

Annual Report 2021

Somerset Region
Community Enterprises
Limited

Community Bank - Lowood-Fernvale
Shop 15, 6 Walter St.,
Lowood Qld 4311
Phone: 07 5426 1208 Fax: 07 5426 1981
Email: lowood@bendigoadelaide.com.au
Web: bendigobank.com.au/branch/qld/community-bank-lowood-fernvale

Franchisee: Somerset Region Community Enterprises Limited
ABN: 33 138 179 450
Company Address,
Town State Postcode
Phone: 07 5426 1208
Email: email@email.com

Share Registry:
AFS & Associates Pty Ltd
PO Box 454, Bendigo VIC 3552
Phone: 5443 0344
Fax: 5443 5304
Email: shareregistry@afsbendigo.com.au

 /communitybanklowoodfernvale

 **Bendigo Bank**

Community Bank
Lowood & Fernvale

ABN 33 138 179 450

Contents

Contents page	1
Chairman's report	2-3
Manager's report	4
Agency Toogoolawah	5
Directors report	6-10
Auditor's independent declaration	11
Financial statement and notes	12-37
Director's declaration	38
Independent Audit report	39-41
Sponsorship/grant recipients	42

Vision Statement

Partnering strong prosperous communities

Mission Statement

***Delivering quality banking services to the mutual
benefit of clients and communities
in the Somerset Region***

Chairman's report

Hello Shareholders

It is with much pride that I present the 2021 Somerset Region Community Enterprises Ltd. annual report, and my 10th as Chairman.

This year our business has maintained the trend of all other years, and grown substantially.

This report also reflects our journey as a bank over the past 11 years, and the fundraising years leading to our opening in March 2010.

Interestingly, when you look back in time, 2008 was the year the world suffered the impact of the global financial crisis, and there we were, asking you to pledge to our community bank, a new concept in Australia. Our prediction at that time, was that the longevity of many bank branches was seriously in doubt.

A major setback to our progress in 2012, was the ATM fire that just about destroyed our Branch. It was off line for several weeks.

Then let's remember 2018, our Bank was robbed. Yes, banks get robbed, but who would think our community bank, and our community, would experience this terrible emotional and cyclonic experience. Our Board and Bank Team really valued the community's support at that time.

2020/21, the dreaded Covid 19 virus, closing down our country in so many ways. It is still impacting on our way of life. So too is the Reserve Bank's decision to reduce our cash rate to an all-time low of .1%.

Throughout these trying events, our Community Bank company has continued to grow, year after year.

We've had an ATM and three agencies at Fernvale and an agency at Esk, but found overtime they were not meeting our business expectations. By not having these facilities, we have been able to give more back to our communities, in grants sponsorships and donations.

Over time we have helped a great many clubs, organisations and schools in the Somerset Region, from Linville to Fernvale, grow and prosper.

Our Toogoolawah Agency provides a valued service to the northern end of the Somerset region, as does our Lowood & Fernvale Community Bendigo Branch in the south. And let's not forget our Bank Manager. She travels the region meeting clients face to face, to discuss their financial and insurance needs.

Company holdings at **30th June 2020 \$119,651,831** Company holdings at **30th June 2021 \$126,421,000.**

Dividends to our Shareholders have ranged from 3.5 % to 6.5%. On top of that, we have been able to return a staggering \$1,020,421.35 to our many communities across the Somerset region.

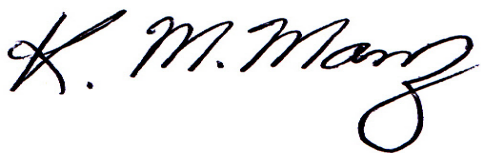
Chairman's report

Although we've had several set-backs over the last 10 years, we have handled them well and that is because Shareholders, we have a very professional and skilled Bank Team working with a Board of Directors who are passionate about managing our Community Bank company.

This is my last report as Chairman and as a Director of the Company. I know the Bank Team and Board will continue to grow our business moving into the future.

I would like to thank all past and present Bank Team members and Directors for your support in building a very strong Community Bank Company

Shareholder I thank you for your financing our Community Bank company and hope you have enjoyed our journey so far.



Keith MANZ (Chairman)



Manager's report

Manager's Report

For the year ending 30 June 2021

Going into the year with big expectations after achieving the "Branch of the Year" for the Southwest QLD region, the team ensured they had their priorities right by putting our customers first. We achieved the right results for the right reason.

Our total growth increased over the financial year with \$3,401,119 in lending and \$4,644,928 in deposits resulting in a positive result for the Lowood-Fernvale Community Bank.

With the support of Bendigo Corporate, we re-evaluated our strengths and weaknesses. During the year we were able to put more into the strengths that help support our business and reduce the weaknesses that took away from our ability to grow as a business and provide for our team, our customers, our community, and our shareholders.

Bendigo's corporate team continue to support our Community branch. Their ability to provide guidance and coaching for the range of services we provide, as well as the ongoing support of the team's management, help us go from strength to strength.

The shareholders and customers are the reason that we have been able to continue to service the community. Their investment into our business reflects in the results we have been able to achieve.

Without the Bank Team, none of our successes would be possible. Their advocacy for their customers shines through in every interaction. It's this customer service that builds the positive reputation that we hold in the community. Their resilience and adaptability throughout the year has again contributed to our many successes. Leonie Sippel (Customer Relationship manager), Sue Kendrick (Customer Relationship Officer), Janine Watkins (Senior Customer Service Officer), Natasha Harris (Customer Service Officer), Tanya McHugh (Customer Service officer) and Verena Walker (Customer Service Officer).

I'd also like to thank the outgoing Community Bank Board Chairman Keith Manz and the current board of Directors. Their continued support of the bank team allows us to do what we do best, provide great customer outcomes. I'd also like to welcome Aaron Heck as the incoming chairman, and I know from working with him during my time as manager, that he will continue to help us go from strength to strength.

