

A historical black and white photograph of a train, likely from the early 20th century. The train is moving through a wooded area. Several people are visible on the train, including a man in a white shirt and suspenders standing on the platform. The image is partially obscured by a large, semi-transparent purple circle on the left side of the page.

# Annual Report 2024

Canungra & District  
Community Financial  
Group Limited

Community Bank  
Canungra & District

ABN 14 608 466 628

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# Chairperson's report

For year ending 30 June 2024

It is hard to believe that it has been 12 months since the last report and AGM.

One major change to our business model was the conversion of the Beaudesert Agency to the Beaudesert Office which also saw the removal of cash transactions from the site. Our staff are already seeing some of the benefits of being able to have deeper conversations about the product offerings and how their banking feeds back in to the community through grants and sponsorships.

From a financial standpoint, there were a few interest rate increases until November 2023 and they have since held steady. This has given some reprieve to mortgage holders and has also provided deposit holders and self funded retirees with stability in their investments. We welcome shareholders to discuss their banking needs with the staff at the branch as they provide the full suite of banking products including deposits, loans, home loans, equipment finance, insurance, overdrafts, superannuation funds and much more.

The Community Banking model is built around a shared revenue philosophy with the Bendigo Bank and your Community Company sharing revenue on an equal basis. After receipt of our revenue share we then meet costs such as our local employee and rental expenses. Last year we were in the very fortunate position of paying of first ever dividend to our shareholders which was an exciting time for current and past Board members, and also very welcomed by our shareholders.

There are shares currently available for sale through the Low Volume Share Market and we are thankful for those shareholders that invested in our Community Bank to enable us to open. If you are interested in purchasing shares, please register your interest online through the following link:

[www.bendigobank.com.au/branch/qld/community-bank-canungra-district/lvm-shares/](http://www.bendigobank.com.au/branch/qld/community-bank-canungra-district/lvm-shares/)

We continue to keep our eyes on the digitisation of the banking world with interest, however, want to reiterate that our "bricks and mortar" banking model is integral and we are committed to the needs of our customers (new and existing) and how to make your life more efficient. Although banking is moving more towards an online presence, we understand the importance of "face to face" contact when making some of the most important decisions in your life and our staff are able to undertake appointments at locations convenient to our customers.

Overall, the business "book" of lending and deposits grew and continues to do so and can only keep growing with the support of the community. We have had some changes to our staff throughout the past year with Hannah Larsen, Shana Geiger and Jimmy O'Connor moving to a different career choice. We wish them all the very best. As part of the staff changes, we welcomed Charli Baden as Branch Manager, and Nick Blanchard and Virginia West in the Customer Relationship Officer roles. We have amazing staff, both past and present, to whom the Board is very appreciative of and for those that are no longer with the business we wish all the very best.

Personally, I also wish to thank all of the Board members, those that started this financial year with us, joined throughout the year, stepped off the Board and are still volunteering their time. An overview of the Board members is contained in this report. There are currently some vacancies on the Board, so if you are interested I invite you to become involved. We have been able to support a number of our local community groups over the last year including:

- Beechmont State School P&C
- Canungra Show
- St Lukes Anglican Church
- Beaudesert Lions
- Canungra Golf Club
- Moriarty Park / Tennis
- Canungra State School P&C
- Canungra Mens Shed

just to name a few....

## Chairperson's report (continued)

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The Board is also committed to supporting small businesses in our region that provide products and services that keep our branch running including print, media, cleaning, maintenance, electrical testing and other works required.

As always (and I think this is every annual report), our continuing service is only made possible with the support of our local Communities. We, the Board, invite you to not just open an account. We need your full banking including loans and deposits to build your Community Company's business and to deliver on our promise to invest in even more in our Communities.

We sincerely appreciate the support of our Canungra and Beaudesert Communities and look forward to providing "Good old face to face customer service" to our region.

Regards



**Janine Rockliff**  
Chairperson

# Manager's report

For year ending 30 June 2024

On behalf of the Community Bank Canungra & District and Bendigo Bank Beaudesert I offer the following report on the significant achievements of your Community Bank in the year ended 30th June 2024.

It has been a challenging but satisfying year for our Bank in the last Financial Year.

I begin by reflecting upon the environment in which we operated in the previous financial year and look forward to how the world including our community have settled and adjusted to the new normal following the previous years with the Covid-19 outbreak.

You will be aware, that these circumstances flowed through to housing, construction and real estate markets, and while we were able to pass on the benefits to our customers of the lowest Home- lending interest rates since the 1960's, service-delivery in a constrained labour market, together with constraints in growing home-lending made the year a challenging one. There were significant insights gained, however. We took the opportunity to get closer to community and our customers to understand their banking needs and wants. We listened when our customers told us that they were looking for a range of banking conveniences, in order to conduct their business and complete their banking.

The figures supporting our efforts to take banking services to our community speak for themselves. While our figures contracted throughout the year, lending YTD and as at 30th June 2024 we had a decrease of \$2,344,711, however our deposit holding grew by \$3,237,955, this delivered an aggregated growth in our 'book value' by \$752,208.

This financial year, we have assisted our customers with 6112 transactions in Community Bank Canungra & District for \$9,371,183 and 768 transactions in Bendigo Bank Beaudesert for \$1,487,769.

Importantly, our branch customers continue to receive our renowned wonderful service, and our Community Bank Canungra & District and Bendigo Bank Beaudesert we continue to remain steadfast. Our community involvement remains solid, and this is evidenced by our support of business throughout the community.

