

Annual Report 2022

Mareeba & Dimbulah
Financial Services Limited

Community Bank
Mareeba & 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 & Dimbulah Financial Services Limited, on behalf of its shareholders, 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.



Chairman's Report



Overview - who we are and what we do...

There are a number of benefits the Bendigo Bank - Community Bank - model brings to the table, not least of which is the valuable contribution that it makes to providing banking services to our communities. This is even more relevant given the, now evident, 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. To this end Bendigo & Adelaide Bank have undertaken a number of reviews and developed strategies to enhance the network's performance to ensure the Bendigo & Adelaide Bank and our Community Bank is in a strong competitive position. Bendigo & Adelaide Bank continue to implement the national and state-wide marketing campaign to inform and remind customers and communities of their and our strategic importance. The Board and branch activities are focused on connecting with and servicing our customers and supporting and developing the capacity of our community by working with community organisations, sporting organisations and schools. We have been able to achieve good results for the business, customers, shareholders, and the wider community, by creating good brand awareness and reinforcing our reputation in the community.

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 program 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 community contribution and doing business

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 sixteen years has returned, invested and made available in excess of four million seven hundred and fifty thousand dollars (\$4.75m) to our communities. The company holds a cash reserve in excess of one million dollars (\$1.0m), a comfortable position, achieved by the stewardship of a competent group of directors, and a board and staff confident about the future. An important component of the Community Bank model is the telling of the success stories in our local community. We encourage all recipients of the Community Grants and Sponsorship Programs to spread the word regarding the benefits of doing business with Bendigo & Adelaide Bank. We have developed a series of inhouse pictorial of community organisation we have been able to help support and raise the awareness of the Community Bank business.

Performance and review of the past year

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 forty five million dollars (\$345m), up from three hundred and five million dollars (\$305m) at June 2021, a growth of thirteen percent (13%) on the previous year. Revenues are up 5.5% across both branches and operating costs have dropped slightly, with overall profits up by six percent (6%). We have seen an upward movement in interest rates trends, which has been the major driver of the return to increased revenues. We continue to see good interest in deposits with the Bendigo & Adelaide Bank brand, on the back of interest in what the community company is doing in our communities, but still the balance of the book is largely favouring deposits and the brand still struggles to be competitive in the lending arena.

The company has contributed over sixty eight thousand (\$68,000) through our marketing development activities and again banked three hundred thousand dollars (\$300,000) into the Community Enterprise Foundation. We continue to hold about two hundred and fifty thousand dollars (\$250,000) in the Australian Sports Foundation for community sporting grant and sponsorship projects.



Our people and our partners

Our board, the managers and staff of both branches continue the important roles necessary to build on what has been achieved to date. All staff go above and beyond their normal weekly work duties, to provide a great relationship with the community in which we all work and live. This includes being available at the branch function each year, when the board presents certificates to the community groups who have been successful in receiving sponsorship from the Community Bank company. It is certainly pleasing to witness the generous comments and feedback our staff receive. I especially thank our Operations Manager Beverley Dayes for carrying on the enormous role she has played in the operations of the branches over the past couple of years. The work is demanding and requires a determination to succeed. That said, the board has taken the important decision to bring back into the branch operations a Senior Branch Manager position. This re-structure will further develop the great reputation the branches of Mareeba and Dimbulah have in doing valuable business in our communities.

The Board acknowledges the support it receives from Bendigo & Adelaide Bank and we wish to thank Regional Manager Kieran Herlihy for his valued input. We also acknowledge the valuable support given to our Community Bank Mareeba and Dimbulah Branches by Bendigo & Adelaide Bank business division, ably managed by Stephen Gear, and supported through their rural division - Rural Bank - by Ann-Maree Zugno and Mr Grant Turner.

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”. I cannot overstate the dedication of the directors and the valued guidance given to our Community Bank company by Graeme Ford, Frank De Iacovo, Natasha Srhoj, Charles Khan, Rhonda Stevens and Michael Hoskin who have given of their time to progress the Community Bank and I sincerely thank them for their effort, particularly those who have been with the board for the past sixteen years.

Finally, I acknowledge the work of Nina Akselsen Grant our Assistant Secretary and Public Relations Co-ordinator for the commitment and dedication she gives to the position; I cannot overstate the work she performs on behalf of the board.

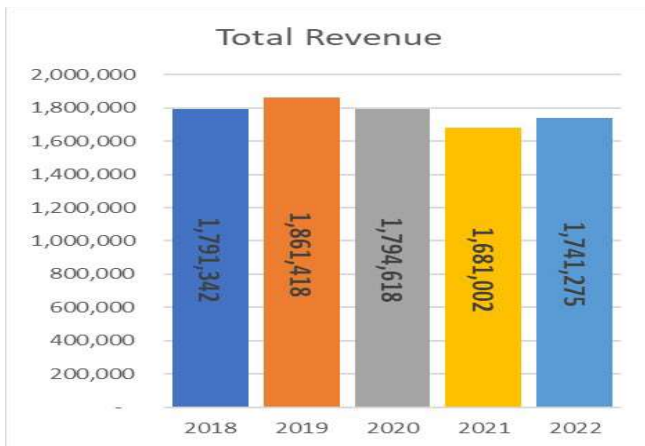


Gilbert Teitzel
Chairman

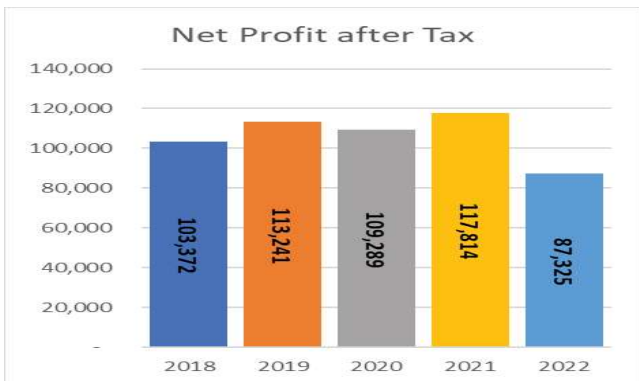
Treasurer's Report

Operating results

With the close of the financial year seeing The Reserve Bank of Australia begin a series of increases to the cash rate, the company's gross revenue share was likewise boosted. A strong year of growth in business footings of \$39.6m across the breadth of the bank's products also led to increased commissions received through Bendigo and Adelaide Bank's strategic partnerships in the banking industry.



