Annual Report 2023

Ravenshoe-Gulf Country Community Enterprise Limited

Community Bank
Ravenshoe-Gulf Country

ABN 54 144 780 218

Contents

Chair’s report

Thank you for your support in 2023. 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 makes. On behalf of our RGCCEL Board and Community Bank Ravenshoe -Gulf Country branch, I thank you for your support, your feedback, and your continued faith in us.

As you are aware, in 2022 we paid a record dividend of 6 cents per share with a 4 cent bonus per share. After more than 10 years of your loyal support, we are very happy that we are able to provide a return on your investment. If you have not received your dividend payment in 2021 or 2022, please contact us at shareregistry@rgccel.com to make sure that your details are up to date and you receive your 2023 dividend payment.

It was in 2015 when I first joined this RGCCEL Board with Christine Hill as Chair. I joined as I was working in the Gulf region at the time and I saw the potential of how a Community Bank could impact families, small businesses and not for profit organisations to deliver outcomes. I wanted to be a part of that leadership team and to contribute to my community. Under Christine’s mentorship I learnt a lot and I am very grateful to Christine and her husband Alan for originally welcoming me.

When Christine and Alan stepped away from the RGCCEL Board, I stayed on with Trish Ward to rebuild the Board. We built a diverse new Board of Directors with representation from Georgetown to Ravenshoe and with non-Indigenous and Indigenous Directors. In 2017, I resigned from the Board to deal with some personal matters. I remained a loyal customer who had a good working relationship with the Community Bank Ravenshoe-Gulf Country branch, the Branch Manager and the staff knowing that my banking business was contributing to our community.

In 2021, like many of you, I saw the announcement that the Board did not have enough Directors and so I put my hand up as Chair once more. Des and I joined the Board to grow our community bank. Since then, we have faced many challenges that are not unique to us, but which echo the challenges that Christine faced in 2015 and other Board Directors have faced since then.

As your Chair, I have been busy working to grow our Company to meet the benchmarks set by other Community Bank companies. I have attended meetings with neighbouring Community Bank companies such as Mareeba to learn from them, and had in-depth discussions with Bendigo Bank representatives at a regional, State and National level. I have attended a State event in Brisbane and the National Conference in Bendigo. In addition, I have undertaken extensive training with the Australian Institute of Company Directors to learn best practice in Board Governance and bring this back to our community.

Des Scanlan has continued as our Treasurer this year celebrating two years on the Board as a Director and providing outstanding financial guidance to the company. Personally, I thank Des for his support to myself and his dedication to the Board. Under Des’s guidance we are again able to pay our shareholders a 6 cent dividend this year and continue to support our community through donations and sponsorships of events and projects. The Company has plans to place $150,000 into a high interest account to again improve our returns to shareholders and our community. With Des’s guidance we have taken a new approach to investing in our community with the Community Enterprise Foundation (CEF).

CEF facilitates a wide range of grants for eligible charities and not-for-profit organisations in Australia. CEF works closely with Community Bank companies that choose to reinvest their profits back into their local communities via structured charitable grant programs. By engaging CEF to administer our grants program we can make better, targeted use of funds that are responsive to community needs, support projects that make a positive contribution to Ravenshoe and the Gulf region, provide professional management of the grant process, reduce our tax obligations, and achieve maximum impact in our community.

Another initiative of the Board has been a new collaboration with My Pathway to support new businesses in our region. My Pathway delivers the Self Employment Assistance Program on behalf of Government providing mentoring, training and support to people wanting to start a new business. With our new collaboration, we will support new businesses in our community to thrive and bring more services to our region by providing them with a $1,200 one off payment to cover startup costs such as business cards, uniforms and a website. If you would like to refer someone to the program or apply yourself, please visit https://mypathway.com.au/self-employment/ and connect with the team at My Pathway to begin the process.

Trish Nemani continued as our Company Secretary in 2023 and brought a steady hand of calm guidance and insight to the Board. Trish handed over the reins of the Company Secretary role to new Director Betta Gianasi and remained on the Board. Betta moved to Ravenshoe in 2008 and holds a PHD qualification in Pharmaceutical Science. Betta, who has served the Board as Secretarial Support in recent times, is also a key member of our community working closely with the Rural Fire Brigade North Millstream as their secretary since 2008, and until recently the administration officer of the South Tablelands Rural Fire Brigade group. Betta is also the volunteer scientific officer for Queensland, a Level 1 Fire Behaviour Analyst and Acting Lieutenant for the Ravenshoe Fire Station. In her spare time Betta is the secretary of the Ravenshoe/Mount Garnet Rifle Club and has held that role for more than a decade. A personal thank you to Betta Gianasi who has provided administration support to myself and the Board this year making our work as volunteer Directors possible.