These are just a few ways we work as part of your community, to feed into the prosperity and on off it!

This year has brought changes in our team, we welcomed Hannah back and Sarah to the team and they have since moved on. We have also welcomed Virginia and Nick, more recently, who are both community advocates for Canungra and Beaudesert. We farewelled Jimmy and Shana who moved on to pursue other avenues.

And with that, our strength and commitment will remain despite the challenges and changes to our team and our focuses on the customer and putting the customer at the centre of everything we do remains unchanged, by helping, supporting and protecting our customers.

We would not have returned such good results and support to the community without the loyalty of our customers, local people who share our ideas of putting it back into the community.

Of course, we could not talk about Canungra & District Community Financial Group Ltd putting it back into the community without acknowledging the support of our hard-working, voluntary Board members! Led by Janine Rockliff, who's strategic leadership has guided your Community Bank through the most challenging year.

Without their unwavering and steady support, care for our community and our team we could never re-invest in our community in the way we have. And as for the future; the forthcoming year for your Community Bank looks bright!

With continuing upward pressure of interest rates and close to full employment in the economy, revenue-share and return on equity continues to rise.

While increasing costs in the economy will likely constrain lending further, we will remain competitive with the big 4 Banks and most importantly, we are confident that we will win hands-down where it counts most, namely in the outstanding service we provide to our customers.

Thank you and I look forward to the great year ahead!

**Charli Baden**  
**Branch Manager**

# Bendigo and Adelaide Bank report

For year ending 30 June 2024

This past year has been particularly significant for Bendigo Bank and the Community Bank network. After five years apart, we had the opportunity to come together in person and connect in Bendigo at our National Conference in September.

It was lovely to see so many familiar faces and to meet many Directors who haven't attended previously. We feel proud to support such an amazing network.

We are committed to our strategy and the qualities that make Bendigo Bank unique, by staying true to our connection with communities, our regional roots, and our position as Australia's most trusted bank.

As Bendigo Bank adapts to the evolving digital landscape and changing customer expectations, the Community Bank Network is organically evolving in response.

Over the past 12 months, we have seen Community Bank companies seek to enhance their presence within their communities more than ever.

This has been through expanding or consolidating branch sites, collaborating with local, state, and national governments to support community initiatives, or by prioritising social value alongside financial performance through Social Trader accreditation.

The anniversary of the Community Bank model, along with changing environmental factors, provides an opportunity to reset and establish a clear pathway towards the next 25 years.

Bendigo Bank's purpose, to feed into the prosperity of communities, and our willingness to ensure our purpose is relevant to the needs of communities in which we are present, is a key contributor to our commercial success.

When we utilise our combined strengths, exercise our imaginations and have the courage to commit to creating our own opportunities, we will be the partner of choice for customers and communities regardless of location or cause.

Community, regional presence, and trust are the distinctive attributes of Bendigo Bank that we have maintained and plan to uphold in the future.

While Bendigo Bank emphasises commercial success, our foundation remains in community values. Our aim is to generate mutual value by providing solutions to local challenges.

On behalf of Bendigo Bank, thank you for being a shareholder in your local Community Bank. Your contribution helps foster economic growth, creates employment opportunities, and provides essential financial services to the members of your community.

Your dedication and support is making a positive impact on your community.

**Justine Minne**  
**Bendigo and Adelaide Bank**

# Community Bank National Council report

For year ending 30 June 2024



COMMUNITY BANK  
NATIONAL COUNCIL

## Community Bank network: celebrating 26 years of empowering communities

This year our Community Bank network celebrated 26 years of providing grassroots support to metro, regional, rural and remote communities across Australia. It's a milestone that has been widely applauded by our customers and partners who recognise the significant role we play in the lives of everyday Australians. We're there when it matters – whether that be as second responders in times of natural disaster, crisis and need; or as community builders, providing resources and support; help and hope.

In the 2022-23 financial year, our Community Bank network gave back more than \$32 million in grants, sponsorships and donations to local community projects and initiatives. Over 26 years, we have returned more than \$324 million to local communities for emergency services; facilities and infrastructure; sport and recreation; education and research; health and wellbeing; art, culture and heritage as well as environment and animal welfare.

As a shareholder in your local Community Bank, you are part of this incredible social enterprise network that is playing an ever-important role in the Australian economy. With close working relationships with local, state and federal government, peak governing bodies, clubs and community organisations, we are integrally connected and in tune with the needs of everyday Australians.

Our Community Bank network is a first mover in Australia with our unique social enterprise model. The first Community Bank opened its doors in 1998, and since then, the network has grown to 305 Community Bank branches. Today we represent a diverse cross-section of Australia with more than 215 community enterprises, 70,000+ shareholders, 1500+ volunteer Directors, 1700 staff and 950,000 customers.

Our Community Bank National Council (CBNC) plays a pivotal role in these relationships. The CBNC consists of both elected and appointed members from every state and territory. The role of council is to represent the network with its partners and to engage in strategic planning that delivers positive outcomes for our business and our communities.

The 2024 - 2026 Community Bank National Council Strategic Plan has four key focus areas:

- Impact – a planned, deliberate approach with investments that enhance community prosperity.
- Leadership and advocacy – to ensure the long-term sustainability of our enterprises.
- Network alignment – enabling us to develop and nurture partnerships that align with our defined areas of social impact.
- Commercial prosperity – supporting the commercial success of our enterprises.

