

**Bentley & Districts Community  
Financial Services Limited**

ABN 99 109 035 976

**Annual Report 2020**

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## Chairperson's Report

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For year ending 30<sup>th</sup> June 2020

At last year's AGM I gave the commitment that I, together with the board of directors, would do all we could to improve the position and performance of the company.

I stand before you now, confident and convinced that we have done everything possible to deliver on that commitment. However, in doing so have come to the realisation that the ongoing viability and sustainability of the Bentley Community Bank is non-existent.

Arriving at this conclusion has not only been very difficult, but also very disappointing as the board and I fully understand and acknowledge the commitment and sacrifice that you, as shareholders, have shown over the last 16 years.

To put things into perspective, we currently have business \$75M on our books. Based on current projections this will result in a trading loss next year in the vicinity of \$80k. Even if we were to grow our business by \$10M for the year we would still see a trading loss of \$59k for the year. Considering our company currently has an overdraft in place of \$500k the board cannot justify increasing debt further without any prospects of repayment or reduction in this debt.

As shareholders this means little prospect of any future dividends being possible.

While we acknowledge the competitive marketplace, the current pandemic, and the downturn in revenue since the GFC, we do not use any of this as an excuse. The position we find ourselves in is, as a result of many factors. Our commitment as a board is to act in the best interests of you, our shareholders at this time.

I am sure you will have many questions and I will do my utmost to ensure your questions are answered, however urge you to carefully consider the proposal before you and to attend the EGM or submit your proxy if you're unable to attend in person.

Thank you,



Mike Irving  
Chairperson

# Bendigo and Adelaide Bank report

## For year ending 30 June 2020

In the 20-plus years since the opening of the very first Community Bank branch, it's fair to say we haven't seen a year quite like 2020.

After many years of drought, the 2019 calendar year ended with bushfires burning across several states. A number of our Community Bank companies were faced with an unprecedented natural disaster that impacted lives, homes, businesses and schools in local communities.

As fires took hold, Bendigo and Adelaide Bank's head office phones started to ring, emails came in from all over the world and our customers, and non-customers, headed into our branches to donate to an appeal that we were still in the process of setting up.

Our reputation as Australia's most trusted bank and the goodwill established by 321 Community Bank branches across the country meant that people instinctively knew that Bendigo, and our Community Bank partners, would be there to help. An appeal was established and donations were received in branch and online from 135,000 donors from all around the world. More than \$45 million was donated.

Just as the fires had been extinguished and the Bank's Community Enterprise Foundation was working with government, not-for-profit organisations and impacted communities to distribute donations, the global COVID-19 pandemic arrived.

The impact of this pandemic was, and continues to be, more than about health. The impacts are far-reaching and banking is not immune. Your support as a shareholder, and a customer, of your local Community Bank company has never been so important.

You should be proud of your investment in your local Community Bank company. As the Australian workforce had to adjust its way of working, your Community Bank branch staff were classified as essential workers and turned up for work every day throughout the pandemic to serve your local customers.

Your Community Bank company, led by your local directors, were committed to supporting local economies. Often it was the little things like purchasing coffees and meals from local cafes, not only for their branch staff but for other essential workers (teachers, nurses, hospital support staff, ambulance and police officers and aged care workers). This not only supported essential workers also supported many local businesses when they needed it the most.

What we've discovered in 2020 is that in times of crisis, Australia's Community Bank network has unofficially become Australia's 'second responder'. Local organisations and clubs look to their local Community Bank companies not only for financial assistance, but to take the lead in connecting groups and leading the community through a crisis.

So, what does this all mean? For Bendigo and Adelaide Bank, it reinforces the fact that you are a shareholder of a unique and caring company – run by locals to benefit not only your community but those in need.

As Australia's 5<sup>th</sup> largest bank with more than 1.9 million customers we are proud to partner with your community.

If 2020 has shown us anything, it's that we're stronger for the partnerships we have with the communities we operate in.

On behalf of Bendigo and Adelaide Bank, we thank all of our Community Bank company directors and shareholders and your branch staff and customers for your continued support throughout the year.



**Mark Cunneen**  
**Head of Community Support**  
**Bendigo and Adelaide Bank**

**Bentley & Districts Community Financial Services  
Limited**

**ABN: 99 109 035 967**

**Financial Report**

**For the year ended 30 June 2020**

**Bentley & Districts Community Financial Services Limited**  
**ABN 99 109 035 967**

**Directors' report**

The Directors present their report of the company for the financial year ended 30 June 2020.

