

Annual Report 2022

Gympie & District
Financial Services Limited

Community Bank
Gympie & District

ABN 79 113 293 173

Contents

Chairperson's report	2
Manager's report	4
Directors' report	5
Auditor's independence declaration	10
Financial statements	11
Notes to the financial statements	15
Directors' declaration	42
Independent audit report	43

Chairperson's report

For year ending 30 June 2022

It is my pleasure to present this report on matters related to the Gympie & District Financial Services Limited (G&DFSL) and its performance for the year ended 30 June 2022 – to our shareholders, my fellow Board members and our Partners.

Community Bank Gympie & District has continued to play a vital role in the community, working with Bendigo and Adelaide Bank to ensure a continuation of services to customers. We have this year celebrated our 17th birthday in June; with sweet treats for our customers. We have also marked up one year in our new offices at 44 Mary Street, Gympie on 14 September.

There have been some staff changes at the branch. Staff members Andrea Raynel, Doret Smit and Sandra Lingard have resigned; we thank them for their service throughout the years. We have welcomed Gracie-Mae Stevanovic-Johnston and Codee Mayfield (Customer Service Officers), along with Kylie Hammond (Customer Relationship Manager).

Our Branch Manager Donna Martin has been extremely busy with the staff changes. Unfortunately COVID-19 has hindered the branch this year and our opening hours have varied due to staff being in isolation and unwell at times.

The Board is very grateful for the additional hours our staff have done to ensure we are still giving customer service to our clients with staff shortages.

The Board approved and distributed payment of a dividend of 5 cents per share in February 2022. I would like to acknowledge the work done by Rens Poels as Executive Administration Officer, who takes on this task and performs it admirably.

There has also been some Board movement. Directors Prue McLeod (January) and Rens Poels (February) have resigned. We thank them both for their volunteer Board services. We have maintained Rens services as our Board Executive Administration Officer. The Board has welcomed new Directors Murray Benton, Graham Engeman and Tim Wess.

Sponsorship applications rolled in during March, and there was such a large response that because the allocation for the year was fully allocated in our first round, we had to cancel the second round later in the year. Our Board has remained quite flexible with applications that were made last year and could not be honoured because of COVID-19. Many of those events have now happened and continuing to be rolled

Financial Year	Community Contributions	Dividends to Shareholders	
		Cents per share	Total Dividends
2005/06	1,060		
2006/07	1,500		
2007/08	2,566		
2008/09	5,444		
2009/10	7,150		
2010/11	9,700	2.5	20,000
2011/12	33,868	5.0	40,000
2012/13	44,050	7.5	60,000
2013/14	38,985	6.0	48,000
2014/15	66,760	6.0	48,000
2015/16	50,630	5.0	40,000
2016/17	52,035	5.0	40,000
2017/18	49,326	5.0	40,000
2018/19	69,471	5.0	40,000
2019/20	85,081	5.0	40,000
2020/21	78,057	5.0	40,000
2020/22	63,390	5.0	40,000
Totals	659,073	496	496,000

Chairman's report (continued)

out this year and we are maintaining our support of them without having to reapply. Our community support has now reached \$662,622 over the past 17 years.

I take this opportunity to thank each Board Director for their contribution, attendance and support throughout the year. Your volunteer hours are truly appreciated. Thank you to director Sean Connelly for stepping into the role of Secretary as well as Deputy Chair, I am most grateful for your support and assistance. I thank Director Paul Blackburn for taking on the role of Treasurer and he has been learning much from former Treasurer Rens.

On behalf of the Board and staff I would like to thank all our shareholders for your support, for without you we would not be here. We look forward to your continuing support to ensure that we can continue to grow and return profits to you and the community.



Rae Gâté
Chairperson

Manager's report

For year ending 30 June 2022

So much change has occurred throughout the last year. Whilst these challenges cause issues with staffing and disruption to customers, the team has grown stronger as we ride this journey together. We appreciate the ongoing support of the Board and understanding of our customers as we work through these issues.

Our long-term staff members, Andrea, Doret, Sandie and Jo chose to exit the business and explore other career opportunities. I thank them for their commitment to their roles. It is a huge void to fill losing this level of experience in the business. It is evident daily the impact they had on our customers, as they are sorely missed.