It is through this strategic plan, which has a foundation built on connection and collaboration, that we will deliver a strong, and secure future for our Directors, shareholders, staff and the communities we serve.

Warm regards

**Lauren Bean**  
**General Manager**  
**Community Bank National Council**

# Directors' report

**30 June 2024**

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2024.

## 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:	Janine Pamela Rockliff
Title:	Non-executive director
Experience and expertise:	Janine holds a Bachelor of Business (Property Studies) and is a Certified Practising Valuer registered in Queensland, and Associate of the Australian Property Institute and has worked as a property valuer in both the public and private sectors over the past 15 years. Janine was the Chairperson of the Canungra & District Community Bank Project Steering Committee and is an active member in the Chamber of Commerce and a member of the Sports & Recreation Association.
Special responsibilities:	Chair, HR/Staff Committee
Name:	Jeffery Lewis
Title:	Non-executive director
Experience and expertise:	Jeff has undertaken a number of roles over the years with expertise including business development consultant, auctioneer, business management degree, diploma in automotive management.
Special responsibilities:	Company secretary
Name:	Terry Robert Watkins
Title:	Non-executive director
Experience and expertise:	Terry was formerly a Telstra/Telecom linesman, primary producer, and member of the armed forces. Terry currently owns and operates a service station within the catchment area of the Canungra district. Terry is involved in a number of community groups and is currently 1st Officer Tamborine Rural Fire Brigade.
Special responsibilities:	Audit & Finance Committee
Name:	Christine Mary Watkins
Title:	Non-executive director
Experience and expertise:	Christine Watkins is a fully Licenced Real Estate Agent, holds an Associate Diploma in Community Services and is a Justice of the Peace. She has previously worked as a Youth Worker, Employment Adviser & trainer for able & disabled job seekers. Christine was a Personal Adviser, Trainer & Customer Service Officer for Centrelink before moving to Real Estate. Christine also has experience running a service station after moving to the area 14 ½ years ago.
Special responsibilities:	Nil
Name:	Catriona Anne Smith
Title:	Non-executive director
Experience and expertise:	Catriona has previously worked as Equine Trainer and Manager and Disability Support Worker. Previously sat on the Board of the Queensland Polo Association. Generally happy getting involved in anything to do with her local community.
Special responsibilities:	Shareholder registry and communication
Name:	Keer Maree Moriarty
Title:	Non-executive director
Experience and expertise:	Keer is owner of Scenic Rim Media, a company that controls The Canungra Times and Beaudesert Bulletin newspapers. She has owned the Canungra Times for over 10 years and started Beaudesert Bulletin in 2020. Keer has a keen interest in both communities and was a member of the steering group that advocated for the community bank in Canungra.
Special responsibilities:	Nil



## Directors' report (continued)

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Name:	Airlie Ruth Worrall
Title:	Non executive director (appointed 29 February 2024)
Experience and expertise:	Executive Director Victorian Farmers Federation, Executive Manager United Dairy Farmers Federation , Senior Adviser Minister for Primary Industries, heritage consultant on Austalian maunufacturing industries for State heritage commission , National Trust and private clients. Academic, Melbourne University Department of History.
Special responsibilities:	Nil

### Company secretary

The company secretary is Jeffery Lewis. Jeffery was appointed to the position of company secretary on 27 January 2022.

### Principal activity

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

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

### Review of operations

The profit for the company after providing for income tax amounted to \$60,462 (30 June 2023: \$161,303).

Operations have continued to perform in line with expectations.

### Dividends

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

	2024 \$
Unfranked dividend of 5 cents per share	<u>41,633</u>

### Significant changes in the state of affairs

On 1 July 2023, Bendigo Bank updated the Funds Transfer Pricing (FTP) base rate on certain deposits which has reduced the income earned on these products.

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 2024 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 and expected results of operations

No matter, circumstance or likely development in operations has arisen during or since the end of the financial year that has significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

### Environmental regulation

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

### Meetings of directors

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

## Directors' report (continued)

	Board Eligible	Board Attended
Janine Pamela Rockliff	5	5
Jeffery Lewis	5	5
Terry Robert Watkins	5	2
Christine Mary Watkins	5	4
Catriona Anne Smith	5	5
Keer Maree Moriarty	5	3
Airlie Ruth Worrall	2	2

### Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 23 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:

	Balance at the start of the year	Changes	Balance at the end of the year
Janine Pamela Rockliff	2,501	-	2,501
Jeffery Lewis	2,000	-	2,000
Terry Robert Watkins	5,001	-	5,001
Christine Mary Watkins	5,000	-	5,000
Catriona Anne Smith	2,500	-	2,500
Keer Maree Moriarty	1,500	(1,000)	500
Airlie Ruth Worrall	-	1,000	1,000

### Shares under option

There were no unissued ordinary shares of the company under option outstanding at the date of this report.

### Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

### Indemnity and insurance of directors and officers

The company has indemnified all directors and management in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or management 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 24 to the accounts.

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

- all non-audit services have been reviewed by the board to ensure they do not impact on the impartiality, integrity and objectivity of the auditor
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the company, acting as an advocate for the company or jointly sharing risks and rewards.

### Auditor's independence declaration

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

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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Janine Rockliff  
Chair

29 August 2024

# Auditor's independence declaration



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

## Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Canungra & District Community Financial Group Ltd.

