

# Annual Report 2023

South Burdekin Community  
Financial Services Limited

Community Bank  
Home Hill and Ayr

ABN 86 113 530 902

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# Chairman's Report

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## For year ended 30th June 2023

I am delighted to have the opportunity to present our Annual Report to the shareholders of South Burdekin Community Financial Services Limited for the 2023 fiscal year.

Well, what a difference 12 months makes in the world of banking, in this period we have been able to increase our bottom line to show a profit after the provision for income tax of \$271,391.00 which is an increase of \$255,957.00 on the prior period, this is after we made community grants, sponsorships and charitable donations totaling \$301,413.00 for the financial year, we also paid in early April 2023 a fully franked dividend of 5 cents per share to our very patient shareholders, this has only been made possible by the Board being very mindful that it needs to increase volume, some of that has been generated by the Board's decision to acquire the revenue right to the banking business of the Bendigo Bank Bowen branch which closed in late October 2022, as I have said before, we will only increase our income and profit by improving our volume, the volume always needs to increase, that should and always be our main focus moving forward.

Just over three years ago we welcomed Chantel Michelin as our Senior Branch Manager, this has proved to be a wonderful decision, with her prior banking knowledge and her ability to guide our wonderful and resolute staff to perform their duties in a most professional and efficient manner, this has been the backbone of our business for eighteen years. I thank all for their continued support of the Directors and myself in our quest of achieving our common goal of profitable branches and company.

I would like to again thank my fellow directors; they are an amazing group of community minded people who have always given of their time and support to achieve our goals and objectives. Three of our Directors have been involved with this project for 20 years and I thank them for their continued enthusiasm and support. We are still looking for a couple of very community minded persons who will give us their time and add value to our Board. As new Directors join our board they come with fresh ideas and views which will enable us to grow both of our Community Bank branches. We are all able to see the profits that will benefit our shareholders and provide funding for projects for our community in the future.

Bendigo and Adelaide Bank Ltd and their regional staff have always been incredibly supportive and continue to encourage us, Regional Manager NQ Jackie Seguin, and Rural Bank Agribusiness Relationship Manager Angelo Rigano have been invaluable at times with their guidance in our branch operations and their occasional attendance at our Board meetings. I would like on behalf of the Board to thank them for their support.

In closing, without the support, generosity and the confidence of our shareholders and the community we would not have achieved these results thus far. I thank all of those who have supported and encouraged us, and I would ask again that all shareholders should become advocates and try to encourage more of our community members to explore the products and services that our Community Bank and staff have to offer. If you are a shareholder and you do not bank with us-why not? Surely you want a return on your investment in our community bank.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Darren West', is written over a horizontal line. The signature is stylized and cursive.

Darren West  
Chairman

# Scholarships, Grants and Dividends

## Report of Scholarships and Grants

South Burdekin Community Financial Services Limited operates the Home Hill and Ayr Community Bank branches and we are proud to invest in the Burdekin community through various scholarships and grants. Since opening the Home Hill Community Bank Branch in 2005, over \$657,000 has been invested directly into the community. The table below summarises the major monetary values disbursed to the community in the 2022/2023 financial year (rounded to the nearest dollar).

Group	Purpose	Value \$
Ayr Community Kindy	Grant	\$10,000
Ayr Golf Club Inc	Sponsorship	\$3,000
Ayr Tennis Association	Grant	\$10,000
Bowen Netball Association	Grant	\$10,393
Bowen Seagulls Junior Rugby League	Grant	\$10,000
Burdekin Catholic High School	Sponsorship	\$150
Burdekin Amateur Basketball	Sponsorship	\$5,500
Burdekin Artisans	Sponsorship	\$400
Burdekin Brass Band	Grant	\$5,000
Burdekin Celtic Association	Grant	\$2,589
Burdekin Community Association	Grant	\$6,500
Burdekin Football	Grant	\$4,500
Burdekin Men's Shed	Grant	\$5,815
Burdekin Netball	Sponsorship/Grant	\$16,322
Burdekin Potters	Grant	\$9,850
Burdekin Race Club	Sponsorship	\$3,000
Burdekin Rugby League	Grant	\$7,500
Burdekin Swimming Club	Grant	\$3,549
Burdekin Zonta Club Inc	Grant	\$12,000
Burdekin Chaplain Services	Grant	\$5,000
Cores	Grant	\$5,000
FNQ Regional Committee	Grant	\$500
Groper Creek Boat Club	Grant	\$10,000
Home Hill Cricket Club	Grant	\$21,199
Home Hill Choral Society	Grant	\$9,218
Home Hill Golf Club	Grant	\$43,091
Home Hill High School	Sponsorship	\$650
Home Hill Tennis Association	Grant	\$28,221
Lower Burdekin Landcare	Grant	\$16,500
North Qld Green Solutions	Grant	\$5,148
Sweet FM Radio	Sponsorship	\$1,320
St Stephens Greek Ladies Club	Grant	\$15,000
Volunteer Marine Rescue	Grant	\$5,000
Burdekin Show	Sponsorship	\$1,000
		\$292,915

# Scholarships, Grants and Dividends

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## Dividend payment history

Below is a summary of the dividends paid to shareholders to date:

Dividend to shareholders			
Financial Year	Amount Per Share	Franking Level	Date Paid
2011/2012	.07	0%	19/12/2011
2012/2013	.09	0%	19/12/2012
2013/2014	.07	0%	13/12/2013
2014/2015	.05	100%	12/12/2014
2015/2016	.03	100%	15/12/2015
2016/2017	-	-	-
2017/2018	-	-	-
2018/2019	.07	100%	28/09/2018
2019/2020	-	-	-
2020/2021	-	-	-
2021/2022	.05	100%	06/05/2022
2022/2023	.05	100%	24/04/2023

# Bendigo and Adelaide Bank Report

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For year ending 30 June 2023

Community Bank Report 2023

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

# Bendigo and Adelaide Bank Report

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## For year ending 30 June 2023

As a shareholder in your local Community Bank, you belong to an incredible social enterprise network that to date has reinvested more than \$300 million in our local communities.

