Annual Report 2022

Kwinana Community Financial Services Limited

Community Bank Kwinana

ABN 89 169 535 228

Chairman's Report

For the year ended 30th June 2022

On behalf of the Board of Kwinana Community Financial Services Ltd, I am pleased to provide my Chairman's report for the Company's Annual Report for the 2021/2022 financial year.
This Annual Report includes our Directors' report, our Manager's report, the Financial Report 2021/22, and the Auditor's reports.

As I review this last year I have taken the opportunity to reflect on our prospectus which was issued in August 2014. Although the document factored in areas of risk, some which still exist today, there was no way that we could have predicted a Global Financial Crisis, Royal Commission into the banking industry or a worldwide pandemic which would turn our lives upside down. Even with all those challenges our directors and staff have managed to arrive at year end where we have produced a small loss of $1,991 compared to $110,077 loss in the previous year. Even better news is the projected profit of $142,190 in the 2022-23 budget. As a budget this result is of course subject to predicted market forces and customer behaviors.

Our business continues to grow in both business on the books and an increase in the number of customers.

The financial results achieved demonstrate the huge efforts produced by our wonderful staff under the guidance of a hard-working board of directors.

Congratulations again to Branch Manager Ashley Blower and the staff, their consistent efforts and high achievements are recognized in benchmarking with other branches in Western Australia. The highlight of the year was their award for "Best Community Story" featuring Kwinana's Mumpreneur Day in May this year.

Your Board continue to meet monthly reviewing its governance and finances, these meetings and responsibilities also provide an opportunity for personal learning and growth, an opportunity we would like to share with new Directors, please consider if you would like to join us and give me a call.

Thank you to all who have been part of our journey so far. Your Directors believe we are on the right track and look forward, with your support, to continued growth and a prosperous future for our community.

Your Board continues to be excited to be working with an exceptional staff and look forward to a strong future working in and with the Kwinana community.

Yours sincerely,

John Iriks Chairman

Managers' Report

For the year ending 30 June 2022

It is with great pleasure that I provide my manager's report for Kwinana Community Financial Services Ltd annual report for the financial year 2021/2022.

It has been without a doubt a very busy year for the branch and business with lots of things happening and coming up. This was the year I ticked over 5 years' service as the Branch Manager at Kwinana. What a wonderful 5 years it has been, I can honestly say I still wake up everyday and enjoy coming to work and seeing our customers and engaging with our community.

We had another big year in the lending space and again were able to grow our Lending book. We Approved a total of 41 home loans totalling over $11.7 Million. We finished 207% of our lending target, which was our biggest year yet.

Home lending is not the only area that we achieved high growth. We again exceeded our insurance targets this year. The branch was able to finish the year at 170% of our insurance target. This is a wonderful result from the team as this not only boosts our income, but it ensures our customers are protected and their assets are protected. Something we are very passionate about in the branch.

At the end of the financial year, we had 2,695 customers part of our community bank family. We onboarded an additional 224 customers in the 2021/2022 financial year which was a 9.1% uplift from the previous financial year. This number continues to grow each month this financial year.

Finally, I would like to finish by thanking my team for everything we have been able to achieve this financial year. It has been another big year for the branch, we look forward to continuing the success this financial year.

Ashley Blower
Branch Manager

Community Bank Report 2022
BEN Message

July 2022

Community continues to be core to who we are at Bendigo and Adelaide Bank.

With your support, we are enabling community infrastructure to be built, strengthening the arts and culturally diverse communities, improving educational outcomes, and growing healthy places for Australians to live and work. On behalf of the Bank, thank you for continuing to play a vital role in supporting your community.

As we emerge from the pandemic and navigate a shifting economic landscape, the investments our Community Banks make in the future of the communities in which they operate has never been more important.

We are proud that more Australians are choosing to do their banking with Bendigo and Adelaide Bank – and importantly trust us with their financial needs. We are Australia’s most trusted bank (Roy Morgan, May 2022), an outcome that you have all contributed to and should feel proud of.