Whilst we continue to work through the challenges of COVID-19, this year we were also impacted with flooding. Whilst the staff and branch were not affected, many of our customers weren't as fortunate. The closure of 5 banks in Mary St had a huge impact on our business in a positive way. We quickly found ourselves assisting the local businesses, whether it was giving change or opening new bank accounts, we were readily available to assist. Our customer growth was significant as a result of our competitors' loss.

Bendigo Bank is embracing the future, encouraging a stronger position with digital banking. Whilst this is the way of the future, we are also finding ourselves dealing with significant increase in fraud and scam activity on accounts. Education is key to reducing the risk of such financial loss.

Whilst we didn't meet our end of year results in lending growth, deposit growth remains strong. The Gympie property market has experienced a steady rise in house prices, with this being the next growth corridor to the Sunshine Coast. I remain confident we can lift the activity in lending growth this financial year and deliver more pleasing results.

Changes to our operating hours has had minimal affect to our customers. This has allowed valuable time to make proactive contact with our customers without disruption, as well as completing necessary administration after hours.

I look forward to building our new team where we will strive to deliver outstanding results, building the business to a new level. With so much opportunity, I am excited to see what is truly possible in this coming year. Our success means more support and giving back to our wonderful Community.

Thankyou to the people of Gympie, but most importantly our staff, Board members and shareholders. Your ongoing support is truly appreciated.



Donna Martin
Branch Manager

Directors' report

For the financial year ended 30 June 2022

The Directors present their report, together with the financial statements, on Gympie & District Financial Services Limited for the financial year ended 30 June 2022.

Board of Directors

The following persons were Directors of Gympie & District Financial Services Limited during the whole of the financial year up to the date of this report, unless otherwise stated:

Rae Gâté	
Title:	Director since 2007. Chairperson appointed 6 December 2017
Qualifications:	Diploma of Local Government Administration, Certificate IV in Training and Assessment, Certificate IV in Volunteer Program Coordination, Associate Diploma of Business
Experience & Expertise:	Semi retired. Vice President – Community Action Inc, President – Gympie & District Women's Health Centre.

Rens Poels	
Title:	Director and Treasurer from 2005 to 28 February 2022. Company Secretary from 5 December 2018 to 28 February 2022. Appointed Executive Administration Officer on 28 February 2022.
Qualifications:	Retired Computer Engineer
Experience & Expertise:	Qualified Electrical Mechanic, Dip. Electrical Engineering, Volunteered with SES and RFS. Responsibilities: Marketing, Governance/Audit, Share Listing (LVM) Administrator, Scholarship Administrator

Sean Connelly	
Title:	Director since 2014, Deputy Chair. Appointed Secretary 28 February 2022
Qualifications:	Disability Advocate; Diploma of Business, Diploma of Management, Diploma of Leadership & Management, Diploma of Design & Development, Diploma of Vocational Education, Certificate IV in Front Line Management, Certificate IV in Mental Health, Certificate IV in Community Service Work and Certificate IV in Training & Assessment.
Experience & Expertise:	Numerous Management roles across training, employment, marketing and disability sectors. Committee member of Red Shield Appeal Gympie. Responsibilities; Marketing and Social Media Management, Logistics and IT.

Prue McLeod (Previous Prue Sheehan)	
Title:	Director since 2014. Resigned 3 February 2022
Qualifications:	Artist/Ceramicist, School Teacher, Bachelor of Visual Arts, Graduate Diploma of Education, Cert IV
Experience & Expertise:	Volunteer for Neighbourhood Watch and Local Church. Past Member of QLD Potters Association

Paul Blackburn	
Title:	Director, appointed 2 May 2018. Appointed Treasurer 28 February 2022
Qualifications:	Diploma's in Business, Policing, Occupational Health & Safety, Risk Management & Security
Experience & Expertise:	Numerous Management roles in Government & Private Sector. Past and present member of a number of Community Group Committees.