And now, as we celebrate our 25th anniversary milestone, we are evolving even further by sharpening our focus on our community enterprises – separate to the banking side of the business. We are uniting our Community Bank companies through a shared vision of being the most influential network of social enterprises in Australia. This means we'll have a bigger and better story to tell about how we collectively deliver impact.

Our future is together because of our extraordinary strength and aligned partnership with each other, and with our partner, Bendigo and Adelaide Bank. Our partnership with the Bank has been fashioned out of shared effort, risk and reward and it continues to serve us well.

And now even with the digital evolution upon us, the foundation of our future still relies on the guiding principles of the Community Bank model. We are community enterprises and the custodians of this incredible model that collaborates with local communities for social good. The objective of our Community Bank network remains the same. Our evolution will be evidenced by the channels that we use to connect with our customers and communities, digital by design and human where it matters. The Community Bank network was a first mover in Australia with its unique social enterprise model. The first Community Bank opened its doors in 1998, and since then, the network has grown to 307 Community Bank branches. The network represents a diverse cross-section of Australia with 240 social enterprises, 70,000+ shareholders, 1600+ volunteer directors, 1600+ staff and 905,000 customers located in metro, regional, rural and remote locations across the country. The Community Bank network creates impact through grants, donations and sponsorships that connect with and care for generations of Australians. Network investment ranges from sport, scholarships and school programs, through to community groups, cultural organisations and local councils. We also facilitate and attract partnerships to help support much needed community projects. The Community Bank National Council (CBNC) is the voice of the Community Bank network. The role of the CBNC is to advocate and influence on behalf of the 240 community enterprises with its partner. It has also been the role of the CBNC to oversee the development of the Community Network Strategy which exists to ensure the ongoing sustainability of this unique collective of social enterprises.

In September this year our Community Bank network celebrates 25 years. It's a tremendous milestone and one which we're hugely proud of achieving. We have never been stronger and we look forward to continuing to serve our shareholders, customers and communities as we embrace our exciting future.

Warm regards



Sarah Franklyn  
CBNC Chair

# Directors' Report

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## For the financial year ended 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:** Robert Darren West  
**Title:** Non-executive director  
**Experience and expertise:** Past President of Ayr Burdekin Rotary Club (3 years), Past Chairman of Burdekin Crimestoppers Incorporated (11 years), Past QLD Dealer Representative for Toyota Financial Services National Dealer Council (2002 - 2009), Past Chairman of the Toyota Dealers Association of North Queensland Ltd (2010 - 2016), and Past Director of the National Toyota Dealers Association Limited (2010 - 2016).  
**Special responsibilities:** Chairman, Audit Committee, Marketing Committee.

**Name:** Paul Raymond Benvenuti  
**Title:** Non-executive director  
**Experience and expertise:** Small business owner/operator of Ben's Leading Appliances and Burdekin Communications. Current member of various community groups and organisations. Past President of Home Hill Chamber of Commerce. Previous member and Chairman of Home Hill Rotary Club.  
**Special responsibilities:** Marketing committee.

**Name:** Nancy Robyn Haller  
**Title:** Non-executive director  
**Experience and expertise:** Director of Scorpion Jacks International, servicing the mining industry . Charter Member and Past President of the Zonta Club of Burdekin Inc.  
**Special responsibilities:** Marketing Committee.

**Name:** Max Angelo Musumeci  
**Title:** Non-executive director  
**Experience and expertise:** Farming since 1994. Real Estate Sales Consultant 2008 - 2014. Co-ordinator of Home Hill Canefield Ashes Cricket Carnival 2011, 2012, 2013. Junior Vice President of Home Hill Cricket Association 2011 - 2014. While farming for past 20 years, have held many part time positions including servicing mining equipment, mine maintenance, cane harvesting, and hauling. Max has previously a board Director of Pioneer Cane Growers Organisation. Max is currently a Burdekin Shire Councillor and a full time sugar cane farmer.  
**Special responsibilities:** Marketing committee.

**Name:** Loizos Andreas Loizou  
**Title:** Non-executive director  
**Experience and expertise:** Active member of St Stephens Greek Orthodox Church. Member of Queensland Cane Growers. Past Councillor 22 years. Past Director of South Burdekin Water Board. Past Director of Burdekin River Trust.  
**Special responsibilities:** Audit committee, Marketing committee.

**Name:** Constantine Arthur Christofides  
**Title:** Non-executive director  
**Experience and expertise:** Own and manage family cane farm. Treasurer of Greek community of Home Hill and Ayr.  
**Special responsibilities:** Audit committee, Marketing committee.



