

Collie & Districts Community Financial Services Limited

ABN 76 096 536 355

Financial Report - 30 June 2024

Collie & Districts Community Financial Services Limited

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: Sasacha Maree Shepherd
Title: Non-executive director
Experience and expertise: Sasacha has lived in Collie all of her life and is married with three Children. Sasacha is the owner of Everything Under the Sun a variety store located in Collie and is the current Treasurer of Collie Chamber of Commerce & Industry. Sasacha is a previous Committee Member of Collie Festival Committee and past Co-ordinator Festiv Arty Collie. Sasacha, her husband and children are also members of various sporting clubs in Collie and Liam (son) is a committee member of Heart Hub Southwest. Sasacha is a Retail Assistant and was previously Collie Senior High School Uniform coordinator and P&C President.
Special responsibilities: Chair, Human Resources Committee and Marketing & Community Development Committee

Name: Ian Houghton Miffing
Title: Non-executive director
Experience and expertise: Ian is currently retired and a former Chief Executive Officer of the Shire of Collie. Ian has been awarded the Order of Australia Medal (OAM) and Justice of the Peace. Ian's experience includes Collie Shire President, Board Secretary of the Coal Miners' Welfare Board of WA, Chair of the Worsley Alumina (South32) Community Liaison Committee, Secretary of the North Collie Hall Management Group, President of the Collie Lawn Tennis Club, Member of the District Health Advisory Committee.
Special responsibilities: Finance Committee, Scholarship & Magic Moments Committee and Marketing & Community Development Committee

Name: Kenneth William Smallwood
Title: Non-executive director
Experience and expertise: Kenneth is currently retired and a ex-Chief Engineer UK Merchant Navy, emigrated to WA from Scotland in 1983. Worked in the Power Generation industry in WA, SE Asia and Singapore for over 24 years, in various positions in both operations and maintenance. Former Treasurer of Collie Community Bank.
Special responsibilities: Marketing & Community Development Committee, Premises Committee and Finance Committee

Name: Carissa Jane Page
Title: Non-executive director
Experience and expertise: Diploma of Management, past owner of Chicken Treat, proprietor of Coalfields Bus Service and manager of Collie Bus Service, Secretary Fairview Primary School Board and member of Fairview Primary School P & C.
Special responsibilities: Company Secretary, Finance Committee

Name: Vanessa Tamsin Seymour Emmett
Title: Non-executive director
Experience and expertise: Community Development Officer for the Shire of Collie, Chairperson of the Collie Festival Committee, Event Director of Collie River Trail Parkrun, Committee Member of the PCYC Advisory Board. Past employment includes Swimming Teacher for the education Department of WA, Crew Member at McDonalds, Tour guide in Australia and Africa and Qualified Norland Nanny.
Special responsibilities: Human Resources Committee and Scholarship & Magic Moments Committee

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Name: John Alfred Piavanini
Title: Non-executive director
Experience and expertise: John is a business proprietor selling new and used earthmoving parts as well as rental and farming properties, in which he has been self employed for the past 50 years. He was the former Collie Shire Councilor for 18 years, past Member of the Board of Collie Chamber of Commerce and Industry and a former Board Member of the Bunbury Wellington Economic Alliance. He is currently Vice President of Collie Vintage Tractor Club, President of Collie Vintage Car Club and a Director of TOS Pty Ltd and Talmac Pty Ltd.
Special responsibilities: Chair Marketing & Community Development Committee and member of Premises Committee

Name: Shenae Chappell
Title: Non-executive director (appointed 9 November 2023)
Special responsibilities: Marketing & Community Development Committee

Name: Jeffrey Ian Riley (Resigned 26 March 2024)
Title: Non-executive director
Experience and expertise: Jeff has lived in Collie all of his life and has spent most of the last 40 years working as a carpenter. Jeff is self-employed running a building partnership with his wife Leigh. Jeff lives on a small family farm just out of Collie and he loves the Collie lifestyle (the bush and the river). Jeff was the Community Bank WA State Representative for the collaborative marketing group and on the State preventative maintenance committee. Jeff was also Deputy Chair for the Collie Festival Committee for Festiv Arty. Jeff is also a volunteer firefighter for the Harris River Bush Fire Brigade.
Special responsibilities: Chair, Human Resources Committee and Finance Committee

Company secretary

The Company secretary is Joy Lenore Rollason. Joy was appointed to the position of company secretary on 22 January 2024.

