2021 Annual Report

Coleambally Finance Group Limited

ABN 52 086 241 509

Community Bank · Coleambally

Contents

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the twenty third ANNUAL GENERAL MEETING of COLEAMBALLY FINANCE GROUP LIMITED will be held at Coleambally Community Club on Thursday, 9 December 2021 at 7:00pm.

AGENDA

1. **Minutes of Annual General Meeting dated 3 December 2020**
2. **Ordinary Business**

Chairman's Report

The Chair, Lynne Stuckings will present her report on the operations of the Company for the year ended 30 June 2021.

Adoption of Accounts

To receive and consider the financial statements and reports to the members comprising:

1. The Profit and Loss accounts for the year ended 30 June 2021 and Balance Sheet of the Company as at 30 June 2021.
2. The Directors' Declaration and Report by auditors for the financial year ended 30 June 2021.
3. The Directors' Report for the financial year ended 30 June 2021.

Election of Directors

To elect two (2) Directors:

Kevan Boyle and Adrian Hayes retire in accordance with the provisions of the constitution and being eligible, may offer to re-elect.

3. **General Business**

To transact any business that may be lawfully brought forward.

By Order of the Board

Lynne Stuckings, Chair

Notes:

1. Kevan Boyle and Adrian Hayes will retire under Section 45 of the Constitution of Coleambally Finance Group Ltd and being eligible, may offer to re-elect.
2. As per the company constitution any two members of the company shall be at liberty to nominate any other member to serve as an office-bearer or other Director.
3. Nomination and Consent to Act forms may be collected from Coleambally Community Bank, 1 Brolga Place, Coleambally or the Secretary.
4. Nomination and Consent to Act forms to be lodged with the Secretary by 5:00pm, 24 November 2021.
5. A list of candidate's names in alphabetical order with the nominators and seconders names shall be posted in the registered office for at least seven days immediately preceding the Annual General Meeting.

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote in his/her stead. That person need not be a member of the company but should be a natural person over the age of 18 years. Proxy forms will be available once nominations close from the Coleambally Community Bank, 1 Brolga Place, Coleambally or the Secretary and must be lodged at the registered office of the company not less than 48 hours before the timing of the meeting.

AGM Minutes

Coleambally Finance Group Limited **ABN 52 086 241 509**

Registered Office: 1 Brolga Place, Coleambally NSW 2707

Minutes of Annual General Meeting held at Coleambally Community Club, 3 December 2020

Meeting Opened: Lynne Stuckings opened the meeting at 7.10pm and welcomed the attendees and Tim Koschel, Regional Manager, Bendigo and Adelaide Bank Ltd.

Attendance: As per the official attendance register.

Apologies: Chris Noack

Previous Minutes: The Minutes of the Annual General Meeting held 28 November 2019 were accepted as true and correct.

Moved: Adrian Hayes. Seconded: Terry Inglis. Carried: All in Favour.

Business Arising: Nil

Chair's Report: The Chairman's Report was accepted.

Moved: Terry Inglis. Seconded: Rob Kerr. Carried: All in Favour.

Adoption of Accounts:

1. The Profit and Loss Accounts for the year ended 30 June 2020 and Balance Sheet of the Company as at 30 June 2020;
2. The Directors' declaration and report by auditors for the financial year ended 30 June 2020; and
3. The Directors' report for the Financial Year ended 30 June 2020 be accepted.

Moved: Kevan Boyle. Seconded: Paul Muir. Carried: All in Favour

Election of Directors:

Adrian Hayes took the Chair for the election of Directors.

Robert Kerr and Lynne Stuckings will retire under Section 45 of the Constitution of Coleambally Finance Group Ltd. Robert Kerr and Lynne Stuckings have offered themselves for re-election. There being no other nominations for the vacant positions they were duly elected without the need for an election.

Lynne Stuckings retook the Chair.

Manager's Report: The Manager's Report was accepted.

Moved: Paul Muir. Seconded: Adrian Hayes. Carried: All in Favour.

General Business:

The Board thanked the staff who represent the brand well, an appreciated part of the community more than ever during this challenging year and directors for the extra work done in a voluntary role.

Tim Koschel, Regional Manager for the past 14 months passed on BEN's thanks especially to the staff and, to the Board for the effort put into a voluntary job, a lot of commitment is shown. Banking is challenging, going from drought to bushfires to Covid to rain. A good solid result for the year. With lower interest rates the housing market is strong. The Rural sector accounts for one-third of the rural brand in our region with thanks to our Rural Bank team.

Meeting Closed: There being no further business to discuss, Lynne Stuckings declared the meeting closed at 7.35pm.

Chair's report

For year ending 30 June 2021

On behalf of the Board of Directors of Coleambally Finance Group Limited, I present the Chair's report for the year ending 30 June 2021.

Even in the most trying of times with COVID-19 ruling our lives, we have been able to reinvest profits back into our local communities. The most significant of these was done as a Grant of $20,000 to the Coleambally Volunteer Rescue Squad for the purchase of some state-of-the-art rescue and retrieval equipment. The remainder of the contributions went to other worthwhile community projects and local organisations within our communities.

Many events and functions have been cancelled or postponed over the last eighteen months due to COVID-19, but we will be prepared to continue the many sponsorships as life becomes more 'normal'.

Strategic Planning at Western Riverina Community Financial Services, the Partnership of Community Bank Hillston and Community Bank Coleambally resulted in identifying the need for staff with a change in skill sets to bring us into 21st Century banking.

Thank you to Chris Noack for more than twenty-two years' service to our Community Bank and agencies, we wish you well.

Many thanks to the staff for navigating us through restrictions. You are the face of banking in Coleambally and your services are also much appreciated by our banking community.

Our volunteer Board members also devote a lot of time to their positions, thank you for your ongoing commitment.

Thank you to our pledge holders and customers who have continued your support throughout the year.

Lynne Stuckings

Lynne Stuckings
Chair

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, together with the financial statements, of Coleambally Finance Group Limited for the financial year ended 30 June 2021.

Board of Directors

The following persons were Directors of Coleambally Finance Group Limited during the whole of the financial year up to the date of this report, unless otherwise stated:

Lynne Stuckings	
Title:	Chair
Qualifications:	
Experience & Expertise:	Farmer, Proprietor Retail Business, Director Cypress View Lodge Limited and Chair Chamber of Commerce & Industry Inc.

