Annual Report 2022

Ravenshoe-Gulf Country Community Enterprise Ltd

ABN 54 144 780 218

Community Bank Ravenshoe-Gulf Country

Annual Report Ravenshoe-Gulf Country Community Enterprises Limited

Chair's Report

Thank you for your support in 2022. Throughout the year we have provided stability and growth to the company. We appreciate that as shareholders you are passionate supporters of our Ravenshoe and Gulf community, and you understand the positive impact that the community bank model can make. On behalf of our Community Bank in Ravenshoe, I thank you for your support, your feedback, and your continued faith in us.

Des Scanlan has continued as our Treasurer providing outstanding financial guidance to the company. Under Des's guidance we are again able to pay our shareholders a dividend this year and continue to support our community through donations and sponsorships of events and projects.

Terry Ann Cranwell has remained on the board driving our Marketing portfolio. Terry Ann and her husband have racked up plenty of kilometers representing RGCCEL attending community events from Georgetown to Ravenshoe.

Trish Nemani was one of the original drivers to form the Ravenshoe-Gulf Country Community Enterprises Limited company more than ten years ago. Trish has now joined the board as Secretary providing governance and administration to the company.

Shaaron Linwood joined the board as a director and took on managing the Low Volume Market Shares portfolio. Shaaron has had the challenging task of finalizing the transfer of our shareholders to an online platform and making sure that all dividends are paid out.

Unfortunately, we do still have some dividends from 2021 that have not been paid. We have taken steps to update our database of shareholders making sure that your contact details are up to date and that we have the correct information to pay you a dividend. We have undertaken the process to transfer our share registry to an online system allowing shareholders to update their details and manage their shares more easily. Please reach out to Shaaron via email shareregistry@rgccel.com to update your details and make sure that you receive your dividends this year.

This year the Board chose to close the Georgetown agency. It was not an easy decision to make but as a Board we felt it was the best choice for the company. In Georgetown, our agency was costing shareholders tens of thousands of dollars each year to provide a service that was already available at the Australia Post Office in the same complex. As a board we owed it to our shareholders to ask the question… "Could that money be spent in a smarter way to support the Gulf communities and service our customers?". The answer was Yes.

By closing the Georgetown agency, we would not be denying our customers any banking facilities. They would still be able to make deposits and withdrawals through the Australia Post Office. As a board we did decide to ease the transition by subsidising banking fees for customers who used the Australia Post facility. Our customers would go to the same building, the same counter and see the same person to make their banking transactions, we would simply not have our sign on the door.

By closing the Georgetown agency, we will save more than $20,000 per annum and that money can now be spent in the community. This year we have sponsored multiple events in the Gulf including the Etheridge Shire Ag Forum for $1,000; the Einasleigh Rodeo for $1,500, the Einasleigh Races for $1,500 and the Mount Garnet Golf Club $1,000. With each event we sponsor we also offer support with an EFTPOS system so you can process payments on the day at your event, a marquee to provide shade, merchandise for your competition packs and giveaways such as water bottles, stickers and stubbie coolers.

In addition to our community support donations, sponsorships, and projects we have also taken on the production of some videos to promote our community. These videos will tell the story of our community and our community bank and encourage people to become more involved as shareholders and directors. The videos promote our local businesses, our community groups and life in the region.

Finally, on behalf of the Board, I would like to thank you - our shareholders and customers - for all the offers of support and assistance. We have much work to do to deliver results for our shareholders, customers and our community and we thank you for your ongoing support, and feedback.

If you have any questions, feedback or concerns, please email me personally at chair@rgccel.com and I will respond directly.

Kind Regards,

Lara Wilde
Chair

Ravenshoe-Gulf Country Community Enterprise Limited

Community Bank Report 2022
BEN Message

July 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

Manager's Report

What a Year....! 2022 Financial Year threw a lot at us as a Business and Community. Covid didn't go away as we thought and continued to have a significant impact on the way we lived and conducted business. With business confidence and consumer sentiment improving in Queensland, an ongoing low interest rate environment, buoyant housing market, improving jobs market, continued growth in regional centres and our customers and staff showing remarkable resilience and adaptability, Queensland Leadership are incredibly proud of our FY22 results.