Experience and expertise: Joy holds a bachelor's degree in Information Services (Librarianship), a graduate diploma in Applied Corporate Governance and a diploma in Project Management. She has more than twenty years of company secretarial experience with unlisted public companies.

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 \$610,625 (30 June 2023: \$514,561).

Operations have continued to perform in line with expectations.

Dividends

During the financial year, the following dividends were declared.

	2024	2023
	\$	\$
Fully franked dividend of 48 cents per share (2023: 22.5 cents)	<u>206,524</u>	<u>96,808</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.

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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 (including meetings of committees of directors) attended by each of the directors of the company during the financial year were:

	Board		Marketing & Community Development Committee		Human Resources Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Sasacha Maree Shepherd	11	9	7	7	1	1
Ian Houghton Miffing	11	10	7	7	-	-
Kenneth William Smallwood	11	11	7	7	-	-
Carissa Jane Page	11	9	-	-	-	-
Vanessa Tamsin Seymour Emmett	11	10	-	-	1	1
John Alfred Piavanini	11	11	7	7	-	-
Shenae Chappell	10	9	3	3	-	-
Jeffrey Ian Riley	8	8	-	-	1	1
			Finance Committee		Scholarship & Magic Moments Committee	
			Eligible	Attended	Eligible	Attended
Sasacha Maree Shepherd			-	-	-	-
Ian Houghton Miffing			1	1	-	-
Kenneth William Smallwood			2	2	2	2
Carissa Jane Page			2	2	-	-
Vanessa Tamsin Seymour Emmett			-	-	2	2
John Alfred Piavanini			-	-	-	-
Shenae Chappell			-	-	-	-
Jeffrey Ian Riley			-	-	-	-
			1	1	-	-

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 20 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.

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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
Sasacha Maree Shepherd	-	-	-
Ian Houghton Miffing	1,001	-	1,001
Kenneth William Smallwood	20,000	-	20,000
Carissa Jane Page	200	-	200
Vanessa Tamsin Seymour Emmett	-	-	-
John Alfred Piavanini	2,501	-	2,501
Shenae Chappell	-	-	-
Jeffrey Ian Riley	500	-	500

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*.

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.

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30 June 2024

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 21 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



[Sasacha Shepherd \(Oct 2, 2024 13:11 GMT+8\)](#)

Sasacha Maree Shepherd
Chair

2 October 2024



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 Collie & Districts Community Financial Services Limited

As lead auditor for the audit of Collie & Districts Community Financial Services Limited 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', is positioned above the printed name.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 2 October 2024

A handwritten signature in black ink, appearing to read 'Lachlan Tatt', is positioned above the printed name.

Lachlan Tatt
Lead Auditor

Collie & Districts Community Financial Services Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue from contracts with customers	6	1,980,872	2,072,173
Other revenue		11,407	26,254
Finance revenue		44,711	21,469
Total revenue		<u>2,036,990</u>	<u>2,119,896</u>
Employee benefits expense	7	(807,846)	(777,894)
Advertising and marketing costs		(31,024)	(16,746)
Occupancy and associated costs		(38,383)	(31,409)
System costs		(21,133)	(19,902)
Depreciation and amortisation expense	7	(64,415)	(59,398)
Finance costs		-	(9)
General administration expenses		(137,508)	(136,988)
Loss on disposal of assets		(2,147)	(32,672)
Total expenses before community contributions and income tax expense		<u>(1,102,456)</u>	<u>(1,075,018)</u>
Profit before community contributions and income tax expense		934,534	1,044,878
Charitable donations and sponsorships expense	7	<u>(121,109)</u>	<u>(357,980)</u>
Profit before income tax expense		813,425	686,898
Income tax expense	8	<u>(202,800)</u>	<u>(172,337)</u>
Profit after income tax expense for the year		610,625	514,561
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>610,625</u></u>	<u><u>514,561</u></u>
		Cents	Cents
Basic earnings per share	23	141.92	119.59
Diluted earnings per share	23	141.92	119.59

