

Annual Report 2021

Albany (WA) Community
Financial Services Limited

Community Bank
Albany

ABN 77 119 012 510



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Chair's report

For year ending 30 June 2021

Welcome to this year's financial report. It certainly has been a testing period for us all with much uncertainty still ahead of us. Whilst we acknowledge we are a long way off from where we would all like to be, responsible and diligent management has been critical to ensure stability and ride this long period of uncertainty. It has been a rough ride.

As it is clearly highlighted in our strategic plan, our direction is to increase our market share of lending business and delivering on commitments. We know, in doing this, we will increase our capacity to provide support to our community and build customer connection to bank with our branch.

Our key focus areas remain:

- Provide high value financial services;
- Promote a positive and supportive culture that fosters productivity and professionalism to deliver exceptional customer service; and
- Provide considered investments to support the advancement of our community within Albany and the surrounding region.

The team have continued to work together to improve performance of both the company and across branch operations to improve outcomes. This has been achieved by constant branch operational reviews and the full commitment of the Board to set a clear strategic direction to ensure we achieve our desired goals. Setting a clear strategic direction has been instrumental in our ability to adapt and weather this ongoing period. The Board have worked tirelessly this year to get this right.

The current lending market has been and remains challenging despite the branch team's success in achieving lending targets. The impact of the large reductions in margins has resulted in a profit reduction for this financial year.

On behalf of the Board, I would like to sincerely express our thanks to the branch team for their professionalism and commitment to the branch over this period. Under the direction of our Branch Manager, Natasha Thompson, the team have adapted and worked with the Board to bring that ever so important positive culture to drive productivity, increase our lending and deliver great customer service.

I sincerely thank my colleagues for their time, commitment, expertise and collaboration in volunteering their time to improve performance of the company in working towards the desired goals. With the challenges we are facing in this current climate, I am privileged to be supported by the breadth of knowledge, skill and experience of those around me. Lyn Lutley, our Board Administrator, is an essential member of the team and I know I speak on behalf of the Board in thanking Lyn for her support, delivery and overall enormous contribution above and beyond.

Both the Board and branch team continue to work collaboratively. Moving forward, changes will be ongoing to manage this uncertain market and to adapt operations to reduce the impact on the company performance. Our capacity to deliver remains directly related to the amount of business we can build.

Thank you to our shareholders and customers for their ongoing support. The Community Bank model is unique and has the capacity to make an enormous difference to our community, even in such uncertain times. Whilst we continue to navigate this challenging period, we all have a role to play in building business and working towards the success of this company. As a shareholder of the Community Bank, we ask that you be a champion for the Community Bank model.

Talk to your family and friends and bank with Community Bank Albany. If you are not banking with Community Bank Albany, I would strongly encourage you to contact the team in the branch to talk about how we may support you and your banking needs.



Sarah Bowles
Chair

Manager's report

For year ending 30 June 2021

The 2020/21 financial year was one that kept us on our toes. COVID-19 continued to have an impact, but we were able to show the community that in times of need we were able to deliver a wide range of competitive products and deliver service expectations beyond the industry standard.

We finished the year with 6.4% growth in our customer base and 18% lending growth which placed us in the top three in the state, but with record low interest rates this has seen our margins and revenue reduce significantly, the good lending growth now will see us in a strong position for when rates and margins start to increase. Our book has diversified as we continue to build strong relationships with our key partners in Business Lending and Rural Bank.

As much as our focus in branch has been to maximise performance and growth, we have had to review the branch structure to ensure we are growing without detriment to our bottom line.

In December we seconded Danielle Krispyn, Customer Officer into the Customer Relationship Officer role, filling a gap in branch for Specialised Accounts, Personal Loans and Credit Cards, this enables the Customer Relationship Managers to focus on Consumer and Business lending. We also reduced the Part time Customer Service Officer role to three days in line with the reduction of foot traffic in branch.

I would like to thank each team member for their passion and dedication to grow this branch to new highs, Customer Service Managers Margaret Broad and Gavin Boardley, Customer Relationship Officer Danielle Krispyn, Customer Service Officers Paul Harness, Emily Sanderson and Alberto (Lupo) Prenzato. Without the team we wouldn't have been able to pull off one of the most difficult but rewarding years here at Community Bank Albany, getting us closer to our vision of being Albany's Bank of Choice.

The Albany (W.A.) Community Financial Services Limited Board continue to be a great support to us doing a lot behind the scenes to ensure we are maximising our potential and setting the branch up for success for years to come, there has been more collaboration between Board, branch and stakeholders than ever before. Sarah Bowles has once again led an amazing Board of Directors that the branch would be lost without, their support and expertise only grows year on year. Then there is Lyn Lutley, I am unsure how she does it, but she is the first contact for shareholders and stakeholders, she is always the bridge between Board and branch and generally the everything to everyone.

And finally, a huge thank you to our customers, your allegiance has not gone unnoticed, you continue to be our number one advocate and refer us more business than any other avenue helping us share our story and grow our community.

Natasha Thompson
Branch Manager

Dividend payment history

For year ending 30 June 2021

Below is the “shareholders story” for the Albany (WA) Community Financial Services Limited.

Background

Community Bank Albany, (Albany (WA) Community Financial Services Limited) (ACFSL) is a public company and like any investment in companies listed on the stock exchange. Community Banks use the Low Volume Market as approved by ASIC, the investment carries risks which would have been outlined in the prospectus provided when shares were purchased in 2006.

ACFSL raised \$854,557 in initial capital from local shareholders who were all issued with a legal prospectus and subsequent share certificate.

We have invested via donations and sponsorships into the Albany community since Community Bank Albany's inception and will continue to do so. Under our constitution when ACFSL makes a profit, up to 80% of those profits must be spent on community and up to 20% to shareholders in dividends.

The business has paid one dividend since inception which was in 2012.

The company has not been in a financial position to pay dividends because of its impact on net assets and its adverse impact on the company's ability to pay creditors. There must be more current assets than current liabilities (both before and after the dividend payment) to pay a dividend.

ACFSL reflects at a local level the successes which have been achieved and continue to be achieved across the network and at a national level since the Community Bank model's inception in 1998. Community Bank Albany reflects the same partnership principles that have been the foundation stone of the Community Bank model across Australia.

These principles are:

- Partnership based on trust, respect and goodwill;
- Shared effort, risk and reward (50/50);
- Local ownership;
- Local decision making;
- Local investment;
- Focused on broad based community benefit; and
- Commercially focused and community spirited.

Managed by a volunteer Board of Directors with the commitment of our frontline branch team ACFSL continue to further develop the company to strengthen its relationships, providing a return to its shareholders and investment to a greater degree in the community.

We are all in this together and our team are here to support you.

Your information to update

Do we have your most up to date physical address? Do we have your current email address? We have transitioned to an online registry which enables you to access and obtain your shareholdings direct and make changes. Contact the Board Administrator on 0490 925 241 or email ace@albanycfs.com to obtain a form to update your current information.

Report of sponsorships and contributions

For year ending 30 June 2021

Community Position Statement FY2021

Our Vision: Building business to invest back into the local community.

Since opening in late 2006, Community Bank Albany has returned over \$400,000 back to the community in addition to providing in-kind support to organisations. We love the idea that local people own Community Bank Albany and that by banking with us, profits earned are re-invested directly back into our community. Decisions about where these profits are spent are made at this grass roots level.

Our funding is not unlimited and remains directly related to our business growth. The more we grow, the greater we can support our community, so please support local. Buy local and bank local.