The upcoming year will present its own obstacles to overcome, but I'm confident that with the support we receive, the bank and board team we have, the customers that trust us with their business and the community backing, we will have yet another fantastic year!

Caroline Bradley

Branch Manager

Lowood & Fernvale Bendigo Community Bank



Toogoolawah Agency

Our agents
Mark and Pauline Bulow
provide a valued
extended banking service
to our Somerset communities



Directors' report

The directors present their report together with the financial statements of the company for the financial year ended 30 June 2021.

Directors

The directors of the company who held office during the financial year and to the date of this report are:

Aaron Leigh Heck

Chairman

Occupation: Business person

Qualifications, experience and expertise: Aaron previously worked in management for Colorado Group from 1990 - 2005. He ran and managed a motel from 2005 - 2010 and currently manages a footwear retail store since 2013. Aaron is involved with Lutheran church and running local senior units (Trinity Haven Units).

Special responsibilities: Marketing Committee

Interest in shares: 883 ordinary shares

Jean Bray

Company Secretary

Occupation: Retired

Qualifications, experience and expertise: Former Community Partnership Manager with SEQ Catchments Ltd. In addition to her Company Secretary responsibilities with the bank, she serves in a volunteer capacity as Director/Treasurer of Folk Art Cooperative Society Ltd. and member of West Moreton Landcare Group Inc.

Special responsibilities: Secretary, Governance Committee.

Interest in shares: 7,001 ordinary shares

Sharyn Marree Voss

Non-executive director

Occupation: Personal Assistant to Director of Nursing Home

Qualifications, experience and expertise: Sharyn has been employed by Bundaleer Lodge Nursing Home since 1981 and now serves as a personal assistant to the Director of the nursing home. She has a Diploma in Management, Business & Administration and also serves as a Commissioner of Declarations. She is Secretary/Treasurer of the South East Queensland Illawarra Cattle Club and serves on the Queensland Dairy Showcase Committee. Sharyn and her husband own and operate a cattle transport business from their dairy farm at Glamorgan Vale since 1986.

Special responsibilities: Treasurer, Marketing Committee.

Interest in shares: 5,000 ordinary shares

Brett Wayne Freese

Non-executive director

Occupation: Information Technology Professional

Qualifications, experience and expertise: Brett has considerable experience in the Communications industry and has an Associate Diploma in mathematics and computing. He is extensively involved in local community work as a Director of the GlamorganVale Water Board, Treasurer of the GlamorganVale Tennis Club and the GlamorganVale Community Hall Association. He owns a small crop and cattle property at Glamorganvale.

Special responsibilities: Marketing & Sponsorship Committee Chair, Business Development Committee Chair

Interest in shares: 1 ordinary shares

Malcom John Sippel

Non-executive director

Occupation: Plumber

Qualifications, experience and expertise: Malcolm runs his own plumbing business and is a licenced plumber, drainer and gasfitter. He has been a committee member and a past President of the Lowood Golf Club and has served on the Lowood Show Society.

Special responsibilities: Marketing Committee

Interest in shares: 10,000 ordinary shares

Directors' report (continued)

Directors (continued)

Mark Edward Leahy

Non-executive director

Occupation: Software Support & Trainer - Agdata Australia

Qualifications, experience and expertise: Mark has a Bachelor of Engineering (agric), Grad Cert. Precision Agriculture and Cert. IV Assessing and Training. Mark has worked for Agdata Australia since 1984 and currently designs and develops financial and production computer record keeping software for farming businesses and provides support and training to clients using the software. Member and elected executive of Lowood & District Junior Rugby League Club from 2004-2014 and Brisbane Miniature Enthusiasts Association from 1998 - 2010.

Special responsibilities: Nil

Interest in shares: nil share interest held

Vicki Rae Cameron

Non-executive director

Occupation: Semi Retired Grazier

Qualifications, experience and expertise: Vicki and her husband owned and operated her own grazing properties as well as a contract mustering business for over 30 years. She has been involved with Campdraft committees and was on the Management Committee of the Lowood Bowls Club.

Special responsibilities: Nil

Interest in shares: 10,000 ordinary shares

Anne Louise Utz

Non-executive director (appointed 24 March 2021)

Occupation: Retired

Qualifications, experience and expertise: Anne was a practising accountant for 30 years until selling the practice and retiring on 30/6/20. She holds a Bachelor of Business (tertiary qualification). Anne is currently a partner on a family grazing property. She has been inaugural treasurer and tuckshop convenor at Faith Lutheran College, Plainland P & F association. Past member of Coominya Historical Society.

Special responsibilities:

Interest in shares: 10,000 ordinary shares

Keith Mervyn Manz

Non-executive director (resigned 30 June 2021)

Occupation: Business manager

Qualifications, experience and expertise: Keith has been part of a local family business and has been active in community group for many years. He brings considerable local knowledge, business management and business development skills to the Board.

Special responsibilities: Chairman for the financial year, Business Development and Marketing committees.

Interest in shares: 18,501 ordinary shares

Directors were in office for this entire year unless otherwise stated.

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

Directors' report (continued)

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 these activities during the financial year.

Operating results

The profit of the company for the financial year after provision for income tax was:

Year ended 30 June 2021	Year ended 30 June 2020
\$	\$
47,209	76,843

Directors' interests

	Fully paid ordinary shares		
	Balance at start of the year	Changes during the year	Balance at end of the year
Aaron Leigh Heck	883	-	883
Jean Bray	7,001	-	7,001
Sharyn Marree Voss	5,000	-	5,000
Brett Wayne Freese	1	-	1
Malcom John Sippel	10,000	-	10,000
Mark Edward Leahy	-	-	-
Vicki Rae Cameron	10,000	-	10,000
Anne Louise Utz	10,000	-	10,000
Keith Mervyn Manz	18,501	-	18,501

Dividends

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

	Cents per share	Total amount \$
Final unfranked dividend	5.50	33,407

Significant changes in the state of affairs

Since January 2020, COVID-19 has developed and spread globally. In response, the Commonwealth and State Government introduced a range of social isolation measures to limit the spread of the virus. Such measures have been revised, as appropriate, based on case numbers and the level of community transmission. Whilst there has been no significant changes on the companies financial performance so far, uncertainty remains on the future impact of COVID-19 to the company's operations.