2023 Financial Year is now upon us and while we have some challenges in the Lending space with property market concerns, a rising interest rate market and cost of living pressure we are optimistic that we will see strong financial results for the coming financial year off the back of increasing Interest Rate margins and strong deposit account demands. The onus is on us as a Financial Services provider to ensure we remain strong to our community values and support, so we give our customers every opportunity to make the most out of the financial conditions presented to us.

Bendigo and Adelaide Bank Lid are extremely proud of the continued commitment we have to our local community partners. The Community Bank model continues to provide amazing support across the country with over $292mill in Community contributions across the Nation since 1998. We are excited to continue to support the Ravenshoe Gulf Country Community Bank moving forward in what we hope are exciting times for the business.

Kieran Herlihy
Regional Manager - Far North Queensland

Ravenshoe-Gulf Country Community Enterprises Limited

ABN 54 144 780 218

Financial Report - 30 June 2022

Ravenshoe-Gulf Country Community Enterprises Limited
Directors' report
30 June 2022

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

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

Name:	Lara Cheyenne Wilde
Title:	Chair *(appointed 19 July 2021)*
Experience and expertise:	A high performing and innovative manager with an excellent track record of delivering projects and working productively with businesses, communities and government. Lara's qualifications include a Diploma of Business from the Kimberly Training Institute, Diploma of Management from the Kimberly Training Institute and a variety of management and leadership development courses. These courses include Landmark education, Queensland Government and professional development suppliers.
Special responsibilities:	Chair
Name:	Shaaron Jeanette Linwood
Title:	Non-executive director (appointed 9 June 2022)
Experience and expertise:	Small business owner. Past local government councillor. Officer, Herberton RSLA. Board member for Carinya Home for the Aged. Lions club.
Special responsibilities:	Nil
Name:	Patricia Taaniela Nemani
Title:	Non-executive director *(Appointed 3 March 2022)*
Experience and expertise:	Graduate Certificate in Public Sector Management and Diploma in Project Management. Have worked extensively with Government agencies and Community Organisations.
Special responsibilities:	Secretary
Name:	Desmond John Scanlan
Title:	Non-executive director *(appointed 19 July 2021)*
Experience and expertise:	An experienced, focused and dedicated business professional. A devoted individual with 40 years of experience in the Royal Australian Navy. Current president of the Ravenshoe RSL Sub-Branch. Desmond's qualifications include a Masters in Project Management (UNSW), Graduate Diploma in both Logistics and Resource Management, Graduate Certificate in Administration, Diploma of Government (Financial Services), Diploma of Government (Management) and Diploma of Business (Front Line Management).
Special responsibilities:	Treasurer
Name:	Terry Ann Cranwell
Title:	Non-executive director *(appointed 20 November 2021)*
Experience and expertise:	Grazier, Royal Flying Doctors, Rural Fire Brigade.
Special responsibilities:	Nil
Name:	Stirling Lyle Christian Tavener
Title:	Non-executive director *(resigned 20 July 2021)*
Experience and expertise:	Stirling established a business & agribusiness management consulting company in 2014 and continues to work as a senior consultant. He has Bachelor degrees in Agricultural Science and Science, a Masters in Business Administration, is Chartered Manager (IML) and is an Australian Institute of Company Directors graduate. Stirling has been Chair of two Body Corporate Committees since 2015, and is a director of multiple private companies. His skills include accounting, finance, banking, business administration & management, agriculture and governance. Stirling was formerly a director for TISA Savings & Loan Society, Papua New Guinea.
Special responsibilities:	Chair

Name:	Melanie Louise Wilson
Title:	Non-executive director *(resigned 25 November 2021)*
Experience and expertise:	Holder of a Bachelor of Laws (Hons) and a Bachelor of International Studies from the University of NSW in Sydney. A practising solicitor, with an initial practice in commercial insurance litigation based in Sydney. Melanie has practised as a generalist lawyer in the community legal sector in Cairns since 2019.
Special responsibilities:	Low Volume Market Share registry and Company Secretary