With unprecedented times and the impact of the COVID-19 pandemic across our community there was a need to become innovative on how we would adapt and respond whilst recognising the possibility of many challenges our community could experience during the recovery period. Like all organisations, this crisis dictated a need for us to review and change our community contributions pathways, whilst still focussing on building our capacity and our business.

The decision was made on 24 March 2020, to place all community funding on hold during the crisis and continued throughout the 2021 financial year.

Community Bank Albany did commit to the community with a recovery and response approach. We believe direct engagement with our community was the most effective approach: to listen, understand and support the challenges facing organisations in this time. With restrictions beginning to lift we worked through the government's road map to recovery for the State. Community Bank Albany remained focused on ensuring our community funding support was directed in the most effective ways to support our community through the very challenging times.

The two key objectives of directing funding were to:

1. Provide access to appropriate existing resources; and
2. Identify gaps in available funding and the support our community groups required.

In addition to the response and recovery approach Community Bank Albany remained committed to delivering the 'Get in the Game' raffle once again to support our sport and recreation clubs and associations.

Community Bank Albany remained committed to supporting our community in the most effective way we could and it was essential to gain information to assist to make the most effective decisions to support you, our community.

Report of sponsorships and contributions (continued)

Testimonials

“ Many thanks to everyone at Community Bank Albany for allowing us to update our old equipment and provide better connections and facilities for our members. We’re about to do a SWOT analysis with the committee first off then very likely the rest of the members. I’m sure this is going to be a powerful tool in helping us to ensure the club is working effectively and is reinforcing our commitment to working with the community. Many thanks for the support Community Bank Albany has provided and we look forward to catching up again soon.”

“Thought it was a really great panel. Nicole especially was awesome and what an amazing story of resilience and innovation when literally everything was saying stop!”

“ I think it’s a great initiative, and there are so many possibilities. You could hold all sorts of workshops that actually upskill groups and members. Perhaps you even look into the possibility of running something in conjunction with the Tafe or something where over a couple of months you could run an accredited ‘treasurers course’ to assist in the financial management of the organisations, or, a few sessions on technology available and how to use it, websites/video call options/how to setup and run webinars, etc etc (I find that stuff so overwhelming), you could do a couple of sessions on public speaking, or how to write grant applications, or how to liaise with local government/organisations etc etc etc.”

“ Money is vital – but actually, the concept of assisting in the above way is great. Because I can think of so many people who could discount or donate their time just to assist with the above and rather than it being at the expense of one group which most can’t even consider, you are building a community of organisations that can all collaboratively upskill each other – genius!”

“Thank you for providing the opportunity to attend this workshop. We both found it informative and useful. The facilitators were great and the young man from the council who shared the table with us was a delight. I was inspired by his enthusiasm and his valuable contribution in addressing our concerns.”

Financial year	Community contribution
2020/21	\$26,418
2019/20	\$61,472
2018/19	\$48,149
2017/18	\$45,830
2016/17	\$ 25,845
2015/16	\$ 23,616
2006/14	\$182,329

Community impact report

Innovation, sustainability and planning for uncertain times

'Survive, Revive, Thrive'

A forum partnering with City of Albany, Department of Local Government Sport and Cultural Industries and Business Great Southern was held to provide a Business Interruption Planning session including resources to assist with grant writing, financial planning, planning for the Recovery from COVID-19 and to be adaptable to the waves and phases that may occur over an undetermined period of time. The theme was to rethink and replan how to be sustainable for the long term of the organisation and business.

Community organisations and businesses who attended were provided with an opportunity to workshop resources and support to plan in times of uncertainty and adapt to changes moving forward. The forum 'Survive' and workshop 'Revive' were held and made available to all not-for-profit and profit community groups, promoting resilience and diversification. Both were attended well with an opportunity for Community Bank Albany to:

- engage with members;
- provide information on diversification and being flexible;
- understanding how to market change; and
- to control the impact on the organisations.

A good business interruption plan strategy was an outcome for the organisations and businesses attending for future financial success.

Organisations discovered a way to look at the issues and financial hardship that they could be facing in an uncertain time. Information on how to adapt and plan for different scenarios were discussed and resources made available to identify this.

Funding was made available through the 2021 Funding Position Statement with four streams identified which included:

- Innovation, Sustainability and Planning for Uncertain Times 'Survive, Revive, Thrive' Forum and Workshops
- Membership – no organisation followed through to receive funding in this area



- IT Upgrades – one organisation met the criteria set and received funding to remain virtually connected with their members promoting resilience and diversification. This group is now connected with many community organisations and providing a service to our community

- Sport and Recreation – our 'Get in the Game Raffle' did not receive enough expressions of interest however, one club followed through meeting all criteria set and received the nominated funding if the raffle had proceeded to purchase transponders which will be a valuable community owned asset for future events.



Community impact report (continued)

Youth development

Community Bank Albany sponsored for the third year two places at Zero2hero's Camp Hero which is a youth leadership training program that brings together students, mentors, and experts to equip young people with the skills they need to become mental health leaders and ambassadors within their communities.

zero2hero is a not-for-profit organisation that delivers this program, and others similar in nature, that all aim to shine a light on the mental health issues facing young people in WA.



According to zero2hero's statistics, as many as 33% of young people will experience an episode of mental ill-health by the time they are 25.

Additionally, 75% of mental illnesses originate before the age of 25 – highlighting the importance of getting behind organisations such as zero2hero.

Community Bank Albany is a strong supporter of zero2hero and the organisation's values and objectives and we are committed to building a long-term partnership focused on this important cause.

Branch Manager, Natasha Thompson, accompanied three students from North Albany Senior High School to the **Albany Chamber of Commerce 2021 Women's leadership forum**. This sponsorship was to further develop the business development and connections with our business community and to promote the community awareness of how ACFSL is prepared to form partnerships in our community.



Community events

Community Bank Albany provided sponsorship for the following:



The **Albany Classic "Around the Houses"** is run through the heart of Albany's CBD, overlooking the ANZAC Peace Park and Princess Royal Harbour. This spectacle of historic motor sport presents a wide variety of cars from vintage wire wheels, postvintage and classics as well as open wheel racers and big cube muscle cars.

Albany Classic Motorsport Club Inc continues to promote the continued growth of the Albany Classic 'Around the Houses' and associated events including the Mt Clarence Hill Climb, motor sport activities and social gatherings in Albany in the spirit of the original 'Round the Houses' event held in Albany in 1936. They also liaise with other clubs to promote the Albany Classic 'Around the Houses'

and raise awareness of and participation in the event. One major objective is to support the local community through the success of the event.

What originally started as a festival for community choirs, the **Denmark Festival of Voice** has grown into a high-quality experience that has a strong focus on diversity, authenticity and originality. The festival is now under the cultural guidance of Noongar Elders and includes a Noongar Opening Ceremony on the Friday evening.



Community impact report (continued)

Community Bank Albany was a major sponsor to the Greenskills Festival which was the first public event in the Albany Town Square to take place since the COVID-19 restrictions were introduced. It is estimated that between 2,500-3,000 people enjoyed the sun at the Green Skills 2020 Sustainable Community Festival on the Saturday. Patrons were treated to music throughout the day, a wide array of workshops in the talk tent, fantastic food and 30+ stalls showcasing the best in local crafts, local food, community group information and sustainable living practices and waste avoidance from across the region. While this event had been interrupted by COVID-19 in 2020, Albany Directors and the Branch Manager attended the Greenskills AGM in February 2021 to meet with and discuss the role of the Community Bank Albany the alignment with the values of Greenskills.