As lead auditor for the audit of Canungra & District Community Financial Group Ltd. for the year ended 30 June 2024, 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: 29 August 2024

A handwritten signature in black ink, appearing to read 'Adrian Downing'.

**Adrian Downing**  
Lead Auditor

# Financial statements

## Canungra & District Community Financial Group Ltd. Statement of profit or loss and other comprehensive income For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue from contracts with customers	7	683,273	670,161
Other revenue		-	41,250
Total revenue		<u>683,273</u>	<u>711,411</u>
Employee benefits expense	8	(361,018)	(287,914)
Advertising and marketing costs		(8,487)	(9,575)
Occupancy and associated costs		(8,244)	(5,706)
System costs		(24,715)	(23,208)
Depreciation and amortisation expense	8	(73,558)	(68,979)
Finance costs	8	(16,623)	(23,795)
General administration expenses		(94,237)	(65,546)
Total expenses before community contributions and income tax expense		<u>(586,882)</u>	<u>(484,723)</u>
<b>Profit before community contributions and income tax expense</b>		96,391	226,688
Charitable donations and sponsorships expense		<u>(16,501)</u>	<u>(12,699)</u>
<b>Profit before income tax expense</b>		79,890	213,989
Income tax expense	9	<u>(19,428)</u>	<u>(52,686)</u>
<b>Profit after income tax expense for the year</b>		60,462	161,303
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<u><u>60,462</u></u>	<u><u>161,303</u></u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	26	7.26	19.37
Diluted earnings per share	26	7.26	19.37

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

## Financial statements (continued)

### Canungra & District Community Financial Group Ltd. Statement of financial position As at 30 June 2024

	Note	2024 \$	2023 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	43,929	9,170
Trade and other receivables	11	57,548	74,934
Total current assets		<u>101,477</u>	<u>84,104</u>
<b>Non-current assets</b>			
Property, plant and equipment	12	111,552	89,829
Right-of-use assets	13	297,489	313,085
Intangible assets	14	12,542	27,789
Deferred tax assets	9	169,736	189,164
Total non-current assets		<u>591,319</u>	<u>619,867</u>
<b>Total assets</b>		<u>692,796</u>	<u>703,971</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	15	45,416	48,489
Lease liabilities	17	46,565	30,118
Employee benefits		3,253	8,946
Total current liabilities		<u>95,234</u>	<u>87,553</u>
<b>Non-current liabilities</b>			
Trade and other payables	15	-	11,662
Lease liabilities	17	285,731	315,313
Employee benefits		6,371	3,855
Provisions		17,084	16,041
Total non-current liabilities		<u>309,186</u>	<u>346,871</u>
<b>Total liabilities</b>		<u>404,420</u>	<u>434,424</u>
<b>Net assets</b>		<u>288,376</u>	<u>269,547</u>
<b>Equity</b>			
Issued capital	18	801,863	801,863
Accumulated losses		<u>(513,487)</u>	<u>(532,316)</u>
<b>Total equity</b>		<u>288,376</u>	<u>269,547</u>

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

## Financial statements (continued)

### Canungra & District Community Financial Group Ltd. Statement of changes in equity For the year ended 30 June 2024

	Issued capital \$	Accumulated losses \$	Total equity \$
<b>Balance at 1 July 2022</b>	801,863	(693,619)	108,244
Profit after income tax expense	-	161,303	161,303
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	161,303	161,303
<b>Balance at 30 June 2023</b>	<u>801,863</u>	<u>(532,316)</u>	<u>269,547</u>
<b>Balance at 1 July 2023</b>	801,863	(532,316)	269,547
Profit after income tax expense	-	60,462	60,462
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	60,462	60,462
<i>Transactions with owners in their capacity as owners:</i>			
Dividends provided for or paid	20 -	(41,633)	(41,633)
<b>Balance at 30 June 2024</b>	<u>801,863</u>	<u>(513,487)</u>	<u>288,376</u>

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

## Financial statements (continued)

### Canungra & District Community Financial Group Ltd. Statement of cash flows For the year ended 30 June 2024

	Note	2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		777,223	746,939
Payments to suppliers and employees (inclusive of GST)		(597,647)	(467,235)
Interest and other finance costs paid		(201)	(6,520)
		<u>          </u>	<u>          </u>
Net cash provided by operating activities	25	<u>179,375</u>	<u>273,184</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(41,076)	(2,190)
Payments for intangible assets		(15,102)	(10,583)
		<u>          </u>	<u>          </u>
Net cash used in investing activities		<u>(56,178)</u>	<u>(12,773)</u>
<b>Cash flows from financing activities</b>			
Interest and other finance costs paid		(15,342)	(16,435)
Repayment of lease liabilities		(31,463)	(44,906)
Dividends paid	20	(41,633)	-
Repayment of borrowings		-	(5,515)
		<u>          </u>	<u>          </u>
Net cash used in financing activities		<u>(88,438)</u>	<u>(66,856)</u>
Net increase in cash and cash equivalents		34,759	193,555
Cash and cash equivalents at the beginning of the financial year		<u>9,170</u>	<u>(184,385)</u>
Cash and cash equivalents at the end of the financial year	10	<u><u>43,929</u></u>	<u><u>9,170</u></u>

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



# Notes to the financial statements

30 June 2024

## Note 1. Reporting entity

The financial statements cover Canungra & District Community Financial Group Ltd. (the company) as an individual entity.