Name:	Anne Vosoba
Title:	Non-executive director *(resigned 25 November 2021)*
Experience and expertise:	Bachelor of Informatics, extensive experience developing custom applications for business over the last 10 years. Also involved in various community groups including Sporting Shooters Association of Australia and FNQ Goat Club.
Special responsibilities:	Sponsorship

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

Company secretary
There have been three company secretaries holding the position during the financial year:

- Patricia Taaniela Nemani was appointed company secretary on 3 March 2022.
- Lara Wilde was appointed company secretary on 25 November 2021.
- Desmond John Scanlan was appointed as company secretary on 25 November 2021 and ceased on 9 June 2022.
- Melanie Louise Wilson was appointed as company secretary on 25 March 2020 and ceased on 25 November 2021.

Principal activity
The principal activity of the company during the financial year was facilitating Community Bank services under management rights of Bendigo and Adelaide Bank Limited (Bendigo Bank).

There have been no significant changes in the nature of this activity during the financial year.

Review of operations
The profit for the company after providing for income tax amounted to $84,940 (30 June 2021: $96,834).

Operations have continued to perform in line with expectations.

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

	2022 $
Total unfranked dividends of 5 cents per share (2021: 0 cents)	33,120

Significant changes in the state of affairs
During the period the company made the decision in consultation with Bendigo Bank to close the Georgetown Agency.

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

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

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

Ravenshoe-Gulf Country Community Enterprises Limited
Directors' report
30 June 2022

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

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

	Board	
	Eligible	Attended
Lara Cheyenne Wilde	9	9
Desmond John Scanlan	9	9
Terry Anne Cranwell	7	6
Stirling Lyle Christian Tavener	1	1
Melanie Louise Wilson	5	5
Anne Vosoba	5	4
Patricia Nemani	2	2

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

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

	Balance at the start of the year $	Changes $	Balance at the end of the year $
Lara Cheyenne Wilde	-	-	-
Desmond John Scanlan	-	-	-
Terry Ann Cranwell	-	500	500
Melanie Louise Wilson	-	-	-
Anne Vosoba	-	-	-
Patricia Nemani	-	-	-
Shaaron Linwood	-	-	-
Stirling Lyle Christian Tavener	-	-	-

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

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

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

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

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

Ravenshoe-Gulf Country Community Enterprises Limited
Directors' report
30 June 2022

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

Non-audit services
The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 24 to the accounts.

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

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

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

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

On behalf of the directors

Lara Cheyenne Wilde
Chair

4 October 2022

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550

afs@afsbendigo.com.au
03 5443 0344

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Ravenshoe-Gulf Country Community Enterprises Limited

As lead auditor for the audit of Ravenshoe-Gulf Country Community Enterprises Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 4 October 2022

Adrian Downing
Lead Auditor

Ravenshoe-Gulf Country Community Enterprises Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 $	2021 $
Revenue from contracts with customers	6	506,879	485,123
Other revenue	7	30,000	35,625
Employee benefits expense	8	(237,002)	(209,936)
Advertising and marketing costs		(7,521)	(4,545)
Occupancy and associated costs		(14,321)	(9,602)
System costs		(16,193)	(17,276)
Depreciation and amortisation expense	8	(35,594)	(33,199)
Finance costs	8	(4,984)	(5,615)
General administration expenses		(89,748)	(96,921)
Profit before community contributions and income tax expense		131,516	143,654
Charitable donations and sponsorships expense		(17,964)	(7,095)
Profit before income tax expense		113,552	136,559
Income tax expense	9	(28,612)	(39,725)
Profit after income tax expense for the year	18	84,940	96,834
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		84,940	96,834
		Cents	**Cents**
Basic earnings per share	26	12.82	14.62
Diluted earnings per share	26	12.82	14.62

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

Ravenshoe-Gulf Country Community Enterprises Limited
Statement of financial position
As at 30 June 2022