The revenue of the company increased by 3.5% from \$1.68 million in 2021 to \$1.74 million in 2022, while our total expenses grew by 5.6% from \$1.60 million to \$1.69 million.



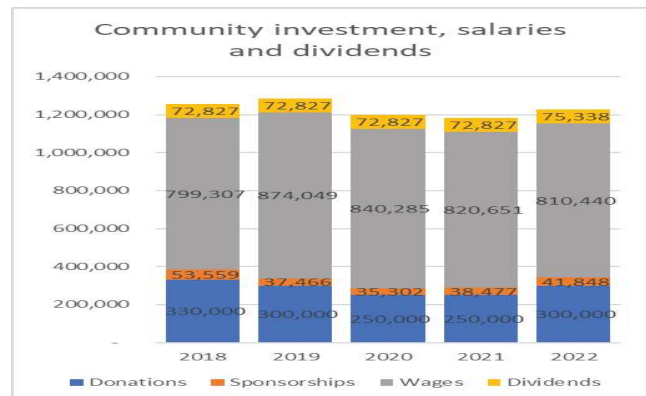
As a result of the practical management of expenses over the period of lower interest rates, the company was able to utilise its growing cash reserves to make an increased contribution to the Community Enterprise Foundation in 2022 of \$300,000, up from \$250,000 the previous year. This increased contribution resulted in the reduction in net profit after tax for 2022 of 26% on the previous year.

Dividends

In December 2021, the company paid a fully franked dividend of 7.25 cents per share based on the performance of the 2021 financial year.

The Directors have determined that a fully franked dividend of 7.5 cents per share will be paid based on the performance of the company in the 2022 financial year, to be paid in December 2022.

Investment in Our Community



In 2022, the company was able to contribute a further \$300,000 into the Community Enterprise Foundation (CEF) for future grant opportunities, up from \$250,000 in 2021. The board also paid a further \$41,000 in sponsorships to local community groups through our sponsorship round whilst increasing dividend payments to shareholders, bringing the total investment to our community to \$1.22 million for 2022.

It is anticipated that the interest rate increases will continue to provide strong growth in our revenues which will be utilised by the company to further our positive impact on our local communities.

Michael Hoskin
Treasurer



Manager's Report

In the last 16 years since opening our doors at Community Bank Mareeba and Dimbulah, 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.

Whether our customers choose online, in branch, on the farm, in business, face to face or over the phone, we provide personalised, immediate, and convenient services how they choose to do business with us.

We encourage all our customers to come into the branch to find out more our offering of 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, not-for-profit groups.

The Community Bank Mareeba and Dimbulah branches have continued to grow, achieving a growth of \$39.6 million in 2022. This growth is tabled below with an overall holding of \$344.7 million for the 2021/2022 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.

Community Bank Mareeba and Dimbulah Branches

Financial Year—Total Business— Mareeba and Dimbulah

2011/2012—\$155.3 million	2012/2013—\$170.6 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	2021/2022—\$344.7 million

Our passion, our people, and our focus to support 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 Community Bank Mareeba and Dimbulah 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 Dinner, Dimbulah Lions Festival, The great wheelbarrow race Mareeba – Chillagoe and Meals on Wheels.

Our Team

Ann-Maree Zugno, Bev Dayes, Sara Teitzel, Jenni Savaglio, Tara McGrath, Hannah Bell, Rachael Bilic, Charlotte Phillips. We would also like to welcome new members to our team Blake Tahir & Meleta Paton in our Mareeba branch and Kerrie Iacutone in our Dimbulah branch.

Our Business Banking Team

Stephen Gear, Joanne Ius

Agribusiness Managers

Grant Turner and Patrick McArthur

Our Regional Manager

Kieran Herlihy

We would like to acknowledge the Community Bank Company Board of Directors for their endless contribution throughout the year and for their support that they provide for all our staff, who are constantly engaging with our community.

Finally, I would like 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 the future growth of our communities.

Bev Dayes
Branch Operations Manager
Community Bank Mareeba and Dimbulah



Business Development Manager's Report

In my previous report I reflected on the challenges brought about by COVID-19 and although as a bank we were facing this head on, the impact on our customers can not be underestimated. The impact on them personally and on their businesses was widely felt and the support offered from the bank and through government assistance packages helped throughout this period. As we look towards 2023 it is quite remarkable how stoic and resilient our customer base has been.

Businesses remained upbeat, restrictions were lifted, and business doors were once again opened. While consumers continued the trend of paying down their debts, business lending remained strong, and Community Bank Mareeba and Dimbulah continued its growth across all aspects of the business. All of which makes the 2021-2022 financial year results that much more impressive.

A large part of this growth was in the Rural bank agricultural portfolio. Early on, the Community Bank Mareeba and Dimbulah board recognised the agricultural sector as a growth area in our region. This understanding of the business and the benefits it would bring accelerated the need for an accredited Agri-Access lender across both branches. The role is supported by our Agribusiness Relationship Manager and the results reflect the strong working relationship between the two.

It is therefore pleasing to be able to announce that the business ranked first in Queensland in both deposit and lending growth for Rural bank and fifth in Australia. Lending growth for the year was more than \$6.5 million and seven new farming businesses were on-boarded during this time. The combined portfolio across both branches as at the 30th June 2022 is in excess of \$50 million dollars and growing.

The expectation over the coming twelve-month period is for this trend in agricultural growth to continue with a broader demand globally for Australian produce. Community Bank Mareeba and Dimbulah are well positioned for this growth, and I look forward to further supporting our customers as they look to further expand their operations.