Adrian Hayes	
Title:	Non-Executive Director
Qualifications:	
Experience & Expertise:	Agronomist

Paul Muir	
Title:	Non-Executive Director
Qualifications:	VRA NSW Volunteer and RFS Volunteer
Experience & Expertise:	Maintenance and Infrastructure - Coleambally Irrigation Co-operative Limited

Rob Kerr	
Title:	Non-Executive Director
Qualifications:	
Experience & Expertise:	Farmer

Terry Inglis	
Title:	Non-Executive Director
Qualifications:	
Experience & Expertise:	Rural Financial Counsellor

Kevan Boyle	
Title:	Non-Executive Director
Qualifications:	
Experience & Expertise:	Retired

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:

Director	Board Meetings	
	A	B
Lynne Stuckings	6	6
Adrian Hayes	6	6
Paul Muir	6	2
Rob Kerr	6	5
Terry Inglis	6	3
Kevan Boyle	6	4

A - The number of meetings eligible to attend.
B - The number of meetings attended.

Company Secretary

The following person held the position of Company Secretary at the end of the financial year.

Paul Muir	
Qualifications:	Company Secretary
Experience & Expertise:	Maintenance and Infrastructure - Coleambally Irrigation Co-operative Limited

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 (Bendigo and Adelaide Bank).

There has been no significant changes in the nature of these activities during the year.

Operating Results

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

	30 June 2021 ($)	30 June 2020 ($)	Movement
Profit After Tax	159,265	185,032	-14%

Directors' Benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

Director's Interests

Director	Pledged Funds		
	Balance at July 1 2020	Changes During the Year	Balance at 30 June 2021
Lynne Stuckings	-	-	-
Adrian Hayes	5,000	-	5,000
Paul Muir	-	-	-
Rob Kerr	5,500	-	5,500
Terry Inglis	-	-	-
Kevan Boyle	2,350	-	2,350

Significant Changes in the State of Affairs

During the financial year, the Australian economy was greatly impacted by COVID-19. Bendigo Bank, as franchisor, announced a suite of measures aimed at providing relief to customers affected by the COVID-19 pandemic. The uncertain economic conditions has not materially impacted the company's earnings for the financial year. As the pandemic continues to affect the economic environment, uncertainty remains on the future impact of COVID 19 to the company's operations.

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

Events Since the end of the Financial Year

No matters or circumstances have arisen since the end of the financial year that significantly impact or may significantly impact 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.

Environmental Regulations

The company is not subject to any significant environmental regulation.

Indemnification & Insurance of Directors & Officers

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

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

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001* .

Non-audit Services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (RSD Audit) for audit and non-audit services provided during the year are set out in Note 31 of the accounts.

The Board of Directors has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of the non-audit services is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

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

Auditor's Independence Declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 10 of this financial report.

Signed in accordance with a resolution of the Board of Directors at Coleambally, NSW.

Lynne Stuckings

Lynne Stuckings
Chair

Dated this 20th day of October, 2021

Auditor's independence declaration

41A Breen Street
Bendigo, Victoria
PO Box 448, Bendigo, VIC, 3552

Ph: (03) 4435 3550
admin@rsdaudit.com.au
www.rsdaudit.com.au

Auditors Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors of Coleambally Finance Group Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Coleambally Finance Group Limited. As the lead audit partner for the audit of the financial report for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) Any applicable code of professional conduct in relation to the audit.

RSD Audit

P. P Delahunty
Partner
41A Breen Street
Bendigo VIC 3550

Dated: 25 October 2021

Financial statements

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

	Note	2021 $	2020 $
Revenue			
Revenue from contracts with customers	7	1,401,052	1,379,537
Other revenue	8	66,538	96,547
		1,467,590	**1,476,084**
Expenses			
Employee benefits expense	9	(700,878)	(744,093)
Depreciation and amortisation	9	(66,981)	(70,948)
Finance costs	9	(23,536)	(28,854)
Bad and doubtful debts expense		(111)	(6,934)
Administration and general costs		(183,084)	(162,591)
Occupancy expenses		(52,862)	(55,793)
IT expenses		(34,237)	(35,314)
Motor Vehicles Expenses		(15,023)	(16,930)
Other expenses		(87,194)	(98,617)
		(1,163,906)	**(1,220,074)**
Operating profit before charitable donations and sponsorship		**303,684**	**256,010**
Charitable donations and sponsorship	9	(85,943)	(22,153)
Profit before income tax		**217,741**	**233,857**
Income tax expense	10	(58,476)	(48,825)
Profit for the year after income tax		**159,265**	**185,032**
Other comprehensive income			
Fair value adjustments listed investments	27	17,841	(23,588)
Total comprehensive income for the year		**177,106**	**161,444**
Profit attributable to the ordinary shareholders of the company		177,106	161,444
Total comprehensive income attributable to ordinary shareholders of the company		**177,106**	**161,444**

The accompanying notes form part of these financial statements

Statement of Financial Position
For the year ended 30 June 2021

	Note	2021 $	2020 $
Assets			
Current assets			
Cash and cash equivalents	11	452,164	327,577
Trade and other receivables	12	137,400	151,366
Financial assets	13	57,675	38,304
Current tax asset	19	10,975	-
Other assets	14	9,523	10,029
Total current assets		**667,737**	**527,276**
Non-current assets			
Property, plant and equipment	16	356,505	389,853
Right-of-use assets	17	125,049	147,792
Intangible assets	18	36,375	50,472
WRCFS Interest	15	22,944	40,100
Deferred tax assets	19	63,856	78,945
Total non-current assets		**604,729**	**707,162**
Total assets		**1,272,466**	**1,234,438**
Liabilities			
Current liabilities			
Trade and other payables	20	115,661	110,550
Current tax liability	19	-	29,966
Borrowings	21	7,283	89,677
Lease liabilities	22	10,667	11,383
Employee benefits	23	147,371	137,629
Total current liabilities		**280,982**	**379,205**
Non-current liabilities			
Trade and other payables	20	15,067	30,133
Borrowings	21	11,255	18,544
Lease liabilities	22	121,748	139,195
Employee benefits	23	287	1,442
Restricted funds	24	336,052	335,950
Total non-current liabilities		**484,409**	**525,264**
Total liabilities		**765,391**	**904,469**
Net assets		**507,075**	**329,969**
Equity			
Retained earnings	26	509,844	350,579
Reserves	27	(2,769)	(20,610)
Total equity		**507,075**	**329,969**