	Note	2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	10	156,736	79,808
Trade and other receivables	11	30,391	26,182
Total current assets		187,127	105,990
Non-current assets			
Property, plant and equipment	12	94,013	105,911
Right-of-use assets	13	75,324	84,015
Intangibles	14	48,449	61,321
Deferred tax assets	9	64,726	93,338
Total non-current assets		282,512	344,585
Total assets		469,639	450,575
Liabilities			
Current liabilities			
Trade and other payables	15	21,653	31,014
Lease liabilities	16	9,457	9,016
Total current liabilities		31,110	40,030
Non-current liabilities			
Trade and other payables	15	28,760	43,140
Lease liabilities	16	89,684	99,140
Total non-current liabilities		118,444	142,280
Total liabilities		149,554	182,310
Net assets		320,085	268,265
Equity			
Issued capital	17	634,198	634,198
Accumulated losses	18	(314,113)	(365,933)
Total equity		320,085	268,265

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

Ravenshoe-Gulf Country Community Enterprises Limited
Statement of changes in equity
For the year ended 30 June 2022

	Note	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 July 2020		634,198	(462,767)	171,431
Profit after income tax expense		-	96,834	96,834
Balance at 30 June 2021		634,198	(365,933)	268,265
Balance at 1 July 2021		634,198	(365,933)	268,265
Profit after income tax expense		-	84,940	84,940
Transactions with owners in their capacity as owners:				
Dividends provided for	20	-	(33,120)	(33,120)
Balance at 30 June 2022		634,198	(314,113)	320,085

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

Ravenshoe-Gulf Country Community Enterprises Limited
Statement of cash flows
For the year ended 30 June 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		586,468	576,873
Payments to suppliers and employees (inclusive of GST)		(447,215)	(395,668)
		139,253	181,205
Interest and other finance costs paid		-	(210)
Net cash provided by operating activities	25	139,253	180,995
Cash flows from investing activities			
Payments for property, plant and equipment		(2,133)	(23,028)
Payments for intangibles		(13,073)	(12,248)
Net cash used in investing activities		(15,206)	(35,276)
Cash flows from financing activities			
Dividends paid	20	(33,120)	-
Repayment of lease liabilities	16	(13,999)	(13,999)
Net cash used in financing activities		(47,119)	(13,999)
Net increase in cash and cash equivalents		76,928	131,720
Cash and cash equivalents at the beginning of the financial year		79,808	(51,912)
Cash and cash equivalents at the end of the financial year	10	156,736	79,808

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

Ravenshoe-Gulf Country Community Enterprises Limited
Notes to the financial statements
30 June 2022

Note 1. Reporting entity

The financial statements cover Ravenshoe-Gulf Country Community Enterprises Limited (the company) as an individual entity. The financial statements are presented in Australian dollars, which is company's functional and presentation currency.

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Shop 2/49 Grigg Street, Ravenshoe QLD 4888.

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 4 October 2022. The directors have the power to amend and reissue the financial statements.

Note 2. Basis of preparation and statement of compliance

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

Note 3. Significant accounting policies

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

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

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

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

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

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

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

Note 3. Significant accounting policies (continued)

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

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

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

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

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

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

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

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

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

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

Lease make good provision
A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Note 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry.

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

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

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

Note 5. Economic dependency (continued)

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

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

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

Note 6. Revenue from contracts with customers

	2022 $	2021 $
Margin income	332,436	324,833
Fee income	50,919	52,940
Commission income	123,524	107,350
Revenue from contracts with customers	506,879	485,123

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

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

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

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

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

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

Note 6. Revenue from contracts with customers (continued)

Margin
Margin is arrived at through the following calculation:

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

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

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

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

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

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

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

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

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

Note 7. Other revenue

	2022 **$**	**2021** **$**
Market development fund	30,000	35,625

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

Revenue stream	Revenue recognition policy
Discretionary financial contributions (also "Market development fund" or "MDF" income)	MDF income is recognised when the right to receive the payment is established. MDF income is discretionary and provided and receivable at month-end and paid within 14 days after month-end.

All revenue is stated net of the amount of GST.