# Directors' Report (continued)

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**Name:** David Leonard Catanzaro  
**Title:** Non-executive director  
**Experience and expertise:** Senior Accountant and Office Manager, Fellow of CPA Australia, Bachelor of Business (Accounting), Diploma of Financial Services (Financial Planning), Commissioner for Declarations. Past Director of the Lower Burdekin Home for the Aged Society.  
**Special responsibilities:** Marketing committee

## Company secretary

The company secretary is Chloe Rossiter.

Chloe was appointed to the position of company secretary on 28 September 2020.

**Experience and expertise:** Chloe is and has been a staff member for Bendigo Bank in Ayr since 2014 and has worked in a number of different roles over this time. Prior to this, she worked as a conveyancing officer at a local legal firm for 2.5 years. Chloe and her husband are also small business owners.

## 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 \$271,391 (30 June 2022: \$15,434).

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.

Fully franked dividend of 5 cents per share (2022: 5 cents)

2023
35,258

## Significant changes in the state of affairs

During the financial year, the company acquired a neighbouring Bendigo Banks rights in relation to the income stream from its loans, deposits and other revenue generating businesses. The purchase price was \$178,712.

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 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.

# Directors' Report (continued)

## Meetings of directors

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

	Board Meetings Attended			Board Meetings Attended	
	Eligible	Attended		Eligible	Attended
Robert Darren West	12	11	Loizos Andreas Loizou	12	12
Paul Raymond Benvenuti	12	12	Constantine Arthur Christofides	12	12
Nancy Robyn Haller	12	12	David Leonard Catanzaro	12	11
Max Angelo Musumeci	12	9			

## 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 except as disclosed in note 25 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

## Directors' interests

The interest in company shareholdings for each director are:

	Fully Paid Ordinary Shares		
	Balance at start of year	Changes during the year	Balance at end of the year
Robert Darren West	6,601	-	6,601
Paul Raymond Benvenuti	2,200	-	2,200
Nancy Robyn Haller	5,501	-	5,501
Max Angelo Musumeci	550	-	550
Loizos Andreas Loizou	6,711	-	6,711
Constantine Arthur Christofides	4,400	-	4,400
David Leonard Catanzaro	550	-	550

## 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.

# Directors' Report (continued)

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## 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 26 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.

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



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Robert Darren West, Chair

28 August 2023

# Auditor's Independence Declaration

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Andrew Frewin Stewart  
61 Bull Street Bendigo VIC 3550  
ABN: 65 684 604 390  
afs@afsbendigo.com.au  
(03) 5443 0344

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## Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of South Burdekin Community Financial Services Limited

As lead auditor for the audit of South Burdekin Community Financial Services 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.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

**Andrew Frewin Stewart**  
61 Bull Street, Bendigo, Vic, 3550  
Dated: 28<sup>th</sup> August 2023

A handwritten signature in black ink, appearing to read 'Joshua Griffin'.

**Joshua Griffin**  
Lead Auditor



[afsbendigo.com.au](http://afsbendigo.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.

# Managers' Report

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## For year ending 30 June 2023

For year ending 30 June 2023

To our shareholders and customers,

I am pleased to report that Community Bank Home Hill and Ayr have achieved profitable growth. As at 30 June 2023 our combined branches hold a lending book of \$53,452 million and a deposit book of \$111,255 million, with our total business for the period of 2022-2023 comprising \$217 million, including small and commercial business, financial markets and Rural Bank.

There was a 2.33% increase in customer numbers which was strongly contributed by the closure of other local financial institution branches in Ayr and the Bendigo Bank Bowen acquisition. Over-the-counter teller transactions have remained consistent in both branches with Ayr averaging 1154 per month and Home Hill 530 per month.

Customer service is always at the forefront of our decision making when considering any branch restructures and I am confident we have the right people in the right roles. We have a fantastic team of dedicated staff, and I am well supported by them in what we are achieving.

We settled \$9.8 million in consumer lending this year and experienced actual growth of \$14.89 million due to the acquisition of Bendigo Bank Bowen.

With our deposit book we achieved 564% of our growth target, growing our deposit book by \$37.2 million due to the team continuing to focus on building new relationships to gain new deposit funds, also assisted with the deposits from Bowen. Our total overall business of \$217 million has grown significantly over the past 12 months and the strong results have strengthened our business.

We are the Bigger Better Bank and are proud of what benefit our community receives from the Community Bank model. We offer a full suite of banking products, and we are also participants in the Government Schemes that are on offer. We pride ourselves on our customer service, adapting our service to what best suits you; if you cannot come to us, we come to you.

Our team are very focused on working with you to achieve your personal financial goals. Please meet our dedicated, passionate, and friendly team at our branch who are about putting people first and a seamless customer experience.

Chantel Michielin – Senior Branch Manager

Chloe Rossiter – Customer Relationship Manager

Jade Bywaters - Customer Relationship Manager

Christine Delaney - Customer Relationship Officer

Sally Smith – Customer Service Officer

Cassy Bonanno – Customer Service Officer

Lynda Potter - Customer Service Officer

Leanne Wallis – Customer Service Officer

Melissa DeDomenico- Smith – Customer Service Officer

I would like to thank my amazing team for their contributions in the past 12 months. Their hard work and dedication to our business is to be commended it does not go unnoticed. Our team would be one of the most experienced and stable in the area. Thank you for all your hard work.

Our Vision –  
Australia's Bank of Choice

Our Value –  
We are one Team with one vision  
We listen, understand, then deliver and believe in what we do, and we are proud of our bank.  
We're the right bank with the right people.

