Subsequent to the End of the Reporting Period

There are no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect either:

- the operations of the company,
- the results of those operations; or
- the state of affairs of the company in subsequent financial years

### Likely Developments

The company expects to maintain the present status and level of operations and hence continue its policy of facilitating banking services to the community.

**Mareeba & Dimbulah Financial Services Ltd**  
**ABN 53 115 503 930**  
**Directors' Report**

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## Environmental Legislation

The company's operations are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory in Australia.

## Indemnifying Officer or Auditor

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

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

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been included on page 8 of this Financial Report and forms part of the Directors Report.

## Directors' Remuneration/Meeting Attendance Fees

As disclosed in the Directors' Report dated 6 March 2019, Mareeba & Dimbulah Financial Services Limited have accepted the Director Remuneration/Meeting Attendance Fees Policy carried by shareholders as a motion at the Annual General Meeting held 20 November 2018.

The directors received total remuneration/meeting attendance fees, as follows:

	2021	2020
	\$	\$
Meeting Attendance Fees	<u>                    </u>	<u>1,100.00</u>
	<u>                    </u>	<u>1,100.00</u>

The policy applies from 1 December 2018 to each director who is an independent director of the company who can elect to avail themselves of the benefit based on their meeting attendance. These payments are made twice yearly, in arrears, in June and December each year. Any amount paid to directors is dependent on the company meeting criteria based on the company's surplus capital, dividends paid to shareholders and contributions to community projects. The half-year ended 30 June 2019 was the first period that directors have elected to avail themselves of the benefit of this policy.

## Directors' Meetings

During the year ten (10) directors' meetings were held. Attendances by each director during the year were:

Name of Director	Number Eligible to Attend	Number Attended
Gilbert James Teitzel	12	11
Gianfranco De Iacovo	12	10
Rhonda Annette Stevens	12	11
Michael Peter Hoskin	12	11
Charles Edward Khan	12	7
Natasha Barbara Srhoj	12	10
Graeme Eric Ford	12	7

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report.

**Mareeba & Dimbulah Financial Services Ltd**  
**ABN 53 115 503 930**  
**Directors' Report**

---

**Proceedings on Behalf of Company**

No person has applied for leave of Court to bring proceedings on behalf of the company or 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 any part of those proceedings.

The company was not a party to any such proceedings during the year.

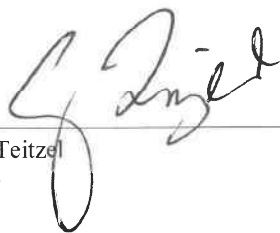
**Mareeba & Dimbulah Financial Services Ltd**  
**ABN 53 115 503 930**  
**Directors' Report**

---

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been included.

Signed in accordance with a resolution of the Board of Directors:



Gilbert Teitzel  
Director



Michael Hoskin  
Director

Dated: 29/09/2021

**Mareeba & Dimbulah Financial Services Ltd**

**ABN 53 115 503 930**

**Auditor's Independence Declaration**

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**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF MAREEBA & DIMBULAH FINANCIAL SERVICES LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the Audit; and
- (ii) any applicable code of professional conduct in relation to the audit



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Megan O'Neill FCPA  
Cairns Quality Accounting  
Registered Company Auditor #419579  
Suite 6/254 Mulgrave Road, Westcourt QLD 4870

Dated: 26 October 2021

**Mareeba & Dimbulah Financial Services Ltd****ABN 53 115 503 930****Statement of Comprehensive Income****For the year ended 30 June 2021**

	Note	2021 \$	2020 \$
Revenue	2	1,681,001.79	1,794,618.30
Gross profit		1,681,001.79	1,794,618.30
Administration and general costs		(122,051.12)	(141,051.03)
Employment secondment expenses		(877,399.10)	(935,207.56)
ATM expenses		(10,492.88)	(13,213.27)
Depreciation & amortisation expenses		(97,802.74)	(132,977.94)
IT leasing and running costs		(50,214.79)	(54,744.90)
Occupancy costs		(59,152.77)	(67,169.68)
Marketing Development Fund expenses		(61,337.64)	(46,934.69)
Grants and donations		(250,000.00)	(250,000.00)
Profit before income tax		152,550.75	153,319.23
Income tax attributable to operation profit (loss)	5	34,737.07	44,030.11
Operating profit after income tax		117,813.68	109,289.12
Total comprehensive income for the year		117,813.68	109,289.12
Earnings per share (cents per share)		c	c
- basic profit for the year		11.73	10.88

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report.