In 2023, Trish took on the responsibility of managing our marketing for the Company and has initiated a number of new strategies including the purchase of a new marquee for use in the community and more news into local communications such as the Express paper. With a clear marketing strategy moving forward, we welcome Toni Perrin to the Board as the new Marketing Director. Toni moved to Millstream with her family to become self-sufficient and has quickly established herself within our community. Toni has her own successful business, Kickass Marketing and is also a member of Ravenshoe Seed Savers and President of the recently reinvigorated Ravenshoe CWA. We look forward to Toni bringing her expertise to the Company to tell our story and engage with the community.

It is with great pleasure that I welcome Christine Hill back to the Board as our Share Registry Director. Our community is very familiar with Christine who joined the steering committee working to establish the Bendigo Community Bank Branch in Ravenshoe and Agency in Georgetown. Christine was an inaugural Director and Company Secretary for Ravenshoe Gulf Country Community Enterprises Limited, when the company was first established and registered with ASIC. She became Chair of the board 3 months after the Ravenshoe Community Bank Branch and Georgetown Agency was opened. Christine served as a Director, the Company Secretary, Chair of the Board and monitored the Low Volume Market Share Register for 5 years. In her spare time today, Christine also serves as Treasurer for R.A.T.S. and Treasurer/Grant writer for Ravenshoe Railway Company Limited.

Joining Christine as a new-again Director is our previous Treasurer, Ailsa Purcell. Ailsa is well known to our local community as former Director and Treasurer of the Ravenshoe-Gulf Country Community Enterprises Limited for nearly two years. Ailsa has a Certificate 4 in Business Administration and a Bachelor of Commerce (Accounting and Information Systems with CPA Status; she is a Commissioner for Declaration, Director of Magnetic Shoals Ltd for nearly ten years and more recently also the Owner/Director of DERM (NQ Pty Ltd. Over the next 6 months Des and Ailsa will work closely to hand over the Treasurer role before Des departs.

On behalf of the Board, I would like to thank you - our shareholders and customers - for all of the offers of support and assistance. Since 2015 I have served a total of 6 years on the Board and had the privilege of meeting some extraordinary humans while contributing to my community. Personally, I would like to thank my fellow Directors Des and Trish for your comradeship, professionalism and support this year. I welcome our new Directors Betta, Toni, Christine and Ailsa and thank them for stepping up to support our community Bank. I have the utmost respect and appreciation for our team, and I wish them the very best moving forward. 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

Regional Manager’s Report

To say the past 12 months have been an interesting time for the Community Bank Ravenshoe-Gulf Country would be an understatement. Losing our Branch Manager and leaving a young team to drive the business was challenging.

The staff however did a wonderful job in ensuring that the business operated through this tough period and allowed the community to utilise the Banking services that provides so much good to Ravenshoe and the surrounding areas. Despite the tough circumstances the branch received one of the highest customer satisfaction results in the State achieving a 93% Extremely Satisfied rating for the Financial Year.

In June we welcomed Kylie Holt as Branch Manager Community Bank Ravenshoe-Gulf Country. This was such a big win with Kylie already heavily invested and involved in the community as well as having a wealth of finance experience from a previous role with one of the Big 4.

So, the future is extremely exciting. Strong leadership coupled with a team that has gained valuable experience and learnings over the last 12mths can only lead to improved financial results. These improved outcomes will lead to greater community contributions which will benefit Ravenshoe and the surrounding areas.

I want to thank the branch staff for their amazing efforts over the last 12mths under difficult circumstances. I would like to also thank the Board for the work they do in driving the relationship between the Community Bank Company and Community. The Board Director positions are volunteer roles and the time and effort that goes into the work they do needs to be acknowledged.

We are pleased to have been able to welcome several new customers that have come to us from local advocates within our community, for whom we are very grateful.

With Bendigo being the Better Big Bank, we look forward to what the next financial year has in store and are excited to continue supporting this community and having the support reciprocated.

I very much look forward to an even greater 2024 Financial Year.