Ann-Maree Zugno

Business Development Manager

Community Bank Mareeba and Dimbulah



Bendigo and Adelaide Bank Report

For year ending 30 June 2022

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

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

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

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

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

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

Warmest regards,



Justine Minne
Bendigo and Adelaide Bank

Community Investment

Balance Sheet 2021/22



Mareeba and Dimbulah Financial Services Limited



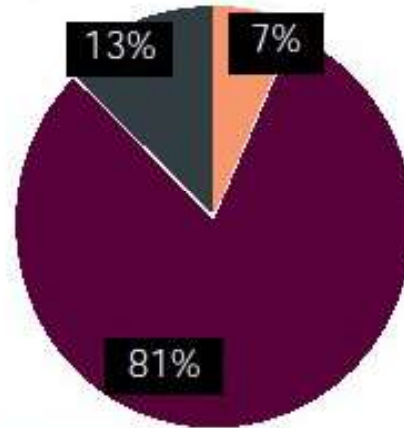
Projects
Funded

24



Community
Project
Investment

\$102,579.60



Biggest Impact Area

Education & Research

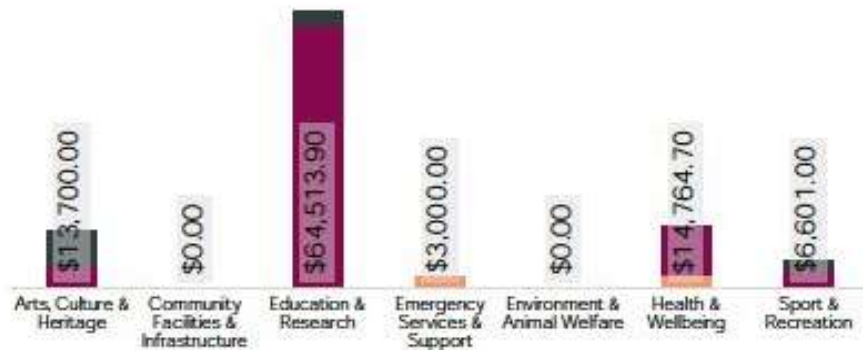


Total Investment by Theme:

Donations	\$6,850.00
Grants	\$82,779.60
Sponsorships	\$12,950.00

Total Investment by Sector:

- Donations
- Grant
- Sponsorships



Branches

Community Bank Dimbulah

Community Bank Mareeba

Entity: Community Bank Limited, AFRS: 113380491747, Australian Company Number: 261297, (15101965-1510483) 19900

Community Investment

Balance Sheet 2021/22



437 - Far North Queensland



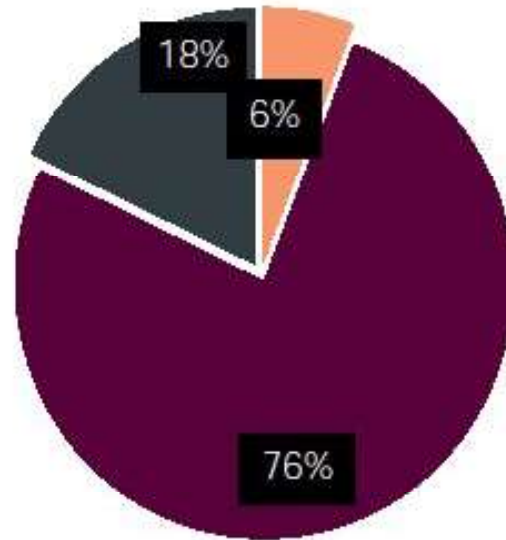
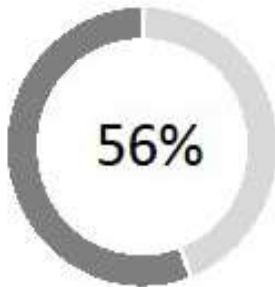
Projects Funded 47



Community Project Investment \$126,224.42

Biggest Impact Area

Education & Research

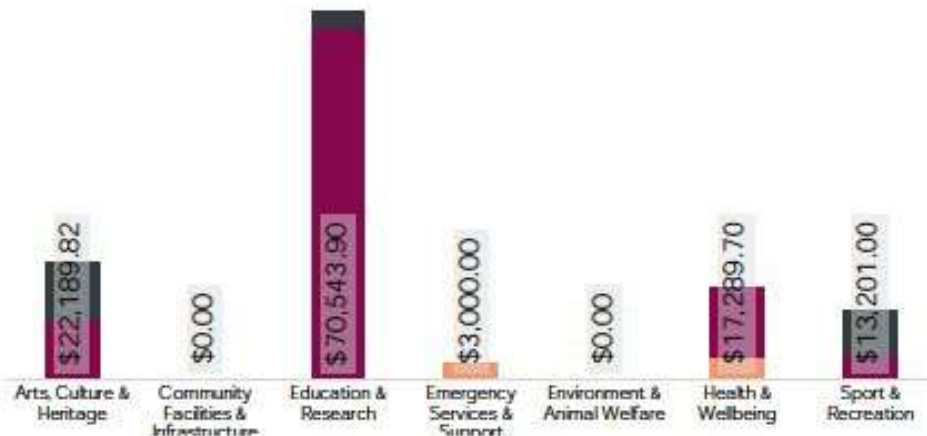


Total Investment by Theme:

Donations	\$7,450.00
Grants	\$96,277.60
Sponsorships	\$22,496.82

Total Investment by Sector:

- Donations
- Grant
- Sponsorships



Energy and Assets Bank Limited, ABN 11 680 611 000, Australian Credit Licence 242291 (1511495-1511495) (1990)