**Directors**

The following persons were Directors of Bentley & Districts Community Financial Services Limited during or since the end of the financial year up to the date of this report:

**Mike Irving**

Position	Chairperson appointed 30/06/19 Director since 24/02/2017
Professional qualifications	Bachelors (Biology)
Experience and expertise	Business coach and founder of Advanced Business Abilities.

**Aine Healy Carter**

Position	Director & Treasurer.
Professional qualifications	MBA, Grad Cert in Business
Experience and expertise	Service improvement project manager at Serco.

**Mark Perger (Resigned 30 Novemeber 2019)**

Position	Director.
Professional qualifications	MBA, B Bus (Agric)(Hons), GAICD
Experience and expertise	Managing Director of telecommunications service provider.

**Lina Barbato (Resigned 30 Novemeber 2019)**

Position	Director.
Professional qualifications	B. Bus
Experience and expertise	Director of corporate services and CFO at Healthway. Board member of Advocare.

**Colin Crohan (Appointed 23 November 2020)**

Position	Director.
Experience and expertise	Regional Manager for Bendigo bank

These financial statements should be read in conjunction with the accompanying notes  
and the attached audit report

**Bentley & Districts Community Financial Services Limited**  
**ABN 99 109 035 967**

**Directors' report**

**Directors (continued)**

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

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

**Directors' meetings**

Attendances by each Director during the year were as follows:

Board meetings		
Director	A	B
Mike Irving	6	6
Aine Healy Carter	6	6
Mark Perger	6	3
Lina Barbato	6	2
A - The number of meetings eligible to attend.		
B - The number of meetings attended.		
N/A - not a member of that committee.		

**Company Secretary**

Mike Irving has been the Company Secretary of Bentley & Districts Community Financials Services Limited since 25 October 2020.

**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/(loss) of the company for the financial year after provision for income tax was \$76,980 (2019: (\$7,887)).

Subsequent to the end of the financial year, the company made the decision to terminate its Franchise Agreement with Bendigo and Adelaide Bank Limited (**Bendigo Bank**) and, therefore, cease trading as a bank.

**Dividends**

No dividend has been declared or paid for the year ended 30 June 2020.

**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**

Subsequent to the financial year end, the company has made the decision to terminate its Franchise Agreement with Bendigo Bank and, therefore, cease trading as a bank. In the opinion of the directors, there were no other significant changes in the company's state of affairs that occurred during the financial year that is not otherwise disclosed in the financial statements.

**Bentley & Districts Community Financial Services Limited**  
**ABN 99 109 035 967**

**Directors' report**

**Events subsequent to the end of the reporting period**

Subsequent to the financial year end, the company has been negotiating an agreement with Bendigo Bank to terminate the Franchise Agreement and re-domicile the customers to Bendigo Bank. It is proposed that Bendigo Bank will release the company's existing debts and provide a cash payment. A formal agreement has not yet been concluded.

Termination of the Franchise Agreement, distribution of the company's cash and the subsequent deregistration of the company is subject to approval by the company's shareholders. The matter will be considered at the Annual General Meeting of shareholders, which, at the time of this report, has not yet been scheduled.

There are no other matters or circumstances that 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 operation 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.

**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.

**Proceedings on behalf of 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 4 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 Bentley on **27 November, 2020**



**Mike Irving**  
Chairman



**DIRECTORS:**

**ROBERT CAMPBELL** RCA, CA, CPA, MSW

**VIRAL PATEL** RCA, CA, CPA

**ALASTAIR ABBOTT** RCA, CA, M.FORENSIC ACCOUNTING

**CHASSEY DAVIDS** RCA, CA, AMIIA, BCOM

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF  
THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF  
BENTLEY & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there has been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Dated this 27<sup>th</sup> day of November 2020



**Chassey Davids, CA, AMIIA, BCom**  
Registered Company Auditor number 490152  
**Director**  
**Australian Audit**

**Bentley & Districts Community Financial Services Limited**  
**ABN 99 109 035 967**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**for the year ended 30 June 2020**