**Mareeba & Dimbulah Financial Services Ltd**  
**ABN 53 115 503 930**  
**Balance Sheet as at 30 June 2021**

	Note	2021 \$	2020 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7	1,097,838.10	1,050,882.11
Trade and other receivables	8	151,929.08	153,684.47
Current tax assets	9	8,106.36	
Other assets	10	6,016.27	5,572.79
Total Current Assets		1,263,889.81	1,210,139.37
<b>Non-Current Assets</b>			
Property, plant and equipment	11	92,043.66	115,740.30
Intangible assets	12	203,449.09	203,556.46
Financial assets	13	322,463.12	279,183.79
Non-current tax assets	14	7,813.48	8,800.06
Total Non-Current Assets		625,769.35	607,235.61
Total Assets		1,889,659.16	1,817,374.98
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	15	94,669.36	101,262.35
Current tax liabilities	9		1,606.94
Lease liabilities	16	39,521.46	56,802.03
Total Current Liabilities		134,190.82	159,671.32
<b>Non-Current Liabilities</b>			
Lease liabilities	16	292,411.32	239,633.27
Total Non-Current Liabilities		292,411.32	239,633.27
Total Liabilities		426,602.14	399,304.59
Net Assets		1,463,057.02	1,418,070.39
<b>Equity</b>			
Contributed equity	17	1,004,511.00	1,004,511.00
Retained profits		458,546.02	413,559.39
Total Equity		1,463,057.02	1,418,070.39

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report.

## Mareeba &amp; Dimbulah Financial Services Ltd

ABN 53 115 503 930

## Statement of Changes in Equity for the year ended 30 June 2021

	Notes	Retained Earnings	Issued & Paid Up Capital	Total
<b>Balance at 1 July 2019</b>		377,097.32	1,004,511.00	1,381,608.32
Shares issued during year				
Profit attributable to the members		109,289.12		109,289.12
<b>Subtotal</b>		486,386.44	1,004,511.00	1,490,897.44
Dividends paid or provided for		(72,827.05)		(72,827.05)
<b>Balance at 30 June 2020</b>		413,559.39	1,004,511.00	1,418,070.39
<b>Balance at 1 July 2020</b>		413,559.39	1,004,511.00	1,418,070.39
Shares issued during year				
Profit attributable to the members		117,813.68		117,813.68
<b>Subtotal</b>		531,373.07	1,004,511.00	1,535,884.07
Dividends paid or provided for		(72,827.05)		(72,827.05)
<b>Balance at 30 June 2021</b>		458,546.02	1,004,511.00	1,463,057.02

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report.

**Mareeba & Dimbulah Financial Services Ltd**  
**ABN 53 115 503 930**  
**Statement of Cash Flows**  
**For the year ended 30 June 2021**

	2021	2020
	\$	\$
<b>Cash Flow From Operating Activities</b>		
Receipts from customers	1,678,753.84	1,798,468.00
Payments to Suppliers and employees	(1,439,455.16)	(1,561,061.03)
Interest received	4,003.34	15,670.21
Interest and other costs of finance	(10,273.92)	(15,042.00)
Income tax paid	(41,693.40)	(43,050.97)
Net cash provided by (used in) operating activities (note B)	<u>191,334.70</u>	<u>194,984.21</u>
<b>Cash Flow From Investing Activities</b>		
<b>Payment for:</b>		
Property, plant and equipment	(126.36)	
Intangible assets	(26,252.59)	
Right-of-use assets	(80,670.19)	(342,063.41)
Net cash provided by (used in) investing activities	<u>(107,049.14)</u>	<u>(342,063.41)</u>
<b>Cash Flow From Financing Activities</b>		
Proceeds of borrowings	90,944.11	395,782.70
Repayment of borrowings	(55,446.63)	(99,347.40)
Dividends paid	(72,827.05)	(72,862.05)
Dividends payable		(1,950.25)
Net cash provided by (used in) financing activities	<u>(37,329.57)</u>	<u>221,623.00</u>
Net increase (decrease) in cash held	46,955.99	74,543.80
Cash at the beginning of the year	<u>1,050,882.11</u>	<u>976,338.31</u>
Cash at the end of the year (note A)	<u><u>1,097,838.10</u></u>	<u><u>1,050,882.11</u></u>

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report.