In the opinion of the directors there were no other significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

Events since the end of the financial year

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company the results of those operations or the state of affairs of the company, in future years.

Directors' report (continued)

Likely developments

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

Environmental regulation

The company is not subject to any significant environmental regulation.

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.

Indemnification and insurance of directors and officers

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

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

Directors' meetings

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 Meetings Attended		Committee Meetings Attended					
			Planning and Business Development		Marketing Committee		Risk Mangement	
	<u>E</u>	<u>A</u>	<u>E</u>	<u>A</u>	<u>E</u>	<u>A</u>	<u>E</u>	<u>A</u>
<i>E - eligible to attend</i>								
<i>A - number attended</i>								
Aaron Leigh Heck	11	11	1	1	2	2	1	1
Jean Bray	11	11	1	1	2	1	1	1
Sharyn Marree Voss	11	11	1	1	2	2	1	1
Brett Wayne Freese	11	10	1	1	2	2	1	1
Malcom John Sippel	11	9	1	1	2	2	1	-
Mark Edward Leahy	11	11	1	1	2	1	1	1
Vicki Rae Cameron	11	8	1	1	2	1	1	1
Anne Louise Utz	4	4	-	-	-	-	-	-
Keith Mervyn Manz	11	11	1	1	2	2	1	-

Directors' report (continued)

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*.

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 27 to the accounts.

The board of directors 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; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the company, acting as an advocate for the company or jointly sharing risks and rewards.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

Signed in accordance with a resolution of the directors at Somerset, Queensland.



Aaron Leigh Heck, Chair

Dated this 12th day of August 2021

Auditor's independence declaration



61 Bull Street
Bendigo VIC 3550

afs@afsbendigo.com.au
03 5443 0344

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Somerset Region Community Enterprises Limited

As lead auditor for the audit of Somerset Region Community Enterprises Limited for the year ended 30 June 2021, 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: 12 August 2021

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

Adrian Downing
Lead Auditor

Financial statements

	Notes	2021 \$	2020 \$
Revenue from contracts with customers	8	792,521	814,040
Other revenue	9	47,266	66,278
Finance income	10	1,757	3,579
Employee benefit expenses	11d)	(439,665)	(381,880)
Charitable donations, sponsorship, advertising and promotion	11c)	(93,175)	(142,706)
Occupancy and associated costs		(19,943)	(22,630)
Systems costs		(18,320)	(17,716)
Depreciation and amortisation expense	11a)	(52,232)	(54,822)
Finance costs	11b)	(7,387)	(8,043)
General administration expenses		(154,554)	(164,452)
Profit before income tax expense		56,268	91,648
Income tax expense	12a)	(9,059)	(14,805)
Profit after income tax expense		47,209	76,843
Total comprehensive income for the year attributable to the ordinary shareholders of the company:		47,209	76,843
Earnings per share		¢	¢
- Basic and diluted earnings per share:	30a)	7.77	12.65

The accompanying notes form part of these financial statements

Financial statements (continued)

	Notes	2021 \$	2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	13	339,380	278,172
Trade and other receivables	14a)	64,864	67,129
Total current assets		404,244	345,301
Non-current assets			
Property, plant and equipment	15a)	74,461	89,173
Right-of-use assets	16a)	91,693	116,145
Intangible assets	17a)	48,870	61,938
Deferred tax asset	18b)	21,698	16,514
Total non-current assets		236,722	283,770
Total assets		640,966	629,071
LIABILITIES			
Current liabilities			
Trade and other payables	19a)	33,697	11,814
Current tax liabilities	18a)	3,975	11,979
Lease liabilities	20a)	29,907	28,511
Employee benefits	22a)	71,784	62,337
Total current liabilities		139,363	114,641
Non-current liabilities			
Lease liabilities	20b)	90,011	119,918
Employee benefits	22b)	6,647	4,266
Provisions	21a)	19,227	18,330
Total non-current liabilities		115,885	142,514
Total liabilities		255,248	257,155
Net assets		385,718	371,916
EQUITY			
Issued capital	23a)	585,786	585,786
Accumulated losses	24	(200,068)	(213,870)
Total equity		385,718	371,916

The accompanying notes form part of these financial statements

Financial statements (continued)

	Notes	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2019		585,786	(254,269)	331,517
Total comprehensive income for the year		-	76,843	76,843
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	29a)	-	(36,444)	(36,444)
Balance at 30 June 2020		585,786	(213,870)	371,916
Balance at 1 July 2020		585,786	(213,870)	371,916
Total comprehensive income for the year		-	47,209	47,209
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	29a)	-	(33,407)	(33,407)
Balance at 30 June 2021		585,786	(200,068)	385,718

The accompanying notes form part of these financial statements

Financial statements (continued)

	Notes	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from customers		919,657	953,075
Payments to suppliers and employees		(748,745)	(780,937)
Interest received		1,757	3,579
Lease payments (interest component)	11b)	(6,489)	(7,187)
Lease payments not included in the measurement of lease liabilities	11e)	(20,806)	(28,976)
Income taxes paid		(22,248)	(6,798)
Net cash provided by operating activities	25	123,126	132,756
Cash flows from investing activities			
Payments for intangible assets		-	(65,340)
Net cash used in investing activities		-	(65,340)
Cash flows from financing activities			
Lease payments (principal component)		(28,511)	(25,129)
Dividends paid	29	(33,407)	(36,444)
Net cash provided by financing activities		(61,918)	(61,573)
Net cash increase in cash held		61,208	5,843
Cash and cash equivalents at the beginning of the financial year		278,172	272,329
Cash and cash equivalents at the end of the financial year	13a)	339,380	278,172

The accompanying notes form part of these financial statements

Notes to the financial statements

Note 1 Reporting entity

This is the financial report for Somerset Region Community Enterprises Limited (the company). The company is a for profit entity limited by shares, and incorporated and domiciled in Australia. The registered office and principal place of business is:

Registered Office	Principal Place of Business
Shop 15/6 Walter Street LOWOOD QLD 4311	Shop 15/6 Walter Street LOWOOD QLD 4311

Further information on the nature of the operations and principal activity of the company is provided in the directors' report. Information on the company's related party relationships is provided in Note 28.