The accompanying notes form part of these financial statements

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

	Retained Earnings $	Reserves $	Total Equity $
Balance at 1 July 2019	**165,547**	**2,978**	**168,525**
Comprehensive income for the year			
Profit for the year	185,032	-	185,032
Other comprehensive income for the year	-	(23,588)	(23,588)
Balance at 30 June 2020	**350,579**	**(20,610)**	**329,969**
Balance at 1 July 2020	**350,579**	**(20,610)**	**329,969**
Comprehensive income for the year			
Profit for the year	159,265	-	159,265
Other comprehensive income for the year	-	17,841	17,841
Balance at 30 June 2021	**509,844**	**(2,769)**	**507,075**

The accompanying notes form part of these financial statements

Statement of Cash Flows
For the year ended 30 June 2021

	Note	2021 $	2020 $
Cash flows from operating activities			
Receipts from customers		1,496,621	1,459,280
Payments to suppliers and employees		(1,145,119)	(1,109,406)
Dividends received		2,186	4,800
Interest paid		(23,536)	(21,795)
Income tax paid		(84,328)	(52,708)
Net cash flows provided by operating activities	28b	**245,824**	**280,171**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	7,637
Purchase of property, plant and equipment		(7,140)	(38,188)
Purchase of investments		(1,530)	-
Purchase of intangible assets		(15,067)	(15,067)
Net cash flows used in investing activities		**(23,737)**	**(45,618)**
Cash flows from financing activities			
Repayment of borrowings		(12,769)	(121,376)
Repayment of lease liabilities		(16,902)	(480)
Net cash flows used in financing activities		**(29,671)**	**(121,856)**
Net increase in cash held		**192,416**	**112,697**
Cash and cash equivalents at beginning of financial year		259,748	147,051
Cash and cash equivalents at end of financial year	28a	**452,164**	**259,748**

The accompanying notes form part of these financial statements

Notes to the financial statements

For the year ended 30 June 2021

Note 1. Corporate Information

These financial statements and notes represent those of Coleambally Finance Group Limited (the Company) as an individual entity. Coleambally Finance Group Limited is a company limited by shares, incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on 20th October 2021.

Further information on the nature of the operations and principal activity of the company is provided in the directors' report. Information on the company's related party relationships is provided in Note 30.

Note 2. 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 (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). 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 represent the interests in joint arrangements for the conduct of the business. The joint arrangement is a partnership between the Coleambally Finance Group and Hillston and District Financial Services that is conducted and managed by the Western Riverina Community Financial Services Pty Ltd. The interests in joint arrangements are accounted for by recognising in the Company's financial statements, it's share of assets and liabilities and any revenue and expenses as such joint arrangements in the proportions described in the Partnership Agreement.

The Company has the following joint arrangement:

- Western Riverina Community Financial Services Partnership

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

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

Note 3. Summary of Significant Accounting Policies

The company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

(a) Economic Dependency

The Company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the following Community Banks branch:

Coleambally Community Bank, 1 Brolga Place, Coleambally, NSW 2707

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

Note 3. Summary of Significant Accounting Policies *(continued)*

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

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

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

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

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

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

(b) Revenue From Contracts With Customers

The company has entered into a franchise agreement with Bendigo Bank. The company delivers banking and financial services of Bendigo Bank to its community. The franchise agreement provides for a share of interest, fee, and commission revenue earned by the company. Interest margin share is based on a funds transfer pricing methodology which recognises that income is derived from deposits held, and that loans granted incur a funding cost. Fees are based on the company's current fee schedule and commissions are based on the agreements in place. All margin revenue is recorded as non-interest income when the company's right to receive the payment is established.

The company acts as an agent under the franchise agreement and revenue arises from the rendering of services through its franchise agreement.

Revenue is recognised on an accruals basis, at the fair value of consideration specified in the franchise agreement. Under AASB 15 *Revenue from Contracts with Customers* (AASB 15), revenue recognition for the company's revenue stream is as follows:

Revenue	Includes	Performance Obligation	Timing of Recognition
Franchise agreement profit share	Margin, commission and fee income	When the company satisfies its obligation to arrange the servies to be provided to the customer by the supplier (Bendigo & Adelaide Bank)	On completion of the provision of the relevant service. Revenue is accrued monthly and paid within 10 business days of month end

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

Note 3. Summary of Significant Accounting Policies *(continued)*

Revenue Calculation

The franchise agreement provides that three forms of revenue may be earned by the company – margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services.

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

Margin

Margin is arrived at through the following calculation:

Interest paid by customers on loans, less interest paid to customers on deposits
plus
Deposit returns (i.e. interest return applied by BABL on deposits)
minus
Any costs of funds (i.e. interest applied by BABL to fund a loan)

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

Commission

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

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

Fee Income

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

Core Banking Products

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

Ability to Change Financial Return

Under the franchise agreement, Bendigo and Adelaide Bank may change the form and amount of financial return that the company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo and Adelaide Bank earns revenue.

The change may be to the method of calculation of margin, the amount of margin, commission and fee income or a change of a margin to a commission or vice versa. This may affect the amount of revenue the company receives on a particular product or service. The effect of the change on the revenue earned by the company is entirely dependent on the change.

Note 3. Summary of Significant Accounting Policies *(continued)*

Bendigo and Adelaide Bank must not reduce the margin and commission the company receives on core banking products and services to less than 50% (on an aggregate basis) of Bendigo and Adelaide Bank's margin at that time. For other products and services, there is no restriction on the change Bendigo and Adelaide Bank may make.

(c) Other Revenue

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

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

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

Discretionary Financial Contributions

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

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

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

Cash Flow Boost

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

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

The amounts are not assessable for tax purposes and there is no obligation to repay the amounts when the cash flow of the company improves.

Note 3. Summary of Significant Accounting Policies *(continued)*

(d) Employee Benefits

Short-term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for salary and wages (including non-monetary benefits), annual leave, and sick leave which are expected to be wholly settled within 12 months of the reporting date. They are measured at amounts expected to be paid when the liabilities are settled, plus related on-costs. Expenses for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

An annual leave liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated.