Directors' report (continued)

Debra Cook	
Title:	Director, appointed 3 April 2019
Qualifications:	Tertiary Qualification Industrial Chemistry at QUT; 10+ years in Science Education; 8 years QLD Government.
Experience & Expertise:	10 years small business owner/operator in retail to science & medical education sectors. Founding Director of the Gympie Bone Museum; Lifelong Volunteer

Murray Benton	
Title:	Director, Appointed on 1 April 2022
Qualifications:	Cert IV Property, Excellence in Supervisory Practice, Trauma Informed Practice, Daring Inclusive Feminist Leadership.
Experience & Expertise:	Youth Service Manager, Gympie Youth Network Chairman, Emergency Relief Co-Ordinator, Sexual & Reproductive Health, Public Relations, Real Estate Sales, Social Media & Marketing Management, National Campaign Advocate.

Graham Engeman	
Title:	Director, Appointed on 12 April 2022
Qualifications:	Past School Teacher Qld & UK; Past Police Officer Qld; Livestock Auctioneer Qld; Current Partner in Yabba-Do Brangus (Cattle Breeding); Current Partner in Real Estate Business Gympie; Justice of Peace (Qual); Auctioneer.
Experience & Expertise:	Small business operator; Current and past member/volunteer of Gympie Community Groups including JobMatch, Gympie Show, Rotary, Rural Fire Brigade, Mary Valley Show, Kandanga Tennis etc. Parent to 4 adult children.

Tim Wess	
Title:	Director, Appointed on 16 May 2022
Qualifications:	B.Sc. University of Newcastle Upon Tyne. Ph.D. Edinburgh University. Graduate Certificate in Wiradjuri Language and First Nation Building Charles Sturt University. Principal Fellow of the Higher Education Academy.
Experience & Expertise:	Deputy Vice Chancellor Academic University of the Sunshine Coast.

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		Audit Committee Meetings	
	A	B	A	B
Rae Gâté	11	11	2	2
Rens Poels	11	9	4	4
Sean Connelly	11	11	2	2
Prue McLeod (Previous Prue Sheehan)	7	6	n/a	n/a
Paul Blackburn	11	9	2	2
Debra Cook	11	9	n/a	n/a
Murray Benton	3	3	n/a	n/a
Graham Engeman	2	2	n/a	n/a
Tim Wess	1	1	n/a	n/a

A - The number of meetings eligible to attend.

B - The number of meetings attended.

n/a-- Not a member of that committee.

Directors' report (continued)

Company Secretary

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

Sean Connelly	
Qualifications:	Director Since 2014. Appointed Company Secretary 18 February 2022
Experience & Expertise:	Numerous Management roles across training, employment, marketing and disability sectors. Committee member of Red Shield Appeal Gympie. Responsibilities; Marketing and Social Media Management, Logistics and IT.

Principal Activities

The principal activities of the company during the course of the financial year were in providing Community Bank branch services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

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

Operating Results

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

	30 June 2022 (\$)	30 June 2021 (\$)	Movement
Profit (Loss) After Tax	(15,793)	84,679	-119%

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	Fully Paid Ordinary Shares		
	Balance at 1 July 2021	Changes During the Year	Balance at 30 June 2022
Rae G��t��	500	-	500
Rens Poels	16,800	3,500	20,300

Dividends

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

	Cents per Share	Total Amount (\$)
Unfranked dividend	5.00	40,001
Total Amount	5.00	40,001

Options

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

Significant Changes in the State of Affairs

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 27 to the accounts.

Directors' report (continued)

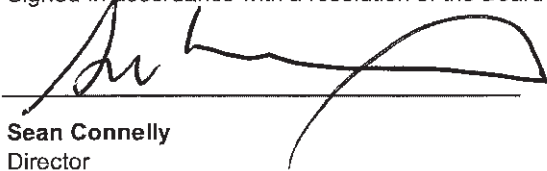
The Board of Directors has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of the non-audit services is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- 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 Gympie, Queensland



A handwritten signature in black ink, appearing to read 'Sean Connelly', is written over a horizontal line. The signature is stylized and extends to the right of the line.

Sean Connelly
Director

Dated this 26th day of October, 2022

Auditor's independence declaration



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

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admin@rsdaudit.com.au
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Auditors Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors of Gympie & District Community Financial Services 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 Gympie & District Community Financial Services Limited. As the lead audit partner for the audit of the financial report for the year ended 30 June 2022, 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

A handwritten signature in black ink, appearing to read 'P. Delahunty', written over a light grey circular background.