I would like to show my appreciation and sincere thanks to the Board of Directors. Their dedication of volunteer hours contributed to ensure our Community Banks sustained profitability and a strong community presence. I would also like to extend my appreciation to Stacie Lovelady who has been our Board Treasurer for the past 12 months and Chloe Rossiter our Board Secretary.

Our business partners also play a huge role in our success, and I thank Angelo Rigano & Michelle Gosper from Rural Bank, and Trudi Anderson from our Business Banking sector for their contributions.

Due to the rise in margins with increased interest rates, along with the support of our shareholders and customers, our profits for 2022-2023 gave South Burdekin Community Financial Services Limited the opportunity to put more funds back into our Burdekin & Bowen communities. \$278k was shared amongst 27 local community groups ranging from sporting clubs, mental health, the arts and many more. This was a huge achievement and something our Board and Staff are extremely proud of.

Thank you for sharing your stories and your continued support of Community Bank Home Hill and Ayr. Without you this is not possible. The team and I continue to work very diligently to make this unique business successful and we have extreme passion and dedication towards making our customers banking experience exceptional and with a sense of belonging. Our success thrives on our local community and support that we receive through our customers banking with us. We are proud to hold a very trusted brand name Bendigo and Adelaide Bank Limited. Our Purpose is: "To feed into the prosperity of our customers and communities – not off it". My personal thank you to everyone who has been directly involved in the success of our Community Bank Home Hill and Ayr. I sincerely appreciate your support and advocacy, which has resulted in such rewarding outcomes.

Chantel Michielin

Senior Branch Manager

# Financial Statements

## Statement of profit or loss and other comprehensive income For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Revenue from contracts with customers	6	1,627,106	862,079
Other revenue	7	45,031	83,548
Finance revenue		2,474	397
<b>Total revenue</b>		<b>1,674,611</b>	<b>946,024</b>
Employee benefits expense	8	(615,962)	(600,286)
Advertising and marketing costs		(9,958)	(2,632)
Occupancy and associated costs		(48,701)	(21,681)
System costs		(32,386)	(33,690)
Depreciation and amortisation expense	8	(164,024)	(134,443)
Finance costs	8	(13,496)	(14,370)
General administration expenses		(106,319)	(92,933)
<b>Total expenses before community contributions and income tax expense</b>		<b>(990,846)</b>	<b>(900,035)</b>
<b>Profit before community contributions and income tax expense</b>		<b>683,765</b>	<b>45,989</b>
Charitable donations, sponsorships and grants expense	8	(301,413)	(10,871)
<b>Profit before income tax expense</b>		<b>382,352</b>	<b>35,118</b>
Income tax expense	9	(110,961)	(19,684)
<b>Profit after income tax expense for the year</b>	<b>20</b>	<b>271,391</b>	<b>15,434</b>
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<b>271,391</b>	<b>15,434</b>

	Notes	2023 Cents	2022 Cents
Basic earnings per share	28	38.49	2.19
Diluted earnings per share	28	38.49	2.19

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

# Financial Statements (Continued)

## Statement of Financial Position as at 30 June 2023

	Notes	2023 \$	2022 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	280,899	238,083
Trade and other receivables	11	110,928	31,213
<b>Total current assets</b>		<b>391,827</b>	<b>269,296</b>
<b>Non-current assets</b>			
Property, plant and equipment	12	112,059	94,925
Right-of-use assets	13	190,170	249,279
Intangible assets	14	255,386	163,663
Deferred tax assets	9	11,725	14,151
<b>Total non-current assets</b>		<b>569,340</b>	<b>522,018</b>
<b>Total assets</b>		<b>961,167</b>	<b>791,314</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	15	47,308	47,684
Lease liabilities	16	53,093	56,441
Current tax liabilities	9	25,913	10,679
Employee benefits	17	22,668	20,450
Lease make good provisions	18	24,119	-
<b>Total current liabilities</b>		<b>173,101</b>	<b>135,254</b>
<b>Non-current liabilities</b>			
Trade and other payables	15	-	28,048
Lease liabilities	16	229,018	282,111
Employee benefits	17	1,747	2,472
Lease make good provisions	18	21,083	43,344
<b>Total non-current liabilities</b>		<b>251,848</b>	<b>355,975</b>
<b>Total liabilities</b>		<b>424,949</b>	<b>491,229</b>
<b>Net assets</b>		<b>536,218</b>	<b>300,085</b>
<b>Equity</b>			
Issued capital	19	599,526	599,526
Accumulated losses	20	(63,308)	(299,441)
<b>Total equity</b>		<b>536,218</b>	<b>300,085</b>

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



# Financial Statements (Continued)

## Statement of Changes in Equity for the year ended 30 June 2023

	Notes	Issued Capital \$	Accumulated losses \$	Total Equity \$
<b>Balance at 1 July 2021</b>		<b>599,526</b>	<b>(279,617)</b>	<b>319,909</b>
Profit after income tax expense		-	15,434	15,434
Other comprehensive income, net of tax		-	-	-
<b>Total comprehensive income</b>		<b>-</b>	<b>15,434</b>	<b>15,434</b>
Transactions with owners in their capacity as owners:				
Dividends provided for	22	-	(35,258)	(35,258)
<b>Balance at 30 June 2022</b>		<b>599,526</b>	<b>(299,441)</b>	<b>300,085</b>
<b>Balance at 1 July 2022</b>		<b>599,526</b>	<b>(299,441)</b>	<b>300,085</b>
Profit after income tax expense		-	271,391	271,391
Other comprehensive income, net of tax		-	-	-
<b>Total comprehensive income</b>		<b>-</b>	<b>271,391</b>	<b>271,391</b>
Transactions with owners in their capacity as owners:				
Dividends provided for	22	-	(35,258)	(35,258)
<b>Balance at 30 June 2023</b>		<b>599,526</b>	<b>(63,308)</b>	<b>536,218</b>