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

Shop 1, 44 Christie Street, Canungra Queensland

### Principal place of business

Shop 1, 44 Christie Street, Canungra Queensland  
17 William Street Beaudesert Queensland

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 directors have a reasonable expectation that the company has adequate resources to pay its debts as and when they fall due for the foreseeable future. For these reasons, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 August 2024. The directors have the power to amend and reissue the financial statements.

## Note 3. Material accounting policy information

The accounting policies that are material to the company are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

### Adoption of new and revised accounting standards

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current financial year. A description of the impact of new or amended Accounting Standards and Interpretations that have had a material impact on the company during the current financial year is outlined below:

*AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* is mandatory for annual reporting periods beginning on or after 1 January 2023 and was adopted by the company in the preparation of the 30 June 2024 financial statements.

AASB 2021-2 includes amendments to AASB 101 *Presentation of Financial Statements*, requiring the company to disclose material accounting policy information in its financial statements rather than significant accounting policies which was required in previous financial years. Accounting policy information is material if it, when considered with other information, could reasonably be expected to influence decisions of primary users based on the financial statements.

Adoption of AASB 2021-2 has had no impact on the numerical information disclosed in the company's financial statements. Rather, adoption has required the company to remove significant accounting policy information from the notes to the financial statements that is not considered material.

### Accounting standards issued but not yet effective

An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to the company has been performed. No new or amended Accounting Standards or Interpretations that are not mandatory have been early adopted, nor are they expected to have a material impact on the company in future financial years.

# Notes to the financial statements (continued)

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## Note 3. Material accounting policy information (continued)

### Current and non-current classification

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

### Impairment of 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

## Note 4. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. The directors continually evaluate their judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

The directors base their 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.

### Judgements

#### *Timing of revenue recognition associated with trail commission*

The company receives trailing commission from Bendigo Bank for products and services sold. Ongoing trailing commission payments are recognised on a monthly basis when earned as there is insufficient detail readily available to estimate the most likely amount of revenue without a high probability of significant reversal in a subsequent reporting period. The receipt of ongoing trailing commission revenue is outside the control of the company.

#### *Allowance for expected credit losses on trade and other receivables*

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

The company has not recognised an allowance for expected credit losses in relation to trade and other receivables for the following reasons:

- 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.
- 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. The directors are not aware of any such non-compliance at balance date.
- 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 has not experienced any instances of default in relation to receivables owed to the company from Bendigo Bank.

## Notes to the financial statements (continued)

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

#### *Impairment of non-financial assets*

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. The directors did not identify any impairment indications during the financial year.

#### *Going concern*

At each reporting date management must assess the company's ability to continue as a going concern are appropriate. Management's decision will be underpinned by assumptions and judgements about future events.

#### *Recovery of deferred tax assets*

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

#### *Lease term*

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term.

In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations, comparison of terms and conditions to prevailing market rates, incurrance of significant penalties, existence of significant leasehold improvements and the costs and disruption to replace the asset. The 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.

The company includes extension options applicable to the lease of branch premises in its calculations of both the right-of-use asset and lease liability except where the company is reasonably certain it will not 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.

### Estimates and assumptions

#### *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.

#### *Incremental borrowing rate*

Where the interest rate implicit in a lease cannot be readily determined, which is generally the case for the company's lease agreements, 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. This rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

### Note 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in March 2025.

## Notes to the financial statements (continued)

### Note 5. Economic dependency (continued)

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

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

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

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

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

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

### Note 6. Change to comparative figures

#### *Calculation of right-of-use asset cost and accumulated depreciation*

On adoption of AASB 16 Leases on 1 July 2019, the company previously recognised the right-of-use asset cost and accumulated depreciation on a gross basis from the commencement of the lease as if AASB 16 had always been applied by the company.

During the financial year the company recorded a change in accounting policy, whereby it elected to recognise the right-of-use asset net of accumulated depreciation on initial adoption of AASB 16. The change in accounting policy had no impact on the company's net profit or net asset position, however it did reduce the company's right-of-use asset cost and accumulated depreciation at 30 June 2023 by \$49,510.

### Note 7. Revenue from contracts with customers

	2024 \$	2023 \$
Margin income	589,243	576,520
Fee income	41,980	43,117
Commission income	52,050	50,524
	<u>683,273</u>	<u>670,161</u>

## Notes to the financial statements (continued)

### Note 7. Revenue from contracts with customers (continued)

#### *Accounting policy for revenue from contracts with customers*

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, 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.

#### *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 generated from the sale of products and services. This commission is recognised at a point in time which reflects when the company has fulfilled its performance obligation. Refer to note 4 for further information regarding key judgements applied by the directors in relation to the timing of revenue recognition from trail commission.

#### *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.

## Notes to the financial statements (continued)

### Note 7. Revenue from contracts with customers (continued)

#### *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 8. Expenses

#### Employee benefits expense

	2024	2023
	\$	\$
Wages and salaries	306,781	252,203
Superannuation contributions	34,296	25,929
Expenses related to long service leave	632	53
Other expenses	19,309	9,729
	<u>361,018</u>	<u>287,914</u>

#### Depreciation and amortisation expense

	2024	2023
	\$	\$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	9,279	9,279
Plant and equipment	2,552	7,143
Motor vehicles	7,522	-
	<u>19,353</u>	<u>16,422</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	34,458	32,810
<i>Amortisation of intangible assets</i>		
Franchise fee	6,621	6,620
Franchise renewal process fee	10,602	10,602
Domiciled customer accounts	2,524	2,525
	<u>19,747</u>	<u>19,747</u>
	<u>73,558</u>	<u>68,979</u>