Other Long-term Employee Benefits

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

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

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

(e) Tax

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

Current Income Tax

Current tax assets and liabilities are measured at amounts expected to be recovered from or paid to the taxation authorities. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred Tax

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

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

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

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

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

Note 3. Summary of Significant Accounting Policies *(continued)*

Goods & Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except:

- when the amount of GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue or expense item.
- when receivables and payables are stated with the amount of GST included.

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

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

(f) Cash & Cash Equivalents

For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise: cash on hand, deposits held with banks, and short-term, highly liquid investments (mainly money market funds) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(g) Property, Plant & Equipment

Recognition & Measurement

Items of property, plant and equipment are measured at cost or fair value as applicable, which includes capitalised borrowings costs, less accumulated depreciation and any accumulated impairment losses.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent Expenditure

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

Depreciation

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

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

Asset Class	Method	Useful Life
Buildings	Straight line	40 years
Leasehold improvements	Diminishing value	40 years
Plant & equipment	Straight line/ Diminishing value	1-20 years
Motor vehicles	Diminishing value	3-5 years

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

Note 3. Summary of Significant Accounting Policies *(continued)*

(h) Intangible Assets

Intangible assets of the company include the franchise fees paid to Bendigo Bank conveying the right to operate the Community Bank franchise.

Recognition & Measurement
Intangible assets acquired separately are measured on initial recognition at cost.

Subsequent Expenditure
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognised in profit or loss as incurred.

Amortisation
Intangible assets are amortised over their useful life and assessed for impairment whenever impairment indicators are present.

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

Asset Class	Method	Useful Life
Establishment fee	Straight line	Franchise term (5 years)
Franchise fee	Straight line	Franchise term (5 years)

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

(i) Financial Instruments

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

Sub-note (i) and (j) refer to the following acronyms:

Acronym	Meaning
FVTPL	Fair value through profit or loss
FVTOCI	Fair value through other comprehensive income
SPPI	Solely payments of principal and interest
ECL	Expected credit loss
CGU	Cash-generating unit

Recognition & Initial Measurement
Trade receivables are initially recognised when they originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to the acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Note 3. Summary of Significant Accounting Policies *(continued)*

Classification & Subsequent Measurement

Financial Assets
On initial recognition, a financial asset is classified as measured at: FVTOCI - equity investment.

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVTOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial Assets - Business Model Assessment
The company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed.

Financial Assets - Subsequent Measurement, Gains & Losses
For financial assets at amortised cost, these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial Liabilities - Classification, Subsequent Measurement, Gains & Losses
Borrowings and other financial liabilities (including trade payables) are classified as measured at amortised cost. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognised in profit and loss.

Derecognition

Financial Assets
The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Where the company enters into transactions where it transfers assets recognised in the statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred asset, the transferred assets are not derecognised.

Note 3. Summary of Significant Accounting Policies *(continued)*

Financial Liabilities
The company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

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

(j) Impairment

Non-derivative Financial Instruments
The company recognises a loss allowance for estimated credit losses (ECL)'s on its trade receivables.

ECL's are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received.

In measuring the ECL, a provision matrix for trade receivables is used, taking into consideration various data to get to an ECL, (i.e. diversity of its customer base, appropriate groupings of its historical loss experience etc.).

Recognition of ECL in Financial Statements
At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The company's trade receivables are limited to the monthly profit share distribution from Bendigo and Adelaide Bank, which is received 14 days post month end. Due to the reliance on Bendigo and Adelaide Bank the company has reviewed credit ratings provided by Standard & Poors, Moody's and Fitch Ratings to determine the level of credit exposure to the company. The company also performed a historical assessment of receivables from Bendigo and Adelaide Bank and found no instances of default. As a result no impairment loss allowance has been made in relation to trade receivables as at 30 June 2021.

Non-financial Assets
At each reporting date, the company reviews the carrying amount of its non-financial assets (other than investment property, contracts assets, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The company has assessed for impairment indicators and noted no material impacts on the carrying amount of non-financial assets.

(k) Issued Capital

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

Note 3. Summary of Significant Accounting Policies *(continued)*

(I) Leases

As Lessee

At commencement or on modification of a contract that contains a lease component, the company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for leases of property the company has elected not to separate lease and non-lease components and account for the lease and non-lease components as a single lease component.

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the company by the end of the lease term or the costs of the right-of-use asset reflects that the company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate.

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

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual guarantee; and
- the exercise price under a purchase option the company is reasonable certain to exercise, lease payments in an option renewal period if the company is reasonably certain to exercise that option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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

Short-term Leases & Leases of Low-value Assets

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

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

Note 3. Summary of Significant Accounting Policies *(continued)*

As Lessor

The company has not been a party in an arrangement where it is a lessor.

(m) Standards Issued But Not Yet Effective

There are no new standards effective for annual reporting periods beginning after 1 January 2020 that are expected to have a significant impact on the company's financial statements.

(n) Comparative Figures

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

Note 4. Significant Accounting Judgements, Estimates & Assumptions

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to these estimates are recognised prospectively.

(a) Judgements

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

Note	Judgement
Note 7 - Revenue	Whether revenue is recognised over time or at a point in time.
Note 22 - Leases:	
(a) Control	Whether a contract is or contains a lease at inception by assessing whether the company has the right to direct the use of the identified asset and obtain substantially all the economic benefits from the use of that asset.
(b) Lease term	Whether the company is reasonably certain to exercise extension options, termination periods, and purchase options.
(c) Discount rates	Judgement is required to determine the discount rate, where the discount rate is the company's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. The incremental borrowing rate is determined with reference to factors specific to the company and underlying asset including: • the amount • the lease term • economic environment • any other relevant factors.

Note 4. Significant Accounting Judgements, Estimates & Assumptions ***(continued)***

(b) Assumptions & Estimation Uncertainty

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

Note	Assumption
Note 19 - Recognition of deferred tax assets	Availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilised.
Note 3(g) & (h) - Estimation of asset useful lives	Key assumptions on historical experience and the condition of the asset.
Note 23 - Long service leave provision	Key assumptions on attrition rate of staff and expected pay increases though promotion and inflation.