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. The financial report is presented in Australian dollars and all values are rounded to the nearest dollar, unless otherwise stated.

These financial statements for the year ended 30 June 2021 were authorised for issue in accordance with a resolution of the directors on 12 August 2021.

Note 3 Changes in accounting policies, standards and interpretations

There are a number of amendments to accounting standards issued by the AASB that became mandatorily effective for accounting periods beginning on or after 1 July 2020, and are therefore relevant for the current financial year. The amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Note 4 Summary of significant accounting policies

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

a) 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. Under AASB 15 *Revenue from Contracts with Customers* (AASB 15), revenue recognition for the company's revenue stream is as follows:

Notes to the financial statements (continued)

Note 4 Summary of significant accounting policies (continued)

<u>Revenue</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 Goods and Services Tax (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 – margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services.

The revenue earned by the company is dependent on the business that it generates. It may also be affected by other factors, such as economic and local conditions, for example, interest rates.

Margin

Margin is arrived at through the following calculation:

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

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

Commission

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

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

Fee income

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

Core banking products

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

Notes to the financial statements (continued)

Note 4 Summary of significant accounting policies (continued)

a) 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.

b) Other revenue

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

<u>Revenue</u>	<u>Revenue recognition policy</u>
Discretionary financial contributions (also "Market Development Fund" or "MDF" income)	MDF income is recognised when the right to receive the payment is established. MDF income is discretionary and provided and receivable at month-end and paid within 14 days after month-end.
Cash flow boost	Cash flow boost income is recognised when the right to the payment is established (e.g. monthly or quarterly in the activity statement).
Other income	All other revenues that did not contain contracts with customers are recognised as goods and services are provided.

All revenue is stated net of the amount of Goods and Services Tax (GST).

Discretionary financial contributions

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

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

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

Cash flow boost

In response to the COVID-19 outbreak, Boosting Cash Flow for Employers (Coronavirus Economic Response Package) Act 2020 (CFB Act) was enacted. The purpose was to provide temporary cash flow to small and medium sized businesses that employ staff and have been affected by the economic downturn associated with COVID-19.

The amounts received are in relation to amounts withheld as withholding tax reported in the activity statement. This essentially subsidises the company's obligation to remit withholding tax to the Australian Taxation Office. For reporting purposes, the amounts subsidised are recognised as revenue.

The amounts are not assessable for tax purposes and there is no obligation to repay the amounts.

Notes to the financial statements (continued)

Note 4 Summary of significant accounting policies (continued)

c) Economic dependency - Bendigo Bank

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank.

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

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

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

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

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

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

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

d) Employee benefits

Short-term employee benefits

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

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

Defined superannuation contribution plans

The company contributes to a defined contribution plan. Obligations for superannuation contributions to defined contribution plans are expensed as the related service is provided.

Notes to the financial statements (continued)

Note 4 Summary of significant accounting policies (continued)

d) Employee benefits (continued)

Other long-term employee benefits

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

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

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

e) Taxes

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current income 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.

Deferred tax

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

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

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

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

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

Goods and Services Tax

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

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

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

f) Cash and cash equivalents

For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise cash on hand and deposits held with banks.

Notes to the financial statements (continued)

Note 4 Summary of significant accounting policies (continued)

g) Property, plant and equipment

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

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

Depreciation is calculated to write-off the cost of items of property, plant and equipment less their estimated residual values using straight-line method over their estimated useful lives, and is recognised in profit or loss.

The estimated useful lives of property, plant and equipment for the current and comparative periods are as follows:

<u>Asset class</u>	<u>Method</u>	<u>Useful life</u>
Leasehold improvements	Straight-line	6 to 40 years
Plant and equipment	Straight-line	1 to 40 years
Motor vehicles	Straight-line	4.5 years

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

h) 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. The company has also acquired an agency from Bendigo Bank.

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 and domiciled customer accounts acquired 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>
Franchise fee	Straight-line	Over the franchise term (5 years)
Franchise renewal process fee	Straight-line	Over the franchise term (5 years)
Domiciled customer accounts	Assessed for impairment	Finite

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

i) Financial instruments

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

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

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

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

Notes to the financial statements (continued)

Note 4 Summary of significant accounting policies (continued)

j) Impairment

Non-derivative financial assets

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

The company's trade receivables are limited to the monthly profit share distribution from Bendigo Bank, which is received 10 business days post month end. Due to the reliance on Bendigo Bank the company has reviewed credit ratings provided by Standard & Poors, Moody's and Fitch Ratings to determine the level of credit exposure to the company. The company also performed a historical assessment of receivables from Bendigo Bank and found no instances of default. As a result no ECL has been made in relation to trade receivables as at 30 June 2021.

Non-financial assets

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

k) Issued capital

Ordinary shares are recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

l) Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

m) Leases

At inception of a contract, the company assesses whether a contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration and obtain substantially all the economic benefits from the use of that asset.

As a lessee

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the company's incremental borrowing rate.

The company determines its incremental borrowing rate by obtaining interest rates from funding sources and where necessary makes certain adjustments to reflect the terms of the lease and type of asset leased.