Community Investment

Balance Sheet 2021/22



QLD



Projects
Funded

658

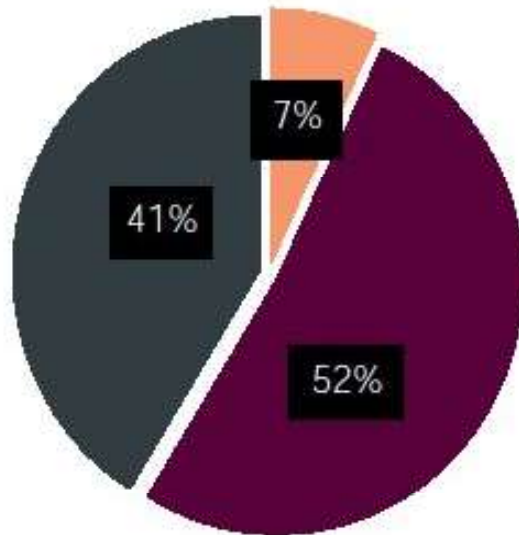


Community
Project
Investment

\$2,042,550.10

Biggest Impact Area

Education & Research



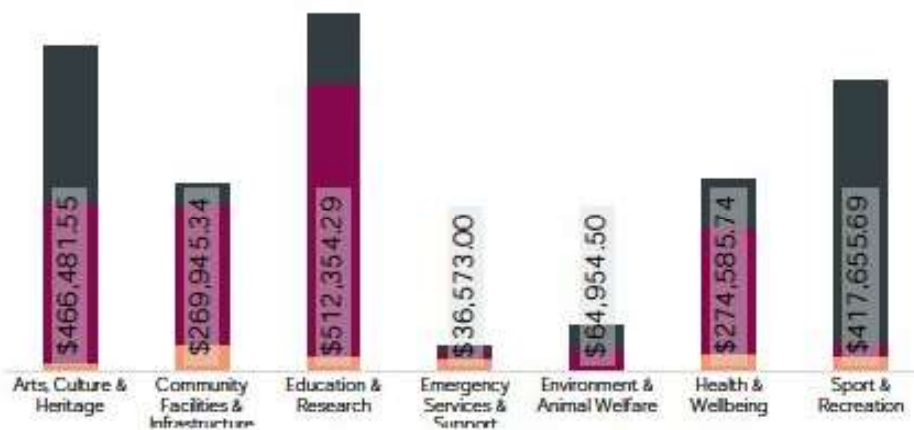
Total Investment

by Theme:

Donations	\$143,539.95
Grants	\$1,058,070.04
Sponsorships	\$840,940.11

Total Investment
by Sector:

- Donations
- Grant
- Sponsorships



Enrols and Mobile Bank Link, ANZ ID: 333048173, Admin Cost Centre: 70201 (BIB) & (S) (483) (1920)

Community Investment

Balance Sheet 2021/22



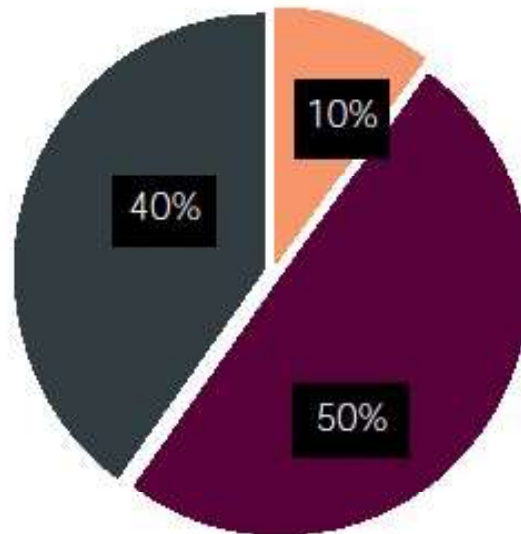
National



Projects Funded 5728



Community Project Investment \$19,339,198.21



Biggest Impact Area

Sport & Recreation



Total Investment

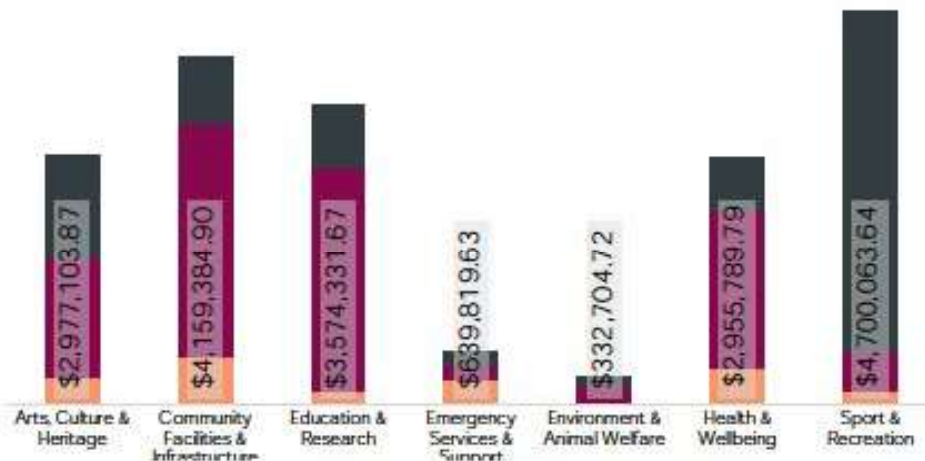
by Theme:

Donations	\$1,966,815.07
Grants	\$9,635,190.97
Sponsorships	\$7,737,192.17

Total Investment

by Sector:

- Donations
- Grant
- Sponsorships



Prepared and Audited by PricewaterhouseCoopers (PwC) Chartered Accountants (15/11/2021)

Governance Report

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

The Board...