Note 5. Financial Risk Management

The company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company does not utilise any derivative instruments.

Risk management is carried out directly by the Board of Directors.

(a) Credit Risk

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

The company has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo and Adelaide Bank.

(b) Liquidity Risk

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

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

30 June 2021		Contractual Cash Flows		
Non-derivative Financial Liability	Carrying Amount	< 12 Months	1 - 5 Years	> 5 Years
Lease liabilities	$ 132,415	$ 17,928	$ 71,712	$ 94,437

Note 5. Financial Risk Management ***(continued)***

(c) Market Risk

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

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

Price Risk

The company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. There is no exposure to the company in regard to commodity price risk.

Cash Flow & Fair Values Interest Rate Risk

Interest-bearing assets are held with Bendigo and Adelaide Bank and subject to movements in market interest. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest-rate risk.

The company held cash and cash equivalents of $452,164 at 30 June 2021 (2020: $259,748). The cash and cash equivalents are held with Bendigo & Adelaide Bank, which are rated BBB on Standard & Poor's credit ratings.

Note 6. Capital Management

The Board's policy is to maintain a strong capital base so as to sustain future development of the company. The Board of Directors monitor the return on capital and the level of distributions to shareholders. Capital is represented by total equity as recorded in the statement of financial position.

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

The distribution limit is the greater of:

(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 company over that 12 month period where the relevant rate of return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2021 can be seen in the statement of profit or loss and other comprehensive Income.

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

Note 7. Revenue From Contracts With Customers

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.

	2021 $	2020 $
Revenue		
- Revenue from contracts with customers	1,401,052	1,379,537
	1,401,052	**1,379,537**
Disaggregation of Revenue From Contracts With Customers		
- Margin income	807,365	849,747
- Fee income	73,258	80,706
- Commission income	520,429	449,084
	1,401,052	**1,379,537**

All revenue from contracts customers shown above was recognised at a point in time. There was no revenue from contracts with customers recognised over time during the financial year.

Note 8. Other Revenue

The company generates other sources of revenue as outlined below.

	2021 $	2020 $
Other Revenue		
- Market development fund income	36,000	43,500
- Cash flow boost	22,500	37,500
- Other revenue	8,038	15,547
	66,538	**96,547**

Note 9. Expenses

Profit before income tax from continuing operations includes the following specific expenses:

(a) Employee Benefits Expense

	2021 $	2020 $
Employee Benefits Expense		
- Wages & salaries	595,011	618,859
- Superannuation costs	77,039	80,525
- Other expenses related to employees	28,828	44,709
	700,878	**744,093**

Note 9. Expenses *(continued)*

(b) Depreciation & Amortisation Expense

	2021 $	2020 $
Depreciation of Non-current Assets		
- buildings	4,151	4,151
- leasehold improvements	14,561	14,458
- plant and equipment	12,953	14,404
- motor vehicles	8,831	11,138
	40,496	**44,151**
Depreciation of Right-of-use Assets		
- leased assets	12,388	12,701
	12,388	**12,701**
Amortisation of Intangible Assets		
- franchise fees	13,184	13,183
- establishment costs	913	913
	14,097	**14,096**
Total depreciation & amortisation expense	**66,981**	**70,948**

The non-current tangible and intangible assets listed above are depreciated and amortised in accordance with the company's accounting policy (see Note 3(g) and 3(h) for details).

(c) Finance Costs

	2021 $	2020 $
Finance Costs		
- Interest paid	23,536	28,854
	23,536	**28,854**

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

(d) Community Investments & Sponsorship

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

	Note	2021 $	2020 $
Community Investments & Sponsorship			
- Direct sponsorship and grant payments		31,398	22,153
- Contribution to the Community Enterprise Foundation™	10(e)	54,545	-
		85,943	**22,153**

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

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

Note 9. Expenses *(continued)*

(e) Community Enterprise Foundation™ Contributions

During the financial year the company contributed funds to the CEF, the philanthropic arm of the Bendigo Bank. These contributions paid in form part of community investments and sponsorship expenditure included in profit or loss.

	Note	2021 $	2020 $
Disaggregation of CEF Funds			
Opening balance		101,649	100,464
Contributions paid	10(d)	54,545	-
Grants paid out		(27,562)	-
GST Provision		(4,766)	
Interest received		635	1,185
Management fees incurred		2,727	-
Balance available for distribution		**127,228**	**101,649**

Note 10. Income Tax Expense

Income tax expense comprises current and deferred tax. Attributable current and deferred tax expense is recognised in the other comprehensive income or directly in equity as appropriate.

(a) The Components of Tax Expense

	2021 $	2020 $
Current tax expense	43,386	51,773
Deferred tax expense	12,259	(9,436)
Deferred tax recognised in other comprehensive income	(515)	6,488
Under provision of prior years	3,346	-
	58,476	**48,825**

(b) *Prima Facie* Tax Payable

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

	2021 $	2020 $
Prima facie tax on profit before income tax at 26% (2020: 27.5%)	56,613	64,311
Add Tax Effect Of:		
- Under / (over) provision of prior years	3,487	(6,565)
- Non-deductible franchise fee amortisation	237	-
- Non-deductible expenses	-	251
Income tax attributable to the entity	**58,476**	**48,825**
The applicable weighted average effective tax rate is:	26.86%	20.88%

Note 11. Cash & Cash Equivalents

	2021 $	2020 $
Current		
Cash at bank and on hand	124,586	120
Non- current		
Pledged Funds	327,578	327,457
	452,164	**327,577**

Cash and cash equivalents include cash on hand, deposits available on demand with banks. The company has received pledges (Note 24). A condition of the pledge is the funds must be held seperately.

Note 12. Trade & Other Receivables

	2021 $	2020 $
Current		
Trade receivables	137,400	143,866
Other receivables	-	7,500
	137,400	**151,366**

Trade and other receivables are initially measured at the transaction price. Trade and other receivables are due for settlement usually no more than 30 days from the date of recognition.

The Company's main debtor relates to the Bendigo & Adelaide Bank monthly profit share distribution, which is deposited within a reasonable timeframe each month. There are no items that require the application of the lifetime expected credit loss model.