Note 7. Other revenue (continued)

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

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

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

Note 8. Expenses

Depreciation and amortisation expense

	2022 $	2021 $
Depreciation of non-current assets		
Leasehold improvements	5,478	4,656
Plant and equipment	8,553	6,467
	14,031	11,123
Depreciation of right-of-use assets		
Leased land and buildings	8,691	8,692
Amortisation of intangible assets		
Franchise fee	2,116	2,223
Franchise renewal process fee	10,756	11,161
	12,872	13,384
	35,594	33,199

Finance costs

	2022 $	2021 $
Bank overdraft interest paid or accrued	-	210
Lease interest expense	4,984	5,405
	4,984	5,615

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

Employee benefits expense

	2022 $	2021 $
Wages and salaries	187,823	171,288
Superannuation contributions	18,665	16,082
Expenses related to long service leave	1,320	2,406
Other expenses	29,194	20,160
	237,002	209,936

Note 8. Expenses (continued)

Accounting policy for employee benefits
Bendigo Bank seconds employees to work for the company. Bendigo Bank charges the cost of these employees through the monthly profit share arrangement. The company recognises these expenses when recording the monthly invoice. No annual leave or long service leave liabilities are recognised for the company as these are Bendigo Bank employees.

Leases recognition exemption

	2022 $	2021 $
Expenses relating to low-value leases	6,087	6,065

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

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

Note 9. Income tax

	2022 $	2021 $
Income tax expense		
Movement in deferred tax	(2,561)	3,416
Reduction in company tax rate	-	3,734
Recoupment of prior year tax losses	31,173	32,575
Aggregate income tax expense	28,612	39,725
Prima facie income tax reconciliation		
Profit before income tax expense	113,552	136,559
Tax at the statutory tax rate of 25% (2021: 26%)	28,388	35,505
Tax effect of:		
Non-deductible expenses	224	486
Reduction in company tax rate	-	3,734
Timing difference expenses	2,561	-
	31,173	39,725
Movement in deferred tax asset	(2,561)	-
Income tax expense	28,612	39,725

Note 9. Income tax (continued)

	2022 $	2021 $
Deferred tax assets/(liabilities)		
Tax losses	71,206	102,379
Property, plant and equipment	(13,234)	(15,851)
Accrued expenses	800	775
Lease liabilities	24,785	27,039
Right-of-use assets	(18,831)	(21,004)
Deferred tax asset	64,726	93,338

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

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

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

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

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

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

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

Note 10. Cash and cash equivalents

	2022 $	2021 $
Cash at bank and on hand	156,736	79,808

Accounting policy for cash and cash equivalents
For the purposes of the Statement of Financial Position and Statement of Cash Flows, cash and cash equivalents comprise cash on hand and deposits held with banks.

Note 11. Trade and other receivables

	2022 $	2021 $
Trade receivables	24,902	20,699
Prepayments	5,489	5,483
	30,391	26,182

Accounting policy for trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

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

Note 12. Property, plant and equipment

	2022 $	2021 $
Leasehold improvements - at cost	157,240	158,924
Less: Accumulated depreciation	(94,909)	(91,114)
	62,331	67,810
Plant and equipment - at cost	91,558	92,971
Less: Accumulated depreciation	(59,876)	(54,870)
	31,682	38,101
	94,013	105,911

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

	Leasehold improvements $	Plant and equipment $	Total $
Balance at 1 July 2020	72,466	21,540	94,006
Additions	-	23,028	23,028
Depreciation	(4,656)	(6,467)	(11,123)
Balance at 30 June 2021	67,810	38,101	105,911
Additions	2,133	-	2,133
Depreciation	(5,478)	(8,553)	(14,031)
Balance at 30 June 2022	64,465	29,548	94,013

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

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

Note 12. Property, plant and equipment (continued)

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

Leasehold improvements	4 to 20 years
Plant and equipment	1 to 40 years

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets.