About our directors

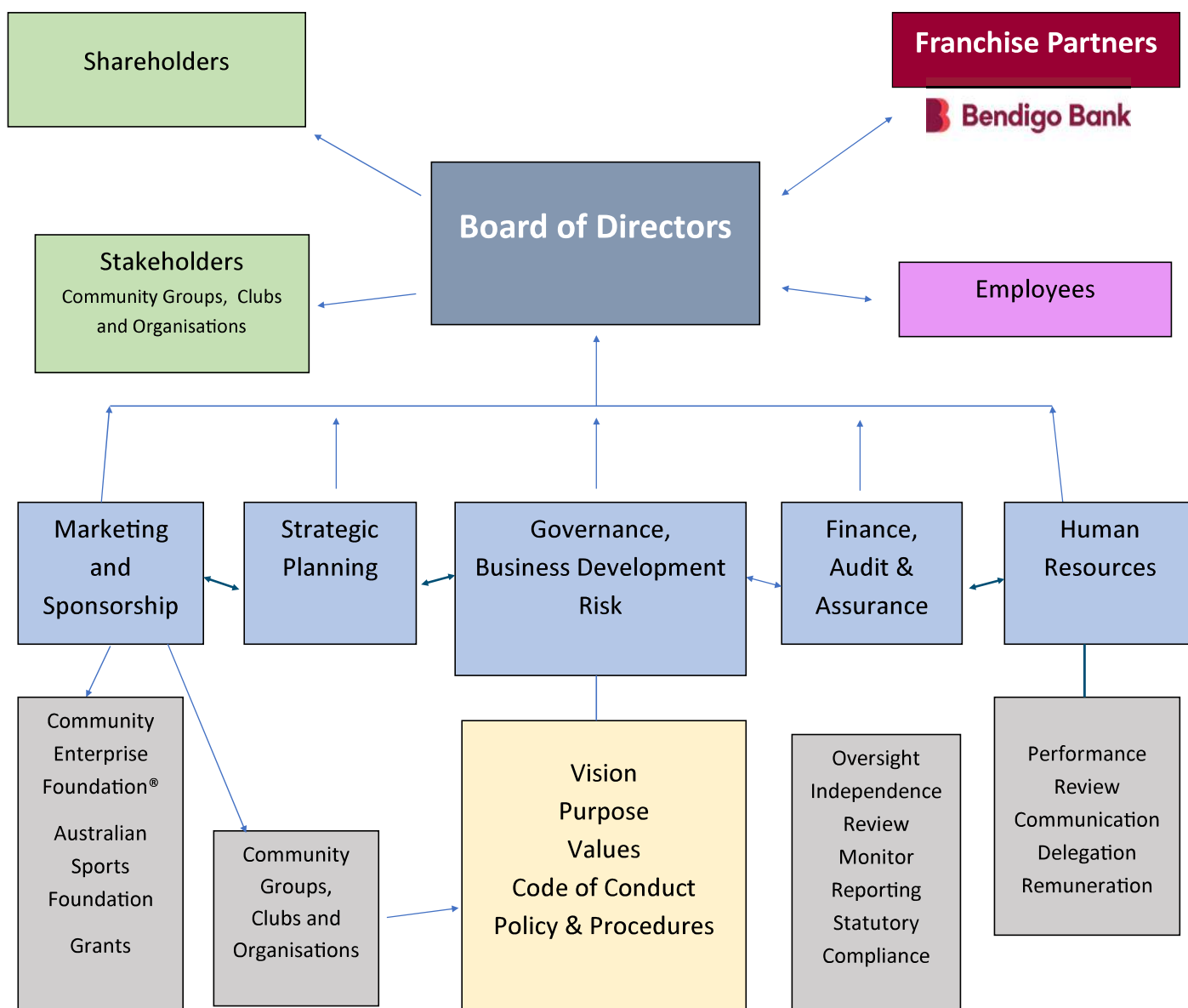
These dedicated individuals, from varying backgrounds in our community, make up the board members of Mareeba & Dimbulah Financial Services Limited. Information about each is set out below and in the Annual Financial Report each year.

All Directors are non-executive Directors, who's independence is assessed on an annual basis. For this purposes, 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.
- Recognizing 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.

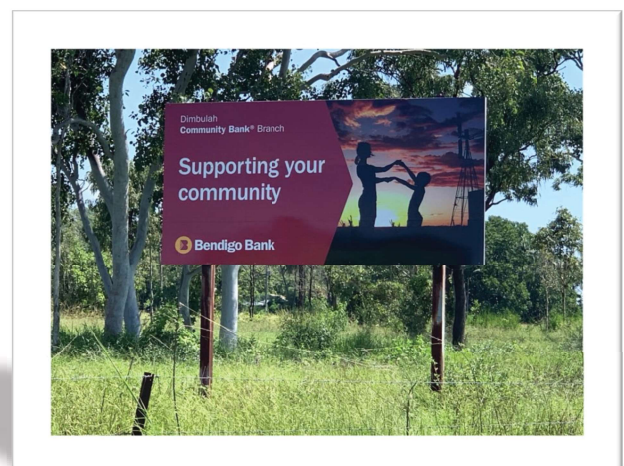
1. Qualitative Assessment

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.
- Utilize 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 is 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 recognises 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 recognizing 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 policies 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 the Community Bank Mareeba and Dimbulah 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 Community Bank Mareeba and Dimbulah 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
- recognized the views of our franchise agreement partner, Bendigo Bank Limited, in board discussions and to utilize its experience.

shareholder's 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.

Reporting to our Shareholders

The Board recognises that a cornerstone of the Community Bank model'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 recognizes 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

Engaging with and Investing in our Community

The Board acknowledges the responsibility between recognizing 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, based 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 banking 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 organization 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 Mareeba & Dimbulah Financial Services Limited into the future

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.

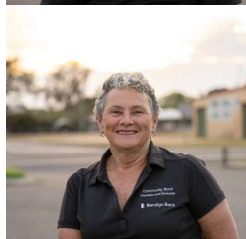
Gilbert is a Certified Practicing Accountant and an Associate Member of the Governance Institute of Australia

Gianfranco De Iacovo - Vice Chairman - Appointed 28th July 2005



Committees: Marketing & Sponsorship Committee and Strategic Planning Committee.

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.

Community involvement; Mareeba Turf Club, Days for Girls

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 Paper 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

Mareeba & Dimbulah Financial Services Ltd

ABN 53 115 503 930

Financial Statements
For the year ended 30 June 2022

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

Your directors present this report on the company for the financial year ended 30 June 2022.

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:	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

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 19).

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 30 June 2022	Year ended 30 June 2021
\$	\$
86,575.11	117,813.68

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.

Dividends

The fully franked dividend of \$75,338.38 (\$ 0.075 per share) with a 25% franking credit referred to in the previous directors' report dated 31 December 2021 was paid on 2 December 2021

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.

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

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 7 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:

	2022	2021
	\$	\$
Meeting Attendance Fees*	3,450.00	_____
	<u>3,450.00</u>	<u>_____</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.

*Meeting attendance fees paid in the 2022 financial year relate to meetings held in the 2021 and 2022 financial years.