	Notes	2020 \$	2019 \$
<b>Revenue</b>	2	499,786	494,939
<b>Expenses</b>			
Employee benefits expense	3	(245,717)	(299,136)
Depreciation and amortisation	3	-	(14,428)
Finance costs	3	(13,693)	(21,049)
Bad and doubtful debts expense	3	(344)	(103)
Occupancy expenses		(57,982)	(57,728)
IT costs		(20,002)	(20,089)
Insurance		(7,738)	(12,972)
Other expenses		(77,856)	(77,321)
		<u>(423,332)</u>	<u>(502,826)</u>
<b>Operating profit / (loss) before charitable donations and sponsorships</b>		<b>76,454</b>	<b>(7,887)</b>
Charitable donations and sponsorships		-	-
		<u>76,454</u>	<u>(7,887)</u>
<b>Profit / (loss) before income tax</b>		<b>76,454</b>	<b>(7,887)</b>
Income tax expense / benefit	4	-	-
		<u>76,454</u>	<u>(7,887)</u>
<b>Profit/(loss) for the year</b>		<b>76,454</b>	<b>(7,887)</b>
Other comprehensive income		-	-
		<u>76,454</u>	<u>(7,887)</u>
<b>Total comprehensive income for the year</b>		<b>76,454</b>	<b>(7,887)</b>
Profit / (loss) attributable to members of the company		76,454	(7,887)
		<u>76,454</u>	<u>(7,887)</u>
<b>Total comprehensive income attributable to members of the company</b>		<b>76,454</b>	<b>(7,887)</b>
<b>Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company (cents per share):</b>			
- basic earnings per share	15	8.68%	(0.89%)

These financial statements should be read in conjunction with the accompanying notes  
and the attached audit report

**Bentley & Districts Community Financial Services Limited**  
**ABN 99 109 035 967**  
**Statement of Financial Position as at 30 June 2020**

	Notes	2020 \$	2019 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	2,207	1,707
Trade and other receivables	6	37,684	39,462
Other assets	7	5,899	5, 221
<b>Total current assets</b>		<b>45,790</b>	<b>46,394</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	-	527
Intangible assets			
<b>Total non-current assets</b>		<b>-</b>	<b>527</b>
<b>Total assets</b>		<b>45,790</b>	<b>46,921</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	(3,965)	16,720
Borrowings	10	483,268	540,368
Provisions	11	10,339	10,137
<b>Total current liabilities</b>		<b>489,642</b>	<b>567,225</b>
<b>Total liabilities</b>		<b>489,642</b>	<b>567,225</b>
<b>Net liabilities</b>		<b>(443,852)</b>	<b>(520,304)</b>
<b>Equity</b>			
Issued capital	12	886,710	886,710
Retained earnings / Accumulated losses	13	(1,330,560)	(1,407,014)
<b>Total equity</b>		<b>(443,852)</b>	<b>(520,304)</b>

These financial statements should be read in conjunction with the accompanying notes  
and the attached audit report

**Bentley & Districts Community Financial Services Limited**  
**ABN 99 109 035 967**  
**Statement of Changes in Equity**  
**for the year ended 30 June 2020**

	Issued capital \$	Accumulated Profit/(losses) \$	Total equity \$
<b>Balance at 1 July 2018</b>	886,710	(1,399,128)	(512,418)
Profit for the year	-	(7,887)	(7,887)
<b>Total comprehensive income for the year</b>	-	<b>(7,887)</b>	<b>(7,887)</b>
<b>Balance at 30 June 2019</b>	<u>886,710</u>	<u>(1,407,015)</u>	<u>(520,304)</u>
<b>Balance at 1 July 2019</b>	886,710	(1,407,015)	(520,304)
Profit/(loss) for the year	-	76,454	76,454
<b>Total comprehensive income for the year</b>	-	<b>76,454</b>	<b>76,454</b>
<b>Balance at 30 June 2020</b>	<u>886,710</u>	<u>(1,330,560)</u>	<u>(443,852)</u>

These financial statements should be read in conjunction with the accompanying notes  
and the attached audit report

**Bentley & Districts Community Financial Services Limited**  
**ABN 99 109 035 967**  
**Statement of Cash Flows**  
**for the year ended 30 June 2020**