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

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

Notes to the financial statements (continued)

Note 4 Summary of significant accounting policies (continued)

m) Leases (continued)

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

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

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

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Short-term leases and leases of low-value assets

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

A short-term lease is a lease that, at commencement date, has a lease term of 12 months or less.

Note 5 Significant accounting judgements, estimates, and assumptions

In preparing these financial statements, management has made judgements and estimates that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

<u>Note</u>	<u>Judgement</u>
- Note 20 - leases:	
a) control	a) whether a contract is or contains a lease at inception by assessing whether the company has the right to control the use of the identified asset for a period of time in exchange for consideration and obtain substantially all the economic benefits from the use of that asset;
b) lease term	b) whether the company is reasonably certain to exercise extension options, termination periods, and purchase options;
c) discount rates	c) judgement is required to determine the discount rate, where the discount rate is the company's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. The incremental borrowing rate is determined with reference to factors specific to the company and underlying asset including the amount, the lease term, economic environment and other relevant factors.

Notes to the financial statements (continued)

Note 5 Significant accounting judgements, estimates, and assumptions (continued)

b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 30 June 2021 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

<u>Note</u>	<u>Assumptions</u>
- Note 18 - recognition of deferred tax assets	availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilised;
- Note 15 - estimation of useful lives of assets	key assumptions on historical experience and the condition of the asset;
- Note 22 - long service leave provision	key assumptions on attrition rate and pay increases through promotion and inflation;
- Note 21 - make-good provision	key assumptions on future cost estimates in restoring the leased premises in accordance with the lease agreement;

Note 6 Financial risk management

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

Risk management is carried out directly by the board of directors.

a) Credit risk

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

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

b) Liquidity risk

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

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities. The contractual cash flows amounts are gross and undiscounted.

30 June 2021

<u>Non-derivative financial liability</u>	<u>Carrying amount</u>	<u>Contractual cash flows</u>		
		<u>Not later than 12 months</u>	<u>Between 12 months and five years</u>	<u>Greater than five years</u>
Lease liabilities	119,918	35,000	96,250	-
Trade and other payables	33,697	33,697	-	-
	<u>153,615</u>	<u>68,697</u>	<u>96,250</u>	<u>-</u>

Notes to the financial statements (continued)

Note 6 Financial risk management (continued)

b) Liquidity risk (continued)

30 June 2020

<u>Non-derivative financial liability</u>	<u>Carrying amount</u>	<u>Contractual cash flows</u>		
		<u>Not later than 12 months</u>	<u>Between 12 months and five years</u>	<u>Greater than five years</u>
Lease liabilities	148,429	35,000	131,249	-
Trade and other payables	11,814	11,814	-	-
	<u>160,243</u>	<u>46,814</u>	<u>131,249</u>	<u>-</u>

c) Market risk

Market risk is the risk that changes in market prices - e.g. foreign exchange rates, interest rates, and equity prices - will affect the company's income or the value of its holdings in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The company has no exposure to any transactions denominated in a currency other than Australian dollars.

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.

Cash flow and fair value interest rate risk

Interest-bearing assets and liabilities are held with Bendigo Bank and subject to movements in market interest.

The company held cash and cash equivalents of \$339,380 at 30 June 2021 (2020: \$278,172). The cash and cash equivalents are held with Bendigo Bank, which are rated BBB+ on Standard & Poor's credit ratings.

Note 7 Capital management

The board's policy is to maintain a strong capital base so as to sustain future development of the company. The board of directors 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 year ended 30 June 2021 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 8 Revenue from contracts with customers

	2021	2020
	\$	\$
- Margin income	627,068	657,138
- Fee income	85,088	75,659
- Commission income	80,365	81,243
	<u>792,521</u>	<u>814,040</u>

Note 9 Other revenue

	2021	2020
	\$	\$
- Market development fund income	22,500	25,000
- Cash flow boost	24,766	41,278
	<u>47,266</u>	<u>66,278</u>

Note 10 Finance income

	2021	2020
	\$	\$
- Term deposits	<u>1,757</u>	<u>3,579</u>

Note 11 Expenses

a) Depreciation and amortisation expense	2021	2020
	\$	\$
- Leasehold improvements	4,863	8,193
- Plant and equipment	2,707	3,784
- Motor vehicles	7,142	7,142
	<u>14,712</u>	<u>19,119</u>

Depreciation of right-of-use assets

- Leased land and buildings	<u>24,452</u>	<u>22,092</u>
-----------------------------	---------------	---------------

Amortisation of intangible assets:

- Franchise fee	2,178	2,269
- Franchise renewal process fee	10,890	11,342
	<u>13,068</u>	<u>13,611</u>

Total depreciation and amortisation expense

	<u>52,232</u>	<u>54,822</u>
--	---------------	---------------

b) Finance costs

Finance costs:

- Lease interest expense	6,489	7,187
- Unwinding of make-good provision	898	856
	<u>7,387</u>	<u>8,043</u>

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

Notes to the financial statements (continued)

Note 11 Expenses (continued)

c) Charitable donations, sponsorship, advertising and promotion

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 and grants).

	2021 \$	2020 \$
- Direct sponsorship, advertising, and promotion payments	56,859	66,151
- Contribution to the Community Enterprise Foundation™	36,316	76,555
	<u>93,175</u>	<u>142,706</u>

The funds contributed are held by the (CEF) and 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.

d) Employee benefit expenses

	2021 \$	2020 \$
Wages and salaries	390,657	367,391
Non-cash benefits	3,696	(693)
Contributions to defined contribution plans	35,636	32,774
Expenses related to long service leave	2,934	7,476
Other expenses	6,742	(25,068)
	<u>439,665</u>	<u>381,880</u>

e) Recognition exemption

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

The company paid for the right to use a billboard during the period. This lease expired on 30 May 2021 and has been exempted from recognition under AASB 16 accounting as a short-term lease. Expenses relating to short-term exempt leases are included in advertising costs.