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

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

The company's review of estimates resulted in changes in the useful life of some of the branches leasehold improvements. The useful life had previously been assessed as 40 years until March 2052. This is now expected to be 20 years until March 2032. The effect of these changes on actual and expected depreciation expense was as follows:

	2022 $	2023 $	2024 $	2025 $	2026+ $
(Decrease) increase in depreciation expense	1,452	1,452	1,452	1,452	(5,808)

Note 13. Right-of-use assets

	2022 $	2021 $
Land and buildings - right-of-use	173,825	173,825
Less: Accumulated depreciation	(98,501)	(89,810)
	75,324	84,015

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

	Land and buildings $	Total $
Balance at 1 July 2020	92,707	92,707
Depreciation expense	(8,692)	(8,692)
Balance at 30 June 2021	84,015	84,015
Depreciation expense	(8,691)	(8,691)
Balance at 30 June 2022	75,324	75,324

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

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

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

Refer to note 16 for more information on lease arrangements.

Note 14. Intangibles

	2022 $	2021 $
Franchise fee	32,053	32,053
Less: Accumulated amortisation	(23,941)	(21,825)
	8,112	10,228
Franchise renewal fee	110,266	110,266
Less: Accumulated amortisation	(69,929)	(59,173)
	40,337	51,093
Establishment fee	100,000	100,000
Less: Accumulated amortisation	(100,000)	(100,000)
	-	-
	48,449	61,321

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

	Franchise fee $	Franchise renewal fee $	Total $
Balance at 1 July 2020	1,695	8,472	10,167
Additions	10,756	53,782	64,538
Amortisation expense	(2,223)	(11,161)	(13,384)
Balance at 30 June 2021	10,228	51,093	61,321
Amortisation expense	(2,116)	(10,756)	(12,872)
Balance at 30 June 2022	8,112	40,337	48,449

Additions
During the previous financial year, the franchise fees were renewed. These are being amortised over five years to March 2026.

Accounting policy for intangible assets
Intangible assets of the company relate to the franchise fees paid to Bendigo Bank which conveys the right to operate the Community Bank franchise.

Intangible assets are measured on initial recognition at cost. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

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

Note 14. Intangibles (continued)

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

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	March 2026
Franchise renewal process fee	Straight-line	Over the franchise term (5 years)	March 2026

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

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

Note 15. Trade and other payables

	2022 $	2021 $
Current liabilities		
Trade payables	3,979	13,457
Other payables and accruals	17,674	17,557
	21,653	31,014
Non-current liabilities		
Other payables and accruals	28,760	43,140

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

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

Note 16. Lease liabilities

	2022 $	2021 $
Current liabilities		
Land and buildings lease liabilities	14,000	14,000
Unexpired interest	(4,543)	(4,984)
	9,457	9,016
Non-current liabilities		
Land and buildings lease liabilities	107,334	121,333
Unexpired interest	(17,650)	(22,193)
	89,684	99,140

Note 16. Lease liabilities (continued)

Reconciliation of lease liabilities

	2022 $	2021 $
Opening balance	108,156	116,750
Lease interest expense	4,984	5,405
Lease payments - total cash outflow	(13,999)	(13,999)
	99,141	108,156

Maturity analysis

	2022 $	2021 $
Not later than 12 months	14,000	14,000
Between 12 months and 5 years	56,000	55,999
Greater than 5 years	51,334	65,334
	121,334	135,333

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

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

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

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

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

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

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

The company's lease portfolio includes:

Ravenshoe branch	The lease agreement commenced in March 2011. A five year renewal option was exercised in March 2021. The company has an additional five year renewal option available which for AASB 16: Leases purposes they are reasonably certain to exercise. As such, the lease term end date used in the calculation of the lease liability is February 2031. The discount rate used in calculations is 4.79%.

Note 17. Issued capital

	2022 Shares	2021 Shares	2022 $	2021 $
Ordinary shares - fully paid	662,409	662,409	662,409	662,409
Less: Equity raising costs	-	-	(28,211)	(28,211)
	662,409	662,409	634,198	634,198

Accounting policy for issued capital
Ordinary shares are recognised at the fair value of the consideration received by the company being $1 per share. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Rights attached to issued capital

Ordinary shares
Voting rights
Subject to some limited exceptions, each member has the right to vote at a general meeting.