	Notes	2020 \$	2019 \$
<b>Cash flow from operating activities</b>			
Cash receipts from customers		501,221	471,867
Cash payments to suppliers and employees		(429,927)	(424,608)
Cash generated from operations		<u>71,293</u>	<u>47,259</u>
Interest Received		0	0
Interest Paid		(13,693)	(19,082)
<b>Net cash from operating activities</b>		<u><u>57,600</u></u>	<u><u>28,177</u></u>
<b>Cash flows from investing activities</b>			
Proceeds from sale of assets		0	0
Acquisition of property plant & equipment		0	(877)
<b>Net cash flow used in investing activities</b>		<u><u>0</u></u>	<u><u>(877)</u></u>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		0	0
<b>Net cash use in financing activities</b>		<u><u>0</u></u>	<u><u>0</u></u>
<b>Net increase in cash and cash equivalents</b>		57,600	27,300
Cash and cash equivalents at beginning of financial year		(478,127)	(505,427)
Cash and cash equivalents at end of financial year		<u><u>(420,527)</u></u>	<u><u>(478,127)</u></u>

These financial statements should be read in conjunction with the accompanying notes  
and the attached audit report

**Bentley & Districts Community Financial Services Limited**  
**ABN 99 109 035 967**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2020**

## **1. Summary of significant accounting policies**

Bentley & Districts Community Financials 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 27 November 2020.

The company is a for profit entity for financial reporting purposes under Australian Accounting Standards. The general purpose financial statements have been prepared in accordance with Australian Accounting Standards- reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board (AASB), the Corporations Act 2001 and the significant accounting policies disclosed below, which the director has determined are appropriate to meet the needs of the members. The financial statements are presented in Australian dollars, the functioning and presentation currency of the company. Amounts in the financial statements have been rounded to the nearest dollar, unless otherwise stated. The following is a summary of the material accounting policies adopted in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

### **Basis of preparation**

#### ***Reporting basis and Conventions***

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 Bentley.

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®** branches on behalf of Bendigo and Adelaide Bank Limited, however all transactions with customers conducted through the **Community Bank®** branches 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.

Bendigo and Adelaide Bank Limited provides significant assistance in establishing and maintaining the **Community Bank®** branches 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®** branches;
- 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.

**Bentley & Districts Community Financial Services Limited**  
**ABN 99 109 035 967**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2020**

## **1. Summary of significant accounting policies (continued)**

### ***Going concern***

The financial statements for the financial year ended 30 June 2020 have not been prepared on a going concern basis as the company is not likely to continue its operations.

As disclosed in Note 18 Events after the reporting period, the company is currently negotiating an agreement with Bendigo Bank to terminate the Franchise Agreement and re-domicile the customers to Bendigo Bank. It is proposed that Bendigo Bank will release the company's existing debts and provide a cash payment. A formal agreement has not yet been concluded.

Termination of the Franchise Agreement, distribution of the company's cash and the subsequent deregistration of the company is subject to approval by the company's shareholders. The matter will be considered at the Annual General Meeting of shareholders, which, at the time of this report, has not yet been scheduled.

### **Accounting Policies**

#### **(a) 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:

#### ***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. Current income tax 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 tax benefits attributable to carried forward losses are not expected to be realised due to the decision by the directors to terminate the Franchise Agreement, thus no deferred tax asset is recognised.

#### ***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.

**Bentley & Districts Community Financial Services Limited**  
**ABN 99 109 035 967**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2020**

**1. Summary of significant accounting policies (continued)**

**(b) Revenue and Other Income**

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

The entity applies the revenue recognition criteria set out 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.

**(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.

**(d) 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.

**(e) 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.

**(f) 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.



**Bentley & Districts Community Financial Services Limited**  
**ABN 99 109 035 967**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2020**

**1. Summary of significant accounting policies (continued)**

**(g) Financial liabilities**

***Classification of financial liabilities***

Financial liabilities include trade payables, other creditors, loans from third parties and loans from or other amounts due to related entities. Financial liabilities are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

***Measurement of financial liabilities***

Financial liabilities are initially measured at fair value plus transaction costs, except where the instrument is classified as "fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**(h) 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 and annual 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. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurement for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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.

**Bentley & Districts Community Financial Services Limited**  
**ABN 99 109 035 967**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2020**

**1. Summary of significant accounting policies (continued)**

**(i) New and amended accounting policies adopted by the company**

There are no new and amended accounting policies that have been adopted by the company this financial year.