Note 13. Financial Assets

	2021 $	2020 $
At FVTOCI		
Listed investments	57,675	38,304
	57,675	**38,304**

Note 14. Other Assets

	2021 $	2020 $
Prepayments	8,745	9,045
Security bond	528	528
Other	250	456
	9,523	**10,029**

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.

Note 15. WRCFS Interest

	2021 $	2020 $
WRCFS Partnership Distribution	435,356	286,002
WRCFS Employee adjustment period ending 31/12/12	338	338
60% WRCFS Net Assets 30 June 2021 $687,914 (2020: $410,400)	(412,750)	(246,240)
	22,944	**40,100**

Coleambally Finance Group Limited is a 60% partner in the Western Riverina Community Financial Services Partnership, a partnership operated with Hillston & District Financial Services Limited. The franchise operations of Coleambally Finance Group Limited and Hillston & District Financial Services Limited are operated jointly by the Western Riverina Community Financial Services Partnership. Each partner records its share of revenue, expenses, assets and liabilities of the partnership. The Boards of Hillston & District Financial Services Limited and Coleambally Finance Group Limited are discussing the equal partnership 2021/2022, subject to approval of Bendigo and Adelaide Bank Limited.

Note 16. Property, Plant & Equipment

(a) Carrying Amounts

	2021 $			2020 $		
	At Cost / Valuation	Accumulated Depreciation	Written Down Value	At Cost / Valuation	Accumulated Depreciation	Written Down Value
Land at fair value	17,796	-	17,796	17,796	-	17,796
Buildings at fair value	166,009	(8,421)	157,588	166,009	(4,270)	161,739
Leasehold improvements	139,103	(40,507)	98,596	134,204	(25,945)	108,259
Motor Vehicles	108,723	(82,318)	26,405	108,723	(73,487)	35,236
Plant & Equipment	229,017	(172,897)	56,120	226,776	(159,944)	66,832
	660,648	**(304,143)**	**356,505**	**653,508**	**(263,646)**	**389,862**

(b) Movements in Carrying Amounts

2021	Land $	Buildings $	Leasehold Imp. $	Motor Vehicles $	Plant & Equipment $
Opening carrying value	17,796	161,739	108,259	35,236	66,832
Additions	-	-	4,898	-	2,241
Depreciation expense	-	(4,151)	(14,561)	(8,831)	(12,953)
Closing carrying value	**17,796**	**157,588**	**98,596**	**26,405**	**56,120**

Note 16. Property, Plant & Equipment *(continued)*

2020	Land $	Buildings $	Leasehold Imp. $	Motor Vehicles $	Plant & Equipment $
Opening carrying value	17,796	165,890	122,717	29,678	69,636
Additions	-	-	-	26,585	11,600
Disposals	-	-	-	(9,890)	-
Depreciation expense	-	(4,151)	(14,458)	(11,137)	(14,404)
Closing carrying value	**17,796**	**161,739**	**108,259**	**35,236**	**66,832**

(c) Capital Expenditure Commitments

The entity does not have any capital expenditure commitments as at 30 June 2021 (2020: None).

(d) Changes in Estimates

During the financial year, the company assessed estimates used for property, plant and equipment including useful lives, residual values, and depreciation methods.

There were no changes in estimates for the current reporting period.

Note 17. Right-of-use Assets

Right-of-use assets are measured at amounts equal to the present value of enforceable future payments on the adoption date, adjusted for lease incentives, make-good provisions, and initial direct costs.

The company derecognises right-of-use assets at the termination of the lease period or when no future economic benefits are expected to be derived from the use of the underlying asset.

The company's lease portfolio include buildings.

Options to Extend or Terminate

The option to extend or terminate are contained in the property lease of the Company. All extension or termination options are only exercisable by the Company. The extension options or termination options which were probable to be exercised have been included in the calculation of the right-of-use asset.

AASB 16 Amounts Recognised in the Statement of profit or Loss & other Comprehensive Income

	Leased Buildings $	Total ROU Asset $
Leased asset	150,137	150,137
Accumulated depreciation	(25,088)	(25,088)
	125,049	**125,049**

Note 17. Right-of-use Assets *(continued)*

Movements in carrying amounts:

	Leased Buildings $	Total ROU Asset $
Recognised on initial application of AASB 16	147,783	147,783
Disposals	(10,346)	(10,346)
Depreciation expense	(12,388)	(12,388)
Net carrying amount	**125,049**	**125,049**

AASB 16 Amounts Recognised in the Statement of Financial Position

	2021 $	2020 $
Depreciation expense related to righ-of-use assets	12,388	12,700
Interest expense on lease liabilities	10,030	7,059

Note 18. Intangible Assets

(a) Carrying Amounts

	2021			2020		
	At Cost	Accumulated Amortisation	Written Down Value	At Cost	Accumulated Amortisation	Written Down Value
Franchise fees	65,919	(30,762)	35,157	65,919	(17,578)	48,341
Establishment fees	4,566	(3,348)	1,218	4,566	(2,435)	2,131
	70,485	**(34,110)**	**36,375**	**70,485**	**(20,013)**	**50,472**

(b) Movements in Carrying Amounts

2021	Franchise Fees $	Establishment Fees $
Opening carrying value	48,341	2,131
Amortisation expense	(13,184)	(913)
Closing carrying value	**35,157**	**1,218**

2020	Franchise Fees $	Establishment Fees $
Opening carrying value	61,524	3,044
Amortisation expense	(13,183)	(913)
Closing carrying value	**48,341**	**2,131**

Note 19. Tax Assets & Liabilities

(a) Current Tax

	2021 $	2020 $
Income tax payable/(refundable)	(10,975)	29,966

(b) Deferred Tax

Movement in the company's deferred tax balances for the year ended 30 June 2021:

	30 June 2020 $	Recognised in P & L $	Recognised in Equity $	30 June 2021 $
Deferred Tax Assets				
- Expense accruals	160	48	-	208
- Financial assets carried at FVTOCI	5,667	-	(515)	5,152
- ROU assets and lease liabilities from AASB16	769	1,073		1,842
- Property, plant & equipment	34,104	(14,364)	-	19,740
- Employee provisions	38,245	(1,331)	-	36,914
Total deferred tax assets	**78,945**	**(14,574)**	**(515)**	**63,856**
Net deferred tax assets	**78,945**	**(14,574)**	**(515)**	**63,856**