Philip Delahunty
Partner
41A Breen Street
Bendigo VIC 3550

Dated: 31 October 2022

Financial statements

Gympie District Financial Services Limited

Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue			
Revenue from contracts with customers	7	604,469	632,190
Other revenue	8	54,712	50,398
Finance income	9	-	484
		659,181	683,072
Expenses			
Employee benefits expense	10	(349,938)	(320,976)
Depreciation and amortisation	10	(34,115)	(54,407)
Finance costs	10	(21,100)	(9,194)
Administration and general costs		(33,755)	(30,239)
Loss on Disposal		(41,622)	-
Repairs and maintenance buildings		(34,056)	(3,882)
IT expenses		(34,440)	(17,690)
Bad and doubtful expense		(295)	(95)
Advertising and Marketing		(5,061)	(3,451)
ATM expenses		(16,036)	(5,812)
Insurance		(11,512)	(13,771)
Other expenses		(35,333)	(36,518)
		(617,263)	(496,035)
Operating profit before charitable donations and sponsorship		41,918	187,037
Charitable donations and sponsorship	10	(63,009)	(74,616)
Profit/(loss) before before income tax		(21,091)	112,421
Income tax (expense)/benefit	11	5,298	(27,742)
Profit/(loss) for the year after income tax		(15,793)	84,679
Other comprehensive income		-	-
Total comprehensive income for the year		(15,793)	84,679
Profit/(loss) attributable to the ordinary shareholders of the company		(15,793)	84,679
Total comprehensive income attributable to ordinary shareholders of the company		(15,793)	84,679
Earnings per share			
		¢	¢
- basic and diluted earnings per share	29	(1.97)	10.58

The accompanying notes form part of these financial statements

Financial statements (continued)

Gympie District Financial Services Limited

Statement of Financial Position
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	12	37,189	51,668
Trade and other receivables	13	38,372	32,810
Other assets	15	2,614	3,349
Total current assets		78,175	87,827
Non-current assets			
Property, plant and equipment	15	1,139,737	855,576
Right-of-use assets	16	-	7,159
Intangible assets	17	25,933	38,899
Deferred tax assets	18	21,719	16,421
Total non-current assets		1,187,389	918,055
Total assets		1,265,564	1,005,882
Liabilities			
Current liabilities			
Trade and other payables	19	400,802	25,580
Current tax liability	18	3,295	20,785
Borrowings	20	40,994	18,792
Lease liabilities	21	-	8,126
Employee benefits	22	19,881	47,951
Total current liabilities		464,972	121,234
Non-current liabilities			
Trade and other payables	19	25,932	38,899
Borrowings	20	500,660	516,602
Employee benefits	22	647	-
Total non-current liabilities		527,239	555,501
Total liabilities		992,211	676,735
Net assets		273,353	329,147
Equity			
Issued capital	23	800,010	800,010
Accumulated losses	24	(526,657)	(470,863)
Total equity		273,353	329,147

The accompanying notes form part of these financial statements

Financial statements (continued)

Gympie District Financial Services Limited

Statement of Changes in Equity For the year ended 30 June 2022

	Note	Issued Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2020		800,010	(515,541)	284,469
Comprehensive income for the year				
Loss for the year		-	84,679	84,679
Dividends paid or provided	28	-	40,001	40,001
Balance at 30 June 2021		800,010	(470,863)	329,147
Balance at 1 July 2021				
		800,010	(470,863)	329,147
Comprehensive income for the year				
Profit for the year		-	(15,793)	(15,793)
Dividends paid or provided	28	-	(40,001)	(40,001)
Balance at 30 June 2022		800,010	(526,657)	273,353

The accompanying notes form part of these financial statements

Financial statements (continued)

Gympie District Financial Services Limited

Statement of Cash Flows

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers		719,812	755,571
Payments to suppliers and employees		(326,710)	(544,695)
Interest paid		(21,100)	(9,194)
Interest received		-	485
Income tax paid		-	(23,212)
Net cash flows provided by operating activities	24b	372,002	178,955
Cash flows from investing activities			
Purchase of property, plant and equipment		(339,774)	(806,385)
Purchase of intangible assets		(12,966)	(12,966)
Net cash flows used in investing activities		(352,740)	(819,351)
Cash flows from financing activities			
Proceeds from borrowings		-	542,500
Repayment of borrowings		(18,517)	(7,106)
Repayment of lease liabilities		-	(31,590)
Dividends paid		(40,001)	(40,001)
Net cash flows from/(used in) financing activities		(58,518)	463,803
Net decrease in cash held		(39,256)	(176,593)
Cash and cash equivalents at beginning of financial year		51,668	228,261
Cash and cash equivalents at end of financial year	24a	12,412	51,668