Regional sponsorship



The Regional Sponsorship program saw the first successful year of our joint support of the Gate 2 Plate Challenge. All three branches were very supportive of the Gate 2 Plate Challenge key events, the cattle intake day at the Mount Barker Saleyards, the main field day, the schools field day and the awards dinner. Albany is the key regional centre of a major agricultural area. The Gate 2 Plate Challenge sponsorship is a targeted investment to increase our brand in the rural community.

The Harvey Beef Gate 2 Plate Challenge is a challenge for beef producers which assesses cattle performance through the grainfed, MSA graded, domestic supply chain in Western Australia. The challenge aims to reflect as closely as possible the real-life situation of cattle

entering the grainfed, MSA graded, domestic supply chain and reward those animals that not only meet requirements for carcass quality but are also profitable at each stage.

One of Gate 2 Plate Challenge Inc's main objectives is advancing education by promoting the Agricultural Industry and its many opportunities to youth and students of all ages, showcasing careers and opportunities within the agricultural industry in regional areas of Australia. The Harvey Beef Gate 2 Plate Schools Challenge is an interschool competition run alongside the Harvey Beef Gate 2 Plate Challenge. The day is aimed at year 12 students, with teams of eight entering from each school or college.

Community Investment

Balance Sheet 2020/21



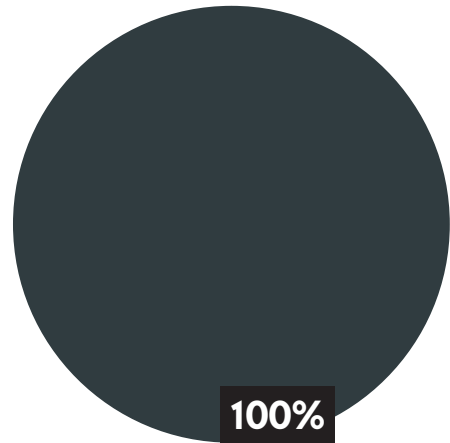
Albany (WA) Community Financial Services Limited



**Projects
Funded** 8

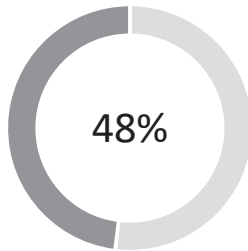


**Community
Project
Investment** \$26,418.50



Biggest Impact Area

Sport & Recreation

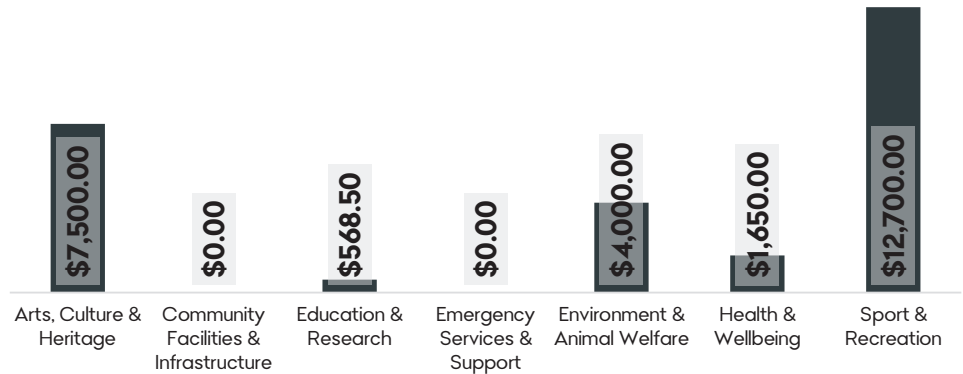


Total Investment
by Theme:

Sponsorships \$26,418.50

Total Investment by Sector:

- Donations
- Grant
- Sponsorships



Branches

Community Bank Albany

Bendigo and Adelaide Bank Limited, ABN 11 068 049 178 Australian Credit Licence 237879. (1510535-1510853) (09/20)

Bendigo and Adelaide Bank report

For year ending 30 June 2021

On behalf of Bendigo and Adelaide Bank, thank you! As a shareholder of your local Community Bank company, you are playing an important role in supporting your community.

It has been a tumultuous year for every community across Australia, and across the world. For our business, recognition that banking is an essential service has meant that we've kept the doors open, albeit with conditions that none of us could ever imagine having to work with.

Face masks, perspex screens, signed documents to cross state borders, checking in customers with QR codes and ensuring hand sanitiser stations are filled aren't what you would expect as a bank employee.


Then there's the fact that while communities have been, and continue to go in and out of lockdown, digital and online banking has become the norm.

So, what does that mean for Bendigo Bank and the Community Bank that you are invested in both as a shareholder, and a customer?

What we're seeing is that your Community Bank is still as important, if not more so, than when you first invested as a shareholder. If the pandemic has taught us anything, it has taught us the importance of place, of our local community, our local economy, our community-based organisations, the importance of social connection and the importance of your local Community Enterprise – your Community Bank in providing, leadership, support, and assistance in these difficult times.

As we continue to adapt to this rapidly changing world one thing that continues to be important to us all is supporting each another and our strong sense of community.

Your continued support as a shareholder is essential to the success of your local community. Thank you for continuing to back your Community Bank company and your community.



Collin Brady
Head of Community Development

Directors' report

For the financial year ended 30 June 2021

The Directors present their report of the company for the financial year ended 30 June 2021.

Directors

The following persons were Directors of Albany (WA) Community Financial Services Limited during or since the end of the financial year up to the date of this report:



Sarah Bowles

Chairperson

Occupation: Owner and Business Development Manager, Great Southern Specialist Centre

Qualifications, experience and expertise: Project Management, Bachelor of Nursing, Midwifery, Foundation Four Pty Ltd Director (2017-Current), City of Albany Local Government Representative (2011- 2015), Little Grove Primary School P & C Executive (4 years), Founder and Secretary of Great Southern Factor Inc (2008- 2016), Chair of the Great Southern Food Network (2015-2016), Great Southern Specialist Unit Trust Company Secretary (2017), Vice President - Albany Surf Club (2016-2018) President - Albany Surf Life Saving Club (2019-Current).

Special responsibilities: Chairperson, Regional representative for Joint Regional Community Bank branches, Governance, Sponsorship, Community Engagement, Key Stakeholder Engagement and Risk Management. Sarah has now served on the Albany (W.A.) Community Financial Services Ltd Board since February 2016 and took up the role as Chair in November 2016.

Interest in shares: 2,500



Johanna Tomlinson

Company Secretary/Director

Occupation: Consultant and Farmer

Qualifications, experience and expertise: Johanna has a Bachelor of Environmental Science degree from Murdoch University. She has almost 20 years of hands on experience in agriculture, natural resource management and business management and was recently awarded a 2019 Nuffield Australia scholarship. She is passionate about regional communities and the businesses that support them, the environment and in collaborating with likeminded professionals working and living in rural Australia. Together with her husband and their staff, Johanna's operates a broadacre farming operations in the Shire of Jerramungup and the City of Albany, where the family are based. Key commodities produced include beef cattle, prime lamb, wool, cereals, oilseeds and hay. In 2015 Johanna started her project management business, Clear South. Johanna and her team work with their loyal client base to provide a range of services, including: human resource management, governance, project development and management, group and small business executive assistance and coordination, administration, facilitation, writing (including speeches, media releases, case studies, reports and content for a range of media), investment attraction (including sponsorship and grant applications), event coordination and management, website maintenance and marketing. Johanna is a dedicated community person who currently represents farmers on the South Coast Natural Resource Management Group and has held many community positions in the past.

Special responsibilities: Company Secretary appointed November 2018, Strategic Planning and Agricultural portfolios.

