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Sunshine Coast  
Community Financial Services Limited

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ABN: 12 100 576 261

Financial Report  
For the half-year ended  
31 December 2022

# Sunshine Coast Community Financial Services Limited

## Directors' Report

The directors present their report together with the financial statements of the company for the half-year ended 31 December 2022.

### Directors

The names of directors who held office during the half-year and until the date of this report are as below:

Patricia Radge	Toby Bicknell
Rick Cooper	Guy Hamilton
David Green	Louise McNeich
Elizabeth Reynolds	

### Principal activity

The principal activity of the company during the financial period was facilitating Community Bank services under management rights to operate franchised branches of Bendigo and Adelaide Bank Limited.

### Review of operations

Operations have continued to perform in line with expectations. The net profit of the company for the financial period after the provision of income tax was:

Half-year ended 31 December 2022	Half-year ended 31 December 2021
\$	\$
815,398	37,342

The company has seen a significant increase in its revenue during the period. This is mostly the result of the Reserve Bank of Australia (RBA) increasing the cash rate by 2.25% during the period moving from 0.85% to 3.10% as at 31 December 2022. The increased cash rate has had a direct impact on the revenue received by the company, increasing the net interest margin income received under the revenue share arrangement.

### Events after the end of the reporting period

Since the end of the half-year, the RBA has increased the cash rate by 0.25% moving from 3.10% at 31 December 2022 to 3.35% as at the date of signing these accounts. The increase in the cash rate has a direct impact on the revenue received by the company on its products (deposits and loans) offered to its customers. The company expects further increases in the revenue streams based on the recent rises.

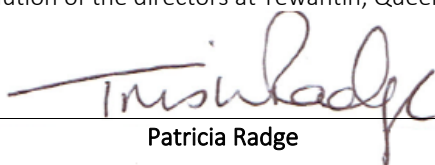
There are no other matters or circumstances that have arisen since the end of the half year reporting period that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

### Auditor's independence declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 2.

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

Director



Patricia Radge

Dated this 2nd day of March 2023



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

## Lead auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Sunshine Coast Community Financial Services Limited

We declare that, to the best of our knowledge and belief, for the half-year ended 31 December 2022 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review
- ii. any applicable code of professional conduct in relation to the review.

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

**Andrew Frewin Stewart**  
61 Bull Street, Bendigo Vic 3550  
Dated: 2 March 2023

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

**Joshua Griffin**  
**Lead Auditor**

# Sunshine Coast Community Financial Services Limited

## Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2022

	Note	31-Dec-22 \$	31-Dec-21 \$
Revenue from contracts with customers	5	2,470,564	1,553,945
Other revenue		43,643	38,567
Finance income		166	6
Employee benefits expense		(861,987)	(1,010,438)
Advertising and marketing costs		(58,119)	(4,586)
Occupancy and associated costs		(36,208)	(47,849)
Systems costs		(53,946)	(69,806)
Depreciation and amortisation expense		(93,176)	(118,083)
Finance costs		(29,759)	(38,197)
General administration expenses		(180,816)	(206,918)
<b>Profit before community contributions and income tax</b>		<b>1,200,362</b>	<b>96,641</b>
Charitable donations and sponsorships expense		(129,145)	(38,964)
<b>Profit before income tax</b>		<b>1,071,217</b>	<b>57,677</b>
Income tax expense		(255,819)	(20,335)
<b>Profit after income tax</b>		<b>815,398</b>	<b>37,342</b>
<b>Total comprehensive income for the half-year attributable to the ordinary shareholders of the company:</b>		<b>815,398</b>	<b>37,342</b>
<b>Earnings per share</b>		<b>¢</b>	<b>¢</b>
- Basic and diluted earnings per share:		47.85	2.19