**Mareeba & Dimbulah Financial Services Ltd**  
**ABN 53 115 503 930**  
**Statement of Cash Flows**  
**For the year ended 30 June 2021**

2021

2020

### **Note A. Reconciliation Of Cash**

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Bendigo General Cheque Account	44,830.47	25,767.37
Bendigo Market Development Fund Account	100,635.57	122,448.40
Bendigo Business Solutions Account	2,372.06	2,372.06
Bendigo Business Cash Mgmt Account		294.28
Term Deposit	950,000.00	900,000.00
	<u>1,097,838.10</u>	<u>1,050,882.11</u>

### **Note B. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Net Profit**

Operating profit (loss) after tax	117,813.68	109,289.12
Depreciation	61,168.86	90,823.62
Amortisation	26,359.96	27,112.32
Increase/(decrease) in provision for income tax	(4,630.20)	(3,638.18)
Increase/(decrease) in future income tax benefit	(2,326.13)	4,617.32
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	1,755.39	19,519.91
(Increase) decrease in prepayments	(443.48)	(506.19)
Increase (decrease) in trade creditors and accruals	(6,627.99)	(53,504.52)
Increase (decrease) in employee entitlements		(389.35)
Increase (decrease) in sundry provisions	(1,735.39)	1,660.16
Net cash provided by operating activities	<u>191,334.70</u>	<u>194,941.21</u>

**Mareeba & Dimbulah Financial Services Ltd**

**ABN 53 115 503 930**

**Notes to the Financial Statements**

**For the year ended 30 June 2021**

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## **Note 1: Statement of Significant Accounting Policies**

### **(A) Basis of Preparation**

The company has elected to adopt the Australian Accounting Standards - Reduced Disclosure Requirements.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporation Act 2001. Mareeba & Dimbulah Financial Services Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial statements for the year ended 30 June 2021 were approved and authorised for issue by the Board of Directors on 29 September 2021.

### **(B) Accounting Policies**

#### **Changes in accounting policies**

The accounting policies are consistent with those applied in the previous financial year except as follows:

The entity has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as at 1 July 2020:

AASB 2018-7 principally amends AASB 101 and AASB 108. The amendments refine the definition of "material" in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition, to give it more prominence and clarifies the explanation accompanying the definition of material. On adoption of these amendments, there has been no material impact on the transactions and balances recognized in the financial statements.

#### **Economic dependency - Bendigo and Adelaide Bank Limited**

The company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the Community Bank branches at Mareeba and Dimbulah, Queensland.

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

All deposits are made with Bendigo and Adelaide Bank Limited, and all personal and investment products are products of Bendigo and Adelaide Bank Limited, with the company facilitating the provision of those products. All loans, leases or hire purchase transactions, issues of new credit and 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 and Adelaide Bank Limited, must be approved by Bendigo and Adelaide Bank Limited. All credit transactions are made with Bendigo and Adelaide Bank Limited, and all credit products of Bendigo and Adelaide Bank Limited.

Bendigo and Adelaide Bank Limited provides significant assistance in establishing and maintaining the Community Bank branch 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 in relation to:

- advice and assistance in relation to the design, layout and fitout of the Community Bank(r) branches;
  - training for the branch manager and other employees in banking, management systems and interface protocol;
- 

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report.

**Mareeba & Dimbulah Financial Services Ltd**

**ABN 53 115 503 930**

**Notes to the Financial Statements**

**For the year ended 30 June 2021**

- methods and procedures for the sale of products and provision of services;
- security and cash logistic controls;
- cancellation of company revenue and payment of many operation and administrative expenses;
- the formulation and implementation of advertising and promotional programs;
- sales techniques and proper customer relations.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

### **Summary of accounting policies**

#### **Overall consideration**

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

#### **Revenue**

Revenue is recognised based on the amount of consideration expected by an entity after providing goods or services, or the amount of revenue on the transfer of goods and services to a customer. The company follows the following 5-step process when determining whether to recognise revenue:

1. Identifying the contract with the customer;
2. Identifying the performance obligations in the contract;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognising revenue when (or as) the performance obligations are satisfied.

#### **Revenue calculation**

The franchise agreement with Bendigo and Adelaide Bank Limited provides for three types of revenue earned by the company. First, the company is entitled to 50% of monthly gross margin earned by Bendigo and Adelaide Bank Limited on products and services provided through the company that are regarded as 'day to day' banking business (ie 'margin business'). This arrangement also means that if the gross margin reflects a loss (that is, the gross margin is a negative amount), the company effectively incurs, and must bear, 50% of the loss.