Kieran Herlihy
Regional Manager – Far North Queensland

Community Bank Report

BEN Message
August 2023

Community and customer will always be at the heart of what we do at Bendigo and Adelaide Bank.

Together, we're setting up Community Banking for the future - growing our impact as a leading social impact movement to transform communities across Australia.

As we continue to evolve to meet the needs of our customers, we should feel proud that more Australians are choosing to do their banking with us and trust us with their financial goals. Our position as Australia's most trusted bank (Roy Morgan) reflects the esteem we are held in by our customers, and communities.

This year has been particularly significant for us. After five years apart, we had the opportunity to come together in person and connect through our State Connect program and in Bendigo at our National Conference in September. It has also been a record-breaking year for Community Bank with more than $32 million invested into local communities nationwide. This is our highest year on record and underscores our ongoing commitment to our customers and communities.

Reflecting on the 25 years since we opened our first Community Bank, I'm so grateful to the hard work of many passionate Directors (past and present). Everything we have done and continue to do is focused on our purpose to feed into the prosperity of our customers and communities, not off it.

On behalf of the Bank, thank you for continuing to play an essential role in supporting your community. I look forward to seeing us grow together and make a positive impact for generations to come.

Warmest regards,

Justine Minne
Bendigo and Adelaide Bank

Ravenshoe-Gulf Country Community Enterprises Limited
Directors' report
30 June 2023

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2023.

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:	Non-executive director
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 and a variety of management and leadership development courses. These courses include Landmark education, Queensland Government and professional development suppliers.
Special responsibilities:	Chair

Name:	Patricia Taaniela Nemani
Title:	Non-executive director
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
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:	Colin John Lemmon
Title:	Non-executive director (appointed 30 March 2023 and resigned 31 May 2023)
Experience and expertise:	University lecturer (retired), Honors degree in psychology, PHD, Clinical practice - psychotherapy.
Special responsibilities:	Shares

Name:	Terry Ann Cranwell
Title:	Non-executive director (resigned 28 November 2022)
Experience and expertise:	Grazier, Nurse, Nursing Council, President of Womens LNP.
Special responsibilities:	Nil

Name:	Shaaron Jeanette Linwood
Title:	Non-executive director (resigned 28 November 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

Company secretary
The company secretary is Patricia Taaniela Nemani. Patricia Taaniela Nemani was appointed to the position of company secretary on 3 March 2022.

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 $105,509 (30 June 2022: $84,940).

The company has seen a significant increase in its revenue during the financial year. This is a result of the Reserve Bank of Australia (RBA) increasing the cash rate by 3.25% during the financial year moving from 0.85% to 4.10% as at 30 June 2023. The increased cash rate has had a direct impact on the revenue received by the company, increasing the net interest margin income received under the revenue share arrangement the company has with Bendigo Bank.

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

	2023 $	2022 $
Total unfranked final dividends of 6 cents per share (2022: 3 cents)	39,745	19,872
Total unfranked special dividends of 4 cents per share (2022: 2 cents)	26,496	13,248
	66,241	33,120

Significant changes in the state of affairs
There were no 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 2023 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.

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	8
Patricia Taaniela Nemani	9	9
Desmond John Scanlan	9	9
Colin John Lemmon	2	1
Terry Ann Cranwell	4	3
Shaaron Jeanette Linwood	4	-

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	-	-	-
Patricia Taaniela Nemani	2,500	-	2,500
Desmond John Scanlan	2,501	-	2,501
Colin John Lemmon	-		-
Terry Ann Cranwell	500	-	500
Shaaron Jeanette Linwood	-	-	-

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.

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.

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
- the non-audit services provided do not 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.

Ravenshoe-Gulf Country Community Enterprises Limited
Directors' report
30 June 2023

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

28 August 2023

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
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 2023, 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: 28 August 2023

Joshua Griffin
Lead Auditor

Liability limited by a scheme approved under Professional Standards Legislation.