Movement in the company's deferred tax balances for the year ended 30 June 2020:

	30 June 2019 $	Recognised in P & L $	Recognised in Equity $	30 June 2020 $
Deferred Tax Assets				
- Expense accruals	49	-	-	160
- Financial assets carried at FVTOCI	-	-	5,667	5,667
- ROU assets and lease liabilities from AASB16	-	769	-	769
- Property, plant & equipment	35,559	(1,455)	-	34,104
- Employee provisions	34,722	3,523	-	38,245
Total deferred tax assets	**70,330**	**2,837**	**5,667**	**78,945**
Deferred Tax Liabilties				
-Financial assets carried at FVTOCI	(820)	-	(820)	-
Total deferred tax liabilities	**(820)**	**-**	**(820)**	**-**
Net deferred tax assets	**69,510**	**2,837**	**4,847**	**78,945**

Note 20. Trade & Other Payables

	2021 $	2020 $
Current		
Trade creditors	61,256	45,925
Other creditors and accruals	21,457	23,160
GST Payable	17,882	26,398
Franchise Fee payable	15,066	15,067
	115,661	**110,550**
Non-Current		
Franchise Fee payable	15,067	30,133
	15,067	**30,133**

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.

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Note 21. Borrowings

	2021 $	2020 $
Current		
Unsecured Liabilities		
Bank overdraft	-	67,829
Secured Liabilities		
Bank loan	87	12,752
Finance Leases	7,196	9,096
	7,283	**89,677**
Non-Current		
Secured Liabilities		
Bank loan	-	93
Finance Leases	11,255	18,451
	11,255	**18,544**
Total borrowings	**18,538**	**108,221**

Loans

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measures at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings as 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.

Note 22. Lease Liabilities

Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate on the adoption date. The discount rate used on recognition was 5.39%.

The discount rate used in calculating the present value of enforceable future payments takes into account the particular circumstances applicable to the underlying leased assets (including the amount, lease term, economic environment, and other relevant factors).

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

(a) Lease Portfolio

The company's lease portfolio includes:

Lease	Details
Hillston Branch	The lease agreement is a non-cancellable lease with an initial term of five years which commenced in September 2019. The lease has two further five year extension option available.

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

(b) Lease Liabilities

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2021 $	2020 $
Current	10,667	11,383
Non-current	121,748	139,195

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2021 were as follows:

	Minimum lease payments due				
	< 1 Year	1 - 2 Years	3 - 5 Years	> 5 years	Total
30 June 2021					
Lease payments	17,928	17,928	53,784	89,948	179,588
Finance charges	(7,261)	(6,639)	(15,820)	(17,453)	(47,173)
Net present values	**10,667**	**11,289**	**37,964**	**72,495**	**132,415**
30 June 2020					
Lease payments	17,928	17,298	51,894	122,634	209,754
Finance charges	(6,917)	(7,505)	(17,857)	(26,897)	(59,176)
Net present values	**11,011**	**9,793**	**34,037**	**95,737**	**150,578**

Note 23. Employee Benefits

	2021 $	2020 $
Current		
Provision for annual leave	48,871	49,082
Provision for long service leave	98,500	88,547
	147,371	**137,629**
Non-Current		
Provision for long service leave	287	1,442
	287	**1,442**

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

Employee Attrition Rates

The company uses historical employee attrition rates in determining the probability of an employee, at a given date, achieving continuous employment eligible for entitlement in accordance with long service leave legislation.

Note 24. Restricted Funds

	2021 $	2020 $
Pledges	336,052	335,950
	336,052	335,950

These are monies contributed at the commencement of the company. There is no maturity date on these pledges. They can only be redeemed if transferred or purchased by a current pledge holder or a new purchaser.

The pledged funds are to be held by Coleambally Finance Group Limited until the Community Bank delivers sufficient funds to repay the facility.

There is interest payable on the pledged funds each year at the discretion of the Board.

Note 25. Guarantee

Coleambally Finance Group Limited is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum $10 each towards any outstanding obligations of the company.

Note 26. Retained Earnings

	2021 $	2020 $
Balance at the beginning of the reporting period	350,579	165,547
Profit for the year after income tax	159,265	185,032
Balance at the end of the reporting period	**509,844**	**350,579**

Note 27. Reserves

	2021 $	2020 $
Asset Revaluation Reserve		
Balance at the beginning of the reporting period	(20,610)	2,978
Fair value movements during the period	17,841	(23,588)
Balance at the end of the reporting period	**(2,769)**	**(20,610)**

The reserves represent undistributable gains recognised on the revaluation of current and non-current assets.

Note 28. Cash Flow Information

(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:

	Note	2021 $	2020 $
Cash and cash equivalents	11	452,164	327,577
Less bank overdraft	21	-	(67,829)
As per the Statement of Cash Flows		**452,164**	**259,748**

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

	2021 $	2020 $
Profit for the year after income tax	159,265	185,032
Non-cash flows in profit		
- Depreciation	52,884	56,852
- Amortisation	14,096	14,096
- Bad debts	111	-
- Net loss on disposal of property, plant & equipment	-	2,254
Changes in assets and liabilities		
- (Increase) / decrease in trade and other receivables	13,856	(25,386)
- Decrease in prepayments and other assets	17,663	22,162
- (Increase) / decrease in deferred tax asset	15,089	(9,435)
- Increase in trade and other payables	5,112	16,255
- Increase / (decrease) in current tax liability	(40,941)	5,532
- Increase in other liabilities	101	-
- Increase in provisions	8,588	12,809
Net cash flows from operating activities	**245,824**	**280,171**

Note 29. Financial Instruments

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

	Note	2021 $	2020 $
Financial Assets			
Cash and cash equivalents	11	452,164	327,577
Trade and other receivables	12	137,400	151,366
		589,564	**478,943**
Financial Liabilities			
Trade and other payables	20	130,728	140,683
Borrowings	21	18,538	108,221
Lease liabilities	22	132,415	150,578
		281,681	**399,482**

Note 30. Related Parties

(a) Key Management Personnel

Key management personnel includes any person 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.

No Director of the company receives remuneration for services as a company director or committee member. These positions are held on a voluntary basis.