Our purpose has never been more important; we remain committed to continuing to feed into the prosperity of our customers and communities, and not off them.

Your ongoing support as a shareholder is essential to the success of your local community. Together, we will continue to grow sustainably and make a positive impact for generations to come.

Warmest regards,

Justine Minne
Bendigo and Adelaide Bank

Kwinana Community Financial Services Ltd

ABN 89 169 535 228

Financial Report - 30 June 2022

Kwinana Community Financial Services Ltd
Directors' report
30 June 2022

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2022.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Name:	Johannes Maria Iriks
Title:	Chair
Experience and expertise:	Johannes is the Managing Director for KPC Accounting Pty Ltd and a fellow (retired) of the Institute of Public Accountants. Retired from over 30 years in Public Accounting Practice, Managing Director KPC Investments Pty Ltd, Managing Director of Harfield Holdings Pty Ltd trading as Western Challenge Real Estate (sold 30 June 2022 after 30 years ownership). Justice of the Peace, Past Governor of Rotary International District 9460, and current Director of Rotary Club of Kwinana Inc, Johannes is also a director of Kwinana Community Chest Pty Ltd and Chairman of St Vincent's Parish Finance Committee. Johannes is a former director of Rotary Western Australia Centennial Ltd.
Special responsibilities:	Chair, Corporate Governance Committee, Marketing Committee.

Name:	Wayne Milnes
Title:	Treasurer
Experience and expertise:	Wayne worked for The National Australia Bank Ltd for over 30 years in metropolitan Perth and country Western Australia with over 15 years experience as a Relationship/Business Banking Manager. Wayne retired in 2020. He was educated at Medina Primary School and Kwinana Senior High School (now Gilmour College). Wayne holds a Diploma of Management from Deakin University and Certificate IV in Property Services Real Estate. He is a member of Rotary International since 2005 and was President of Rotary Club of Safety Bay Port Kennedy Rotary Club from 2006-2007, and Rockingham Rotary Club Inc. from 2008-2009. Wayne was a Rotary District 9465 Secretary from 2011-2013, Rotary District 9465 Assistant Governor Peel Region from 2013-2016 and District 9465 Governor from 2019-2020.
Special responsibilities:	Due Diligence Committee, Property Committee.

Name:	Stephen Paul Williams
Title:	Secretary
Experience and expertise:	Stephen is Director SPW Business Pty Ltd, and Fellow of the Institute of Public Accountants. Born in the UK and migrating to Australia in June 1991, his working life in the UK was with Barclays Bank PLC for 17 years, before changing careers from banking to accounting. During the years with Barclays Bank PLC, Steve started at the bottom and was trained in all aspects of branch and business banking, culminating in the position of Principal of Corporate Securities at the Tottenham Court Road Barclays Business Centre in London. The Centre controlled three retail branches along Tottenham Court Road and handled the processing of lending, treasury deposits and all aspects of registering loan security. Prior to entering the accounting profession Steve volunteered as a director of the Rockingham Basketball Association to support his children and their friends in a sporting activity. Steve part owned and acted as financial manager of a child care centre after initially qualifying as an accountant, which was in part funded by the government, with all the compliance and audit requirements that such funding entails. His current work includes auditing and business advisory services, on a semi-retired basis.
Special responsibilities:	Company Secretary, Corporate and Governance Committee.

Name:	Maxwell John Bird
Title:	Non-executive director
Experience and expertise:	Until his retirement Max was the General Manager of Rail Solutions Australia a successful family owned company offering support and advice to selected clients in the rail industry in Australia and South East Asia. Max has also worked with Calibre Rail, MVM Rail, Worley Parsons, Works Infrastructure, LB Consultants, John Holland and Westrail. Max has been a member of the Kwinana Rotary Club for over 20 years and served as Community Director, Treasurer and International Director, currently Project Manager for community projects within Timor-Leste. He served as Club President in 2015/2016. Max also received a Paul Harris Fellow award in 2014 from Rotary International for services to Timor-Leste community.
Special responsibilities:	Chair of Human Resources Committee.