Interest in shares: 2,000

Directors' report (continued)

Directors (continued)



Danielle Branson

Company Treasurer/Director

Occupation: Self-employed

Qualifications, experience and expertise: Danielle has an Advance Diploma of Accounting from South Regional TAFE. Currently she volunteers as an ambulance officer for St John Ambulance and is a member for the Volunteer Leadership Group. Her previous experience includes: Treasurer for Rainbow Coast Neighbourhood Centre and Treasurer for Proudies Foundation Inc.

Special responsibilities: Company Treasurer

Interest in shares: Nil

Resigned

Leon Delpech

Resigned Director

Occupation: Managing Director

Qualifications, experience and expertise: Current: Delpech – Managing Director, Past: CEO of Useful Inc Community, I Start-up Board advisor, IBM Australian Strategy Consultant, Community Groups: Wilson Inlet Catchment Committee, Wine Show of Western Australia Bachelors of Commence (Economics and Finance) and Communications (Film and Television).

Special responsibilities: Increasing Brand Awareness

Interest in shares: Nil



Graham Foster

Director

Occupation: Retired

Qualifications, experience and expertise: Graham has worked in Local Government for 35 years with six years as the CEO of Nedlands and Acting CEO for the City of Albany.

Special responsibilities: Identifying and increasing customers

Interest in shares: 500



Simon Lyas

Director

Occupation: Director at Regional Development Australia Great Southern WA Inc

Qualifications, experience and expertise: Simon moved to Denmark in 2009. He is responsible for day to day operations, contributes to Strategic Planning and is actively driving economic development initiatives with a range of stakeholders in the region. Simon's previous experience includes project management with various government agencies and business management experience in several tourism-based operations in Australia and overseas. Simon is a strong community advocate and volunteer on a number of community organisations in Albany.

Special responsibilities: Development of Board and Staff Support

Interest in shares: Nil

Directors' report (continued)

Directors (continued)



Ricky Burges

Director

Occupation: Management Consultant, Executive Coach and Facilitator

Qualifications, experience and expertise: Ricky has more than 25 years experience in senior management roles in the public and private sector. Ricky has a Masters in Leadership and Management, Post Graduate Degree in Human Resource Development, Certificates in Gestalt Psychotherapy, Neurolinguistic Programming and the Australian Institute of Company Directors. Ricky received a Public Sector Management Medal in the Queen's Birthday Honours and has a passion for working with emerging leaders and executives as a coach and mentor. Ricky has a wealth of experience on Boards and Committees and has a keen interest in governance and Board process.

Special responsibilities: Supporting Marketing Activities and Brand Awareness

Interest in shares: Nil



Claudia Maw

Director

Occupation: A part-time lawyer and full-time parent

Qualifications, experience and expertise: Claudia Maw is the owner of South Coast Legal & Conveyancing, a specialist virtual law firm serving the families, farmer and small businesses of the Great Southern and South West regions. Claudia, who is originally from the UK, moved to Albany in 2013 with her husband and cat. Despite originally knowing no-one in town, over the years Claudia has built a wonderful network of friends, clients and colleagues, and is invested in making Albany the best community it can be. When not advising clients or undertaking pro bono work, Claudia can be found out and about enjoying the many beaches of the region with her young daughter, or at home baking, crafting and painting.

Special responsibilities:

Interest in shares: Nil



Lyn Lutley

Administrator and Community Engagement Officer

Qualifications, experience and expertise: Lyn has been a resident of Albany since January 2004 and previously part of the communities of Hopetoun/Ravensthorpe, growing up in Kukerin and Wagin. Previous experience in administration positions includes health, law, insurance and not for profit organisations. Previous Company Secretary to Albany Community Hospice Board 2012-2016.

Special responsibilities: Administrator to Community Bank Albany Board of Directors since January 2018 and engaging with the local community on behalf of the Directors in community sponsorship, shareholder and partnerships to build business.

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

No Directors have material interests in contracts or proposed contracts with the company.

Directors' report (continued)

Directors' meetings

Attendances by each Director during the year were as follows:

Director	Board meetings	
	A	B
Sarah Bowles	11	11
Johanna Tomlinson	11	10
Danielle Branson	11	9
Leon Delpech – Resigned 4 September 2020	3	1
Graham Foster	11	8
Simon Lyas	11	10
Ricky Burges – Appointed 4 August 2020	10	10
Claudia Maw – Appointed 3 November 2020	7	5

A - The number of meetings eligible to attend.

B - The number of meetings attended.

N/A - not a member of that committee.

Company Secretary

Johanna Tomlinson has been the Company Secretary Albany (WA) Community Financial Services Limited since 28 November 2018.

Principal activities

The principal activities of the company during the course of the financial year were in providing Community Bank branch services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited. There has been no significant changes in the nature of these activities during the year.

Review of operations

The profit of the company for the financial year after provision for income tax was \$ 28,058 (2020: \$ 41,988), which is a 47% decrease as compared with the previous year. The net assets of the company have increased to \$ 337,465.

Dividends

A fully franked dividend of 0 cents per share (0 Cents 2020) was declared and paid in respect of the year ended 30 June 2021.

Options

No options over issued shares were granted during or since the end of the financial year and there were no options outstanding as at the date of this report.

Significant changes in the state of affairs

No significant changes in the company's state of affairs occurred during the financial year.

Events subsequent to the end of the reporting period

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

Likely developments

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

Directors' report (continued)

Environmental regulations

The company is not subject to any significant environmental regulation.

Indemnifying Officers or Auditor

The company has agreed to indemnify each Officer (Director, Secretary or employee) out of assets of the company to the relevant extent against any liability incurred by that person arising out of the discharge of their duties, except where the liability arises out of conduct involving dishonesty, negligence, breach of duty or the lack of good faith. The company also has Officers Insurance for the benefit of Officers of the company against any liability occurred by the Officer, which includes the Officer's liability for legal costs, in or arising out of the conduct of the business of the company or in or arising out of the discharge of the Officer's duties.

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.

No person has applied for leave of court to bring proceedings on behalf of the company or 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 any part of those proceedings. The company was not a party to any such proceedings during the year.

Auditor independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set at page 17 of this financial report. No Officer of the company is or has been a partner of the Auditor of the company.

Signed in accordance with a resolution of the Board of Directors at Albany on 19 October 2021.



Sarah Bowles
Chair

Auditor's independence declaration

17th September 2021

The Board of Directors
Albany (WA) Community Financial Services Ltd
PO Box 979
ALBANY WA 6331

By Email Only: ace@albanycfs.com

Dear Directors

AUDITOR'S INDEPENDENCE DECLARATION AS REQUIRED BY SECTION 307C OF THE CORPORATIONS ACT 2001

As lead Auditor for the audit of Albany (WA) Community Financial Services Ltd for the year ended 30 June 2021, I declare to the best of my knowledge and belief, that there have been:

- a) no contraventions of the Auditor independence requirements of the Corporations Act 2001, in the relation to the audit, and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This Declaration is made in respect of Albany (WA) Community Financial Services Ltd during the period of the audit.



Paul Gilbert, FCPA MBA Director
Macleod Corporation Pty Ltd



MACLEOD
CORPORATION PTY LTD.