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

# Financial Statements (Continued)

## Statement of Cash Flows for the year ended 30 June 2023

	Notes	2023 \$	2021 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		1,754,776	968,538
Payments to suppliers and employees (inclusive of GST)		(1,261,264)	(797,313)
Interest received		1,319	466
Interest and other finance costs paid		(80)	(146)
Income taxes paid		(93,301)	(83)
Net cash provided by operating activities	27	401,450	171,462
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	12	(35,060)	(40,603)
Payments for intangible assets		(220,317)	(25,498)
Proceeds from disposal of property, plant and equipment		-	7,273
Net cash used in investing activities		(255,377)	(58,828)
<b>Cash flows from financing activities</b>			
Dividends paid	22	(35,258)	(35,258)
Repayment of lease liabilities	16	(67,999)	(69,284)
Net cash used in financing activities		(103,257)	(104,542)
Net increase in cash and cash equivalents		42,816	8,092
Cash and cash equivalents at the beginning of the financial year		238,083	229,991
<b>Cash and cash equivalents at the end of the financial year</b>	<b>10</b>	<b>280,899</b>	<b>238,083</b>

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

# Notes to the Financial Statements

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For year ended 30 June 2023

## Note 1. Reporting entity

The financial statements cover South Burdekin Community Financial Services 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:

Registered office	Principal place of business
Shop C, 129-141 Eighth Avenue, Home Hill QLD 4806	Shop C, 129-141 Eighth Avenue, Home Hill QLD 4806 111 Queen Street, Ayr QLD 4807

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

# Notes to the Financial Statements

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For year ended 30 June 2023

## Note 3. Significant accounting policies Continued

### 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.

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.

#### *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.

# Notes to the Financial Statements

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For year ended 30 June 2023

## 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.

### *Employee benefits provision*

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and inflation have been taken into account.

The company uses historical employee attrition rates in determining the probability of an employee, at a given date, achieving continuous employment eligible for entitlement in accordance with long service leave legislation.

In the absence of sufficient historical employee attrition rates, the company applies a benchmark probability rate from across the Community Bank network to factor in estimating the probability of an employee, at a given date, achieving continuous employment eligible for entitlement in accordance with legislation.

### *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 in June 2025.

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.

# Notes to the Financial Statements

For year ended 30 June 2023

## Note 5. Economic dependency Continued

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

- the design, layout and fit out of the Community Bank premises
- training for the branch manager and other employees in banking, management systems and interface protocol
- methods and procedures for the sale of products and provision of services
- 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	1,193,695	486,042
Fee income	82,503	66,001
Commission income	350,908	310,036
	<b>1,627,106</b>	<b>862,079</b>

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:

<u>Revenue Stream</u>	<u>Includes</u>	<u>Performance obligation</u>	<u>Timing of recognition</u>
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.

# Notes to the Financial Statements

For year ended 30 June 2023

## Note 6. Revenue from contracts with customers Continued

### *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.

### *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
	\$	\$
Net gain on disposal of property, plant and equipment	-	5,807
Market development fund	40,000	65,625
Other income	5,031	12,116
	45,031	83,548

# Notes to the Financial Statements

For year ended 30 June 2023

## Note 7. Other revenue Continued

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.

<u>Revenue stream</u>	<u>Revenue recognition policy</u>
Net gain on disposal of property, plant and equipment	Revenue from the sale of property, plant and equipment is recognised when the buyer obtains control of the asset. Control is transferred when the buyer has the ability to direct the use of and substantially obtain the economic benefits from the asset.
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.
Other income	All other revenues that did not contain contracts with customers are recognised as goods and services are provided.

All revenue is stated net of the amount of 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	598,198	574,824
Non-cash benefits	262	4,405
Superannuation contributions	14,517	13,807
Expenses related to long service leave	(1,969)	2,970
Other expenses	4,954	4,280
	<b>615,962</b>	<b>600,286</b>

### *Accounting policy for employee benefits*

Bendigo Bank second 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.

### Leases recognition exemption

	2023	2022
	\$	\$
Expenses relating to low-value leases	<b>10,761</b>	<b>12,417</b>

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.



# Notes to the Financial Statements

For year ended 30 June 2023

## Note 8. Expenses Continued

	2023	2022
	\$	\$
<b>Depreciation and amortisation expense</b>		
<i>Depreciation of non-current assets</i>		
Plant and equipment	10,358	11,693
Motor vehicles	7,568	5,491
	<b>17,926</b>	<b>17,184</b>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	59,109	48,070
<i>Amortisation of intangible assets</i>		
Franchise fee	4,250	4,250
Franchise renewal fee	21,249	21,250
Domiciled customer accounts	61,490	43,618
Other	-	71
	<b>86,989</b>	<b>69,189</b>
	<b>164,024</b>	<b>134,443</b>
<i>Finance costs</i>		
Bank overdraft interest paid or accrued	80	146
Lease interest expense	11,558	13,891
Unwinding of make-good provision	1,858	333
	<b>13,496</b>	<b>14,370</b>

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

### Charitable donations, sponsorships and grants expense

<b>Direct donation, sponsorship and grant payments</b>	<b>301,413</b>	<b>10,871</b>
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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).