Directors' Meetings

During the year eleven (11) directors' meetings were held. Attendances by each director during the year were:

Name of Director	Number Eligible to Attend	Number Attended
Gilbert James Teitzel	11	9
Gianfranco De Iacovo	11	10
Rhonda Annette Stevens	11	9

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**

Michael Peter Hoskin	11	9
Charles Edward Khan	11	6
Natasha Barbara Srhoj	11	10
Graeme Eric Ford	11	9

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

Auditors 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:



Graeme Ford
Director



Michael Hoskin
Director

Dated: 22/11/2022

Mareeba & Dimbulah Financial Services Ltd

ABN 53 115 503 930

Auditor's Independence Declaration

**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 2022 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



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

Dated: 22.11.2022

Mareeba & Dimbulah Financial Services Ltd
ABN 53 115 503 930
Statement of Comprehensive Income
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue	<u>4</u>	1,741,275.12	1,681,001.79
Gross profit		1,741,275.12	1,681,001.79
Administration and general costs		(123,350.70)	(122,051.12)
Employment secondment expenses		(909,300.94)	(877,399.10)
ATM expenses		(9,789.35)	(10,492.88)
Depreciation & amortisation expenses		(102,508.70)	(97,802.74)
IT leasing and running costs		(45,418.80)	(50,214.79)
Occupancy costs		(59,343.19)	(59,152.77)
Marketing Development Fund expenses		(71,687.23)	(61,337.64)
Grants and donations		(300,000.00)	(250,000.00)
Profit before income tax		119,876.21	152,550.75
Income tax attributable to operation profit (loss)	<u>5</u>	33,301.10	34,737.07
Operating profit after income tax		86,575.11	117,813.68
Total comprehensive income for the year		86,575.11	117,813.68
Earnings per share (cents per share)		c	c
- basic profit for the year		8.62	11.73

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 2022

	Note	2022 \$	2021 \$
Assets			
Current Assets			
Cash and cash equivalents	7	1,091,206.37	1,097,838.10
Trade and other Receivables	8	182,680.49	151,929.08
Current tax assets	9	20,402.91	8,538.83
Other assets	10	6,060.41	6,016.27
Total Current Assets		1,300,350.18	1,264,322.28
Non-Current Assets			
Property, plant and equipment	11	89,850.82	92,043.66
Intangible assets	12	206,031.21	203,449.09
Financial assets	13	269,323.68	322,463.12
Non-current tax assets	14	5,092.99	7,813.48
Total Non-Current Assets		570,298.70	625,769.35
Total Assets		1,870,648.88	1,889,659.16
Liabilities			
Current Liabilities			
Trade and other payables	15	102,401.37	94,669.36
Lease liabilities	16	43,352.04	39,521.46
Provisions	17	1,650.00	
Total Current Liabilities		147,403.41	134,190.82
Non-Current Liabilities			
Lease liabilities	16	248,951.72	292,411.32
Total Non-Current Liabilities		248,951.72	292,411.32
Total Liabilities		396,355.13	426,602.14
Net Assets		1,474,293.75	1,463,057.02
Equity			
Contributed equity	18	1,004,511.00	1,004,511.00
Retained profits		469,782.75	458,546.02
Total Equity		1,474,293.75	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 Changes in Equity for the year ended 30 June 2022

	Notes	Retained Earnings	Issued & Paid Up Capital	Total
Balance at 1 July 2020		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
Subtotal		531,373.07	1,004,511.00	1,418,070.39
Dividends paid or provided for		(72,827.05)		(72,827.05)
Balance at 30 June 2021		458,546.02	1,004,511.00	1,463,057.02
Balance at 1 July 2021		458,546.02	1,004,511.00	1,463,057.02
Shares issued during year				
Profit attributable to the members		86,575.11		86,575.11
Subtotal		545,121.13	1,004,511.00	1,549,632.13
Dividends paid or provided for		(75,338.38)		(75,338.38)
Balance at 30 June 2022		469,782.75	1,004,511.00	1,474,293.75

The accompanying notes form part of these financial statements.

Mareeba & Dimbulah Financial Services Ltd
ABN 53 115 503 930
Statement of Cash Flows
For the year ended 30 June 2022

	2022	2021
	\$	\$
Cash Flow From Operating Activities		
Receipts from customers	1,708,075.22	1,678,753.84
Payments to Suppliers and employees	(1,511,415.50)	(1,439,455.16)
Interest received	2,448.49	4,003.34
Interest and other costs of finance	(13,998.94)	(10,273.92)
Income tax paid	(40,289.00)	(41,693.40)
Net cash provided by (used in) operating activities (note B)	144,820.27	191,334.70
Cash Flow From Investing Activities		
Payment for:		
Property, plant and equipment	(31,025.54)	(126.36)
Intangible assets	(4,734.06)	(26,252.59)
Right-of-use assets		(80,670.19)
Net cash provided by (used in) investing activities	(35,759.60)	107,049.14
Cash Flow From Financing Activities		
Proceeds of borrowings		90,944.11
Repayment of borrowings	(39,629.02)	(55,446.63)
Dividends paid	(75,338.38)	(72,862.05)
Dividends payable	(725.00)	
Net cash provided by (used in) financing activities	(115,692.40)	(37,329.57)
Net increase (decrease) in cash held	(6,631.73)	194,865.64
Cash at the beginning of the year	1,097,838.10	1,050,882.11
Cash at the end of the year (note A)	1,091,206.37	1,245,747.75

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 2022

	2022	2021
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	10,654.55	44,830.47
Bendigo Market Development Fund Account	79,024.76	100,635.57
Bendigo Business Solutions Account	1,527.06	2,372.06
Term Deposit [1588]	250,000.00	950,000.00
Term Deposit [3280]	750,000.00	
	1,091,206.37	1,097,838.10

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

Operating profit (loss) after tax	86,575.11	117,813.68
Depreciation	62,687.44	61,168.86
Amortisation	25,822.32	4,393.42
Increase/(decrease) in provision for income tax	(10,319.94)	(8,343.67)
Increase/(decrease) in future income tax benefit	3,332.04	(7,108.95)
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	(30,751.41)	1,755.39
(Increase) decrease in prepayments	(44.14)	(443.48)
Increase (decrease) in trade creditors and accruals	7,907.01	(6,506.13)
Increase (decrease) in other creditors	550.00	(6,506.13)
Increase (decrease) in employee entitlements	645.00	
Increase (decrease) in sundry provisions	(1,583.16)	(1,735.39)
Net cash provided by operating activities	144,820.27	122,160.45

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 2022**

Note 1: Statement of Significant Accounting Policies**(A) Basis of Preparation**

These financial statements are general purpose financial statements that have been prepared in accordance with AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Entities and the Corporation Act 2001. Mareeba & Dimbulah Financial Services Limited is a for-profit entity for the purpose of preparing the financial statements.