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LIABILITY LIMITED BY A SCHEME APPROVED UNDER PROFESSIONAL STANDARDS LEGISLATION

Macleod Corporation Pty Ltd is a CPA practice

CERTIFIED PRACTISING ACCOUNTANTS



Financial statements

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2021

	Note	Year Ended 30 June 2021 \$	Year Ended 30 June 2020 \$
Revenue			
Revenue from operation		812,208	824,807
Covid – 19 stimulus income		56,000	41,076
	2	<u>868,208</u>	<u>865,883</u>
Expenses			
Employee benefits expense	3	(577,982)	(536,432)
Administration and general costs		(116,752)	(129,205)
Bad and doubtful debts expense	3	91	(151)
Occupancy expenses		(16,332)	(16,129)
System Costs		(21,964)	(22,353)
Depreciation and amortisation expense	3	(66,474)	(60,658)
Finance costs	3	(15,227)	(16,576)
Other expenses		(12,308)	(20,704)
		<u>(826,948)</u>	<u>(802,208)</u>
Profit / (loss) before charitable donations & sponsorships		41,260	63,675
Charitable donations and sponsorship		(8,446)	(58,195)
Profit / (loss) before income tax		32,814	5,480
Income tax expense / (benefit)	4	4,756	(36,508)
Profit / (loss) for the period		28,058	41,988
Other comprehensive income		-	-
Total comprehensive income for the period		28,058	41,988
Profit / (loss) attributable to members of the company		28,058	41,988
Total comprehensive income attributable to members of the company		28,058	41,988
Earnings per share (cents per share)			
- basic earnings per share	17	3.17	4.75

Financial statements (continued)

Statement of Financial Position for the year ended 30 June 2021

	<u>Note</u>	Year Ended 30 June 2021 \$	Year Ended 30 June 2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	113,511	45,844
Trade and other receivables	6	67,398	67,667
Other assets	7	5,928	8,642
Total current assets		186,837	122,153
Non-current assets			
Property, plant and equipment	8	25,559	32,376
Intangible assets	9	-	13,556
Right of use asset	10	208,569	251,721
Deferred tax assets	4	246,765	251,522
Total non-current assets		480,893	549,175
Total assets		667,730	671,328
LIABILITIES			
Current liabilities			
Trade and other payables	11	35,008	23,971
Borrowings	12	15,922	23,330
Provisions	13	31,016	27,502
Lease Liability		63,900	63,900
Total current liabilities		145,846	138,703
Non-current liabilities			
Provisions	13	6,808	3,006
Lease Liability		177,611	220,212
Total non-current liabilities		184,419	223,218
Total liabilities		330,265	361,921
Net assets		337,465	309,407
Equity			
Issued capital	14	854,557	854,557
Retained earnings / Accumulated losses	15	(517,092)	(545,150)
Total equity		337,465	309,407

Statement of Changes in Equity for the year ended 30 June 2021

	Note	Issued Capital \$	Retained earnings / Accumulated losses \$	Reserves \$	Total Equity \$
Balance at 1 July 2019		854,557	(557,531)	-	297,026
Total comprehensive income for the period		-	41,988	-	41,988
Cumulative adjustments upon adoption of new accounting standard AASB 16 – Leases		-	(29,607)	-	(29,607)
Transactions with owners in their capacity as owners:					
Dividends recognised for the period	16	-	-	-	-
Balance at 30 June 2020		854,557	(545,150)	-	309,407
Balance at 1 July 2020		854,557	(545,150)	-	309,407
Total comprehensive income for the period		-	28,058	-	28,058
Cumulative adjustments upon adoption of new accounting standard AASB 16 – Leases		-	-	-	-
Transactions with owners in their capacity as owners:					
Dividends recognised for the period	16	-	-	-	-
Balance at 30 June 2021		854,557	(517,092)	-	337,465

Financial statements (continued)

Statement of Cash flow for the year ended 30 June 2021

		Year Ended 30 June 2021 \$	Year Ended 30 June 2020 \$
Cash flows from operating activities			
Receipts from customers		812,477	825,058
Receipts from government stimulus		56,000	41,076
Payments to suppliers and employees		(775,941)	(821,739)
Interest paid		(956)	(74)
Income tax paid		-	-
Net cash flows from / (used in) operating activities	18b	91,580	44,322
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(2,949)	(1,625)
Purchase of intangible assets		(13,556)	(13,556)
Net cash flows from / (used in) investing activities		(16,505)	(15,181)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		(7,408)	(8,364)
Net cash flows from / (used in) financing activities		(7,408)	(8,364)
Net increase / (decrease) in cash held		67,667	20,777
Cash and cash equivalents at beginning of period		45,844	25,067
Cash and cash equivalents at end of period	18a	113,511	45,844
*Cash and Cash equivalents is made up of:			
Cash at Bank		1,133	1,473
Cheque Account/(Bank Overdraft)		112,378	44,371
		113,511	45,844

Notes to the financial statements

For the year ended 30 June 2021

These financial statements and notes represent those of Albany (WA) Community Financial Services Limited.

Albany (WA) Community Financial Services Limited ('the company') is a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue by the Directors on 11 October 2021.

1. Summary of significant accounting policies

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The company is a for profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Economic dependency

The company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the Community Bank branch at 3/78-82 Lockyer Avenue, Albany.

The branches operate as a franchise of Bendigo and Adelaide Bank Limited, using the name "Bendigo Bank", the logo, and systems of operation of Bendigo and Adelaide Bank Limited. The company manages the Community Bank branch on behalf of Bendigo and Adelaide Bank Limited, however all transactions with customers conducted through the Community Bank branch are effectively conducted between the customers and Bendigo and Adelaide Bank Limited.

All deposits are made with Bendigo and Adelaide Bank Limited, and all personal and investment products are products of Bendigo and Adelaide Bank Limited, 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 and Adelaide Bank Limited, must be approved by Bendigo and Adelaide Bank Limited. All credit transactions are made with Bendigo and Adelaide Bank Limited, and all credit products are products of Bendigo and Adelaide Bank Limited.

Notes to the financial statements (continued)

1. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Economic dependency (continued)

Bendigo and Adelaide Bank Limited provides significant assistance in establishing and maintaining the Community Bank branch 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 in relation to:

- Advice and assistance in relation to the design, layout and fit out of the Community Bank branch;
- Training for the Branch Managers 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; and
- Sale techniques and proper customer relations.

(b) Impairment of assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

(c) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Notes to the financial statements (continued)

1. Summary of significant accounting policies (continued)

(d) Leases (the company as lessee)

At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Company where the Company is a lessee. However, all contracts that are classified as short-term leases (a lease with a remaining lease term of 12 months or less).

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Company anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The Company does not act as a lessor in relation to lease contracts.

(e) Comparative figures

When required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(f) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company. Estimates and judgements are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The estimates and judgements that have a significant risk of causing material adjustments to the carrying values of assets and liabilities are as follows:

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and intangible assets. The depreciation and amortisation charge will increase where useful lives are less than previously estimated lives.

Notes to the financial statements (continued)

1. Summary of significant accounting policies (continued)

(f) Critical accounting estimates and judgements (continued)

Fair value assessment of non-current physical assets

The AASB 13 Fair Value standard requires fair value assessments that may involve both complex and significant judgement and experts. The value of land and buildings may be materially misstated and potential classification and disclosure risks may occur.

Employee benefits provision

Assumptions are required for wage growth and CPI movements. The likelihood of employees reaching unconditional service is estimated. The timing of when employee benefit obligations are to be settled is also estimated.

Income tax

The company is subject to income tax. Significant judgement is required in determining the deferred tax asset. Deferred tax assets are recognised only when it is considered sufficient future profits will be generated. The assumptions made regarding future profits is based on the company's assessment of future cash flows.

Impairment

The company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value in use calculations which incorporate various key assumptions.

2. Revenue

Revenue arises from the rendering of services through its franchise agreement with the Bendigo and Adelaide Bank Limited. The revenue recognised is measured by reference to the fair value of consideration received or receivable, excluding sales taxes, rebates, and trade discounts.