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

Collie & Districts Community Financial Services Limited
Statement of financial position
As at 30 June 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	9	1,417,291	1,098,543
Trade and other receivables	10	194,484	208,565
Total current assets		<u>1,611,775</u>	<u>1,307,108</u>
Non-current assets			
Property, plant and equipment	11	711,961	681,320
Intangible assets	12	30,630	43,757
Deferred tax assets	8	8,992	15,661
Total non-current assets		<u>751,583</u>	<u>740,738</u>
Total assets		<u>2,363,358</u>	<u>2,047,846</u>
Liabilities			
Current liabilities			
Trade and other payables	13	86,603	109,000
Current tax liabilities	8	57,632	90,213
Employee benefits	14	84,966	110,723
Total current liabilities		<u>229,201</u>	<u>309,936</u>
Non-current liabilities			
Trade and other payables	13	16,053	32,106
Employee benefits	14	17,178	8,979
Total non-current liabilities		<u>33,231</u>	<u>41,085</u>
Total liabilities		<u>262,432</u>	<u>351,021</u>
Net assets		<u>2,100,926</u>	<u>1,696,825</u>
Equity			
Issued capital	15	430,259	430,259
Retained earnings		1,670,667	1,266,566
Total equity		<u>2,100,926</u>	<u>1,696,825</u>

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

Collie & Districts Community Financial Services Limited
Statement of changes in equity
For the year ended 30 June 2024

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2022		430,259	848,813	1,279,072
Profit after income tax expense		-	514,561	514,561
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	514,561	514,561
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	17	-	(96,808)	(96,808)
Balance at 30 June 2023		<u>430,259</u>	<u>1,266,566</u>	<u>1,696,825</u>
Balance at 1 July 2023		430,259	1,266,566	1,696,825
Profit after income tax expense		-	610,625	610,625
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	610,625	610,625
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	17	-	(206,524)	(206,524)
Balance at 30 June 2024		<u>430,259</u>	<u>1,670,667</u>	<u>2,100,926</u>

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

Collie & Districts Community Financial Services Limited
Statement of cash flows
For the year ended 30 June 2024

	Note	2024	2023
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,207,086	2,245,806
Payments to suppliers and employees (inclusive of GST)		(1,377,346)	(1,518,928)
Interest received		44,711	13,233
Interest and other finance costs paid		-	(9)
Income taxes paid		(250,509)	(106,388)
		<u> </u>	<u> </u>
Net cash provided by operating activities	22	<u>623,942</u>	<u>633,714</u>
Cash flows from investing activities			
Payments for property, plant and equipment	11	(84,076)	(62,335)
Payments for intangible assets		(14,594)	(14,594)
		<u> </u>	<u> </u>
Net cash used in investing activities		<u>(98,670)</u>	<u>(76,929)</u>
Cash flows from financing activities			
Dividends paid	17	(206,524)	(96,808)
Repayment of borrowings		-	(176)
		<u> </u>	<u> </u>
Net cash used in financing activities		<u>(206,524)</u>	<u>(96,984)</u>
Net increase in cash and cash equivalents		318,748	459,801
Cash and cash equivalents at the beginning of the financial year		<u>1,098,543</u>	<u>638,742</u>
		<u> </u>	<u> </u>
Cash and cash equivalents at the end of the financial year	9	<u><u>1,417,291</u></u>	<u><u>1,098,543</u></u>

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

Collie & Districts Community Financial Services Limited

Notes to the financial statements

30 June 2024

Note 1. Reporting entity

The financial statements cover Collie & Districts 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 70 Forrest Street, Collie WA 6225.

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 2 October 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.

Current and non-current classification

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

Collie & Districts Community Financial Services Limited
Notes to the financial statements
30 June 2024

Note 3. Material accounting policy information (continued)

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.

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 company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. The directors did not identify any impairment indications during the financial year.

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Notes to the financial statements
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Note 4. Critical accounting judgements, estimates and assumptions (continued)

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.

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.

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.

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 October 2026.

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

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

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

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

Collie & Districts Community Financial Services Limited
Notes to the financial statements
30 June 2024

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

	2024 \$	2023 \$
Margin income	1,746,636	1,855,168
Fee income	101,200	93,309
Commission income	133,036	123,696
	<u>1,980,872</u>	<u>2,072,173</u>

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.

Collie & Districts Community Financial Services Limited
Notes to the financial statements
30 June 2024

Note 6. Revenue from contracts with customers (continued)

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.