# Notes to the Financial Statements

For year ended 30 June 2023

## Note 9. Income tax

	2023	2022
	\$	\$
<i>Income tax expense</i>		
Current tax	108,535	14,946
Movement in deferred tax	2,426	4,738
<b>Aggregate income tax expense</b>	<b>110,961</b>	<b>19,684</b>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	382,352	35,118
Tax at the statutory tax rate of 25%	95,588	8,780
Tax effect of:		
Non-deductible expenses	15,373	10,904
<b>Income tax expense</b>	<b>110,961</b>	<b>19,684</b>
<i>Deferred tax assets/(liabilities)</i>		
Employee benefits	6,104	5,731
Provision for lease make good	11,301	10,836
Accrued expenses	2,461	2,022
Income accruals	(291)	(2)
Lease liabilities	70,528	84,638
Right-of-use assets	(47,543)	(62,320)
Deductible prepayments	(2,820)	(3,023)
Property, plant and equipment	(28,015)	(23,731)
<b>Deferred tax asset</b>	<b>11,725</b>	<b>14,151</b>
<b>Provision for income tax</b>	<b>25,913</b>	<b>10,679</b>

### *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.

### *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.

# Notes to the Financial Statements

For year ended 30 June 2023

## Note 9. Income tax Continued

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	129,819	105,068
Term deposits	151,080	133,015
	<b>280,899</b>	<b>238,083</b>

### 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	98,483	19,113
Accrued income	1,164	9
Prepayments	11,281	12,091
	12,445	12,100
	<b>110,928</b>	<b>31,213</b>

### 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.

## Note 12. Property, plant and equipment

	2023	2022
	\$	\$
Plant and equipment - at cost	241,862	206,802
Less: Accumulated depreciation	(152,509)	(142,151)
	89,353	64,651
Motor vehicles - at cost	35,219	35,219
Less: Accumulated depreciation	(12,513)	(4,945)
	22,706	30,274
	<b>112,059</b>	<b>94,925</b>

# Notes to the Financial Statements

For year ended 30 June 2023

## Note 12. Property, plant and equipment Continued

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

	Plant and equipment \$	Motor Vehicles \$	Total \$
Balance at 1 July 2021	70,960	2,012	72,972
Additions	5,384	35,219	40,603
Disposals	-	(1,466)	(1,466)
Depreciation	(11,693)	(5,491)	(17,184)
Balance at 30 June 2022	64,651	30,274	94,925
Additions	35,060	-	35,060
Depreciation	(10,358)	(7,568)	(17,926)
<b>Balance at 30 June 2023</b>	<b>89,353</b>	<b>22,706</b>	<b>112,059</b>

### 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:

Plant and equipment	2 to 40 years
Motor vehicles	4 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	720,797	720,797
Less: Accumulated depreciation	(530,627)	(471,518)
	<b>190,170</b>	<b>249,279</b>

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

# Notes to the Financial Statements

For year ended 30 June 2023

## Note 13. Right-of-use assets Continued

	Land and Buildings \$
Balance at 1 July 2021	253,161
Remeasurement adjustments	44,188
Depreciation expense	(48,070)
Balance at 30 June 2022	249,279
Depreciation expense	(59,109)
<b>Balance at 30 June 2023</b>	<b>190,170</b>

### 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 \$
Domiciled customer accounts	396,805	218,093
Less: Accumulated amortisation	(192,346)	(130,856)
	204,459	87,237
Franchise fee	110,371	110,371
Less: Accumulated amortisation	(101,883)	(97,633)
	8,488	12,738
Franchise renewal fee	221,082	221,082
Less: Accumulated amortisation	(178,643)	(157,394)
	42,439	63,688
Other	-	314
Less: Accumulated amortisation	-	(314)
	-	-
	<b>255,386</b>	<b>163,663</b>

# Notes to the Financial Statements

For year ended 30 June 2023

## 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:

	Domiciled customer accounts \$	Franchise fee \$	Franchise renewal fee \$	Other \$	Total \$
Balance at 1 July 2021	130,855	16,988	84,938	71	232,852
Amortisation expense	(43,618)	(4,250)	(21,250)	(71)	(69,189)
Balance at 30 June 2022	87,237	12,738	63,688	-	163,663
Additions	178,712	-	-	-	178,712
Amortisation expense	(61,490)	(4,250)	(21,249)	-	(86,989)
<b>Balance at 30 June 2023</b>	<b>204,459</b>	<b>8,488</b>	<b>42,439</b>	<b>-</b>	<b>255,386</b>

### Additions

During the financial year, the company acquired a neighbouring Bendigo Bank rights in relation to the income stream from its loans, deposits and other revenue generating businesses. The purchase price was \$178,712.

### 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 and domiciled customer accounts purchased 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:

<u>Asset class</u>	<u>Method</u>	<u>Useful life</u>	<u>Expiry/renewal date</u>
Franchise fee	Straight-line	Over the franchise term (5 years)	June 2025
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	June 2025
Domiciled customer accounts - Ayr	Straight-line	5 years	June 2024
Domiciled customer accounts - Bowen	Straight-line	5 years	December 2027

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.