The entity applies the revenue recognition criteria set out below to each separately identifiable sales transaction in order to reflect the substance of the transaction.

Rendering of services

The entity generates service commissions on a range of products issued by the Bendigo and Adelaide Bank Limited. The revenue includes upfront and trailing commissions, sales fees and margin fees.

All revenue is stated net of the amount of goods and services tax (GST).

	2021 \$	2020 \$
Revenue		
- service commissions	812,208	824,807
	<u>812,208</u>	<u>824,807</u>
Other revenue		
- interest received	-	-
- other revenue	56,000	41,076
	<u>56,000</u>	<u>41,076</u>
Total revenue	868,208	865,883

Notes to the financial statements (continued)

3. Expenses

Operating expenses

Operating expenses are recognised in profit or loss on an accruals basis, which is typically upon utilisation of the service or at the date upon which the entity becomes liable.

Depreciation

The depreciable amount of all fixed assets is depreciated over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

<i>Class of asset</i>	<i>Rate</i>	<i>Method</i>
Leasehold improvements	20%	SL
Plant and equipment	20 - 100%	SL

Gains/losses upon disposal of non-current assets

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

	2021	2020
	\$	\$
Profit before income tax includes the following specific expenses:		
Employee benefits expense		
- wages and salaries	503,044	460,401
- superannuation costs	47,935	43,607
- other costs	27,003	32,424
	<u>577,982</u>	<u>536,432</u>
Depreciation and amortisation		
<i>Depreciation</i>		
- plant and equipment	9,766	3,950
- leasehold improvements	-	-
- right to use assets	43,152	43,152
	<u>52,918</u>	<u>47,102</u>
Amortisation		
- franchise fees	13,556	13,556
	<u>66,474</u>	<u>60,658</u>
Total depreciation and amortisation		
Finance costs		
- Interest paid	956	74
- Lease Liability Interest Expense	14,271	16,502
	<u>15,227</u>	<u>16,576</u>
Bad and doubtful debts expenses	(91)	151
Auditors' remuneration		
<i>Remuneration of the Auditor for:</i>		
- Audit or review of the financial report	4,950	4,950
- Taxation services	-	-
- Share registry services	-	-
	<u>4,950</u>	<u>4,950</u>

Notes to the financial statements (continued)

4. Income tax

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred income tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

	2021 \$	2020 \$
a. The components of tax expense / (income) comprise:		
Current tax expense / (income)	-	-
Deferred tax expense / (income) relating	4,756	(36,508)
Recoupment of prior year tax losses	-	-
Under / (over) provision of prior years	-	-
	<u>4,756</u>	<u>(36,508)</u>
b. Prima facie tax payable		
The prima facie tax on profit / (loss) from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on profit / (loss) before income tax at 26% (2020: 27.5%)	(4,756)	36,508
Add tax effect of:		
- Utilisation of previously unrecognised carried forward tax losses	-	-
- Under / (over) provision of prior years	(5,236)	(47,803)
- Non-deductible expenses & Non-assessable Income	14,560	11,295
Income tax attributable to the entity	<u>-</u>	<u>-</u>
The applicable weighted average effective tax rate is	26%	27.5%

Notes to the financial statements (continued)

4. Income tax (continued)

	2021	2020
	\$	\$
d. Deferred tax asset / (liability)		
Deferred tax relates to the following:		
Deferred tax assets balance comprises:		
Accruals	2,823	2,334
Employee provisions	9,834	8,390
Prepayments	1,541	-
Unused tax losses	233,914	242,801
	<u>248,113</u>	<u>253,525</u>
Deferred tax liabilities balance comprises:		
Plant & equipment	(1,348)	(2,003)
	<u>(1,348)</u>	<u>(2,003)</u>
Net deferred tax asset / (liability)	<u><u>246,765</u></u>	<u><u>251,522</u></u>
Total carried forward tax losses not recognised as deferred tax assets	-	-
e. Deferred income tax (revenue)/expense included in income tax expense comprises:		
Decrease / (increase) in deferred tax assets	4,756	(36,508)
(Decrease) / increase in deferred tax liabilities	-	-
Under / (over) provision prior years	-	-
	<u><u>4,756</u></u>	<u><u>(36,508)</u></u>

5. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

	2021	2020
	\$	\$
Cash at bank and on hand	113,511	45,844
Short-term bank deposits	-	-
	<u><u>113,511</u></u>	<u><u>45,844</u></u>

6. Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less any provision for doubtful debts. Trade and other receivables are due for settlement usually no more than 30 days from the date of recognition.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts, which are known to be uncollectable, are written off. A provision for doubtful debts is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the assets carrying amount and the present value of estimated cash flows, discounted at the effective interest rate. The amount of the provision is recognised on profit or loss.

Notes to the financial statements (continued)

6. Trade and other receivables (continued)

	2021	2020
	\$	\$
Current		
Trade receivables	67,398	67,667
Other receivables	-	-
	<u>67,398</u>	<u>67,667</u>

Credit risk

The main source of credit risk relates to a concentration of trade receivables owing by Bendigo and Adelaide Bank Limited, which is the source of the majority of the company's income.

The following table details the company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled, within the terms and conditions agreed between the company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be high credit quality.

	Gross amount	Not past due	Past due but not impaired			Past due and impaired
			< 30 days	31-60 days	> 60 days	
	\$	\$	\$	\$	\$	\$
2021						
Trade receivables	67,398	67,398	-	-	-	-
Other receivables	-	-	-	-	-	-
Total	<u>67,398</u>	<u>67,398</u>	-	-	-	-
2020						
Trade receivables	67,667	67,667	-	-	-	-
Other receivables	-	-	-	-	-	-
Total	<u>67,667</u>	<u>67,667</u>	-	-	-	-

7. Other assets

Other assets represent items that will provide the entity with future economic benefits controlled by the entity as a result of past transactions or other past events.

	2021	2020
	\$	\$
Prepayments	5,928	8,642
	<u>5,928</u>	<u>8,642</u>

Notes to the financial statements (continued)

8. Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

	2021 \$	2020 \$
<i>Leasehold improvements</i>		
At cost	249,678	249,678
Less accumulated depreciation	(249,678)	(249,678)
	<u>-</u>	<u>-</u>
<i>Plant and equipment</i>		
At cost	64,636	61,687
Less accumulated depreciation	(39,077)	(29,311)
	<u>25,559</u>	<u>32,376</u>
Total plant and equipment	<u>25,559</u>	<u>32,376</u>

Movements in carrying amounts

<i>Plant and equipment</i>		
Balance at the beginning of the reporting period	32,376	40,491
Additions	2,949	1,625
Disposals	-	-
Depreciation expense	(9,766)	(9,740)
Balance at the end of the reporting period	<u>25,559</u>	<u>32,376</u>

Notes to the financial statements (continued)

8. Plant and equipment (continued)

Total plant and equipment

Balance at the beginning of the reporting period	32,376	40,491
Additions	2,949	1,625
Disposals	-	-
Depreciation expense	(9,766)	(9,740)
Balance at the end of the reporting period	25,559	32,376

9. Intangible assets

Franchise fees have been initially recorded at cost and amortised on a straight line basis at a rate of 20% per annum. The current amortisation charges for intangible assets are included under depreciation and amortisation in the Statement of Profit or Loss and Other Comprehensive Income.