The second source of revenue is commission paid by Bendigo and Adelaide Bank Limited on the other products and services provided through the company (ie 'commission business'). The commission is currently payable on various specified products and services, including insurance, financial planning, common fund, Sandhurst Select, superannuation, commercial loan referrals, products referred by Rural Bank, leasing referrals, fixed loans and certain term deposits (>90 days). The amount of commission payable can be varied in accordance with the Franchise Agreement (which, in some cases, permits commissions to be varied at the discretion of Bendigo and Adelaide Bank Limited). This discretion has been exercised on several occasions previously. For example, in February 2011, Bendigo and Adelaide Bank Limited reduced commission on two core banking products to ensure a more even distribution of income between Bendigo and Adelaide Bank Limited and its Community Bank partners. The revenue share model is subject to regular review to ensure that the interests of Bendigo and Adelaide Bank and Community Bank companies remain balanced.

The third source of revenue is a proportion of the fees and charges (ie, what are commonly referred to as 'bank fees and charges') charged to customers. This proportion, determined by Bendigo and Adelaide Bank Limited, may vary between products and services and may be amended by Bendigo and Adelaide Bank Limited from time to time.

**Mareeba & Dimbulah Financial Services Ltd****ABN 53 115 503 930****Notes to the Financial Statements****For the year ended 30 June 2021**

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**Income Tax****Current tax**

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

**Deferred tax**

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probably that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial taxable income or account profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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 company entity intends to settle its tax assets and liabilities on a net basis.

**Current and deferred tax in the period**

Current and deferred tax is recognised as an expense or income in the Statement of Profit or Loss and Other Comprehensive Income, except when it relates to items credited or debited to equity, in which case the deferred tax is also recognised directly in equity or where it arise from initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

**Employee Benefits**

Provision is not made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employees are seconded staff of Bendigo and Adelaide Bank Limited and are treated as employees of Bendigo and Adelaide Bank Limited. The company is invoiced each month for a provision to employee entitlements, such as long-service leave, holiday pay and personal leave. Any provision for employee entitlements are accrued by Bendigo and Adelaide Bank Limited.

**Cash and Cash Equivalents**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Positions.

**Trade Receivables and Payables**

Receivables are carried at their amounts due. The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts. Liabilities for trade creditors and other amounts payable are carried at cost that is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the company.

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**Mareeba & Dimbulah Financial Services Ltd****ABN 53 115 503 930****Notes to the Financial Statements****For the year ended 30 June 2021****Property, Plant and Equipment**

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated at the rate equivalent to the available building allowance using the straight line method. The estimated useful lives, residual lives and depreciation method is reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

Class of Asset	Depreciation Rate
Leasehold improvements	2.5 - 40.0%
Plant and equipment	2.5 - 40.0%
Fixtures and fittings	2.5 - 40.0%

Gains and losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

**Intangibles**

The franchise fee paid to Bendigo and Adelaide Bank Limited has been recorded at cost and is amortised on a straight line basis over the life of the franchise agreement.

**Borrowings**

All loans are initially measured as the principal amount. Interest is recognised as an expense as it accrues.

**Leases**

At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the company where the company is a lessee. However, all contracts are classified as short-term leases (lease with a remaining lease term of 12 months or less) and leases of low value assets are recognised as operating expenses on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

**Mareeba & Dimbulah Financial Services Ltd****ABN 53 115 503 930****Notes to the Financial Statements****For the year ended 30 June 2021**

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The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The company does not act as a lessor in relation to lease contracts.

**Provisions**

Provisions are recognised when Mareeba & Dimbulah Financial Services Limited has a legal or constructive obligation, as a result of past events, for which it is probably that the outflow of economic benefit will result and that the outflow can be reliably measured.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

**Contributed Equity**

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.

**Earnings per Share**

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

**Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item.

Cash flows are presented in the cash flow statement on a net basis (after GST), except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**Note 2: Financial Instruments****Recognition and derecognition**

Financial assets and financial liabilities are recognised when the Group becomes a party to contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

**Mareeba & Dimbulah Financial Services Ltd**

**ABN 53 115 503 930**

**Notes to the Financial Statements**

**For the year ended 30 June 2021**

### **Recognition and derecognition**

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

### **Subsequent measurement of financial assets**

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- financial assets at amortised costs
- financial assets at fair value through profit and loss (FVPL)
- debt instruments at fair value through other comprehensive income (FVOCI)
- equity instruments at fair value through other comprehensive income (FVOCI)

Classification are determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit and loss are presented within revenue from ordinary activities.