# Sunshine Coast Community Financial Services Limited

## Statement of Financial Position

For the half-year ended 31 December 2022

	31-Dec-22 \$	30-Jun-22 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	161,003	97,483
Trade and other receivables	378,844	167,736
<b>Total current assets</b>	<b>539,847</b>	<b>265,219</b>
<b>Non-current assets</b>		
Property, plant and equipment	3,748,746	3,794,486
Right of use assets	227,944	203,517
Intangible assets	22,618	41,001
<b>Total non-current assets</b>	<b>3,999,308</b>	<b>4,039,004</b>
<b>TOTAL ASSETS</b>	<b>4,539,155</b>	<b>4,304,223</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	174,075	89,236
Current tax liabilities	244,324	32,160
Loans and borrowings	141,160	204,498
Lease liabilities	21,049	18,881
<b>Total current liabilities</b>	<b>580,608</b>	<b>344,775</b>
<b>Non-current liabilities</b>		
Loans and borrowings	400,769	1,095,006
Lease liabilities	348,903	326,692
Provisions	9,651	9,442
Deferred tax liabilities	178,101	186,244
<b>Total non-current liabilities</b>	<b>937,424</b>	<b>1,617,384</b>
<b>TOTAL LIABILITIES</b>	<b>1,518,032</b>	<b>1,962,159</b>
<b>NET ASSETS</b>	<b>3,021,123</b>	<b>2,342,064</b>
<b>EQUITY</b>		
Issued capital	1,623,067	1,623,067
Reserves	587,750	587,750
Retained earnings	810,306	131,247
<b>TOTAL EQUITY</b>	<b>3,021,123</b>	<b>2,342,064</b>

# Sunshine Coast Community Financial Services Limited

## Statement of Changes in Equity

For the half-year ended 31 December 2022

	Note	Issued capital \$	Revaluation reserve \$	Retained earnings \$	Total equity \$
<b>Balance at 1 July 2021</b>		1,623,067	587,750	42,952	2,253,769
Total comprehensive income for the half-year		-	-	37,342	37,342
<b>Transactions with owners in their capacity as owners:</b>					
Dividends provided for or paid	6	-	-	(68,170)	(68,170)
<b>Balance at 31 December 2021</b>		<b>1,623,067</b>	<b>587,750</b>	<b>12,124</b>	<b>2,222,941</b>
<b>Balance at 1 July 2022</b>		1,623,067	587,750	131,247	2,342,064
Total comprehensive income for the half-year		-	-	815,398	815,398
<b>Transactions with owners in their capacity as owners:</b>					
Dividends provided for or paid	6	-	-	(136,339)	(136,339)
<b>Balance at 31 December 2022</b>		<b>1,623,067</b>	<b>587,750</b>	<b>810,306</b>	<b>3,021,123</b>

# Sunshine Coast Community Financial Services Limited

## Statement of Cash Flows

For the half-year ended 31 December 2022

	Note	31-Dec-22 \$	31-Dec-21 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		2,552,173	1,685,788
Payments to suppliers and employees (inclusive of GST)		(1,490,062)	(1,545,453)
Interest received		166	6
Interest paid		(21,299)	(23,103)
Income taxes paid		(41,259)	(28,363)
<b>Net cash provided by operating activities</b>		<b>999,719</b>	<b>88,875</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(18,922)	(33,939)
Payments for intangible assets		(13,184)	(32,121)
<b>Net cash used in investing activities</b>		<b>(32,106)</b>	<b>(66,060)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	193,170
Repayment of borrowings		(757,575)	(83,390)
Repayment of lease liabilities		(10,179)	(31,167)
Dividends paid	6	(136,339)	(68,170)
<b>Net cash used in financing activities</b>		<b>(904,093)</b>	<b>10,443</b>
<b>Net cash decrease in cash held</b>		<b>63,520</b>	<b>33,258</b>
Cash and cash equivalents at the beginning of the financial year		97,483	52,206
<b>Cash and cash equivalents at the end of the half-year</b>		<b>161,003</b>	<b>85,464</b>

# Sunshine Coast Community Financial Services Limited

## Notes to the Financial Statements

For the half-year ended 31 December 2022

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### Note 1. Summary of significant accounting policies

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#### Statement of Compliance

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with *AASB 134* ensures compliance with International Financial Reporting Standard *IAS 34 Interim Financial Reporting*.