The accompanying notes form part of these financial statements

Notes to the financial statements

For the year ended 30 June 2022

Note 1. Corporate Information

These financial statements and notes represent those of Gympie & District Financial Services Limited (the Company) as an individual entity. Gympie & District Financial Services Limited is a company limited by shares, incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on 26th October 2022.

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 26.

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

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:

Gympie & District Community Bank

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

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

Notes to the financial statements (continued)

Note 3. Summary of Significant Accounting Policies (continued)

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 services 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).

Notes to the financial statements (continued)

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
<i>plus</i>
Deposit returns (i.e. interest return applied by BABL on deposits)
<i>minus</i>
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.

Notes to the financial statements (continued)

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.

Notes to the financial statements (continued)

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.

Notes to the financial statements (continued)

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
Plant & equipment	Diminishing value	5 - 25 years

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

Notes to the financial statements (continued)

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.

Notes to the financial statements (continued)

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

Classification & Subsequent Measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVTOCI - debt investment; FVTOCI - equity investment; or FVTPL.

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 or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including interest expense, are recognised in profit or loss. 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 or 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.

Notes to the financial statements (continued)

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 2022.

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.

Notes to the financial statements (continued)

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.

Notes to the financial statements (continued)

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 21 - 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: <ul style="list-style-type: none">• the amount• the lease term• economic environment• any other relevant factors

Notes to the financial statements (continued)

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

(b) Assumptions & Estimation Uncertainty

Information about assumptions and estimation uncertainties at 30 June 2022 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 18 - Recognition of deferred tax assets	Availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilised
Note 22 - Long service leave provision	Key assumptions on attrition rate of staff and expected pay increases through 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 2022		Contractual Cash Flows		
Non-derivative Financial Liability	Carrying Amount	< 12 Months	1 - 5 Years	> 5 Years
Bank Loan	516,877	40,200	160,800	603,000

Notes to the financial statements (continued)

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 \$37,189 at 30 June 2022 (2021: \$51,669). 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 2022 can be seen in the statement of profit or loss and other comprehensive Income.

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

Notes to the financial statements (continued)

Note 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.

	2022	2021
	\$	\$
Revenue		
- Revenue from contracts with customers	604,469	632,190
	604,469	632,190
Disaggregation of Revenue From Contracts With Customers		
- Margin income	468,480	478,300
- Fee income	50,728	53,338
- Commission income	68,594	68,677
- Market development fund	16,667	31,875
	604,469	632,190

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.

	2022	2021
	\$	\$
Other Revenue		
- Other Revenue	54,712	50,398
	54,712	50,398

Note 9. Finance Income

The company holds financial instruments measured at amortised cost. Interest income is recognised at the effective interest rate.

Term deposits which can be readily converted to a known amount of cash and subject to an insignificant risk of change may qualify as a cash equivalent.

	2022	2021
	\$	\$
Finance Income		
At amortised cost:		
- Interest from term deposits	-	485
	-	485

Notes to the financial statements (continued)

Note 10. Expenses

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

(a) Employee Benefits Expense

	2022 \$	2021 \$
Employee Benefits Expense		
- Wages & salaries	297,618	259,911
- Superannuation costs	51,684	60,406
- Other expenses related to employees	636	659
	349,938	320,976

(b) Depreciation & Amortisation Expense

	2022 \$	2021 \$
Depreciation of Non-current Assets		
- buildings	2,978	-
- leasehold improvements	2,270	9,006
- plant and equipment	8,742	749
	13,990	9,755
Depreciation of Right-of-use Assets		
- leased buildings	7,159	31,686
	7,159	31,686
Amortisation of Intangible Assets		
- franchise fees	12,966	12,966
	12,966	12,966
Total depreciation & amortisation expense	34,115	54,407

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

	Note	2022 \$	2021 \$
Finance Costs			
- Interest paid		21,100	9,194
		21,100	9,194

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

Notes to the financial statements (continued)

Note 10. Expenses (continued)

(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	2022 \$	2021 \$
Community Investments & Sponsorship			
- Direct sponsorship and grant payments		57,259	68,866
- Contribution to the Community Enterprise Foundation™	10(e)	5,750	5,750
		63,009	74,616

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.