### **Financial assets at amortised cost**

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised costs using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents as well as trade and other receivables fall into this category of financial instruments.

### **Financial assets at fair value through profit or loss (FVPL)**

Financial assets that are held within a business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. The Company does not hold any financial assets that fall into this category of financial instruments.

### **Debt instruments at fair value through other comprehensive income (Debt FVOCI)**

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for at FVOCI.

Any gains or losses recognised in OCI will be recycled upon recognition of the asset. This category includes bonds that were previously classified as 'available-for-sale' under AASB 139.

### **Equity instruments at fair value through other comprehensive income (Equity FVOCI)**

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under this category, subsequent movements in fair value are recognised in other comprehensive income are never reclassified to profit or loss. Dividend income is taken to profit or loss unless the dividend clearly represents return of capital.

**Mareeba & Dimbulah Financial Services Ltd**

**ABN 53 115 503 930**

**Notes to the Financial Statements**

**For the year ended 30 June 2021**

**Impairment of financial assets**

AASB 9's new impairment model use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. The application of the new impairment model depends on whether there has been a significant increase in credit risk.

**Liquidity Management**

Prudent liquidity management implies maintaining sufficient cash and marketable securities and the availability of funding from credit facilities. The company believes that its sound relationship with Bendigo and Adelaide Bank Limited mitigates this risk significantly.

**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 dividends 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 franchisee 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 franchisee over that 12-month period.

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 2021 can be seen in the Statement of Profit and Loss and Other Comprehensive Income.

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

**Note 3: Critical Accounting Estimates and Judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimate under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

**Taxation**

Judgement is required in assessing whether deferred tax assets and certain tax liabilities are recognised on the Statement of Profit or Loss and Other Comprehensive Income. Deferred tax assets, including those arising from un-recouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered.

**Mareeba & Dimbulah Financial Services Ltd****ABN 53 115 503 930****Notes to the Financial Statements****For the year ended 30 June 2021****Note 4: Revenue from Ordinary Activities****Operating Activities:**

Gross Margin	1,171,400.30	1,313,134.34
Upfront Product Commission	41,456.34	40,300.35
Trailer Product Commission	284,483.99	235,039.57
Fee Income	125,566.85	131,924.97
Market Development Fund	35,000.06	47,083.25
Rebates and Refunds	9,090.91	1,465.61
Total revenue from operating activities	<u>1,666,998.45</u>	<u>1,768,948.09</u>

**Non-operating Activities:**

Non-assessable government payments	10,000.00	10,000.00
Interest revenue	4,003.34	15,670.21
Total revenue from non-operating activities	<u>14,003.34</u>	<u>25,670.21</u>
Total revenue from ordinary activities	<u>1,681,001.79</u>	<u>1,794,618.30</u>

**Note 5: Income Tax**

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

Profit/(loss) from ordinary activities before income tax	152,550.75	153,319.23
Prima facie income tax payable on operating profit at 26%	37,063.20	39,412.79
Add tax effect of:		
- Prepaid insurance	(31.71)	(139.21)
- Lease liabilities	4,782.82	81,519.70
- Right-of-use assets	(7,077.24)	(76,763.17)
Income tax expense/(revenue)	<u>34,737.07</u>	<u>44,030.11</u>
Income tax expense attributable to profit from ordinary activities	<u>34,737.07</u>	<u>44,030.11</u>
The applicable weighted average effective tax rates are as follows (%):	22.77	28.72

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report.

**Mareeba & Dimbulah Financial Services Ltd****ABN 53 115 503 930****Notes to the Financial Statements****For the year ended 30 June 2021****Note 6: Dividends**

Dividends Provided for or Paid	72,827.05	72,862.05
	<u>72,827.05</u>	<u>72,862.05</u>

On 16 December 2020, dividend payments of \$72,827.05 were made to AFS & Associates, a share registry service employed to distribute dividends. As outlined in the notes to the financial statements dated 30 June 2019, rejected dividend payments from 17 December 2018 of \$3,907.75 were returned to the company when the share registry changed from ShareData. As at 30 June 2021, \$1,957.50 of these remain outstanding and are recognised as a liability of the company.