The principal activities of the company involve providing Community banking services through a franchise agreement with Bendigo and Adelaide Bank, operating branches in Mareeba and Dimbulah. From these operations, the company aims to provide benefits directly back into the community through community grants and sponsorships, employment and financial returns to shareholders.

The company is incorporated in Australia and has a registered office at 6/81 Byrnes Street, Mareeba QLD 4880.

The financial statements for the year ended 30 June 2022 were approved and authorised for issue by the Board of Directors on 26 October 2022.

(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 2021:

AASB 1060 changes the requirement of For-Profit and Not-for-Profit Tier 2 entities to use new simplified disclosures, replacing the existing reduced disclosure requirements which were previously required. Tier 2 entities are no longer able to prepare Special Purpose Financial Statements (SPFS) and will instead prepare General Purpose Financial Statements (GPFS). The adoption of this amendment has had no material impact on the transactions and balances recognised 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.

Mareeba & Dimbulah Financial Services Ltd**ABN 53 115 503 930****Notes to the Financial Statements****For the year ended 30 June 2022**

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 branches;
- training for the branch manager and other employees in banking, management systems and interface protocol;
- methods and procedures for the sale of products and provision of services;
- security and cash logistic controls;
- 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.

Mareeba & Dimbulah Financial Services Ltd**ABN 53 115 503 930****Notes to the Financial Statements****For the year ended 30 June 2022**

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') charges 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.

Income TaxCurrent 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.

Mareeba & Dimbulah Financial Services Ltd**ABN 53 115 503 930****Notes to the Financial Statements****For the year ended 30 June 2022**

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 arises 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.

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.

Mareeba & Dimbulah Financial Services Ltd

ABN 53 115 503 930

Notes to the Financial Statements

For the year ended 30 June 2022

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 2022**

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 earning 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.

Mareeba & Dimbulah Financial Services Ltd**ABN 53 115 503 930****Notes to the Financial Statements****For the year ended 30 June 2022**

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.

Classification and initial measurement of financial assets

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.

Mareeba & Dimbulah Financial Services Ltd**ABN 53 115 503 930****Notes to the Financial Statements****For the year ended 30 June 2022**

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.

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

Mareeba & Dimbulah Financial Services Ltd**ABN 53 115 503 930****Notes to the Financial Statements****For the year ended 30 June 2022**

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 2022 can be seen in the Statement of Profit and Loss and Other Comprehensive Income.

The balance of the company's available Australian imputation credits is \$223,576. This amount includes all imputation credits which will arise from the lodgement and assessment of the income tax return for the year ended 30 June 2022.

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 2022

Note 4: Revenue from Ordinary Activities**Operating Activities:**

Gross Margin	1,204,509.95	1,171,400.30
Upfront Product Commission	44,396.35	41,456.34
Trailer Product Commission	333,412.77	284,483.99
Fee Income	124,762.11	125,566.85
Market Development Fund	30,000.00	35,000.06
Rebates and Refunds	1,745.45	9,090.91
Total revenue from operating activities	<u>1,738,826.63</u>	<u>1,666,998.45</u>

Non-operating Activities:

Non-assessable government payments		10,000.00
Interest revenue*	2,448.49	4,003.34
Total revenue from non-operating activities	<u>2,448.49</u>	<u>14,003.34</u>
Total revenue from ordinary activities	<u>1,741,275.12</u>	<u>1,681,001.79</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	119,876.21	152,550.75
Prima facie income tax payable on operating profit at 25%	29,969.06	37,063.20
Add tax effect of:		
- Prepaid insurance	49.13	(31.71)
- Lease liabilities	(13,226.56)	4,782.82
- Right-of-use assets	16,509.47	(7,077.24)
Income tax expense/(revenue)	<u>33,301.10</u>	<u>34,737.07</u>
Income tax expense attributable to profit from ordinary activities	<u>33,301.10</u>	<u>34,737.07</u>
The applicable weighted average effective tax rates are as follows (%):	27.78	22.77

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 2022

Note 6: Dividends

Dividends Provided for or Paid	75,338.38	72,827.05
	<u>75,338.38</u>	<u>72,827.05</u>

On 2 December 2021, dividend payments of \$75,338.38 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 2022, \$1,232.50 of these remain outstanding and are recognised as a liability of the company.

Note 7: Cash assets

Bank accounts:

Bendigo General Cheque Account	10,654.55	44,830.47
Bendigo Market Development Fund Account	79,024.76	100,635.57
Bendigo Business Solutions Account	1,527.06	2,372.06
Other cash items:		
Bendigo Term Deposit [1588]	250,000.00	950,000.00
Bendigo Term Deposit [3280]	750,000.00	
	<u>1,091,206.37</u>	<u>1,097,838.10</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 and cash equivalents	1,091,206.37	1,097,838.10
	<u>1,091,206.37</u>	<u>1,097,838.10</u>

Note 8: Trade and Other Receivables

Current

Trade debtors	182,680.49	151,929.08
	<u>182,680.49</u>	<u>151,929.08</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

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Notes to the Financial Statements

For the year ended 30 June 2022

Note 9: Current Tax Assets**Current**

GST Payable Control Account	(32,133.16)	(29,381.49)
Input Tax Credit Control Account	54,837.33	49,462.50
Provision for Income Tax	7,021.65	(3,298.29)
Deferred Tax Assets	(9,322.91)	(8,278.89)
	<u>20,402.91</u>	<u>8,538.83</u>

Note 10: Other Assets**Current**

Prepayments	6,060.41	6,016.27
	<u>6,060.41</u>	<u>6,016.27</u>

Note 11: Property, Plant and Equipment

Leasehold improvements:

- At cost	549,511.95	542,156.79
- Less: Accumulated depreciation	(459,896.45)	(450,226.45)
	<u>89,615.50</u>	<u>91,930.34</u>