	2021 \$	2020 \$
Expenses relating to low-value leases	5,956	5,787
Expenses relating to short-term leases	14,849	23,189
	<u>20,805</u>	<u>28,976</u>

Note 12 Income tax expense

a) Amounts recognised in profit or loss

	2021 \$	2020 \$
<i>Current tax expense/(credit)</i>		
- Current tax	14,243	14,484
- Movement in deferred tax	(6,052)	(15,151)
- Adjustment to deferred tax to reflect reduction in tax rate in future periods	868	953
- Adjustment to deferred tax on AASB 16 retrospective application	-	14,519
	<u>9,059</u>	<u>14,805</u>

Notes to the financial statements (continued)

Note 12 Income tax expense (continued)

b) <i>Prima facie</i> income tax reconciliation	2021 \$	2020 \$
Operating profit before taxation	56,268	91,648
Prima facie tax on loss from ordinary activities at 26% (2020: 27.5%)	14,630	25,203
Tax effect of:		
- Temporary differences	6,052	633
- Other assessable income	(6,439)	(11,352)
- Movement in deferred tax	(6,052)	(15,151)
- Adjustment to deferred tax to reflect reduction of tax rate in future periods	868	953
- Leases initial recognition	-	14,519
	<u>9,059</u>	<u>14,805</u>

Note 13 Cash and cash equivalents

	2021 \$	2020 \$
- Cash at bank and on hand	98,259	38,808
- Term deposits	241,121	239,364
	<u>339,380</u>	<u>278,172</u>

Note 14 Trade and other receivables

a) Current assets	2021 \$	2020 \$
Trade receivables	62,334	60,703
Prepayments	2,106	6,002
Other receivables and accruals	424	424
	<u>64,864</u>	<u>67,129</u>

Note 15 Property, plant and equipment

a) Carrying amounts	2021 \$	2020 \$
<i>Leasehold improvements</i>		
At cost	162,913	162,913
Less: accumulated depreciation	(100,194)	(95,331)
	<u>62,719</u>	<u>67,582</u>
<i>Plant and equipment</i>		
At cost	64,760	64,760
Less: accumulated depreciation	(54,332)	(51,625)
	<u>10,428</u>	<u>13,135</u>
<i>Motor vehicles</i>		
At cost	31,741	31,741
Less: accumulated depreciation	(30,427)	(23,285)
	<u>1,314</u>	<u>8,456</u>
Total written down amount	<u>74,461</u>	<u>89,173</u>

Notes to the financial statements (continued)

Note 15 Property, plant and equipment (continued)

b) Reconciliation of carrying amounts	2021	2020
	\$	\$
<i>Leasehold improvements</i>		
Carrying amount at beginning	67,582	75,775
Depreciation	(4,863)	(8,193)
	<u>62,719</u>	<u>67,582</u>
<i>Plant and equipment</i>		
Carrying amount at beginning	13,135	16,919
Depreciation	(2,707)	(3,784)
	<u>10,428</u>	<u>13,135</u>
<i>Motor vehicles</i>		
Carrying amount at beginning	8,456	15,598
Depreciation	(7,142)	(7,142)
	<u>1,314</u>	<u>8,456</u>
Total written down amount	<u>74,461</u>	<u>89,173</u>

c) Changes in estimates

During the financial year, the company assessed estimates used for property, plant and equipment including useful lives, residual values, and depreciation methods. There were no changes in estimates for the current reporting period.

Note 16 Right-of-use assets

a) Carrying amounts	2021	2020
	\$	\$
<i>Leased land and buildings</i>		
At cost	306,164	306,164
Less: accumulated depreciation	(214,471)	(190,019)
Total written down amount	<u>91,693</u>	<u>116,145</u>
b) Reconciliation of carrying amounts		
<i>Leased land and buildings</i>		
Carrying amount at beginning	116,145	-
Initial recognition on transition	-	267,815
Accumulated depreciation on adoption	-	(167,927)
Remeasurement adjustments	-	38,349
Depreciation	(24,452)	(22,092)
Carrying amount at end	<u>91,693</u>	<u>116,145</u>

Notes to the financial statements (continued)

Note 17 Intangible assets

a) Carrying amounts	2021	2020
	\$	\$
<i>Franchise fee</i>		
At cost	32,233	32,233
Less: accumulated amortisation	(24,088)	(21,910)
	<u>8,145</u>	<u>10,323</u>
<i>Franchise establishment fee</i>		
At cost	100,000	100,000
Less: accumulated amortisation	(100,000)	(100,000)
	<u>-</u>	<u>-</u>
<i>Franchise renewal process fee</i>		
At cost	111,163	111,163
Less: accumulated amortisation	(70,438)	(59,548)
	<u>40,725</u>	<u>51,615</u>
<i>Cash generating unit - domiciled amounts</i>		
At cost	63,079	63,079
Less: accumulated amortisation	(63,079)	(63,079)
	<u>-</u>	<u>-</u>
Total written down amount	<u><u>48,870</u></u>	<u><u>61,938</u></u>
b) Reconciliation of carrying amounts		
<i>Franchise fee</i>		
Carrying amount at beginning	10,323	1,702
Additions	-	10,890
Amortisation	(2,178)	(2,269)
	<u>8,145</u>	<u>10,323</u>
<i>Franchise renewal process fee</i>		
Carrying amount at beginning	51,615	8,507
Additions	-	54,450
Amortisation	(10,890)	(11,342)
	<u>40,725</u>	<u>51,615</u>
Total written down amount	<u><u>48,870</u></u>	<u><u>61,938</u></u>

c) Changes in estimates

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

Notes to the financial statements (continued)

Note 18 Tax assets and liabilities

a) Current tax	2021 \$	2020 \$
Income tax payable	3,975	11,979
b) Deferred tax		
<i>Deferred tax assets</i>		
- expense accruals	1,000	754
- employee provisions	19,608	17,317
- make-good provision	4,807	4,766
- lease liability	29,980	38,592
Total deferred tax assets	55,395	61,429
<i>Deferred tax liabilities</i>		
- income accruals	106	110
- property, plant and equipment	10,668	14,607
- right-of-use assets	22,923	30,198
Total deferred tax liabilities	33,697	44,915
Net deferred tax assets (liabilities)	21,698	16,514
Movement in deferred tax charged to Statement of Profit or Loss and Other Comprehensive Income	(6,052)	(320)
Movement in deferred tax charged to Statement of Changes in Equity	-	14,519

Note 19 Trade creditors and other payables

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

a) Current liabilities	2021 \$	2020 \$
Trade creditors	3,798	3,657
Other creditors and accruals	29,899	8,157
	33,697	11,814

Note 20 Lease liabilities

Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate on the adoption date. The discount rate used on recognition was 4.79%.