(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	2022 \$	2021 \$
Disaggregation of CEF Funds			
Opening balance		195	5,205
Contributions paid	10(d)	5,750	5,750
Grants paid out		(5,000)	(10,000)
Interest received		1	24
GST		(523)	(523)
Management fees incurred		(261)	(261)
Balance available for distribution		162	195

Notes to the financial statements (continued)

Note 11. 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

	2022 \$	2021 \$
Current tax expense	(5,273)	27,735
Deferred tax expense	-	3,379
Recoupment of prior year tax losses	-	(4,523)
Under / (over) provision of prior years	(25)	1,151
	(5,298)	27,742

(b) *Prima Facie* Tax Payable

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

	2022 \$	2021 \$
Prima facie tax on profit / (loss) before income tax at 25% (2020: 26%)	(5,273)	29,229
Add Tax Effect Of:		
- Utilisation of previously unrecognised carried forward tax losses	-	(4,523)
- Under / (over) provision of prior years	(25)	1,151
- Non-deductible expenses	-	1,885
Income tax attributable to the entity	(5,298)	27,742
The applicable weighted average effective tax rate is:	-25.12%	-24.68%

Notes to the financial statements (continued)

Note 12. Cash & Cash Equivalents

	2022	2021
	\$	\$
Cash at bank and on hand	37,189	51,668
	37,189	51,668

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

Note 13. Trade & Other Receivables

	2022	2021
	\$	\$
Current		
Trade receivables	38,372	32,810
	38,372	32,810

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 14. Financial Assets

	2022	2021
	\$	\$
Other - Borrowing Costs	2,614	3,349
	2,614	3,349

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. Property, Plant & Equipment

(a) Carrying Amounts

	2022			2021		
	At Cost / Valuation	Accumulated Depreciation	Written Down Value	At Cost / Valuation	Accumulated Depreciation	Written Down Value
Buildings	1,085,917	(5,248)	1,091,166	806,385	-	806,385
Leasehold improvements	42,459	(42,459)	-	184,300	(141,841)	42,459
Plant & equipment	58,747	(10,175)	48,571	73,313	(66,581)	6,732
	1,187,123	(57,882)	1,139,737	1,063,998	(208,422)	855,576

Notes to the financial statements (continued)

Note 15. Property, Plant & Equipment (continued)

(b) Movements in Carrying Amounts

2022	Buildings \$	Leasehold Imp. \$	Plant & Equipment \$
Opening carrying value	806,385	42,459	6,732
Additions	287,759	-	52,015
Disposals	-	(40,189)	(1,434)
Depreciation expense	(2,978)	(2,270)	(8,742)
Closing carrying value	1,091,165	-	48,571

2021	Buildings \$	Leasehold Imp. \$	Plant & Equipment \$
Opening carrying value	-	51,465	7,481
Additions	806,385	-	-
Depreciation expense	-	(9,006)	(749)
Closing carrying value	806,385	42,459	6,732

Note 16. 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 includes 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 Financial Position

	Leased Buildings \$	Total ROU Asset \$
Leased asset	69,962	69,962
Depreciation	(69,962)	(69,962)
	-	-

Notes to the financial statements (continued)

Note 16. Right-of-use Assets (continued)

Movements in carrying amounts:

	Leased Buildings \$	Total ROU Asset \$
Recognised on initial application of AASB 16	69,921	69,921
Depreciation expense	(69,921)	(69,921)
Net carrying amount	-	-

AASB 16 Amounts Recognised in the Statement of Financial Position

	2022 \$	2021 \$
Depreciation expense related to right-of-use assets	7,159	31,686
Interest expense on lease liabilities	-	1,144