Plant and equipment:

- At cost	14,435.32	14,435.32
- Less: Accumulated depreciation	(14,200.00)	(14,322.00)
	<u>235.32</u>	<u>113.32</u>

Total written down amount

	<u>89,850.82</u>	<u>92,043.66</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 2022

Note 12: Intangible Assets

Start-up costs:

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

- At cost	75,202.12	70,468.06
- Less: Accumulated amortisation	(52,171.44)	(47,867.76)
	<u>23,030.68</u>	<u>22,600.30</u>

Renewal process fees

- At cost	273,862.91	250,192.53
- Less: Accumulated amortisation	(260,862.38)	(239,343.74)
	<u>13,000.53</u>	<u>10,848.79</u>

Total written down amount

206,031.21	203,449.09
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Note 13: Financial Assets

Right-of-use assets:

- At cost	353,461.10	353,461.10
- Less: Accumulated depreciation	(84,137.42)	(30,997.98)
	<u>269,323.68</u>	<u>322,463.12</u>

Total written down amount

269,323.68	322,463.12
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Note 14: Non-Current Tax Assets**Non-Current**

Deferred Tax Asset	5,092.99	7,813.48
	<u>5,092.99</u>	<u>7,381.48</u>

Note 15: Trade and Other Payables

Unsecured:

- Trade creditors	100,468.87	92,508.62
- Dividends payable	1,232.50	1,957.50
- Credit cards	150.00	203.24
- Vouchers payable	550.00	
	<u>102,401.37</u>	<u>94,669.36</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 2022**

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

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Notes to the Financial Statements

For the year ended 30 June 2022

	30 June 2022	30 June 2021
Current		
Lease liabilities	55,126.04	53,520.46
Unexpired interest	(11,774.00)	(13,999.00)
	<u>43,352.04</u>	<u>39,521.46</u>
Non-Current		
Lease liabilities	292,404.45	347,637.99
Unexpired interest	(43,452.73)	(55,226.67)
	<u>248,951.72</u>	<u>292,411.32</u>
Impact on the current reporting period		
Lease liabilities		
Opening carrying amount	331,932.78	296,435.30
Additions		76,521.41
Lease payments (interest component)	13,998.94	14,422.70
Lease payments	(53,627.96)	(55,446.63)
	<u>292,303.76</u>	<u>331,932.78</u>
Maturity analysis		
- not later than 12 months	55,126.04	53,520.46
- more than 12 months	292,404.45	347,637.99
	<u>347,530.49</u>	<u>401,158.45</u>
Less unexpired interest	(55,226.73)	(69,225.67)
Present value of lease liabilities	<u>292,303.76</u>	<u>331,932.78</u>
b) Right-of-use assets		
Opening carrying amount	322,463.12	279,138.79
Additions		100,667.96
Depreciation expense	(53,139.44)	(57,343.63)
	<u>269,323.68</u>	<u>322,463.12</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

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Notes to the Financial Statements

For the year ended 30 June 2022

c) Impact on profit or loss

Comparison under current AASB 16 and from
AASB 117

Decrease in occupancy costs	53,627.96	55,446.63
Decrease in depreciation and interest on additions		24,146.55
Increase in finance costs on lease liabilities	(13,998.94)	(14,422.70)
Increase in depreciation and amortisation expense	(53,139.44)	(57,343.63)
Increase in profit (loss) before income tax	(13,510.42)	7,826.90
Increase in current income tax expense	(13,406.99)	(20,694.23)
Increase in current income tax expense - deferred tax	16,784.60	18,659.25
Increase (decrease) in current income tax expense	3,377.61	(2,034.98)

Note 17: Provisions

Current

Amounts withheld from salary and wages	1,005.00	
Employee entitlements	645.00	
	<u>1,650.00</u>	

Note 18: Contributed Capital

1,004,511 Ordinary shares at \$1.00 each fully paid	<u>1,004,511.00</u>	<u>1,004,511.00</u>
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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.

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 2022**

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.

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 475 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.

Mareeba & Dimbulah Financial Services Ltd

ABN 53 115 503 930

Notes to the Financial Statements

For the year ended 30 June 2022

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 19: 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.

Related Party Transactions

	30 June 2022	30 June 2021
The following transactions occurred with related parties:		
Payment for services from associates		
- Millar Teitzel Accountants and Advisors	17,100.00	16,200.00

Shareholdings

Number of shares held by directors	29,094	29,094
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Note 20: Auditor's Remuneration

Amounts paid to the auditor as remuneration for services provided in relation to the audit of the financial statements is as follows:

	30 June 2022	30 June 2021
Cairns Quality Accounting	4000.00*	8000.00

No other services were performed by the auditor during the financial year.

* Note that an invoice for audit of the financial statements for the half-year ended 31 December 2021 was issued after the 2022 financial year for \$4000.00.

Mareeba & Dimbulah Financial Services Ltd**ABN 53 115 503 930****Notes to the Financial Statements****For the year ended 30 June 2022**

Note 21: 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 22: Contingent Liabilities

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

Note 23: 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 24: 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 2022 financial year \$300,000 was granted to Community Enterprise Foundation (2021: \$250,000 - CEF)

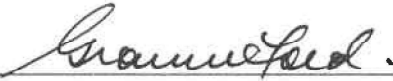
Mareeba & Dimbulah Financial Services Ltd
ABN 53 115 503 930
Directors' Declaration

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 2022 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.



Graeme Ford
Director



Michael Hoskin
Director

Dated: 22/11/2022

INDEPENDENT AUDITOR'S REPORT

To the members of Mareeba and Dimbulah Financial Services Ltd

Report on audit of the financial statements

Opinion

We have audited the financial report of Mareeba and Dimbulah Financial Services Ltd which comprises the statement of profit or loss and other comprehensive income for the year ended 30 June 2022, statement of financial position as at 30 June 2022, 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.

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 2022 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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>. This description forms part of our auditor's report.

Cairns Quality Accounting

A handwritten signature in black ink that reads "M. O'Neill". The signature is written in a cursive, flowing style.

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

Signed at Cairns on 22 November 2022

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