	2021	2020
	\$	\$
<i>Franchise fee</i>		
At cost	67,781	67,781
Less accumulated amortisation	(67,781)	(54,225)
	-	13,556
Total intangible assets	-	13,556

Movements in carrying amounts

Franchise fee

Balance at the beginning of the reporting period	13,556	27,112
Additions	-	-
Disposals	-	-
Amortisation expense	(13,556)	(13,556)
Balance at the end of the reporting period	-	13,556

Total intangible assets

Balance at the beginning of the reporting period	13,566	27,112
Additions	-	-
Disposals	-	-
Amortisation expense	(13,556)	(13,556)
Balance at the end of the reporting period	-	13,556

10. Right-of-use assets

The Company's lease portfolio includes buildings, plant and equipment. These leases have an average of 5 years as their lease term.

i) AASB 16 related amounts recognised in the balance sheet

	2021	2020
	\$	\$
Right-of-use assets	431,521	431,521
Right-of-use asset accumulated depreciation	(222,952)	(179,800)
	208,569	251,721

Notes to the financial statements (continued)

10. Right-of-use assets (continued)

	2021	2020
	\$	\$
Movements in carrying amounts		
Right-of-use assets	-	-
Accumulated Depreciation	-	-
Recognised on Initial application of AASB 16 (previously classified as operating leases under AASB 117)	251,721	294,872
Depreciation Expense	<u>(43,152)</u>	<u>(43,151)</u>
Net carrying amount	208,569	251,721

ii) AASB 16 related amounts recognised in the statement of profit or loss

Depreciation charge related to right-of-use assets	43,152	43,151
Interest expense on lease liabilities	14,271	16,502
Total cash outflows for leases	56,870	59,653

11. Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

	2021	2020
	\$	\$
Current		
<i>Unsecured liabilities:</i>		
Trade creditors	3,829	876
Other creditors and accruals	31,179	23,095
	<u>35,008</u>	<u>23,971</u>

The average credit period on trade and other payables is one month.

12. Borrowings

Current

Unsecured liabilities

Bank overdraft	-	-
Chattel Mortgage	15,922	23,330
Total borrowings	<u>15,922</u>	<u>23,330</u>

(a) Bank overdraft and bank loans

The company has an overdraft facility of \$100,000 which is subject to normal commercial terms and conditions.

Notes to the financial statements (continued)

13. Provisions

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The liability for annual leave is recognised in the provision for employee benefits. All other short term employee benefit obligations are presented as payables.

Other long-term employee benefits

Provision is made for employees' long service leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service.

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

	2021 \$	2020 \$
Current		
Employee benefits	31,016	27,502
Non-current		
Employee benefits	6,808	3,006
Total provisions	37,824	30,508

14. Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

	2021 \$	2020 \$
884,016 Ordinary shares fully paid	884,016	884,016
Less: Equity raising costs	(29,459)	(29,459)
	854,557	854,557
Movements in share capital		
Fully paid ordinary shares:		
At the beginning of the reporting period	854,557	854,557
Shares issued during the year	-	-
At the end of the reporting period	854,557	854,557

Notes to the financial statements (continued)

14. Share capital (continued)

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At the shareholders' meetings each shareholder is entitled to one vote when a poll is called, or on a show of hands. The company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the company's residual assets.

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 dividends 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.

- (i) the Distribution Limit is the greater of:
 - (a) 20% of the profit or funds of the company otherwise available for distribution to shareholders in that 12 month period; and
 - (b) subject to the availability of distributable profits, the Relevant Rate of Return multiplied by the average level of share capital of the Franchisee over that 12 month period; and
- (ii) 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 can be seen in the Statement of Profit or Loss and Comprehensive Income.

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

15. Accumulated losses	2021	2020
	\$	\$
Balance at the beginning of the reporting period	(545,150)	(557,531)
Profit/(loss) after income tax	28,058	41,988
Dividends paid	-	-
Cumulative adjustments upon adoption of accounting standard AASB 16 - Leases		(29,607)
Balance at the end of the reporting period	<u>(517,092)</u>	<u>(545,150)</u>

16. Dividends paid or provided for on ordinary shares

	2021	2020
	\$	\$
Dividends paid or provided for during the year		
No dividends were paid or proposed by the company during the period.	-	-

Notes to the financial statements (continued)

17. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issues during the year.

	2021	2020
	\$	\$
Basic earnings per share (cents)	3.17	4.75
Earnings used in calculating basic earnings per share		
Weighted average number of ordinary shares used in calculating basic earnings per share.	854,557	854,557

18. Statement of cash flows

(a) Cash and cash equivalents balances as shown in the Statement of Financial Position can be reconciled to that shown in the Statement of Cash Flows as follows:

Cash and cash equivalents (Note 5)	113,511	45,844
Less bank overdraft (Note 11)	-	-
As per the Statement of Cash Flow	<u>113,511</u>	<u>45,844</u>

(b) Reconciliation of cash flow from operations with profit after income tax

Profit / (loss) after income tax	23,490	41,988
Non-cash flows in profit		
- Depreciation	52,918	52,891
- Amortisation	13,556	13,556
- Bad debts	(91)	151
- Lease Liability Interest	14,271	16,502
- Rent Payments excluded from profit	(56,870)	(55,952)
Changes in assets and liabilities		
- (Increase) / decrease in trade and other receivables	269	251
- (Increase) / decrease in prepayments and other assets	2,714	(3,802)
- (Increase) / decrease in deferred tax asset	4,757	(30,061)
- Increase / (decrease) in trade and other payables	29,250	(459)
- Increase / (decrease) in current tax liability	-	-
- Increase / (decrease) in provisions	7,316	9,257
Net cash flows from / (used in) operating activities	<u>91,580</u>	<u>44,322</u>

(c) Credit standby arrangement and loan facilities

The company has a bank overdraft and commercial bill facility amounting to \$100,000 (2020: \$100,000). This may be terminated at any time at the option of the bank. At 30 June 2021, \$0 of this facility was used (2020: \$0). Variable interest rates apply to these overdraft and bill facilities.

Notes to the financial statements (continued)

19. Key management personnel and related party disclosures

(a) Key management personnel

Any person(s) having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any Director (whether executive or otherwise) of that company is considered key management personnel.

(b) Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

The Albany (WA) Community Financial Services Limited has accepted the Bendigo and Adelaide Bank Limited's Community Bank Directors Privileges package. The package is available to all Directors who can elect to avail themselves of the benefits based on their personal banking with the branch. There is no requirement to own Bendigo and Adelaide Bank Limited shares and there is no qualification period to qualify to utilise the benefits.

The package mirrors the benefits currently available to Bendigo and Adelaide Bank Limited shareholders. The Directors have estimated the total benefits received from the Directors Privilege Package to be nil for the year ended 30 June 2021.

(d) Key management personnel shareholdings

The number of ordinary shares in Albany (WA) Community Financial Services Limited held by each key management personnel of the company during the financial year is as follows:

	2021	2020
Sarah Bowles	2,500	2,500
Danielle Branson	-	-
Simon Lyas	-	-
Graham Foster	500	500
Leon Delpech – Resigned 4 September 2020	-	-
Johanna Tomlinson	2,000	2,000
Ricky Burges – Appointed 4 August 2020	-	-
Claudia Maw – Appointed 3 November 2020	-	-
	<u>5,000</u>	<u>5,000</u>

There was no movement in key management personnel shareholdings during the year. Each share held has a paid up value of \$1 and is fully paid.

(e) Other key management transactions

There has been no other transactions involving equity instruments other than those described above.

Notes to the financial statements (continued)

20. Events after the reporting period

There have been no events after the end of the financial year that would materially affect the financial statements.

21. Contingent liabilities and contingent assets

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

22. Operating segments

The company operates in the financial services sector where it provides banking services to its clients. The company operates in one area being Albany, WA. The company has a franchise agreement in place with Bendigo and Adelaide Bank Limited who account for 100% of the revenue (2020:100%).