Note 17. Intangible Assets

(a) Carrying Amounts

	2022			2021		
	At Cost / Valuation	Accumulated Amortisation	Written Down Value	At Cost / Valuation	Accumulated Amortisation	Written Down Value
Franchise fee	64,831	(38,898)	25,933	64,831	(25,932)	38,899
	64,831	(38,898)	25,933	64,831	(25,932)	38,899

(b) Movements in Carrying Amounts

2022	Franchise Fee \$
Opening carrying value	38,899
Amortisation expense	(12,966)
Closing carrying value	25,933

2021	Franchise Fee \$
Opening carrying value	51,865
Amortisation expense	(12,966)
Closing carrying value	38,899

Notes to the financial statements (continued)

Note 18. Tax Assets & Liabilities

(a) Current Tax

	2022 \$	2021 \$
Income tax payable	3,295	20,785

(b) Deferred Tax

Movement in the company's deferred tax balances for the year ended 30 June 2022:

	30 June 2021 \$	Recognised in P & L \$	30 June 2022 \$
Deferred Tax Assets			
- Expense accruals	4,192	-	4,192
- Unused tax losses	-	26,722	26,722
- Employee provisions	11,988	(6,856)	5,132
Total deferred tax assets	16,180	19,866	36,046
Deferred Tax Liabilities			
- Right-of-use assets	241	(241)	-
- Property, plant & equipment	-	(14,327)	(14,327)
Total deferred tax liabilities	241	(14,568)	(14,327)
Net deferred tax assets	16,421	5,298	21,719

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

	30 June 2020 \$	Recognised in P & L \$	30 June 2021 \$
Deferred Tax Assets			
- Expense accruals	4,596	(404)	4,192
- Unused tax losses	11,331	(11,331)	-
- Employee provisions	4,784	7,204	11,988
Total deferred tax assets	20,711	(4,531)	16,180
Deferred Tax Liabilities			
- Right-of-use assets	240	1	241
Total deferred tax liabilities	240	1	241
Net deferred tax assets	20,951	(4,530)	16,421

Notes to the financial statements (continued)

Note 19. Trade & Other Payables

	2022 \$	2021 \$
Current		
Trade creditors	408,826	1,149
Franchise fee payable	12,966	12,966
Other creditors and accruals	(20,990)	11,465
	400,802	25,580
Non-Current		
Other creditors and accruals	25,932	38,899
	25,932	38,899

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 20. Borrowings

	2022 \$	2021 \$
Current		
Unsecured Liabilities		
Bank overdraft	24,777	-
Secured Liabilities		
Bank loan	16,217	18,792
	40,994	18,792
Non-Current		
Secured Liabilities		
Bank loan	500,660	516,602
	500,660	516,602
Total borrowings	541,654	535,394

Loans

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured 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 are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

The company has a mortgage loan which is subject to normal terms and conditions. The current interest rate is 4.64%. This loan has been created to fund the purchase of a property at 38 Mary Street Gympie and is secured by 38 Mary Street Gympie.

Bank Overdraft

The company has an overdraft facility of \$24,777 which is subject to normal commercial terms and conditions.

Notes to the financial statements (continued)

Note 21. 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 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
Mary Street Branch	The lease agreement ceased in September 2021

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:

	2022 \$	2021 \$
Current	-	8,126

The lease liabilities are secured by the related underlying assets. There were no lease payments at 30 June 2022, the 30 June 2021 lease payments were as follows:

	Minimum lease payments due		
	< 1 Year	1 - 2 Years	Total
30 June 2021			
Lease payments	8,126	-	8,126
Net present values	8,126	-	8,126

Notes to the financial statements (continued)

Note 22. Employee Benefits

	2022 \$	2021 \$
Current		
Provision for annual leave	12,825	15,457
Provision for long service leave	7,056	32,495
	19,881	47,952
Non-Current		
Provision for long service leave	647	-
	647	-

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 23. Issued Capital

(a) Issued Capital

	2022		2021	
	Number	\$	Number	\$
Ordinary shares - fully paid	800,010	800,010	800,010	800,010
	800,010	800,010	800,010	800,010

Ordinary shares are classified as equity.