#### Finance costs

	2024	2023
	\$	\$
Bank loan interest paid or accrued	201	6,520
Lease interest expense	15,342	16,435
Unwinding of make-good provision	1,080	840
	<u>16,623</u>	<u>23,795</u>

## Notes to the financial statements (continued)

### Note 8. Expenses (continued)

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

#### Leases recognition exemption

	2024 \$	2023 \$
Expenses relating to low-value leases	8,414	8,414

### Note 9. Income tax

	2024 \$	2023 \$
<i>Income tax expense</i>		
Movement in deferred tax	(2,090)	(4,096)
Under/over adjustment in respect for prior periods	(1,518)	-
Recoupment of prior year tax losses	23,036	56,782
Aggregate income tax expense	19,428	52,686
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	79,890	213,989
Tax at the statutory tax rate of 25%	19,973	53,497
Tax effect of:		
Non-deductible expenses	973	729
Other deductible expenses	-	(1,540)
Under/over adjustment in respect for prior periods	20,946	52,686
	(1,518)	-
Income tax expense	19,428	52,686
	2024 \$	2023 \$
<i>Deferred tax assets/(liabilities)</i>		
Provision for lease make good	4,271	4,009
Accrued expenses	1,050	996
Lease liabilities	83,074	86,358
Right-of-use assets	(74,372)	(78,271)
Employee provisions	2,406	3,200
Carried-forward tax losses	153,696	175,218
Property, plant and equipment	743	(1,215)
Prepayments	(1,132)	(1,131)
Deferred tax asset	169,736	189,164

#### 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.

## Notes to the financial statements (continued)

### Note 9. Income tax (continued)

#### *Accounting policy for deferred tax*

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.

### Note 10. Cash and cash equivalents

	2024 \$	2023 \$
Cash at bank and on hand	43,929	9,170

### Note 11. Trade and other receivables

	2024 \$	2023 \$
Trade receivables	45,822	70,410
Other receivables	7,200	-
Prepayments	4,526	4,524
	<u>11,726</u>	<u>4,524</u>
	<u>57,548</u>	<u>74,934</u>

#### *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. 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.

### Note 12. Property, plant and equipment

	2024 \$	2023 \$
Leasehold improvements - at cost	139,110	139,110
Less: Accumulated depreciation	(65,541)	(56,262)
	<u>73,569</u>	<u>82,848</u>
Plant and equipment - at cost	95,528	93,229
Less: Accumulated depreciation	(88,800)	(86,248)
	<u>6,728</u>	<u>6,981</u>
Motor vehicles - at cost	38,777	-
Less: Accumulated depreciation	(7,522)	-
	<u>31,255</u>	<u>-</u>
	<u>111,552</u>	<u>89,829</u>



## Notes to the financial statements (continued)

### 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:

	Leasehold improvements \$	Plant and equipment \$	Motor vehicles \$	Total \$
Balance at 1 July 2022	92,127	11,934	-	104,061
Additions	-	2,190	-	2,190
Depreciation	(9,279)	(7,143)	-	(16,422)
Balance at 30 June 2023	82,848	6,981	-	89,829
Additions	-	2,299	38,777	41,076
Depreciation	(9,279)	(2,552)	(7,522)	(19,353)
Balance at 30 June 2024	<u>73,569</u>	<u>6,728</u>	<u>31,255</u>	<u>111,552</u>

#### Accounting policy for property, plant and equipment

Property, plant and equipment are measured at cost or fair value as applicable, less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Leasehold improvements	15 years
Plant and equipment	1 to 13 years
Motor vehicles	5 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.

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

	2024 \$	2023 \$
Land and buildings - right-of-use	451,290	432,224
Less: Accumulated depreciation	(153,801)	(119,139)
	<u>297,489</u>	<u>313,085</u>

## Notes to the financial statements (continued)

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

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

	Land and buildings \$
Balance at 1 July 2022	333,817
Remeasurement adjustments	12,078
Depreciation expense	<u>(32,810)</u>
Balance at 30 June 2023	313,085
Remeasurement adjustments	18,862
Depreciation expense	<u>(34,458)</u>
Balance at 30 June 2024	<u><u>297,489</u></u>

#### *Accounting policy for right-of-use assets*

Right-of-use assets are 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. Right-of-use assets are subject to impairment and are adjusted for any remeasurement of lease liabilities.

Refer to note 17 for more information on lease arrangements.

### Note 14. Intangible assets

	2024 \$	2023 \$
Rights to revenue share	12,623	12,623
Less: Accumulated amortisation	<u>(12,623)</u>	<u>(10,099)</u>
	-	2,524
Franchise fee	35,068	30,568
Less: Accumulated amortisation	<u>(30,478)</u>	<u>(23,857)</u>
	4,590	6,711
Franchise renewal fee	35,341	35,341
Less: Accumulated amortisation	<u>(27,389)</u>	<u>(16,787)</u>
	7,952	18,554
Establishment fee	100,000	100,000
Less: Accumulated amortisation	<u>(100,000)</u>	<u>(100,000)</u>
	-	-
	<u><u>12,542</u></u>	<u><u>27,789</u></u>