**Note 7: Cash assets**

Bank accounts:

Bendigo General Cheque Account	44,830.47	25,767.37
Bendigo Market Development Fund Account	100,635.57	122,448.40
Bendigo Business Solutions Account	2,372.06	2,372.06
Bendigo Business Cash Mgmt Account		294.28
Other cash items:		
Term Deposit	950,000.00	900,000.00
	<u>1,097,838.10</u>	<u>1,050,882.11</u>

**Reconciliation of Cash:**

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

- Cash	1,097,838.10	1,050,882.11
	<u>1,097,838.10</u>	<u>1,050,882.11</u>

**Note 8: Trade and Other Receivables****Current**

Trade debtors	151,929.08	153,684.47
	<u>151,929.08</u>	<u>153,684.47</u>

**Mareeba & Dimbulah Financial Services Ltd****ABN 53 115 503 930****Notes to the Financial Statements****For the year ended 30 June 2021****Note 9: Tax Assets****Current**

GST Payable Control Account	(29,381.49)	(28,718.85)
Input Tax Credit Control Account	49,462.50	47,064.47
Provision for Income Tax	(3,298.29)	(7,928.49)
Deferred Tax Assets	(8,711.36)	(12,024.07)
	<u>8,106.36</u>	<u>(1,606.94)</u>

**Note 10: Other Assets****Current**

Prepayments	<u>6,016.27</u>	<u>5,572.79</u>
	<u>6,016.27</u>	<u>5,572.79</u>

**Note 11: Property, Plant and Equipment**

## Leasehold improvements:

- At cost	542,156.79	542,030.43
- Less: Accumulated depreciation	<u>(450,226.45)</u>	<u>(427,125.45)</u>
	<u>91,930.34</u>	<u>114,904.98</u>

## Plant and equipment:

- At cost	14,435.32	14,435.32
- Less: Accumulated depreciation	<u>(14,322.00)</u>	<u>(13,600.00)</u>
	<u>113.32</u>	<u>835.32</u>

Total written down amount	<u>92,043.66</u>	<u>115,740.30</u>
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**Mareeba & Dimbulah Financial Services Ltd****ABN 53 115 503 930****Notes to the Financial Statements****For the year ended 30 June 2021****Note 12: Intangible Assets**

Start-up costs:

- At cost	170,000.00	170,000.00
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Franchise fees:

- At cost	70,468.06	65,734.00
- Less: Accumulated amortisation	(47,867.76)	(43,474.34)
	<u>22,600.30</u>	<u>22,259.66</u>

Renewal process fees

- At cost	250,192.53	228,674.00
- Less: Accumulated amortisation	(239,343.74)	(217,377.20)
	<u>10,848.79</u>	<u>11,296.80</u>

Total written down amount

	<u>203,449.09</u>	<u>203,556.46</u>
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**Note 13: Financial Assets**

Right-of-use assets:

- At cost	353,461.10	342,063.41
- Less: Accumulated depreciation	(30,997.98)	(62,924.62)
	<u>322,463.12</u>	<u>279,138.79</u>

Total written down amount

	<u>322,463.12</u>	<u>279,138.79</u>
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**Note 14: Non-Current Tax Assets****Non-Current**

Deferred Tax Assets	<u>7,813.48</u>	<u>8,800.06</u>
	<u>7,813.48</u>	<u>8,800.06</u>

**Note 15: Trade and Other Payables**

Unsecured:

- Trade creditors	92,508.62	99,014.75
- Dividends payable	1,957.50	1,957.50
- Credit cards	203.24	290.10
	<u>94,669.36</u>	<u>101,262.35</u>

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report.

**Mareeba & Dimbulah Financial Services Ltd**

**ABN 53 115 503 930**

**Notes to the Financial Statements**

**For the year ended 30 June 2021**

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## **Note 16: Lease Liabilities**

The company has two operating leases for its branch premises located in Mareeba and Dimbulah.

The Mareeba lease commenced in December 2010 for an initial term of five years, with two additional options for a further five years each. The second additional five year options expires in November 2025 with no further options available.

The Dimbulah lease commenced in December 2020 for an initial term of five years, with two additional options for a further five years each.

### **a) Lease liabilities**

From 1 July 2019, the entity recognised a right-of-use asset and a corresponding liability at the date which the lease asset is available for use by the entity. Lease payments are allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period.

In determining the lease term, the directors consider all relevant facts and circumstances that create an economic incentive to exercise, or not to exercise, an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The lease liabilities recognised by the entity on adoption of the new standard are inclusive of extension options in relation to property leases.