Ravenshoe-Gulf Country Community Enterprises Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	2023 $	2022 $
Revenue from contracts with customers	6	683,151	506,879
Other revenue	7	25,000	30,000
Total revenue		708,151	536,879
Employee benefits expense	8	(191,131)	(237,002)
Advertising and marketing costs		(13,710)	(7,521)
Occupancy and associated costs		(9,261)	(14,321)
System costs		(14,105)	(16,193)
Depreciation and amortisation expense	8	(35,947)	(35,594)
Finance costs	8	(4,543)	(4,984)
General administration expenses		(79,042)	(89,748)
Total expenses before community contributions and income tax expense		(347,739)	(405,363)
Profit before community contributions and income tax expense		360,412	131,516
Charitable donations, sponsorships and grants expense	8	(219,457)	(17,964)
Profit before income tax expense		140,955	113,552
Income tax expense	9	(35,446)	(28,612)
Profit after income tax expense for the year	18	105,509	84,940
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		105,509	84,940
		Cents	**Cents**
Basic earnings per share	26	15.93	12.82
Diluted earnings per share	26	15.93	12.82

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 2023

	Note	2023 $	2022 $
Assets			
Current assets			
Cash and cash equivalents	10	222,165	156,736
Trade and other receivables	11	51,641	30,391
Total current assets		273,806	187,127
Non-current assets			
Property, plant and equipment	12	79,629	94,013
Right-of-use assets	13	66,633	75,324
Intangible assets	14	35,577	48,449
Deferred tax assets	9	29,280	64,726
Total non-current assets		211,119	282,512
Total assets		484,925	469,639
Liabilities			
Current liabilities			
Trade and other payables	15	21,509	21,653
Lease liabilities	16	9,920	9,457
Total current liabilities		31,429	31,110
Non-current liabilities			
Trade and other payables	15	14,380	28,760
Lease liabilities	16	79,763	89,684
Total non-current liabilities		94,143	118,444
Total liabilities		125,572	149,554
Net assets		359,353	320,085
Equity			
Issued capital	17	634,198	634,198
Accumulated losses	18	(274,845)	(314,113)
Total equity		359,353	320,085

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 2023

	Note	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 July 2021		634,198	(365,933)	268,265
Profit after income tax expense		-	84,940	84,940
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	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

	Note	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 July 2022		634,198	(314,113)	320,085
Profit after income tax expense		-	105,509	105,509
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	105,509	105,509
Transactions with owners in their capacity as owners:				
Dividends provided for	20	-	(66,241)	(66,241)
Balance at 30 June 2023		634,198	(274,845)	359,353

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 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		758,530	586,468
Payments to suppliers and employees (inclusive of GST)		(599,786)	(447,215)
Net cash provided by operating activities	25	158,744	139,253
Cash flows from investing activities			
Payments for property, plant and equipment		-	(2,133)
Payments for intangible assets		(13,073)	(13,073)
Net cash used in investing activities		(13,073)	(15,206)
Cash flows from financing activities			
Dividends paid	20	(66,241)	(33,120)
Repayment of lease liabilities	16	(14,001)	(13,999)
Net cash used in financing activities		(80,242)	(47,119)
Net increase in cash and cash equivalents		65,429	76,928
Cash and cash equivalents at the beginning of the financial year		156,736	79,808
Cash and cash equivalents at the end of the financial year	10	222,165	156,736

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

Note 1. Reporting entity

The financial statements cover Ravenshoe-Gulf Country Community Enterprises Limited (the company) as an individual entity, which is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

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.

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 and are presented in Australian dollars, which is the company's functional and presentation currency.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 August 2023. The directors have the power to amend and reissue the financial statements.

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 2022, 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 2023.

Non-financial assets
At each reporting date, the company reviews the carrying amounts of its tangible assets and intangible assets 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 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 that it believes to be reasonable under the circumstances. Differences between the accounting judgements and estimates and actual results and outcomes are accounted for in future reporting periods. 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.

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 assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets
The company assesses impairment of non-financial 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 as the higher of its fair value less costs of disposal or value-in-use, each of 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.

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

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.

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 in March 2026.

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

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

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

The credit risk (i.e. the risk that a customer will not make repayments) is for Bendigo Bank 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

	2023 $	2022 $
Margin income	517,278	332,436
Fee income	47,467	50,919
Commission income	118,406	123,524
	683,151	506,879

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, interest rates and funds transfer pricing and other factors, such as economic and local conditions.

Margin income
Margin on core banking products 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 Bendigo Bank 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 income
Commission income 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.

Note 6. Revenue from contracts with customers (continued)

Fee income
Fee income is a share of what is commonly referred to as 'bank fees and charges' charged to customers by Bendigo Bank 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

	2023 $	2022 $
Market development fund	25,000	30,000

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.