## Notes to the financial statements (continued)

### 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:

	Rights to revenue share \$	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2022	5,049	8,831	29,156	43,036
Additions	-	4,500	-	4,500
Amortisation expense	(2,525)	(6,620)	(10,602)	(19,747)
Balance at 30 June 2023	2,524	6,711	18,554	27,789
Additions	-	4,500	-	4,500
Amortisation expense	(2,524)	(6,621)	(10,602)	(19,747)
Balance at 30 June 2024	-	4,590	7,952	12,542

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

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

<u>Asset class</u>	<u>Method</u>	<u>Useful life</u>	<u>Expiry/renewal date</u>
Franchise fee	Straight-line	Over the franchise term	March 2025
Rights to revenue share	Straight-line	5 years	June 2024
Franchise renewal fee	Straight-line	5 years	March 2025

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

### Note 15. Trade and other payables

	2024 \$	2023 \$
<i>Current liabilities</i>		
Trade payables	1,259	21,685
Other payables and accruals	44,157	26,804
	<u>45,416</u>	<u>48,489</u>
<i>Non-current liabilities</i>		
Other payables and accruals	-	11,662
	<u>-</u>	<u>11,662</u>
	<b>2024</b> \$	<b>2023</b> \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	45,416	48,489
less other payables and accruals (net GST payable to the ATO)	(7,776)	(15,793)
	<u>37,640</u>	<u>32,696</u>

## Notes to the financial statements (continued)

### Note 16. Borrowings

#### Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	2024 \$	2023 \$
Total facilities		
Bank overdraft	50,000	200,000
Used at the reporting date		
Bank overdraft	-	-
Unused at the reporting date		
Bank overdraft	50,000	200,000

#### Bank overdraft

The bank overdraft is repayable on demand and used for cash management purposes. The bank overdraft has a rolling renewal date and is reviewed annually by the lender, Bendigo Bank. It is secured by a floating charge over the company's assets. As at balance date, the lender does not intend to reduce or end the overdraft facility within the next 12 months, however the company will continue to assess the need for one as the profitability and cash position continue to improve.

### Note 17. Lease liabilities

	2024 \$	2023 \$
<i>Current liabilities</i>		
Land and buildings lease liabilities	46,565	30,118
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	285,731	315,313
<i>Reconciliation of lease liabilities</i>		
	2024 \$	2023 \$
Opening balance	345,431	361,824
Remeasurement adjustments	18,328	12,078
Lease interest expense	15,342	16,435
Lease payments - total cash outflow	(46,805)	(44,906)
	332,296	345,431

#### Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially measured at the present value of the lease payments to be made over the term of the lease, including renewal options if the company is reasonably certain to exercise such options, discounted using the company's incremental borrowing rate.

The company has applied the following accounting policy choices in relation to lease liabilities:

- The company has elected not to separate lease and non-lease components when calculating the lease liability for property leases.
- The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases and low-value assets, which include the company's lease of information technology equipment. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## Notes to the financial statements (continued)

### Note 17. Lease liabilities (continued)

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
Canungra Branch	5.39%	5 years	1 x 5 years	Yes	September 2031
Beaudesert	3.54%	4 years	1 x 5 years	Yes	December 2034
Customer Service Centre					

#### Remeasurement adjustments

During the financial year the monthly rent amount for both the leases increased. As such an adjustment was required for the remeasurement of the lease liability and right-of-use asset.

### Note 18. Issued capital

	2024 Shares	2023 Shares	2024 \$	2023 \$
Ordinary shares - fully paid	832,660	832,660	832,660	832,660
Less: Equity raising costs	-	-	(30,797)	(30,797)
	<u>832,660</u>	<u>832,660</u>	<u>801,863</u>	<u>801,863</u>

#### 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.

## Notes to the financial statements (continued)

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### Note 18. Issued capital (continued)

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

#### *Prohibited shareholding interest*

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

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 160. As at the date of this report, the company had 284 shareholders (2023: 284 shareholders).

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

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

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

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

### Note 19. Capital management

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

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

The distribution limit is the greater of:

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

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

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

## Notes to the financial statements (continued)

### Note 20. Dividends

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

	2024 \$	2023 \$
Unfranked dividend of 5 cents per share	<u>41,633</u>	<u>-</u>

### Note 21. Financial risk management

The company's financial instruments include trade receivables and payables, cash and cash equivalents, investments and lease liabilities. The company does not have any derivatives.

The directors are responsible for monitoring and managing the financial risk exposure of the company, to which end it monitors the financial risk management policies and exposures and approves financial transactions within the scope of its authority.

The directors have identified that the only significant financial risk exposures of the consolidated entity are liquidity and market (price) risk. Other financial risks are not significant to the company due to the following factors:

- The company has no foreign exchange risk as all of its account balances and transactions are in Australian Dollars.
- 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.
- The company has no direct exposure to movements in commodity prices.
- The company's interest-bearing instruments are held at amortised cost which have fair values that approximate their carrying value since all cash and payables have maturity dates within 12 months.
- The company has no borrowings.

Further details regarding the categories of financial instruments held by the company that hold such exposure are detailed below.

	2024 \$	2023 \$
<b>Financial assets at amortised cost</b>		
Trade and other receivables (note 11)	45,822	70,410
Cash and cash equivalents (note 10)	<u>43,929</u>	<u>9,170</u>
	<u>89,751</u>	<u>79,580</u>
<b>Financial liabilities</b>		
Trade and other payables (note 15)	37,640	32,696
Lease liabilities (note 17)	<u>332,296</u>	<u>345,431</u>
	<u>369,936</u>	<u>378,127</u>

At balance date, the fair value of financial instruments approximated their carrying values.