Name:	Sarah Rachel Mahony
Title:	Non-executive director
Experience and expertise:	Sarah has been a qualified Licensed Settlement Agent (Conveyancer) since 2002 and works full time at Safety Bay Settlements in Rockingham, WA. She established the business Go Kiosk Warnbro in 2009 at Warnbro Train Station and it continues to operate today. This business proved to be a very successful concept so she established a second store, Go Kiosk Kwinana in 2014 at the Kwinana Train Station and Go Kiosk Aubin Grove in 2017. Sarah established a Wendy's ice cream franchise business at Kwinana Marketplace in 2013 and owned and operated Mobile Coffee Van. She has extensive experience in the retail and hospitality industry by Managing and Supervising Restaurants and Hotels both in Australia and overseas. Sarah is also a Director of Lifesaving & Patrol Captain at Coogee Beach Surf Life Saving Club, a Councillor on the Board for the Australian Institute of Conveyancers WA Division (AICWA), Chair of the CPC Governing Committee (Certified Practicing Conveyancer), Member of the AICWA Charity Committee and Board Member at Emmanuel Catholic College in Success.
Special responsibilities:	Marketing Committee.

Name:	Leslie Harris Whiddett
Title:	Non-executive director
Experience and expertise:	Les has worked in the plumbing and gas industries for 40 years owning a contracting business as a working director. He was a member of the Wandi Progress Association for 25 years and has served on committees, worked as treasurer, President and currently Vice President. Les is also a member of the Handtool Preservation Society, where he is a committee member, Finewood Association, Marquetry and Wandi Wood turners club. Presently, Les is the Wandi Landcare Convener arranging tree planting and environmental days, Clean Up Australia and Neighbour Day.
Special responsibilities:	Vice Chairman of the Property Committee, Human Resources Committee, Marketing Committee.

Name:	Robert George Cooper
Title:	Non-executive director
Experience and expertise:	Robert has been involved in Managing a Police Section and is the Treasurer of Rotary Club of Kwinana. Previously, he was a President of Rotary Club of Kwinana, Chair of Youth Exchange Rotary International, and District Governor of Rotary International.
Special responsibilities:	Nil

Name:	Christopher Michael Duke (appointed 25 January 2022)
Title:	Non-executive director
Experience and expertise:	Christopher holds a Bachelor of Policing, a Graduate Certificate in Commerce and a Masters of Politics and Policy. Since 2020, he has served on the board of OVIS Community Services, the Mandurah and Peel Region's largest domestic violence not-for-profit and operator of two refuges serving the Western Australian community. Christopher has also been the Assistant Treasurer and Vice Chair of the Western Australian branch of the international Police Association. His public service commenced in 2009 as a firefighter with Fire and Rescue NSW and continues to his current employment as a detective with Western Australia Police. In addition to these roles, Christopher has worked in a number of small businesses and as a journalist for Fairfax Rural Press.
Special responsibilities:	Marketing Committee and social media responsibilities.

Name:	Daniel Wei Hoong Chan (resigned 17 November 2021)
Title:	Non-executive director
Experience and expertise:	Daniel, his wife and six children moved into the City of Kwinana in 2010. He is an active member of his Church community in Parmelia, along with his wife and children. Originally from Singapore, he immigrated to Perth in 2007. With a background in media and communications, his work revolved around the Creative Industries in South-East Asia, as well as in academia and research, having spent some time in think-tank in the South-East Asian region, as well as a global think-tank based in Belgium. He coordinated and taught media units at Murdoch University for a few years in the South Street campus and oversaw the delivery of courses in Dubai, Singapore and Kuala Lumpur. After leaving academia he managed a multicultural community radio station in North Perth, and later directed the WA and NT office of an international aid and development non-government organisation. He has since retired from the workforce, and dedicates his focus on home schooling his children in the Liberal Arts, and running a multinational business with his wife from home.
Special responsibilities:	Human Resources Committee, Marketing Committee.

Company secretary
The company secretary is Stephen Williams. Stephen was appointed to the position of secretary on 22 May 2014.