(b) Movements in share capital

	2022 \$	2021 \$
Fully paid ordinary shares:		
At the beginning of the reporting period	800,010	800,010
At the end of the reporting period	800,010	800,010

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

Note 24. Retained Earnings

	Note	2022 \$	2021 \$
Balance at the beginning of the reporting period		(470,863)	(515,541)
Profit/(loss) for the year after income tax		(15,793)	84,679
Dividends paid	28	(40,001)	(40,001)
Balance at the end of the reporting period		(526,657)	(470,863)

Notes to the financial statements (continued)

Note 24. 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	2022 \$	2021 \$
Cash and cash equivalents	12	37,189	51,668
Less bank overdraft	21	(24,777)	-
As per the Statement of Cash Flows		12,412	51,668

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

	2022 \$	2021 \$
Profit/(loss) for the year after income tax	(15,793)	84,679
Non-cash flows in profit		
- Depreciation	13,023	41,441
- Amortisation	12,966	12,966
- Net loss on disposal of property, plant & equipment	41,622	-
Changes in assets and liabilities		
- (Increase) / decrease in trade and other receivables	(5,562)	9,173
- (Increase) / decrease in prepayments and other assets	734	(3,350)
- (Increase) / decrease in deferred tax asset	(5,298)	4,530
- Increase / (decrease) in trade and other payables	411,073	960
- Increase / (decrease) in current tax liability	(35,850)	1,023
- Increase / (decrease) in provisions	(44,914)	27,533
Net cash flows from operating activities	372,002	178,955

Note 25. 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	2022 \$	2021 \$
Financial Assets			
Trade and other receivables	13	38,372	32,810
Cash and cash equivalents	12	37,189	51,668
		75,561	84,478
Financial Liabilities			
Trade and other payables	19	426,734	64,479
Borrowings	20	541,654	535,394
Lease liabilities	21	-	8,126
		968,388	607,999

Notes to the financial statements (continued)

Note 26. 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. The only key management personnel identified for the company are the Board of Directors, the members of which are listed in the Directors' report.

(b) Key Management Personnel Compensation

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

(c) 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.

(d) Transactions With Key Management Personnel & Related Parties

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

(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 27. Auditor's Remuneration

The appointed auditor of Gympie & District Financial Services Limited for the year ended 30 June 2022 is RSD Audit. Amounts paid or due and payable to the auditor are outlined below.

	2022	2021
	\$	\$
Audit & Review Services	-	-
Audit and review of financial statements (RSD Audit)	5,450	5,300
Total auditor's remuneration	5,450	5,300

Note 28. Dividends

The following dividends were provided for and paid to shareholders during the reporting period as presented in the statement of changes in equity and statement of cash flows.

	2022		2021	
	Number	\$	Number	\$
Unfranked dividend	800,010	40,001	800,010	40,001
Dividends provided for and paid during the year	800,010	40,001	800,010	40,001

Notes to the financial statements (continued)

Note 29. Earnings Per Share

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

	2022	2021
	\$	\$
Profit attributable to ordinary shareholders	(15,793)	84,679
	Number	Number
Weighted average number of ordinary shares	800,010	800,010
	¢	¢
Basic and diluted earnings per share	(1.97)	10.58

Note 30. Events After the Reporting Period

The Company has taken a new loan of \$450,000 at 6.74% to be repaid over 10 years. The funds will be used to pay for the fitout expenditure included in creditors, to clear the existing overdraft and payout the Australian Taxation Office Debt included in the accounts.

Note 31. 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(d).

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 32. Company Details

The registered office of the company is:

Gympie & District Financial Services Ltr 44 Mary Street, Gympie

The principal place of business is:

Gympie 44 Mary Street, Gympie

Directors' declaration

For the financial year ended 30 June 2022

In accordance with a resolution of the directors of Gympie & District Financial Services Limited, we state that:

In the opinion of the directors:

- (a) The financial statements and notes of the company are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2022 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.



Sean Connelly
Director

Dated this 26th day of October, 2022

Independent audit report



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GYMPIE & DISTRICT FINANCIAL SERVICES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Gympie & District Financial Services Limited (the Company), which comprises the statement of financial position as at 30 June 2022, 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 Gympie & District Financial Services 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 2022 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 2022 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

A handwritten signature in black ink, appearing to read 'P. Delahunty', written over a light grey circular background.

Phil Delahunty

Partner

Bendigo

Dated: 31 October 2022

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 /communitybankgympie

 **Bendigo Bank**