#### Basis of preparation

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.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022.

#### Accounting policies

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

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### Note 2. Events subsequent to reporting date

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Since the end of the half-year, the RBA has increased the cash rate by 0.25% moving from 3.10% at 31 December 2022 to 3.35% as at the date of signing these accounts. The increase in the cash rate has a direct impact on the revenue received by the company on its products (deposits and loans) offered to its customers. The company expects further increases in the revenue streams based on the recent rises.

There are no other matters or circumstances that have arisen since the end of the half year reporting period 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.

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### Note 3. Contingent assets and liabilities

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

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### Note 4. Related parties

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Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2022 annual financial report.

	31-Dec-22	31-Dec-21
Note 5. Revenue from contracts with customers	\$	\$
Margin income	2,237,023	1,299,191
Fee income	117,478	125,450
Commission income	116,063	129,304
Revenue from contracts with customers	<u>2,470,564</u>	<u>1,553,945</u>

#### Disaggregation of revenue

All revenue from contracts with customers has been recognised at a point in time during the half-year.

**Note 6. Dividends provided for or paid****a) Dividends declared and paid during the period**

	31-Dec-22		31-Dec-21	
	Cents	\$	Cents	\$
Fully franked dividend	8	136,339	4	68,170

The tax rate at which dividends have been franked is 25%.

**Note 7. Fair value measurement**

Some of the company's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors determine the appropriate valuation techniques and inputs for fair value measurements.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly
- Level 3 inputs are unobservable inputs for the asset or liability.

**At 31 December 2022**

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Recurring fair value measurements:</b>				
Property, Plant and Equipment				
Freehold land	-	665,000	-	665,000
Buildings	-	2,490,843	-	2,490,843
Total assets at fair value	-	3,155,843	-	3,155,843

**At 30 June 2022**

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Recurring fair value measurements:</b>				
Property, Plant and Equipment				
Freehold land	-	665,000	-	665,000
Buildings	-	2,490,843	-	2,490,843
Total assets at fair value	-	3,155,843	-	3,155,843

There were no transfers between Level 1 and Level 2 during the reporting period. The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**Land and buildings**

Independent valuers provide the fair value of the company's property portfolio. The current board policy is to revalue every 3 years, however, revaluations can occur in the interim if there are material variations to the fair values of the properties.

The company's Cooroy and Tewantin properties were independently valued effective 28 June 2021 by Herron Todd White.

# Sunshine Coast Community Financial Services Limited

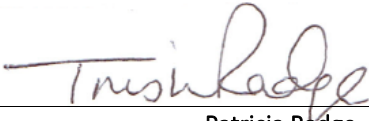
## Directors' Declaration

In the opinion of the directors of Sunshine Coast Community Financial Services Limited ("the company"):

1. The financial statements and notes thereto are in accordance with the *Corporations Act 2001* including:
  - a. giving a true and fair view of the financial position of the entity as at 31 December 2022 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date;
  - b. complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*; and
2. 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.

Director



Patricia Rudge

Dated this 2 day of March 2023.



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

# Independent auditor's review report to the Directors of Sunshine Coast Community Financial Services Limited

## Report on the half-year financial report

### Conclusion

We have reviewed the half-year financial report of Sunshine Coast Community Financial Services Limited (the company), which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Sunshine Coast Community Financial Services Limited does not comply with the *Corporations Act 2001* including:

- a. giving a true and fair view of the company's financial position at 31 December 2022 and of its performance for the half-year ended on that date
- b. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's review report.

### Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud error.

## Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**Andrew Frewin Stewart**  
61 Bull Street, Bendigo VIC 3550  
Dated: 2 March 2023



**Joshua Griffin**  
Lead Auditor