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

The company's lease portfolio includes:

- Lowood Branch The lease agreement is a non-cancellable lease with an initial term of four years and four months which commenced in November 2009. An extension option term of ten years was exercised in March 2015. As such, the lease term end date used in the calculation of the lease liability is October 2025.

Notes to the financial statements (continued)

Note 20 Lease liabilities (continued)

	2021	2020
	\$	\$
a) Current lease liabilities		
Property lease liabilities	35,000	35,000
Unexpired interest	(5,093)	(6,489)
	<u>29,907</u>	<u>28,511</u>
b) Non-current lease liabilities		
Property lease liabilities	96,250	131,249
Unexpired interest	(6,239)	(11,331)
	<u>90,011</u>	<u>119,918</u>
c) Reconciliation of lease liabilities		
Balance at the beginning	148,429	-
Initial recognition on AASB 16 transition	-	135,209
Remeasurement adjustments	-	38,349
Lease interest expense	6,489	7,187
Lease payments - total cash outflow	(35,000)	(32,316)
	<u>119,918</u>	<u>148,429</u>
d) Maturity analysis		
- Not later than 12 months	35,000	35,000
- Between 12 months and 5 years	96,250	131,249
Total undiscounted lease payments	<u>131,250</u>	<u>166,249</u>
Unexpired interest	(11,332)	(17,820)
Present value of lease liabilities	<u>119,918</u>	<u>148,429</u>

Note 21 Provisions

	2021	2020
	\$	\$
a) Non-current liabilities		
Make-good on leased premises	<u>19,227</u>	<u>18,330</u>

In accordance with the branch lease agreement, the company must restore the leased premises to the original condition before the expiry of the lease term. The company has estimated the provision to be \$23,000 based on experience and consideration of the expected future costs to remove all fittings and the ATM as well as cost to remedy any damages caused during the removal process. The lease is due to expire on 31 October 2025 at which time it is expected the face-value costs to restore the premises will fall due.

Note 22 Employee benefits

	2021	2020
	\$	\$
a) Current liabilities		
Provision for annual leave	41,737	32,843
Provision for long service leave	30,047	29,494
	<u>71,784</u>	<u>62,337</u>
b) Non-current liabilities		
Provision for long service leave	<u>6,647</u>	<u>4,266</u>

Notes to the financial statements (continued)

Note 22 Employee benefits (continued)

c) Key judgement and assumptions

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 23 Issued capital

a) Issued capital

	2021		2020	
	Number	\$	Number	\$
Ordinary shares - fully paid	607,407	607,407	607,407	607,407
Less: equity raising costs	-	(21,621)	-	(21,621)
	<u>607,407</u>	<u>585,786</u>	<u>607,407</u>	<u>585,786</u>

b) Rights attached to issued capital

Ordinary shares

Voting rights

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

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

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

Dividends

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

Transfer

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

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

Notes to the financial statements (continued)

Note 23 Issued capital (continued)

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 his or her associates) have a prohibited shareholding interest, are suspended.

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

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

Note 24 Accumulated losses

	Note	2021 \$	2020 \$
Balance at beginning of reporting period		(213,870)	(215,991)
Adjustment for transition to AASB 16		-	(38,278)
Net profit after tax from ordinary activities		47,209	76,843
Dividends provided for or paid	30a)	(33,407)	(36,444)
Balance at end of reporting period		<u>(200,068)</u>	<u>(213,870)</u>

Notes to the financial statements (continued)

Note 25 Reconciliation of cash flows from operating activities

	2021 \$	2020 \$
Net profit after tax from ordinary activities	47,209	76,843
Adjustments for:		
- Depreciation	39,164	41,211
- Amortisation	13,068	13,611
Changes in assets and liabilities:		
- (Increase)/decrease in trade and other receivables	2,264	(861)
- (Increase)/decrease in other assets	(5,184)	65,661
- Increase/(decrease) in trade and other payables	21,883	(87,496)
- Increase/(decrease) in employee benefits	11,828	15,246
- Increase/(decrease) in provisions	898	856
- Increase/(decrease) in tax liabilities	(8,004)	7,685
Net cash flows provided by operating activities	<u>123,126</u>	<u>132,756</u>

Note 26 Financial instruments

The following shows the carrying amounts for all financial instruments at amortised costs. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	2021 \$	2020 \$
Financial assets			
Cash and cash equivalents	13	98,259	38,808
Term deposits	13	241,121	239,364
Trade and other receivables	14	62,758	61,127
		<u>402,138</u>	<u>339,299</u>
Financial liabilities			
Trade and other payables	19	33,697	11,814
Lease liabilities	20	119,918	148,429
		<u>153,615</u>	<u>160,243</u>

Note 27 Auditor's remuneration

Amount received or due and receivable by the auditor of the company for the financial year.