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

Employee benefits expense

	2023 $	2022 $
Wages and salaries	148,888	187,823
Superannuation contributions	15,744	18,665
Expenses related to long service leave	779	1,320
Other expenses	25,720	29,194
	191,131	237,002

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.

Depreciation and amortisation expense

	2023 $	2022 $
Depreciation of non-current assets		
Leasehold improvements	5,480	5,478
Plant and equipment	8,904	8,553
	14,384	14,031
Depreciation of right-of-use assets		
Leased land and buildings	8,691	8,691
Amortisation of intangible assets		
Franchise fee	2,115	2,116
Franchise renewal process fee	10,757	10,756
	12,872	12,872
	35,947	35,594

Leases recognition exemption

	2023 $	2022 $
Expenses relating to low-value leases	4,893	6,087

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 Leases*. Expenses relating to low-value exempt leases are included in system costs expenses.

Charitable donations, sponsorships and grants expense

	2023 $	2022 $
Direct donation, sponsorship and grant payments	19,457	17,964
Contribution to the Community Enterprise Foundation™	200,000	-
	219,457	17,964

Note 8. Expenses (continued)

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

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

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

Note 9. Income tax

	2023 $	2022 $
Income tax expense		
Movement in deferred tax	(3,247)	(2,561)
Recoupment of prior year tax losses	38,693	31,173
Aggregate income tax expense	35,446	28,612
Prima facie income tax reconciliation		
Profit before income tax expense	140,955	113,552
Tax at the statutory tax rate of 25%	35,239	28,388
Tax effect of:		
Non-deductible expenses	207	224
Timing difference expenses	-	2,561
	35,446	31,173
Movement in deferred tax asset	-	(2,561)
Income tax expense	35,446	28,612

	2023 $	2022 $
Deferred tax assets/(liabilities)		
Tax losses	32,513	71,206
Property, plant and equipment	(9,996)	(13,234)
Accrued expenses	1,000	800
Lease liabilities	22,421	24,785
Right-of-use assets	(16,658)	(18,831)
Deferred tax asset	29,280	64,726

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 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.

Note 9. Income tax (continued)

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

	2023 $	2022 $
Cash at bank and on hand	222,165	156,736

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

	2023 $	2022 $
Trade receivables	45,430	24,902
Prepayments	6,211	5,489
	51,641	30,391

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

	2023 $	2022 $
Leasehold improvements - at cost	157,240	157,240
Less: Accumulated depreciation	(100,388)	(94,909)
	56,852	62,331
Plant and equipment - at cost	91,558	91,558
Less: Accumulated depreciation	(68,781)	(59,876)
	22,777	31,682
	79,629	94,013

Reconciliations of the carrying 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 2021	67,810	38,101	105,911
Additions	-	2,133	2,133
Depreciation	(5,478)	(8,553)	(14,031)
Balance at 30 June 2022	62,332	31,681	94,013
Depreciation	(5,480)	(8,904)	(14,384)
Balance at 30 June 2023	56,852	22,777	79,629

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.

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

Note 13. Right-of-use assets

	2023 $	2022 $
Land and buildings - right-of-use	173,825	173,825
Less: Accumulated depreciation	(107,192)	(98,501)
	66,633	75,324

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

	Land and buildings $
Balance at 1 July 2021	84,015
Depreciation expense	(8,691)
Balance at 30 June 2022	75,324
Depreciation expense	(8,691)
Balance at 30 June 2023	66,633

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.

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. Intangible assets

	2023 $	2022 $
Franchise fee	32,053	32,053
Less: Accumulated amortisation	(26,056)	(23,941)
	5,997	8,112
Franchise renewal fee	110,266	110,266
Less: Accumulated amortisation	(80,686)	(69,929)
	29,580	40,337
	35,577	48,449

Note 14. Intangible assets (continued)

Reconciliations of the carrying 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 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
Amortisation expense	(2,115)	(10,757)	(12,872)
Balance at 30 June 2023	5,997	29,580	35,577

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.