23. Commitments

Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the Statement of Financial Position.

	2021	2020
	\$	\$
Payable:		
- no later than 12 months	56,871	56,871
- between 12 months and five years	218,003	274,874
- greater than five years	-	-
Minimum lease payments	274,874	331,745

The property lease is a non-cancellable lease with a five year term, with rent payable monthly in advance and with the option to extend for a further 5 years.

24. Company details

The registered office and principle place of business is Shop 3, 78-82 Lockyer Avenue, Albany WA 6330.

25. Financial risk management

Financial risk management policies

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Due to the size of operations the full board acts as the Audit Committee.

Specific financial risk exposure and management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and other price risk. There have been no substantial changes in the types of risks the company is exposed to, how the risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

The company's financial instruments consist mainly of deposits with banks, short term investments, account receivables and payables, bank overdraft and loans. The totals for each category of financial instruments measured in accordance with AASB 139 *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies are as follows:

Notes to the financial statements (continued)

25. Financial risk management (continued)

	Note	2021 \$	2020 \$
Financial assets			
Cash and cash equivalents	5	113,511	45,844
Trade and other receivables	6	67,398	67,667
Total financial assets		180,909	113,511
Financial liabilities			
Trade and other payables	11	35,008	23,971
Bank overdraft	12	-	-
Total financial liabilities		35,008	23,971

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the company.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that clients and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms for normal fee income are generally 30 days from the date of invoice. For fees with longer settlements, terms are specified in the individual client contracts. In the case of loans advanced, the terms are specific to each loan.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets as presented in the table above.

The company has significant concentrations of credit risk with Bendigo and Adelaide Bank Limited. The company's exposure to credit risk is limited to Australia by geographic area.

None of the assets of the company are past due (2020: nil past due) and based on historic default rates, the company believes that no impairment allowance is necessary in respect of assets not past due.

The company limits its exposure to credit risk by only investing in liquid securities with Bendigo and Adelaide Bank Limited and therefore credit risk is considered minimal.

(b) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company ensures it will have enough liquidity to meet its liabilities when due under both normal and stressed conditions. Liquidity management is carried out within the guidelines set by the Board.

In addition the company has established an overdraft facility of \$100,000 with Bendigo and Adelaide Bank Limited. The undrawn amount of this facility is \$100,000(2020: \$100,000).

Notes to the financial statements (continued)

25. Financial risk management (continued)

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. The Bank overdraft facility is subject to annual review, may be drawn at any time, and may be terminated by the bank without notice. Therefore the balance of the overdraft facility outstanding at year end could become repayable within 12 months.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis:

30 June 2021	Weighted average interest rate %	Total \$	Within 1 year \$	1 to 5 years \$	Over 5 years \$
Financial assets					
Cash and cash equivalents	0%	113,511	113,511	-	-
Trade and other receivables	0%	67,398	67,398	-	-
Total anticipated inflows		<u>180,909</u>	<u>180,909</u>	<u>-</u>	<u>-</u>
Financial liabilities					
Trade and other payables	0%	35,008	35,008	-	-
Bank overdraft *	3.795%	-	-	-	-
Total expected outflows		<u>35,008</u>	<u>35,008</u>	<u>-</u>	<u>-</u>
Net inflow / (outflow) on financial instruments		<u><u>145,901</u></u>	<u><u>145,901</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
30 June 2020	Weighted average interest rate %	Total \$	Within 1 year \$	1 to 5 years \$	Over 5 years \$
Financial assets					
Cash and cash equivalents	0%	45,844	45,844	-	-
Trade and other receivables	0%	67,667	67,667	-	-
Total anticipated inflows		<u>113,511</u>	<u>113,511</u>	<u>-</u>	<u>-</u>
Financial liabilities					
Trade and other payables	0%	23,971	23,971	-	-
Bank overdraft *	3.795%	-	-	-	-
Total expected outflows		<u>23,971</u>	<u>23,971</u>	<u>-</u>	<u>-</u>
Net inflow / (outflow) on financial instruments		<u><u>89,540</u></u>	<u><u>89,540</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

* The Bank overdraft has no set repayment period and as such all has been included as current.

Notes to the financial statements (continued)

25. Financial risk management (continued)

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The financial instruments that primarily expose the company to interest rate risk are borrowings and cash and cash equivalents.

Sensitivity analysis

The following table illustrates sensitivities to the company's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

	Profit \$	Equity \$
Year ended 30 June 2021		
+/- 1% in interest rates (interest income)	1,135	1,135
+/- 1% in interest rates (interest expense)	-	-
	<u>1,135</u>	<u>1,135</u>
	Profit \$	Equity \$
Year ended 30 June 2020		
+/- 1% in interest rates (interest income)	458	458
+/- 1% in interest rates (interest expense)	-	-
	<u>458</u>	<u>458</u>

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

The company has no exposure to fluctuations in foreign currency.

(d) Price risk

The company is not exposed to any material price risk.

Notes to the financial statements (continued)

25. Financial risk management (continued)

Fair values

Fair value estimation

The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position.

Differences between fair values and the carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied to the market since their initial recognition by the company.

	2021		2020	
	Carrying amount	Fair value	Carrying amount	Fair Value
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents (i)	113,511	113,511	45,844	45,844
Trade and other receivables (i)	67,398	67,398	67,667	67,667
Total financial assets	180,909	180,909	113,511	113,511
Financial liabilities				
Trade and other payables (i)	35,008	35,008	23,971	23,971
Bank overdraft	-	-	-	-
Total financial liabilities	35,008	35,008	23,971	23,971

(i) Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values.

Directors' declaration

In accordance with a resolution of the Directors of Albany (WA) Community Financial Services 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 ground 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 resolution of the board of directors.



Sarah Bowles, Chairperson
Signed on the 19 October 2021

Independent audit report

INDEPENDENT AUDITOR'S REPORT

To: The Members of Albany (WA) Community Financial Services Ltd

Report on the Audit of the Financial Report

We have audited the accompanying financial report of Albany (WA) Community Financial Services Ltd, which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of Albany (WA) Community Financial Services Ltd is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2021 and of its 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 (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 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 report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Intangible Deferred Tax Asset Valuation

The company has booked a deferred tax asset, being a future income tax benefit of \$ 242,197 as at 30 June 2021. This represents the tax benefit available in the event that tax losses are recouped in the future. The ability of the company to recoup those losses and realise the assets full value, is in turn dependent upon the company achieving a requisite level of taxable income in the future. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and 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 to cease operations, or have no realistic alternative but to do so. The going concern basis of accounting is appropriate when it is reasonably foreseeable that the company will be able to meet its liabilities as they fall due.

The directors are responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the financial report

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted an independent audit of the financial report in order to express an opinion on it to the members.



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Macleod Corporation Pty Ltd is a CPA practice

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CERTIFIED PRACTISING ACCOUNTANTS



Independent audit report (continued)

Our objective is 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. Misstatements 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 members taken on the basis of this financial report.

We have complied with the competency standards set by Australian Securities & Investments Commission (ASIC). Our audit has been conducted in accordance with Australian Auditing Standards. These standards require that we comply with relevant ethical requirements relating to audit engagements, and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free from material misstatement.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment 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 controls 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 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 the 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 the 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 the audit.



Paul Gilbert FCPA MBA
Macleod Corporation Pty Ltd
Dated this 7th day of October 2021



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CERTIFIED PRACTISING ACCOUNTANTS



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 **Bendigo Bank**