	2021 \$	2020 \$
<i>Audit and review services</i>		
- Audit and review of financial statements	5,000	4,800
<i>Non audit services</i>		
- Taxation advice and tax compliance services	1,300	600
- General advisory services	4,160	3,540
- Share registry services	2,985	3,022
Total auditor's remuneration	<u>13,445</u>	<u>11,962</u>

Notes to the financial statements (continued)

Note 28 Related parties

a) Details of key management personnel

The directors of the company during the financial year were:

Aaron Leigh Heck
 Jean Bray
 Sharyn Marree Voss
 Brett Wayne Freese
 Malcom John Sippel
 Mark Edward Leahy
 Vicki Rae Cameron
 Anne Louise Utz
 Keith Mervyn Manz

b) Key management personnel compensation

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.

c) Related party transactions

No director or related entity has entered into a material contract with the company.

Note 29 Dividends provided for or paid

a) Dividends provided for and paid during the period

The following dividends were provided for and paid to shareholders during the reporting period as presented in the statement of Changes in Equity and Statement of Cash Flows.

	30 June 2021		30 June 2020	
	Cents	\$	Cents	\$
Unfranked dividend	5.50	33,407	6.00	36,444

b) Franking account balance

Franking credits available for subsequent reporting periods

	2021	2020
	\$	\$
Franking account balance at the beginning of the financial year	37,555	30,757
Franking transactions during the financial year:		
- Franking credits (debits) arising from income taxes paid (refunded)	986	-
- Franking credits from income tax instalments paid	21,262	6,798
Franking account balance at the end of the financial year	59,803	37,555
Franking transactions that will arise subsequent to the financial year end:		
- Franking credits (debits) that will arise from payment (refund) of income tax	3,975	11,979
Franking credits available for future reporting periods	63,778	49,534

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%.

Notes to the financial statements (continued)

Note 30 Earnings per share

a) Basic and diluted earnings per share

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	2021	2020
	\$	\$
Profit attributable to ordinary shareholders	47,209	76,843
	Number	Number
Weighted-average number of ordinary shares	607,407	607,407
	Cents	Cents
Basic and diluted earnings per share	<u>7.77</u>	<u>12.65</u>

Note 31 Commitments

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

Note 32 Contingencies

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

Note 33 Subsequent events

There have been no significant events occurring after the reporting period which may affect either the company's operations or the results of those operations or the company's state of affairs.

Directors' declaration

In accordance with a resolution of the directors of Somerset Region Community Enterprises Limited, we state that:

In the opinion of the directors:

- (a) the financial statements and notes of the company are 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 2021 and of its performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Aaron Leigh Heck, Chair

Dated this 12th day of August 2021

Independent audit report



61 Bull Street
Bendigo VIC 3550

afs@afsbendigo.com.au
03 5443 0344

Independent auditor's report to the Directors of Somerset Region Community Enterprises Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Somerset Region Community Enterprises Limited's (the company), which comprises:

- Statement of financial position as at 30 June 2021
- Statement of profit or loss and other comprehensive income
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements, including a summary of significant accounting policies
- The directors' declaration of the company.

In our opinion, the accompanying financial report of Somerset Region Community Enterprises Limited, is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2021 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.

Independent audit report (continued)



61 Bull Street
Bendigo VIC 3550
afs@afsbendigo.com.au
03 5443 0344

Other Information

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

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's responsibilities for the Audit of the Financial Report

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

Independent audit report (continued)



61 Bull Street
Bendigo VIC 3550

afs@afsbendigo.com.au
03 5443 0344

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.

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 12 August 2021

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

Adrian Downing
Lead Auditor

Sponsorship and Grants 2020-2021

Organisation	Grant/sponsorship	Purpose
Brisbane Valley Just Dance	\$ 650 sponsor	Christmas concert
Clarendon State School	\$5645 grant	Playground learning mural
Esk Bowls Club	\$ 1500 sponsor	Annual carnival
Esk Show Society	\$ 1000 sponsor	Annual show
Esk Show Society	\$ 500 sponsor	Show ball
Fernvale Lions Club	\$2000 grant	Contribution to solar panels
GlamorganVale CWA	\$2400 sponsor	91 st Birthday celebrations
Glenwood Aged Care	\$ 1000 sponsor	Bus maintenance
Ipswich & District Koala Protection Society	\$ 2000 sponsor	Rescue vehicle
Lowood Bowls Club	\$ 500 sponsor	Mens weekend carnival
Lowood Bowls Club	\$4000 grant	Upgrade to bar floor covering
Lowood & District Golf Club	\$ 275 sponsor	Golf tournament
Lowood Kindergarten Assoc	\$1032 sponsor	Annual fete
Lowood Kindergarten Assoc	\$ 800 sponsor	Yarning Circle
Lowood Ladies Bowls Club	\$ 500 sponsor	Annual carnival
Lowood State High School	\$1000 sponsor	Perpetual trophy
Lowood State High School	\$2000 sponsor	Football academy
Lowood Show Society	\$1000 sponsor	Annual show
Lowood Show Society	\$ 500 sponsor	Show ball
Lowood Show Society	\$6000 grant	Poultry sheds
Lowood Show Society	\$ 500 sponsor	Fireworks
Minden Baptist Church	\$ 500 sponsor	Christmas carnival
Prenzlau State School	\$3564 sponsor	"Prenzlau patch garden project
Somerset Arts Society	\$6000 sponsor	2022 Bendigo Art Exhibition at Esk
Somerset Regional Council	\$1200 sponsor	Christmas lights
Somerset Regional Council	\$ 750 sponsor	Annual garden competition
Storm Netball club	\$3181 sponsor	Netball support
Toogoolawah Junior Cattle Camp	\$ 330 sponsor	Youth - cattle handling program
Toogoolawah Progress Assoc	\$5000 grant	Painting Alexandra Hall
Toogoolawah Show Society	\$1000 sponsor	Annual show
Toogoolawah Show Society	\$ 500 sponsor	Show ball
Toogoolawah Show Society	\$ 500 sponsor	Christmas carnival
Valley of the Lakes Garden Club	\$ 2500 sponsor	Esk Garden Expo