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. Expenses

Employee benefits expense

	2024	2023
	\$	\$
Wages and salaries	708,384	672,022
Non-cash benefits	4,875	11,075
Superannuation contributions	81,573	74,394
Expenses related to long service leave	(6,839)	1,318
Other expenses	19,853	19,085
	<u>807,846</u>	<u>777,894</u>

Collie & Districts Community Financial Services Limited
Notes to the financial statements
30 June 2024

Note 7. Expenses (continued)

Depreciation and amortisation expense

	2024	2023
	\$	\$
<i>Depreciation of non-current assets</i>		
Buildings	8,987	9,047
Improvements	23,961	19,864
Plant and equipment	9,559	8,580
Motor vehicles	8,781	8,781
	<u>51,288</u>	<u>46,272</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	2,188	2,187
Franchise renewal fee	10,939	10,939
	<u>13,127</u>	<u>13,126</u>
	<u><u>64,415</u></u>	<u><u>59,398</u></u>

Leases recognition exemption

	2024	2023
	\$	\$
Expenses relating to low-value leases	<u>6,667</u>	<u>7,483</u>

Charitable donations, sponsorships and grants

	2024	2023
	\$	\$
Direct donation, sponsorship and grant payments	121,109	57,980
Contribution to the Community Enterprise Foundation™ (CEF)	-	300,000
	<u>121,109</u>	<u>357,980</u>

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

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

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

Community Enterprise Foundation™ contributions

	2024	2023
	\$	\$
<i>Disaggregation of CEF funds</i>		
Opening balance	871,614	676,158
Contributions paid in	-	300,000
Grants paid out	(147,134)	(109,320)
Interest received	38,962	19,776
Management fees incurred	-	(15,000)
	<u>763,442</u>	<u>871,614</u>

Collie & Districts Community Financial Services Limited
Notes to the financial statements
30 June 2024

Note 8. Income tax

	2024	2023
	\$	\$
<i>Income tax expense</i>		
Current tax	197,542	177,399
Movement in deferred tax	6,669	(5,062)
Under/over adjustment	(1,411)	-
Aggregate income tax expense	<u>202,800</u>	<u>172,337</u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	<u>813,425</u>	<u>686,898</u>
Tax at the statutory tax rate of 25%	203,356	171,725
Tax effect of:		
Non-deductible expenses	<u>855</u>	<u>612</u>
Under/over adjustment	<u>204,211</u>	<u>172,337</u>
	(1,411)	-
Income tax expense	<u>202,800</u>	<u>172,337</u>
	2024	2023
	\$	\$
<i>Deferred tax assets/(liabilities)</i>		
Employee benefits	25,536	29,926
Accrued expenses	-	1,050
Income accruals	(2,180)	(2,180)
Property, plant and equipment	(14,364)	(13,135)
Deferred tax asset	<u>8,992</u>	<u>15,661</u>
	2024	2023
	\$	\$
Provision for income tax	<u>57,632</u>	<u>90,213</u>

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

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.

Collie & Districts Community Financial Services Limited
Notes to the financial statements
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Note 9. Cash and cash equivalents

	2024	2023
	\$	\$
Cash at bank and on hand	376,145	98,304
Sandhurst Select 90 Fund	1,041,146	1,000,239
	<u>1,417,291</u>	<u>1,098,543</u>

Note 10. Trade and other receivables

	2024	2023
	\$	\$
Trade receivables	178,621	194,223
Accrued income	8,720	8,720
Prepayments	7,143	5,622
	<u>15,863</u>	<u>14,342</u>
	<u>194,484</u>	<u>208,565</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 11. Property, plant and equipment

	2024	2023
	\$	\$
Land - at cost	200,000	200,000
Buildings - at cost	359,421	359,421
Less: Accumulated depreciation	(100,580)	(91,593)
	<u>258,841</u>	<u>267,828</u>
Improvements - at cost	327,342	262,457
Less: Accumulated depreciation	(118,328)	(99,262)
	<u>209,014</u>	<u>163,195</u>
Plant and equipment - at cost	90,015	77,867
Less: Accumulated depreciation	(54,402)	(44,844)
	<u>35,613</u>	<u>33,023</u>
Motor vehicles - at cost	43,906	43,906
Less: Accumulated depreciation	(35,413)	(26,632)
	<u>8,493</u>	<u>17,274</u>
	<u>711,961</u>	<u>681,320</u>

Collie & Districts Community Financial Services Limited
Notes to the financial statements
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Note 11. 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:

	Land \$	Buildings \$	Improvements \$	Plant and equipment \$	Motor vehicles \$	Total \$
Balance at 1 July 2022	200,000	264,178	167,721	39,975	26,055	697,929
Additions	-	44,807	15,338	2,190	-	62,335
Disposals	-	(32,110)	-	(562)	-	(32,672)
Depreciation	-	(9,047)	(19,864)	(8,580)	(8,781)	(46,272)
Balance at 30 June 2023	200,000	267,828	163,195	33,023	17,274	681,320
Additions	-	-	71,927	12,149	-	84,076
Disposals	-	-	(2,147)	-	-	(2,147)
Depreciation	-	(8,987)	(23,961)	(9,559)	(8,781)	(51,288)
Balance at 30 June 2024	<u>200,000</u>	<u>258,841</u>	<u>209,014</u>	<u>35,613</u>	<u>8,493</u>	<u>711,961</u>

Additions

During the financial year the company completed some refurbishment works at the Collie branch.

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 diminishing value and straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Buildings	40 years
Improvements	10 to 11 years
Plant and equipment	1 to 10 years
Motor vehicles	5 years

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

Improvements are depreciated over the estimated useful life of the assets which is generally based on expected re-fit requirements.

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 12. Intangible assets

	2024 \$	2023 \$
Franchise fee	72,131	72,131
Less: Accumulated amortisation	(67,026)	(64,838)
	<u>5,105</u>	<u>7,293</u>
Franchise renewal fee	99,465	99,465
Less: Accumulated amortisation	(73,940)	(63,001)
	<u>25,525</u>	<u>36,464</u>
	<u>30,630</u>	<u>43,757</u>

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Note 12. Intangible assets (continued)

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

	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2022	9,480	47,403	56,883
Amortisation expense	(2,187)	(10,939)	(13,126)
Balance at 30 June 2023	7,293	36,464	43,757
Amortisation expense	(2,188)	(10,939)	(13,127)
Balance at 30 June 2024	<u>5,105</u>	<u>25,525</u>	<u>30,630</u>

Accounting policy for intangible assets

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

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

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

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

<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)	October 2026
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	October 2026

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

Change in estimates

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

Note 13. Trade and other payables

	2024 \$	2023 \$
<i>Current liabilities</i>		
Trade payables	4,256	68,866
Other payables and accruals	82,347	40,134
	<u>86,603</u>	<u>109,000</u>
<i>Non-current liabilities</i>		
Other payables and accruals	<u>16,053</u>	<u>32,106</u>

Collie & Districts Community Financial Services Limited
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Note 13. Trade and other payables (continued)

	2024 \$	2023 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	102,656	141,106
Less: other payables and accruals (net GST payable to the ATO)	(39,426)	(15,550)
	<u>63,230</u>	<u>125,556</u>

Note 14. Employee benefits

	2024 \$	2023 \$
<i>Current liabilities</i>		
Annual leave	52,014	62,733
Long service leave	32,952	47,990
	<u>84,966</u>	<u>110,723</u>
<i>Non-current liabilities</i>		
Long service leave	<u>17,178</u>	<u>8,979</u>

Accounting policy for short-term employee benefits

Liabilities for 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. Non-accumulating non-vesting sick leave is expensed when the leave is taken and is measured at the rates paid or payable.

Accounting policy for other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency 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 15. Issued capital

	2024 Shares	2023 Shares	2024 \$	2023 \$
Ordinary shares - fully paid	<u>430,259</u>	<u>430,259</u>	<u>430,259</u>	<u>430,259</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.

Collie & Districts Community Financial Services Limited

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Note 15. Issued capital (continued)

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

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

Dividends

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

Transfer

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

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

Prohibited shareholding interest

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

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

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

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

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 16. 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.

Collie & Districts Community Financial Services Limited
Notes to the financial statements
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Note 16. Capital management (continued)

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

The distribution limit is the greater of:

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

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

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

Note 17. 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 \$
Fully franked dividend of 48 cents per share (2023: 22.5 cents)	<u>206,524</u>	<u>96,808</u>

Accounting policy for dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

Franking credits

	2024 \$	2023 \$
Franking account balance at the beginning of the financial year	504,902	430,784
Franking credits (debits) arising from income taxes paid (refunded)	250,509	106,387
Franking debits from the payment of franked distributions	<u>(68,841)</u>	<u>(32,269)</u>
	<u>686,570</u>	<u>504,902</u>

Franking transactions that will arise subsequent to the financial year end:

Balance at the end of the financial year	686,570	504,902
Franking credits (debits) that will arise from payment (refund) of income tax	<u>57,632</u>	<u>112,010</u>
Franking credits available for future reporting periods	<u>744,202</u>	<u>616,912</u>

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%.