#### *Accounting policy for financial instruments*

#### **Financial assets**

##### *Classification*

The company classifies its financial assets into the following categories:

- Amortised cost

# Notes to the financial statements (continued)

## Note 21. Financial risk management (continued)

Financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial asset.

The company's financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents and investments in term deposits.

### *Derecognition*

A financial asset is derecognised when the company's contractual right to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

### *Impairment of trade and other receivables*

Impairment of trade receivables is determined using the simplified approach which uses an estimation of lifetime expected credit losses. The company has not recognised an allowance for expected credit losses in relation to trade and other receivables. Refer to note 4 for further information.

## Financial liabilities

### *Classification*

The company classifies its financial liabilities at amortised cost.

### *Derecognition*

A financial liability is derecognised when it is extinguished, cancelled or expires.

### *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.

### *Price risk*

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

### *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.

### *Financing arrangements*

Unused borrowing facilities at the reporting date:

	2024 \$	2023 \$
Bank overdraft	50,000	200,000

The following are the company's 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.

2024	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Trade and other payables	45,416	-	-	45,416
Lease liabilities	47,594	190,377	152,409	390,380
Total non-derivatives	93,010	190,377	152,409	435,796



## Notes to the financial statements (continued)

### Note 21. Financial risk management (continued)

2023	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Trade and other payables	48,489	11,662	-	60,151
Lease liabilities	45,330	181,320	198,707	425,357
Total non-derivatives	<u>93,819</u>	<u>192,982</u>	<u>198,707</u>	<u>485,508</u>

### Note 22. Key management personnel disclosures

The following persons were directors of Canungra & District Community Financial Group Ltd. during the financial year and/or up to the date of signing of these Financial Statements.

Janine Pamela Rockliff	Catriona Anne Smith
Jeffery Lewis	Keer Maree Moriarty
Terry Robert Watkins	Airlie Ruth Worrall
Christine Mary Watkins	

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

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

### Note 23. Related party transactions

#### *Key management personnel*

Disclosures relating to key management personnel are set out in note 22.

#### *Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

#### *Terms and conditions of transactions with related parties*

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

#### *Transactions with related parties*

The following transactions occurred with related parties:

	2024 \$	2023 \$
Keer Moriarty's company, Scenic Rim Media Pty Ltd, which controls the Canungra Times and Beaudesert Bulletin newspapers provided advertising and printing/photocopying.	8,757	4,305
The company made a donation to Community Cancer Inc. which is a related party of a director	600	-
The company made a donation to Canungra Show Society which is a related party of a director.	1,091	-
The company made a donation to Beaudesert District Orchid & Foliage Society which is a related party of a director.	240	-

## Notes to the financial statements (continued)

### Note 24. Remuneration of auditors

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

	2024 \$	2023 \$
<i>Audit services</i>		
Audit or review of the financial statements	6,450	5,400
<i>Other services</i>		
Taxation advice and tax compliance services	900	660
General advisory services	3,170	2,830
Share registry services	6,218	2,100
	<u>10,288</u>	<u>5,590</u>
	<u>16,738</u>	<u>10,990</u>

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

	2024 \$	2023 \$
Profit after income tax expense for the year	60,462	161,303
Adjustments for:		
Depreciation and amortisation	73,558	68,979
Lease liability interest	15,342	16,435
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	17,386	(32,574)
Decrease in deferred tax assets	19,428	52,690
Increase/(decrease) in trade and other payables	(4,499)	6,085
Decrease in employee benefits	(3,177)	(574)
Increase in other provisions	875	840
Net cash provided by operating activities	<u>179,375</u>	<u>273,184</u>

### Note 26. Earnings per share

	2024 \$	2023 \$
Profit after income tax	<u>60,462</u>	<u>161,303</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>832,660</u>	<u>832,660</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>832,660</u>	<u>832,660</u>
	Cents	Cents
Basic earnings per share	7.26	19.37
Diluted earnings per share	7.26	19.37

## Notes to the financial statements (continued)

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### **Note 26. Earnings per share (continued)**

#### *Accounting policy for earnings per share*

Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Canungra & District Community Financial Group Ltd., by the weighted average number of ordinary shares outstanding during the financial year.

### **Note 27. Commitments**

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

### **Note 28. Contingencies**

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

### **Note 29. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2024 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

**30 June 2024**

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 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the company does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, a consolidated entity disclosure statement has not been included as section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

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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Janine Rockliff  
Chair

29 August 2024

# Independent audit report



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

## Independent auditor's report to the Directors of Canungra & District Community Financial Group Ltd.

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Canungra & District Community Financial Group Ltd. (the company), which comprises:

- Statement of financial position as at 30 June 2024
- Statement of profit or loss and other comprehensive income for the year then ended
- Statement of changes in equity for the year then ended
- Statement of cash flows for the year then ended
- Notes to the financial statements, including material accounting policies
- The directors' declaration.

In our opinion, the accompanying financial report of Canungra & District Community Financial Group Ltd., 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 2024 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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## Other Information

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

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

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

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

## Responsibilities of the Directors for the Financial Report

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

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

## Auditor's responsibilities for the Audit of the Financial Report

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



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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

**Andrew Frewin Stewart**  
61 Bull Street, Bendigo, Vic, 3550  
Dated: 29 August 2024

A handwritten signature in black ink, appearing to read 'Adrian Downing'.

**Adrian Downing**  
Lead Auditor

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