(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 & Related Parties

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

Name of Related Party	Description of Goods or Services Provided	Value $
Pinnacle HPC	Share Registry Maintenance	1,760
Pinnacle HPC	Professional fees	4,180

(d) Key Management Personnel Shareholdings

The number of ordinary shares in the company held by each key management personnel during the financial year has been disclosed in the Director's Report.

(e) Other Key Management Transactions

There has been no other transactions key management or related parties other than those described above.

Note 31. Auditor's Remuneration

The appointed auditor of Coleambally Finance Group Limited for the year ended 30 June 2021 is RSD Audit. Amounts paid or due and payable to the auditor are outlined below.

	2021 $	2020 $
Audit & Review Services		
Audit and review of financial statements (RSD Audit)	7,770	4,740
Total auditor's remuneration	**7,770**	**4,740**

Note 32. Events After the Reporting Period

There have been no significant events after the end of the financial year that would have a material impact on the financial statements or the company's state of affairs.

Note 33. Commitments & Contingencies

Any commitments for future expenditure associated with leases are recorded in Note 22. Details about any capital commitments are detailed in Note 16(c).

The company has no other commitments requiring disclosure.

There were no contingent liabilities or assets at the date of this report that would have an impact on the financial statements.

Note 34. Company Details

The registered office of the company is:

Coleambally Finance Group Limited	1 Brolga Place, Coleambally, NSW 2707

Note 35. Fair Value Measurements

The company may measure some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair value of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The company measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- freehold land and buildings
- listed investments

The company does not subsequently measure any liabilities at fair value on a non-recurring basis.

(a) Fair Value Hierarchy

AASB 13: *Fair value measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

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

Fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Note 35. Fair Value Measurements *(continued)*

The following tables provide the fair values of the company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

	30 June 2021			
	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring Fair Value Measurements				
Non-financial Assets				
Freehold land	-	6,396	11,400	17,796
Buildings	-	125,389	36,350	161,739
	-	**131,785**	**47,750**	**179,535**
Financial Assets				
Listed investments	57,675	-	-	57,675
	57,675	**-**	**-**	**57,675**

	30 June 2020			
	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring Fair Value Measurements				
Non-financial Assets				
Freehold land	-	6,396	11,400	17,796
Buildings	-	125,389	36,350	161,739
	-	**131,785**	**47,750**	**179,535**
Financial Assets				
Listed investments	38,304	-	-	38,304
	38,304	**-**	**-**	38,304

There were no transfers between levels for assets measured at fair value on a recurring basis during the reporting period (2020: no transfers).

(b) Valuation Techniques

The company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the company are consistent with one or more of the following valuation approaches:

Approach	Valuation Details
Market Approach	Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
Income Approach	Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
Cost Approach	Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Note 35. Fair Value Measurements *(continued)*

Valuation Techniques & Inputs - Level 2 Fair Values

Asset	Fair Value at 30 June 2021 $	Valuation Techniques	Inputs Used
1 Brolga Place, Coleambally	125,389	Market approach	Sales evidence. Unit of value by comparative basis ($persqm)

The fair value of freehold land and buildings is determined at least every three years based on valuations by an independent valuer. At the end of each intervening period, the Directors review the independent valuation and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data and discounted cash flow methodologies.

There were no changes during the period in the valuation techniques used by the company to determine Level 2 fair values.

Valuation Techniques & Inputs - Level 3 Fair Values

Asset	Fair Value at 30 June 2021 $	Valuation Techniques	Significant Unobservable Inputs
31-33 Brolga Place, Coleambally	36,350	Capitalisation of income based on current rent	Annual rental income

(c) Reconciliation of Recurring Level 2 & 3 Fair Value Measurements

Level 2	Freehold Land $	Buildings $
Balance at the beginning of the year	6,396	125,389
Balance at the end of the year	**6,396**	**125,389**

Level 3	Freehold Land $	Buildings $
Balance at the beginning of the year	11,400	36,350
Balance at the end of the year	**11,400**	**36,350**

Directors' declaration

In accordance with a resolution of the directors of Coleambally Finance Group Limited, we state that:

In the opinion of the directors:

(a) The financial statements and notes of the company are in accordance with the *Corporations Act 2001,* including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- (ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable

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

Lynne Stuckings

Lynne Stuckings
Chair

Dated this 20th day of October, 2021

Independent audit report

rsd Audit
41A Breen Street
Bendigo, Victoria
PO Box 448, Bendigo, VIC, 3552

Ph: (03) 4435 3550
admin@rsdaudit.com.au
www.rsdaudit.com.au

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF COLEAMBALLY FINANCE GROUP LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Coleambally Finance Group Limited (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the accompanying financial report of Coleambally Finance Group Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the year then ended; 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. Those standards require that we comply with relevant ethical requirements related to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Director's Responsibility 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 ability of the Company 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.

Auditor's Responsibility for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. 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 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 judgement and maintain professional scepticism throughout the audit.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control.

We 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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We 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.

We 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 obtain sufficient appropriate audit evidence regarding the financial information of the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RSD Audit
Chartered Accountants

P. P Delahunty
Partner
Bendigo
Dated: 25 October 2021

Community Bank · Coleambally
1 Brolga Place, Coleambally NSW 2707
Phone: 02 6954 4192
Email: coleamballymailbox@bendigoadelaide.com.au
Web: bendigobank.com.au/coleambally

Darlington Point Agency
21 Carrington St, Darlington Point NSW 2706
Phone: 02 6960 5500
Web: bendigobank.com.au/agency/nsw/darlington-point

Jerilderie Agency
35 Jerilderie St, Jerilderie NSW 2716
Phone: 03 5886 1200
Web: bendigobank.com.au/agency/nsw/murrumbidgee-council

Berrigan Agency
56 Chanter St, Berrigan NSW 2712
Phone: 03 5888 5100
Web: bendigobank.com.au/agency/nsw/berrigan-shire-council

/communitybankcoleambally

Franchisee:
Coleambally Finance Group Limited
ABN: 52 086 241 509
1 Brolga Place, Coleambally NSW 2707
Phone: 02 6954 4192

Western Riverina Community Financial Services Pty Ltd
ABN 62 152 289 391
1 Brolga Place, Coleambally NSW 2707
Phone: 02 6954 4192

(BNPAR21050) (09/21)

Bendigo Bank

bendigobank.com.au