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 fee	Straight-line	Over the franchise term (5 years)	March 2026

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

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

	2023 $	**2022 $**
Current liabilities		
Trade payables	2,820	3,979
Other payables and accruals	18,689	17,674
	21,509	21,653
Non-current liabilities		
Other payables and accruals	14,380	28,760

Note 15. Trade and other payables (continued)

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

	2023 $	2022 $
Current liabilities		
Land and buildings lease liabilities	14,000	14,000
Unexpired interest	(4,080)	(4,543)
	9,920	9,457
Non-current liabilities		
Land and buildings lease liabilities	93,333	107,334
Unexpired interest	(13,570)	(17,650)
	79,763	89,684

Reconciliation of lease liabilities

	2023 $	2022 $
Opening balance	99,141	108,156
Lease interest expense	4,543	4,984
Lease payments - total cash outflow	(14,001)	(13,999)
	89,683	99,141

Maturity analysis

	2023 $	2022 $
Not later than 12 months	14,000	14,000
Between 12 months and 5 years	56,000	56,000
Greater than 5 years	37,333	51,334
	107,333	121,334

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 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.

Note 16. Lease liabilities (continued)

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 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:

Lease	Discount rate	Non-cancellable term	Renewal options	Reasonably certain to exercise options	Lease term end date used in calculations
Ravenshoe Branch	4.79%	5 years	1 x 5 years	Yes	February 2031

Note 17. Issued capital

	2023 Shares	2022 Shares	2023 $	2022 $
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.

Note 17. Issued capital (continued)

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").
- 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 232. As at the date of this report, the company had 238 shareholders (2022: 238 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 their associates) has a prohibited shareholding interest in 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

	2023 $	2022 $
Accumulated losses at the beginning of the financial year	(314,113)	(365,933)
Profit after income tax expense for the year	105,509	84,940
Dividends paid (note 20)	(66,241)	(33,120)
Accumulated losses at the end of the financial year	(274,845)	(314,113)

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.

	2023 $	2022 $
Total unfranked final dividends of 6 cents per share (2022: 3 cents)	39,745	19,872
Total unfranked special dividends of 4 cents per share (2022: 2 cents)	26,496	13,248
	66,241	33,120

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

Note 21. Financial instruments

	2023 $	2022 $
Financial assets		
Trade and other receivables	45,430	24,902
Cash and cash equivalents	222,165	156,736
	267,595	181,638
Financial liabilities		
Trade and other payables	35,889	50,413
Lease liabilities	89,683	99,141
	125,572	149,554

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.

Note 21. Financial instruments (continued)

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.

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of $222,165 at 30 June 2023 (2022: $156,736).

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, Bendigo Bank is rated BBB+ on Standard & Poor's credit ratings.

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.

Note 21. Financial instruments (continued)

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.

2023	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Trade and other payables	21,509	14,380	-	35,889
Lease liabilities	14,000	56,000	37,333	107,333
Total non-derivatives	35,509	70,380	37,333	143,222

2022	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
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

Note 22. Key management personnel disclosures

The following persons were directors of Ravenshoe-Gulf Country Community Enterprises Limited during the financial year and/or up to the date of signing of these Financial Statements.

Lara Cheyenne Wilde
Patricia Taaniela Nemani
Desmond John Scanlan
Colin John Lemmon
Terry Ann Cranwell
Shaaron Jeanette Linwood

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

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:

	2023 $	2022 $
Audit services		
Audit or review of the financial statements	5,400	5,200
Other services		
Taxation advice and tax compliance services	660	600
General advisory services	2,100	1,690
Share registry services	3,854	4,601
	6,614	6,891
	12,014	12,091

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

	2023 $	2022 $
Profit after income tax expense for the year	105,509	84,940
Adjustments for:		
Depreciation and amortisation	35,947	35,594
Lease liabilities interest	4,543	4,984
Change in operating assets and liabilities:		
Increase in trade and other receivables	(21,250)	(4,209)
Decrease in deferred tax assets	35,446	28,612
Decrease in trade and other payables	(1,451)	(10,668)
Net cash provided by operating activities	158,744	139,253

Note 26. Earnings per share

	2023 $	2022 $
Profit after income tax	105,509	84,940
	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
	Cents	**Cents**
Basic earnings per share	15.93	12.82
Diluted earnings per share	15.93	12.82

Note 26. Earnings per share (continued)

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, 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.

Note 29. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 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 2023

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 2023 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

28 August 2023

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
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(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 2023
- 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 2023 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.

Liability limited by a scheme approved under Professional Standards Legislation.

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
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(03) 5443 0344

Other Information

The other information comprises the information included in the company's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon. The annual report may also include "other information" on the company'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. We have nothing to report in this regard.

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.

The directors are responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists.

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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.

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: 28 September 2023

Joshua Griffin
Lead Auditor

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Bendigo Bank

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