Principal activity
The principal activity of the company during the financial year was facilitating Community Bank services under management rights of Bendigo and Adelaide Bank Limited (Bendigo Bank).

There have been no significant changes in the nature of this activity during the financial year.

Review of operations
The loss for the company after providing for income tax amounted to $1,991 (30 June 2021: $110,077).

Operations have continued to perform in line with expectations.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the company during the financial year.

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments
The company will continue its policy of facilitating banking services to the community.

Environmental regulation
The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Meetings of directors
The number of directors' meetings attended by each of the directors' of the company during the financial year were:

	Board	
	Eligible	Attended
Johannes Maria Iriks	12	12
Wayne Milnes	12	11
Stephen Paul Williams	12	12
Maxwell John Bird	12	12
Sarah Rachel Mahony	12	8
Leslie Harris Whiddett	12	11
Robert George Cooper	12	8
Christopher Michael Duke	6	3
Daniel Wei Hoong Chan	4	3

Eligible: represents the number of meetings held during the time the director held office.

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 except as disclosed in note 24 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Directors' interests
The interest in company shareholdings for each director are:

	Balance at the start of the year $	Changes $	Balance at the end of the year $
Johannes Maria Iriks	87,001	13,000	100,001
Wayne Milnes	15,001	-	15,001
Stephen Paul Williams	6,101	-	6,101
Maxwell John Bird	20,001	-	20,001
Sarah Rachel Mahony	13,001	-	13,001
Leslie Harris Whiddett	10,001	-	10,001
Robert George Cooper	2,500	-	2,500
Christopher Michael Duke	2,250	-	2,550
Daniel Wei Hoong Chan	-	-	-

Indemnity and insurance of directors and officers
The company has indemnified all directors and the manager in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or manager 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.

Kwinana Community Financial Services Ltd
Directors' report
30 June 2022

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*.

Indemnity and insurance of auditor
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

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 (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 25 to the accounts.

The Board 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 have been reviewed by the Board to ensure they do not impact on the impartiality, integrity and objectivity of the auditor
- 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 immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001.*

On behalf of the directors

Johannes Maria Iriks
Chair

30 August 2022

AFS
Partners in success
Chartered Accountants

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Bendigo VIC 3550

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03 5443 0344

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Kwinana Community Financial Services Ltd

As lead auditor for the audit of Kwinana Community Financial Services Ltd for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 30 August 2022

Adrian Downing
Lead Auditor

Kwinana Community Financial Services Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 $	2021 $
Revenue from contracts with customers	6	477,485	446,263
Other revenue	7	30,167	58,031
Finance revenue		-	109
Employee benefits expense	8	(334,497)	(334,504)
Advertising and marketing costs		(2,809)	(5,334)
Occupancy and associated costs		(21,048)	(63,220)
System costs		(29,729)	(42,031)
Depreciation and amortisation expense	8	(47,183)	(110,159)
Finance costs	8	(12,342)	(9,042)
General administration expenses		(57,199)	(61,379)
Loss on disposal of assets		-	(14,444)
Profit/(loss) before community contributions and income tax (expense)/benefit		2,845	(135,710)
Charitable donations and sponsorships expense		(5,500)	(2,554)
Loss before income tax benefit		(2,655)	(138,264)
Income tax benefit	9	664	28,187
Loss after income tax benefit for the year	20	(1,991)	(110,077)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(1,991)	(110,077)
		Cents	**Cents**
Basic earnings per share	27	(0.17)	(9.49)
Diluted earnings per share	27	(0.17)	(9.49)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Kwinana Community Financial Services Ltd
Statement of financial position
As at 30 June 2022