# Notes to the Financial Statements

For year ended 30 June 2023

## Note 15. Trade and other payables

	2023	2022
	\$	\$
<i>Current liabilities</i>		
Trade payables	1,488	4,212
Other payables and accruals	45,820	43,472
	<b>47,308</b>	<b>47,684</b>
<i>Non-current liabilities</i>		
<b>Other payables and accruals</b>	-	<b>28,048</b>

### 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
	\$	\$
<i>Current liabilities</i>		
Land and buildings lease liabilities	62,244	67,999
Unexpired interest	(9,151)	(11,558)
	<b>53,093</b>	<b>56,441</b>
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	254,932	317,176
Unexpired interest	(25,914)	(35,065)
	<b>229,018</b>	<b>282,111</b>
<i>Reconciliation of lease liabilities</i>		
Opening balance	338,552	392,767
Remeasurement adjustments	-	1,178
Lease interest expense	11,558	13,891
Lease payments - total cash outflow	(67,999)	(69,284)
	<b>282,111</b>	<b>338,552</b>
<i>Maturity analysis</i>		
Not later than 12 months	62,244	67,999
Between 12 months and 5 years	167,454	185,961
Greater than 5 years	87,478	131,215
	<b>317,176</b>	<b>385,175</b>

# Notes to the Financial Statements

For year ended 30 June 2023

## Note 16. Lease liabilities Continued

### *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 lease payments that depend on a 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 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 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 available	Reasonably certain to exercise options	Lease term end date used in calculations
Home Hill Branch	3.54%	5 years	1 x 5 years	Yes	June 2030
Ayr Branch	4.79%	5 years	N/A	N/A	March 2024

## Note 17. Employee benefits

	2023 \$	2022 \$
<i>Current liabilities</i>		
Annual leave	8,562	5,101
Long service leave	14,106	15,349
	<u>22,668</u>	<u>20,450</u>
<i>Non-current liabilities</i>		
<b>Long service leave</b>	<b>1,747</b>	<b>2,472</b>

### *Accounting policy for employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for salary and wages where the employee has provided the service but payment has not yet occurred at the reporting date. They are measured at amounts expected to be paid, plus related on-costs. Non-accumulating sick leave is expensed when the leave is taken and measured at the rates paid or payable.



# Notes to the Financial Statements

For year ended 30 June 2023

## Note 17. Employee benefits Continued

An annual leave liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated. The company's obligations for short-term employee benefits such as salaries and wages are recognised as part of current trade and other payables in the statement of financial position. The company's obligations for employees' annual leave and long service leave entitlements are recognised in employee benefits in the statement of financial position.

### *Superannuation contributions*

Contributions to superannuation plans are expensed in the period in which they are incurred.

### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

### *Other long-term employee benefits*

The company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior reporting periods.

That benefit is discounted to determine its present value. Consideration is given to expected future wage and salary levels plus related on-costs, experience of employee departures, and years of service achieved. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Remeasurements are recognised in profit or loss in the period in which they arise.

## Note 18. Provisions

	2023	2022
	\$	\$
<i>Current</i>		
Lease make good provision - Ayr	24,119	-
<i>Non-Current</i>		
Lease make good provision - Home Hill	21,083	43,344

### *Lease make good provision*

In accordance with the branch lease agreements, the company must restore the leased premises to their original condition before the expiry of the lease term. The company has estimated the provision based on experience and consideration of the expected future costs to remove all fittings and the ATM as well as the cost to remedy any damages caused during the removal process. The leases are due to expire per below at which time it is expected the face-value costs to restore the premises will fall due.

	<u>Lease term expiry date per AASB 16</u>	<u>Estimated provisions</u>
Home Hill Branch	June 2030	\$27,000
Ayr Branch	March 2024	\$25,000

### *Accounting policy for provisions*

Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. The provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

# Notes to the Financial Statements

For year ended 30 June 2023

## Note 19. Issued capital

	2023	2022	2023	2022
	Shares	Shares	\$	\$
Ordinary shares - fully paid	641,060	641,060	641,060	641,060
Bonus shares - fully paid (10:1)	64,099	64,099	-	-
Less: Equity raising costs	-	-	(41,534)	(41,534)
	<b>705,159</b>	<b>705,159</b>	<b>599,526</b>	<b>599,526</b>

### *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").

# Notes to the Financial Statements

For year ended 30 June 2023

## Note 19. Issued capital Continued

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 20. Accumulated losses

	2023	2022
	\$	\$
Accumulated losses at the beginning of the financial year	(299,441)	(279,617)
Profit after income tax expense for the year	271,391	15,434
Dividends paid (note 22)	(35,258)	(35,258)
<b>Accumulated losses at the end of the financial year</b>	<b>(63,308)</b>	<b>(299,441)</b>

## Note 21. 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.

# Notes to the Financial Statements

For year ended 30 June 2023

## Note 22. Dividends

Dividends provided for and paid during the period

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 \$
Fully franked dividend of 5 cents per share (2022: 5 cents)	35,258	35,258
<b>Franking credits</b>		
Franking account balance at the beginning of the financial year	59,886	71,556
Franking credits (debits) arising from income taxes paid (refunded)	93,301	83
Franking debits from the payment of franked distributions	(11,753)	(11,753)
	<b>141,434</b>	<b>59,886</b>
<i>Franking transactions that will arise subsequent to the financial year end:</i>		
Balance at the end of the financial year	141,434	59,886
Franking credits (debits) that will arise from payment (refund) of income tax	25,913	10,679
<b>Franking credits available for future reporting periods</b>	<b>167,347</b>	<b>70,565</b>

The ability to utilise franking credits is dependent upon the company's ability to declare dividends. The tax rate at which future dividends will be franked is 25%.