Note 18. Financial risk management

The company's financial instruments include trade receivables and payables and cash and cash equivalents. 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.

Collie & Districts Community Financial Services Limited
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Note 18. Financial risk management (continued)

The directors have identified that the only significant financial risk exposures of the company 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 \$
Financial assets		
Trade and other receivables (note 10)	187,341	202,943
Cash and cash equivalents (note 9)	1,417,291	1,098,543
	<u>1,604,632</u>	<u>1,301,486</u>
Financial liabilities		
Trade and other payables (note 13)	<u>63,230</u>	<u>125,556</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 at amortised cost.

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 and cash and cash equivalents.

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.

Collie & Districts Community Financial Services Limited
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Note 18. Financial risk management (continued)

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.

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest-rate risk. The company held cash and cash equivalents of \$1,417,291 at 30 June 2024 (2023: \$1,098,543).

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.

The following are the company 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.

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2024				
Trade and other payables	47,177	16,053	-	63,230
Total non-derivatives	47,177	16,053	-	63,230
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2023				
Trade and other payables	93,450	32,106	-	125,556
Total non-derivatives	93,450	32,106	-	125,556

Note 19. Key management personnel disclosures

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

Sasacha Maree Shepherd
 Ian Houghton Miffing
 Kenneth William Smallwood
 Carissa Jane Page

Vanessa Tamsin Seymour Emmett
 John Alfred Piavanini
 Shenae Chappell
 Jeffrey Ian Riley

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 20. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 19.

Collie & Districts Community Financial Services Limited
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Note 20. Related party transactions (continued)

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
	\$	\$
A Director owns and operates a local variety store. The company entered into transactions with this entity to purchase stationary and Christmas decorations.	163	-
A Director is the Treasurer at Collie Chamber of Commerce & Industry. The company entered into transactions with this entity for advertising, membership fees and sponsorships.	4,836	-
A Director is the board member of Tracmach. Tracmach received sponsorships during the year.	3,000	-
A Director's father owns Collie Bus Service. Collie Bus Service were paid to provide transport for an event during the year.	250	-
A Director is a board member of Fairview Primary School. Fairview Primary School received sponsorships during the year.	500	-

Note 21. 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	6,650	5,400
<i>Other services</i>		
Taxation advice and tax compliance services	1,775	1,653
General advisory services	5,069	3,490
Share registry services	5,234	4,611
	<u>12,078</u>	<u>9,754</u>
	<u><u>18,728</u></u>	<u><u>15,154</u></u>

Collie & Districts Community Financial Services Limited
Notes to the financial statements
30 June 2024

Note 22. Reconciliation of profit after income tax to net cash provided by operating activities

	2024	2023
	\$	\$
Profit after income tax expense for the year	610,625	514,561
Adjustments for:		
Depreciation and amortisation	64,415	59,398
Net loss on disposal of non-current assets	2,147	32,672
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	14,081	(69,412)
Decrease/(increase) in deferred tax assets	6,669	(5,063)
Increase/(decrease) in trade and other payables	(23,856)	46,142
Increase/(decrease) in provision for income tax	(32,581)	49,215
Increase/(decrease) in employee benefits	(17,558)	6,201
Net cash provided by operating activities	<u>623,942</u>	<u>633,714</u>

Note 23. Earnings per share

	2024	2023
	\$	\$
Profit after income tax	<u>610,625</u>	<u>514,561</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>430,256</u>	<u>430,259</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>430,256</u>	<u>430,259</u>
	Cents	Cents
Basic earnings per share	141.92	119.59
Diluted earnings per share	141.92	119.59

Accounting policy for earnings per share

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

Note 24. Commitments

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

Note 25. Contingencies

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

Note 26. 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.

Collie & Districts Community Financial Services Limited
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



[Sasacha Shepherd \(Oct 2, 2024 13:11 GMT+8\)](#)

Sasacha Maree Shepherd
Chair

2 October 2024



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 Collie & Districts Community Financial Services Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Collie & Districts Community Financial Services Limited (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 Collie & Districts 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 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', written over a light blue horizontal line.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 2 October 2024

A handwritten signature in black ink, appearing to read 'Lachlan Tatt', written over a light blue horizontal line.

Lachlan Tatt
Lead Auditor