The lease payments are discounted using an interest rate implicit in the lease. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate which is defined as the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

On initial application, the entity has chosen not to apply the retrospective method in restating comparatives and instead has utilised the cumulative catch-up method in recognising any difference between assets and liabilities in opening retained earnings at transition.

On adoption of AASB 16, the entity recognised lease liabilities which had previously been classified as operating leases under the principles of AASB 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The incremental borrowing applied to lease liabilities on recognition from 1 December 2020 was 4.39%, the variable rate currently offered by Bendigo Bank for commercial property security.

In the statement of cash flows, the entity classifies cash payments for the principal portion of the lease liability within financing activities. The cash payments for the interest portion of the lease liability and any short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability within operating activities.

In applying AASB 16 for the first time, the entity has used the following practical expedients permitted by the standard:

- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Upon adoption of the change in accounting policy, the entity recognised an increase of a right-of-use asset of \$395,783 and a corresponding lease liability of \$395,783 in respect of all leases, other than short-term leases and leases of low-value assets. The net impact on retained earnings on 1 July 2019 was \$nil.

**Mareeba & Dimbulah Financial Services Ltd**  
**ABN 53 115 503 930**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2021**

	30 June 2021	30 June 2020
	\$	\$
<b>Current</b>		
Lease liabilities	53,520.46	69,307.35
Unexpired interest	(13,999.00)	(12,505.32)
	<u>39,521.46</u>	<u>56,802.03</u>
<b>Non-Current</b>		
Lease liabilities	347,637.99	265,805.24
Unexpired interest	(55,226.67)	(26,171.97)
	<u>292,411.32</u>	<u>239,633.27</u>
Impact on the current reporting period:		
<b>Lease liabilities</b>		
Opening carrying amount	296,435.30	342,063.41
Additions	76,521.41	
Lease payments (interest component)	14,422.70	15,042.00
Lease payments	(55,446.63)	(60,670.11)
	<u>331,932.78</u>	<u>296,435.30</u>
<b>Maturity analysis</b>		
- not later than 12 months	53,520.46	69,307.35
- more than 12 months	347,637.99	265,805.24
	<u>401,158.45</u>	<u>335,112.59</u>
Less unexpired interest	(69,225.67)	(38,677.29)
Present value of lease liabilities	<u>331,932.78</u>	<u>296,435.30</u>

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report.

**Mareeba & Dimbulah Financial Services Ltd**  
**ABN 53 115 503 930**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2021**

**b) Right-of-use assets**

Opening carrying amount	279,138.79	342,063.41
Additions	100,667.96	
Depreciation expense	(57,343.63)	(62,924.62)
	322,463.12	279,138.79

**c) Impact on profit or loss**

Comparison under current AASB 16 and from AASB 117

Decrease in occupancy costs	55,446.63	60,670.11
Decrease in depreciation and interest on additions	24,146.55	
Increase in finance costs on lease liabilities	(14,422.70)	(15,042.00)
Increase in depreciation and amortisation expense	(57,343.63)	(62,924.62)
Increase in profit (loss) before income tax	7,826.90	(17,296.51)
Increase in current income tax expense	(20,694.23)	(16,684.29)
Increase in current income tax expense - deferred tax	18,659.25	21,440.82
Increase (decrease) in current income tax expense	(2,034.98)	4,756.53

**Note 17: Contributed Capital**

1,004,511 Ordinary shares at \$1.00 each fully paid	1,004,511.00	1,004,511.00
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Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

**Rights attached to shares****Voting rights**

Subject to some limited expectation, each shareholder has the right to vote at a general meeting.

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

**Mareeba & Dimbulah Financial Services Ltd**

**ABN 53 115 503 930**

**Notes to the Financial Statements**

**For the year ended 30 June 2021**

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

**Dividends**

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

**Transfer**

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

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

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

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

- They control or own 10% or more of the shares in the company (the '10% limit').
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the 'close connection test').
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the 'base number test'). The base number is 311. As at the date of this report, the company had 484 shareholders.

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

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

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

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

## **Note 18: Director and Related Party Disclosures**

No director or related party has entered into a material contract with the company.

Detailed remuneration disclosures are provided in the remuneration report, included as part of the directors' report.

**Mareeba & Dimbulah Financial Services Ltd****ABN 53 115 503 930****Notes to the Financial Statements****For the year ended 30 June 2021****Related Party Transactions**

The following transactions occurred with related parties:

Payment for services from associates

- Millar Teitzel Accountants and Advisors	16,200.00	18,300.00
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**Shareholdings**

Number of shares held by directors	29,094	29,094
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**Note 19: Events Occurring After the Balance Sheet Date**

There have been no events after the end of the financial year that would materially affect the financial statements.