**(j) Comparative figures**

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

**(k) New accounting standards for application in future periods**

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**2. Revenue**

***Rendering of services***

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

	2020	2019
	\$	\$
Revenue		
- service commissions	453,723	494,939
- ATO cash flow boost	47,680	-
- other income	(1,617)	-
<b>Total revenue</b>	<b>499,786</b>	<b>494,939</b>

**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.

***Borrowing costs***

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

**Bentley & Districts Community Financial Services Limited**  
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**Notes to the Financial Statements**  
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**Expenses (continued)**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Profit before income tax includes the following specific expenses:</b>		
Employee benefits expense		
- wages and salaries	222,137	266,693
- superannuation costs	20,310	25,284
- other costs	3,270	7,159
	<b>245,717</b>	<b>299,136</b>
Depreciation and amortisation		
<i>Depreciation</i>		
- plant & equipment	-	-
- leasehold improvements	-	-
- furniture & fittings	-	-
- computer equipment	-	175
	-	175
Amortisation		
- franchise fees	-	14,253
Total depreciation and amortisation	-	<b>14,428</b>
Finance costs		
- Interest paid	13,693	21,049
Bad and doubtful debts expenses	344	103
Auditors' remuneration		
<i>Remuneration of the Auditor, Richmond, Sinnott &amp; Delahunty, for:</i>		
- Audit or review of the financial report	7,091	8,282
- Accounting services	10,497	1,818
	<b>17,588</b>	<b>10,100</b>

**4. Income tax**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>a. Prima facie tax payable</b>		
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 27.5% (2019: 27.5%)	37,302	(\$7,887)
Add tax effect of:		
- Utilisation of previously unrecognised carried forward tax losses	37,302	-
- Under / (over) provision of prior years	-	7,887
<b>Income tax attributable to the entity</b>	-	-
The applicable weighted average effective tax rate is:	0.00%	0.00%
<b>b. Deferred tax assets</b>		
Total carried forward tax losses not recognised as deferred tax assets:	1,265,403	1,302,705

**Bentley & Districts Community Financial Services Limited**  
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**Notes to the Financial Statements**  
**for the year ended 30 June 2020**

**5. Cash and cash equivalents**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Cash at Hand	2,001	1,501
Bendigo Bank A/c no. 2990	206	206
	<b>2,207</b>	<b>1,707</b>

**6. Trade and other receivable**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Other Receivables</b>	37,684	39,462
	<b>37,684</b>	<b>39,462</b>

**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.

**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.

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Prepayments	5,899	5,224
	<b>5,899</b>	<b>5,224</b>

**8 Property, plant and equipment**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<i>Computer Equipment</i>		
At cost	-	877
Less accumulated depreciation	-	(350)
<b>Total property, plant and equipment</b>	<b>-</b>	<b>527</b>

**Bentley & Districts Community Financial Services Limited**  
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**9. Trade and other payables**

	2020	2019
	\$	\$
<b>Current</b>		
<i>Unsecured liabilities:</i>		
Trade creditors		-
	13,632	
Accrued Expense		5,365
	7,800	
Payroll deduction		-
	156	
ATO Liability		11,355
	(25,553)	
	<b>(3,965)</b>	<b>16,720</b>

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

**10. Borrowings**

	2020	2019
	\$	\$
<b>Current</b>		
<i>Unsecured liabilities</i>		
Bank overdraft		540,368
	483,268	
	<b>483,268</b>	<b>540,368</b>

**(a) Bank overdraft and bank loans**

The company has an overdraft facility of \$575,000 (2019: \$575,000) which is subject to normal commercial terms and conditions with the Bendigo and Adelaide Bank Limited.

**11. Provisions**

	2020	2019
	\$	\$
<b>Current</b>		
Employee benefits	10,339	10,137
	<b>10,339</b>	<b>10,137</b>

**12. Share capital**

Ordinary shares are classified as equity.

	2020	2019
	\$	\$
886,710 Ordinary shares fully paid	886,710	886,710
	<b>886,710</b>	<b>886,710</b>
<b>Movements in share capital</b>		
Fully paid ordinary shares:		
At the beginning of the reporting period	886,710	886,710
Shares issued during the year		-
At the end of the reporting period	<b>886,710</b>	<b>886,710</b>

**Bentley & Districts Community Financial Services Limited**  
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**Notes to the Financial Statements**  
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## **12. Share capital (continued)**

### **Capital management**

Ordinary shares participate in dividends and the proceeds on winding up the company in proportion to the number of shares held. At the shareholder's meetings each shareholder is entitled to 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.

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.