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

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

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

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

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

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the Board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").

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

Note 17. Issued capital (continued)

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

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

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

Note 18. Accumulated losses

	2022 $	2021 $
Accumulated losses at the beginning of the financial year	(365,933)	(462,767)
Profit after income tax expense for the year	84,940	96,834
Dividends paid (note 20)	(33,120)	-
Accumulated losses at the end of the financial year	(314,113)	(365,933)

Note 19. Capital management

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

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

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

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

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

Note 20. Dividends

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

	2022 $	2021 $
Total unfranked dividends of 5 cents per share (2021: 0 cents)	33,120	-

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

Note 21. Financial instruments

	2022 $	2021 $
Financial assets		
Trade and other receivables	24,902	20,699
Cash and cash equivalents	156,736	79,808
	181,638	100,507
Financial liabilities		
Trade and other payables	50,413	74,154
Lease liabilities	99,141	108,156
	149,554	182,310

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

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

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

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

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

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

Note 21. Financial instruments (continued)

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

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

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

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

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

2022	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives				
Trade and other payables	21,653	28,760	-	50,413
Lease liabilities	14,000	56,000	51,334	121,334
Total non-derivatives	35,653	84,760	51,334	171,747

2021	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives				
Trade and other payables	31,014	43,140	-	74,154
Lease liabilities	14,000	55,999	65,334	135,333
Total non-derivatives	45,014	99,139	65,334	209,487

Note 22. Key management personnel disclosures

The following persons were directors of Ravenshoe-Gulf Country Community Enterprises Limited during the financial year:

Lara Cheyenne Wilde
Patricia Taaniela Nemani
Terry Ann Cranwell
Melanie Louise Wilson
Shaaron Jeanette Linwood
Desmond John Scanlan
Stirling Lyle Christian Tavener
Anne Vosoba

No director of the company receives remuneration for services as a company director or committee member.

There are no executives within the company whose remuneration is required to be disclosed.

Note 23. Related party transactions

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

Note 24. Remuneration of auditors

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

	2022 $	2021 $
Audit services		
Audit or review of the financial statements	5,200	5,000
Other services		
Taxation advice and tax compliance services	600	600
General advisory services	1,690	1,890
Share registry services	4,601	1,900
	6,891	4,390
	12,091	9,390

Note 25. Reconciliation of profit after income tax to net cash provided by operating activities

	2022 $	2021 $
Profit after income tax expense for the year	84,940	96,834
Adjustments for:		
Depreciation and amortisation	35,594	33,199
Lease liabilities interest	4,984	5,405
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(4,209)	3,610
Decrease in deferred tax assets	28,612	39,724
Increase/(decrease) in trade and other payables	(10,668)	2,223
Net cash provided by operating activities	139,253	180,995

Note 26. Earnings per share

	2022 $	2021 $
Profit after income tax	84,940	96,834
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	662,409	662,409
Weighted average number of ordinary shares used in calculating diluted earnings per share	662,409	662,409

Note 26. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	12.82	14.62
Diluted earnings per share	12.82	14.62

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

Note 27. Commitments

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

Note 28. Contingencies

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

Note 29. Events after the reporting period

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

Ravenshoe-Gulf Country Community Enterprises Limited
Directors' declaration
30 June 2022

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;

- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

Lara Cheyenne Wilde
Chair

4 October 2022

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550

afs@afsbendigo.com.au
03 5443 0344

Independent auditor's report to the Directors of Ravenshoe-Gulf Country Community Enterprises Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Ravenshoe-Gulf Country Community Enterprises Limited (the company), which comprises:

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

In our opinion, the accompanying financial report of Ravenshoe-Gulf Country Community Enterprises Limited, is in accordance with the *Corporations Act 2001*, including:

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

Basis for Opinion

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

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

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

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550

afs@afsbendigo.com.au
03 5443 0344

Other Information

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

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 4 October 2022

Adrian Downing
Lead Auditor

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