**Note 20: Contingent Liabilities**

There were no contingent liabilities at the date of this report that would materially affect the financial statements.

**Note 21: Segment Reporting**

The economic entity operates in the service sector where it facilitates Community Bank services in Mareeba and Dimbulah, Queensland pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited.

**Note 22: Community Enterprise Foundation / Australian Sports Foundation**

The company has over the years deposited into both the Community Enterprise Foundation (CEF) and Australian Sports Foundation (ASF) to be used for distribution to community organisation as part of the company's grant programs. During the 2021 financial year \$250,000 was granted to Community Enterprise Foundation (2020: \$250,000 - CEF)

**Mareeba & Dimbulah Financial Services Ltd**

**ABN 53 115 503 930**

**Directors' Declaration**


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The directors of the company declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standards and the Corporations Regulations; and
  - (b) give a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the year ended on that date;
2. in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors are responsible for the reliability, accuracy and completeness of the accounting records and the disclosure of all material and relevant information.

This declaration is made in accordance with a resolution of the Board of Directors.

  
\_\_\_\_\_  
Gilbert Teitzel  
Director

  
\_\_\_\_\_  
Michael Hoskin  
Director

Dated: 29/09/2021

## INDEPENDENT AUDIT REPORT

### Independent Auditor's report to the members of Mareeba and Dimbulah Financial Services Ltd

#### Report on audit of the financial statements

##### *Auditor's Opinion*

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

- (i) Giving a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

##### *What we have audited*

Mareeba and Dimbulah Financial Services Ltd financial report comprises the statement of profit or loss and other comprehensive income for the year ended 30 June 2021, statement of financial position as at 30 June 2021, statement of changes in equity and statement of cash flows for the year ended on that date, Notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration.

##### *Basic 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.

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We are independent of the entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the other ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the financial report in Australia; and have fulfilled our ethical responsibilities in accordance with this code.

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

### *Other information*

Other information relates to the entities financial and non-financial information included in the Annual Report which may include the Chairperson's Report and other reports covering governance and shareholder matters. We do not express any form of assurance conclusion of the other information.

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

If we identify that a materially inconsistency exists when we read the annual report or become aware of other information that may be materially misstated, we will discuss with the directors and may require management to correct the other information if we believe a material misstatement exists.

### *Responsibility of management for the financial report*

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

In preparing the financial report, the directors are responsible for assessing the entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

### *Auditor's responsibility for the audit of the financial report*

Our responsibility is 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 audit report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that if an audit is conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Material misstatements may arise from fraud or error and are considered material either individually or in aggregate and they could reasonably expect to influence the economic decisions of users of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at <http://www.auasb.gov.au/home.aspx> and this description forms part of our auditor's report.

### **Cairns Quality Accounting**



**Megan O'Neill FCPA**  
Registered Company Auditor #419579  
Cairns Quality Accounting

Signed at Cairns on 26 October 2021

Community Bank · Mareeba  
94 Byrnes Street,  
Mareeba QLD 4880  
Phone: 4092 2099 Fax: 4092 5000  
Email: [mareebamailbox@bendigoadelaide.com.au](mailto:mareebamailbox@bendigoadelaide.com.au)  
Web: [bendigobank.com.au/mareeba](http://bendigobank.com.au/mareeba)

Community Bank · Dimbulah  
33 Raleigh Street,  
Dimbulah QLD 4872  
Phone: 4093 5266 Fax: 4093 5433  
Email: [dimbulahmailbox@bendigoadelaide.com.au](mailto:dimbulahmailbox@bendigoadelaide.com.au)  
Web: [bendigobank.com.au/dimbulah](http://bendigobank.com.au/dimbulah)

Franchisee: Mareeba & Dimbulah Financial Services Limited  
ABN: 53 115 503 930  
PO Box 585  
Mareeba QLD 4880  
Phone: 4092 8066  
Email: [secretary@mdfsi.com.au](mailto:secretary@mdfsi.com.au)

Share Registry:  
AFS & Associates Pty Ltd  
PO Box 454, Bendigo VIC 3552  
Phone: 5443 0344  
Fax: 5443 5304  
Email: [shareregistry@afsbendigo.com.au](mailto:shareregistry@afsbendigo.com.au)

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