*Accounting policy for dividends*

Dividends are recognised in the financial year they are declared.

## Note 23. Financial instruments

	2023 \$	2022 \$
<b>Financial assets</b>		
Trade and other receivables	99,647	19,122
Cash and cash equivalents	280,899	238,083
	<b>380,546</b>	<b>257,205</b>
<b>Financial liabilities</b>		
Trade and other payables	47,308	75,732
Lease liabilities	282,111	338,552
	<b>329,419</b>	<b>414,284</b>

# Notes to the Financial Statements

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For year ended 30 June 2023

## Note 23. 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 \$280,899 at 30 June 2023 (2022: \$238,083).

### 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.

#### *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.

# Notes to the Financial Statements

For year ended 30 June 2023

## Note 23. Financial instruments Continued

	1 year or less \$	Between 1 and 5 years \$	Over 5 Years \$	Remaining Contractual Maturities \$
<b>2023</b>				
Trade and other payables	47,308	-	-	47,308
Lease liabilities	62,244	167,454	87,478	317,176
<b>Total non-derivatives</b>	<b>109,552</b>	<b>167,454</b>	<b>87,478</b>	<b>364,484</b>
<b>2022</b>				
Trade and other payables	47,684	28,048	-	75,732
Lease liabilities	67,999	185,961	131,215	385,175
<b>Total non-derivatives</b>	<b>115,683</b>	<b>214,009</b>	<b>131,215</b>	<b>460,907</b>

## Note 24. Key management personnel disclosures

The following persons were directors of South Burdekin Community Financial Services Limited during the financial year and/or up to the date of signing of these Financial Statements

Robert Darren West	Loizos Andreas Loizou
Paul Raymond Benvenuti	Constantine Arthur Christofides
Nancy Robyn Haller	David Leonard Catanzaro
Max Angelo Musumeci	

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 25. Related party transactions

The following transactions occurred with related parties:

	2023 \$	2022 \$
The company purchased a motor vehicle from Don West Toyota during the period, in which Robert Darren West is a Director. The total benefit received was:	-	28,636
The company motor vehicle was serviced by Don West Toyota during the period, in which Robert Darren West is a Director. The total benefit received was:	230	-

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

# Notes to the Financial Statements

For year ended 30 June 2023

## Note 26. 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
	\$	\$
<i>Audit services</i>		
Audit or review of the financial statements	6,400	6,000
<i>Other services</i>		
General advisory services	2,705	2,610
Share registry services	4,613	4,325
Valuation services	3,500	-
	10,818	6,935
	<b>17,218</b>	<b>12,935</b>

## Note 27. Reconciliation of profit after income tax to net cash provided by operating activities

	2023	2022
	\$	\$
Profit after income tax expense for the year	271,391	15,434
Adjustments for:		
Depreciation and amortisation	164,024	134,443
Net gain on disposal of non-current assets	-	(5,807)
Lease liabilities interest	11,558	13,891
Change in operating assets and liabilities:		
Increase in trade and other receivables	(79,715)	(14,131)
Decrease in income tax refund due	-	4,184
Decrease in deferred tax assets	2,426	4,738
Increase in trade and other payables	13,181	5,795
Increase in provision for income tax	15,234	10,679
Increase in employee benefits	1,493	1,902
Increase in other provisions	1,858	334
<b>Net cash provided by operating activities</b>	<b>401,450</b>	<b>171,462</b>

# Notes to the Financial Statements

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For year ended 30 June 2023

## Note 28. Earnings per share

	2023	2022
	\$	\$
Profit after income tax	271,391	15,434

  

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	705,159	705,159
<b>Weighted average number of ordinary shares used in calculating diluted earnings per share</b>	<b>705,159</b>	<b>705,159</b>

  

	Cents	Cents
Basic earnings per share	38.49	2.19
Diluted earnings per share	38.49	2.19

### *Accounting policy for earnings per share*

Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of South Burdekin Community Financial Services Limited, by the weighted average number of ordinary shares outstanding during the financial year.

## Note 29. Commitments

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

## Note 30. Contingencies

There were no contingent liabilities or contingent assets at the date of this report.

## Note 31. 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.



# Directors' Declaration

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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



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**Robert Darren West, Chairman**

This declaration is made in accordance with a resolution of the board of directors.

Dated this 28th day of August 2023

# Independent Audit Report

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Andrew Frewin Stewart  
61 Bull Street Bendigo VIC 3550  
ABN: 65 684 604 390  
afs@afsbendigo.com.au  
(03) 5443 0344

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## Independent auditor's report to the Directors of South Burdekin Community Financial Services Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of South Burdekin Community Financial Services 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 South Burdekin Community Financial Services Limited, is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the company's financial position as at 30 June 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.



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Liability limited by a scheme approved under Professional Standards Legislation.

# Independent Audit Report (continued)



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(03) 5443 0344

## Independent auditor's report to the Directors of South Burdekin Community Financial Services Limited

### Report on the Audit of the Financial Report

#### Opinion

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- 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.



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# Independent Audit Report (continued)



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(03) 5443 0344

## Independent auditor's report to the Directors of South Burdekin Community Financial Services Limited

### Report on the Audit of the Financial Report

#### Opinion

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- 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
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#### 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.



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