## **13. Retained Earnings**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Balance at the beginning of the reporting period	(1,407,014)	(1,399,128)
Profit/(loss) after income tax	76,454	7,887
Balance at the end of the reporting period	<b>(1,330,560)</b>	<b>(1,407,014)</b>

## **14. Dividends paid or provided for on ordinary shares**

No dividends were paid or proposed by the company during the period.

## **15. Earnings Per share**

Basic Earnings per share (cents)	8.68	(0.89)
Earnings used in calculating basic earnings per share	76,980	(7,887)
Weighted average number of ordinary shares used in calculating basic earnings per share	886,710	886,710

**Bentley & Districts Community Financial Services Limited**  
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## **16. 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.

### **(c) Transactions with key management personnel and related parties**

Other than detailed below, no key management personnel or related party has entered into any contracts with the company. No Director fees have been paid as the positions are held on a voluntary basis.

During the year, the company purchased goods and services under normal terms and conditions, from related parties as follows:

<b>Name of related party</b>	<b>Description of goods / services provided</b>	<b>Value \$</b>
Agrurion (Peter Lam)	Accounting Services	10,497

### **(d) Key management personnel shareholdings**

There are no key management personnel or Directors that hold shares in the Company. There was no movement in key management personnel shareholdings during the year.

### **(e) Other key management transactions**

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

## **17. Events after the reporting period**

Subsequent to the financial year end, the company has been negotiating an agreement with Bendigo Bank to terminate the Franchise Agreement and re-domicile the customers to Bendigo Bank. It is proposed that Bendigo Bank will release the company's existing debts and provide a cash payment. A formal agreement has not yet been concluded.

Termination of the Franchise Agreement, distribution of the company's cash and the subsequent deregistration of the company is subject to approval by the company's shareholders. The matter will be considered at the Annual General Meeting of shareholders which, at the time of the report, has not yet been scheduled.

## **18. Contingent liabilities and contingent assets**

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

**19. Operating segments**

The company operates in the financial services sector where it provides banking services to its clients. The company operates in one geographic area being Bentley, WA.

**20. Commitments****Operating lease commitments**

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

	2020	2019
	\$	\$
Payable:		
- no later than 12 months	-	-
- between 12 months and five years	-	-
- greater than five years	-	-
<b>Minimum lease payments</b>	<b>-</b>	<b>-</b>

The premises are being leased on a month-to-month basis. No commitment has been made at the time of the signing-off of the financial statements on the 27 November 2020.

**21. Company details**

The registered office and principle place of business is 9/940 Albany Highway, East Victoria Park WA 6981

**22. Financial risk management*****Financial risk management policies***

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

***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:

		2020	2019
		\$	\$
<b>Financial assets</b>			
Cash and cash equivalents	5	2,207	1,707
Trade and other receivables	6	37,684	39,462
<b>Total financial assets</b>		<b>39,891</b>	<b>41,169</b>
<b>Financial liabilities</b>			
Trade and other payables	9	21,588	5,365
Bank overdraft	10	483,268	540,368
<b>Total financial liabilities</b>		<b>504,856</b>	<b>545,732</b>



## **22. Financial risk management (continued)**

### **(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.

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 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 has been negotiating an agreement with Bendigo Bank to terminate the Franchise Agreement and re-domicile the customers to Bendigo Bank. Negotiations are proposed for Bendigo Bank to release the company's existing debts. A formal agreement has not yet been concluded at the time of signing the financial statement.

### **(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 is 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.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit \$	Equity \$
<b>Year ended 30 June 2020</b>		
+/- 1% in interest rates (interest income)	-	-
+/- 1% in interest rates (interest expense)	<u>4,833</u>	<u>4,833</u>
	<b><u>4,833</u></b>	<b><u>4,833</u></b>
<b>Year ended 30 June 2019</b>		
+/- 1% in interest rates (interest income)	-	-
+/- 1% in interest rates (interest expense)	<u>4,732</u>	<u>4,732</u>
	<b><u>4,732</u></b>	<b><u>4,732</u></b>

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.

**Financial risk management (continued)****(d) Price risk**

The company is not exposed to any material price risk.

**(e) Fair values**

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.

	2020		2019	
	Carrying amount \$	Fair value \$	Carrying amount \$	Fair Value \$
<b>Financial assets</b>				
Cash and cash equivalents (i)	2,707	2,707	1,707	1,707
Trade and other receivables (i)	37,684	37,684	39,462	39,462
<b>Total financial assets</b>	<b>39,891</b>	<b>39,891</b>	<b>41,169</b>	<b>41,169</b>
<b>Financial liabilities</b>				
Trade and other payables (i)	21,588	21,588	5,385	5,385
Bank overdraft	483,268	483,268	540,367	540,367
<b>Total financial liabilities</b>	<b>504,856</b>	<b>504,856</b>	<b>545,732</b>	<b>545,732</b>

(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.

**23. Going Concern**

As at 30 June 2020, the company has a working capital deficiency of \$443,852 (2019: \$520,831) and a negative equity balance of \$443,325 (2019: \$ 520,304), raising concerns about the company's ability to continue as a going concern.

For the year, the entity recognised a profit/ (loss) before tax of \$76,980 (2019: ( \$7,887)).

The company meets its day-to-day working capital requirements through an overdraft facility with an approved limit of \$575,000. This facility was drawn to \$483,268 as at 30 June 2020.

As disclosed in Note 17 Events after the reporting period, the company is currently negotiating an agreement with Bendigo Bank to terminate the Franchise Agreement and re-domicile the customers to Bendigo Bank. It is proposed that Bendigo Bank will release the company's existing debts and provide a cash payment. A formal agreement has not yet been concluded.

Termination of the Franchise Agreement, distribution of the company's cash and the subsequent deregistration of the company is subject to approval by the company's shareholders. The matter will be considered at the Annual General Meeting of shareholders which, at the time of the report, has not yet been scheduled.

As mentioned in Note 1, the financial statements for the year ended 30 June 2020 have not been prepared on a going concern basis as the company is not likely to continue its operations.

**Bentley & Districts Community  
Financial Services Limited**

**ABN 99 109 035 967**

**Directors' Declaration**

In accordance with a resolution of the Directors of Bentley & Districts Community Financial Services Limited, the Directors of the company declare that:

1. The financial statements and notes, as set out on pages 1 to 21 are in accordance with the Corporations Act 2001 except for the matter described in Note 24 and:
  - (i) comply with Australian Accounting Standards which, as stated in accounting policy Note I to the financial statements, and
  - (ii) give a true and fair view of the company's financial position as at 30 June 2020 and of the performance for the year ended on that date;
2. In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

**Mike Irving**  
Chairman

A handwritten signature in black ink, appearing to read 'Mike Irving', is written over a horizontal line. Below the signature, the words 'ALL RIGHTS RESERVED' are printed in a small, sans-serif font.

Signed at Bentley on 27 November, 2020 .

**DIRECTORS:**

ROBERT CAMPBELL RCA, CA, CPA, MSW

VIRAL PATEL RCA, CA, CPA

ALASTAIR ABBOTT RCA, CA, M.FORENSIC ACCOUNTING

CHASSEY DAVIDS RCA, CA, AMIA, BCOM

## INDEPENDENT AUDITOR'S REPORT

To the members of Bentley & Districts Community Financial Services Limited

### Opinion

We have audited the financial report of Bentley & Districts Community Financial Services Limited (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit & loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the statement by the Board of Directors.

In our opinion, the accompanying financial report of Bentley & Districts Community Financial Services Limited is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the company's financial position as at 30 June 2020, and of its performance for the year then ended; and
- complying with Australian Accounting Standards to the extent described in Note 1, 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 – Material uncertainty relating to Going Concern**

We draw attention to Note 23 in the financial report which indicates that the Company's current liabilities exceed its current assets. The working capital deficiency as at 30 June 2020 is \$443,852. As at 30 June 2020, there is a negative equity balance of \$443,852. Bendigo and Adelaide Bank Limited has confirmed that it will continue to support the company and its operations for the next 12 months through the provision of an overdraft facility. The Company is currently negotiating an agreement with Bendigo and Adelaide Bank Limited to terminate the Franchise Agreement and re-domicile the customers to Bendigo and Adelaide Bank Limited. The directors believe that the actions taken and planned actions to be taken since the balance date will mean the organisation has the ability to raise additional funds as and when required to pay its debts as and when they become due and payable.

### **Responsibilities of Management and Those Charged with Governance 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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a 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 relating to going concern and using the going concern basis of accounting unless the directors either intend

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

**Chassey Davids, CA, AMIIA, BCom**  
Registered Company Auditor number 490152  
**Director**  
**Australian Audit**

**Date: 27 November 2020**