	Note	2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	10	8	35
Trade and other receivables	11	52,446	47,878
Total current assets		52,454	47,913
Non-current assets			
Property, plant and equipment	12	69,129	85,882
Right-of-use assets	13	138,621	155,949
Intangibles	14	39,302	52,404
Deferred tax assets	9	333,626	332,962
Total non-current assets		580,678	627,197
Total assets		633,132	675,110
Liabilities			
Current liabilities			
Trade and other payables	15	45,192	45,067
Borrowings	16	190,207	193,808
Lease liabilities	17	16,395	15,208
Employee benefits	18	25,708	19,120
Total current liabilities		277,502	273,203
Non-current liabilities			
Trade and other payables	15	29,790	44,852
Borrowings	16	76,479	81,250
Lease liabilities	17	137,660	154,054
Employee benefits	18	6,057	14,116
Total non-current liabilities		249,986	294,272
Total liabilities		527,488	567,475
Net assets		105,644	107,635
Equity			
Issued capital	19	1,120,118	1,120,118
Accumulated losses	20	(1,014,474)	(1,012,483)
Total equity		105,644	107,635

The above statement of financial position should be read in conjunction with the accompanying notes

Kwinana Community Financial Services Ltd
Statement of changes in equity
For the year ended 30 June 2022

	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 July 2020	1,120,118	(902,406)	217,712
Profit after income tax expense	-	(110,077)	(110,077)
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	(110,077)	(110,077)
Balance at 30 June 2021	1,120,118	(1,012,483)	107,635

	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 July 2021	1,120,118	(1,012,483)	107,635
Profit after income tax expense	-	(1,991)	(1,991)
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	(1,991)	(1,991)
Balance at 30 June 2022	1,120,118	(1,014,474)	105,644

The above statement of changes in equity should be read in conjunction with the accompanying notes

Kwinana Community Financial Services Ltd
Statement of cash flows
For the year ended 30 June 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		551,952	551,876
Payments to suppliers and employees (inclusive of GST)		(502,517)	(536,635)
		49,435	15,241
Interest received		-	109
Interest and other finance costs paid		(6,595)	(2,883)
Net cash provided by operating activities	26	42,840	12,467
Cash flows from investing activities			
Payments for property, plant and equipment		-	(85,364)
Payments for intangibles		(13,541)	(13,623)
Net cash used in investing activities		(13,541)	(98,987)
Cash flows from financing activities			
Proceeds from borrowings		-	100,000
Repayment of lease liabilities		(20,954)	(10,173)
Payment of make good provision		-	(20,455)
Repayment of borrowings	17	(7,441)	-
Net cash provided by/(used in) financing activities		(28,395)	69,372
Net increase/(decrease) in cash and cash equivalents		904	(17,148)
Cash and cash equivalents at the beginning of the financial year		(175,023)	(157,875)
Cash and cash equivalents at the end of the financial year	10	(174,119)	(175,023)

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Reporting entity

The financial statements cover Kwinana Community Financial Services Ltd (the company) as an individual entity. The financial statements are presented in Australian dollars, which is company's functional and presentation currency.

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Suite 1, 4 Challenger Avenue, Kwinana Town Centre, WA 6167.

A description of the nature of the company's operations and its principal activity is included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 August 2022. The directors have the power to amend and reissue the financial statements.

Note 2. Basis of preparation and statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB). The financial statements have been prepared on an accrual and historical cost basis.

Going concern
The financial statements for the financial year end 30 June 2022 have been prepared on the basis that the company is a going concern and it would continue its operations for a foreseeable future.

The company’s business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors’ Report. As disclosed in the financial statements, the company's financial position is as follows:

	2022 **$**	**2021** **$**	**Change** **$**	**Change** **%**
Current assets	52,454	47,913	4,541	9%
Current liabilities	(277,502)	(273,203)	(4,299)	2%
Working capital (deficiency)	(225,048)	(225,290)	242	-

	2022 **$**	**2021** **$**	**Change** **$**	**Change** **%**
Total assets	633,132	675,110	(41,978)	(6%)
Total liabilities	(527,488)	(567,475)	39,987	(7%)
Net assets/(liabilities)	105,644	107,635	(1,991)	(2%)
Accumulated losses	(1,014,474)	(1,012,483)	(1,991)	-
Profit/(loss) before tax	(2,655)	(138,264)	135,609	(98%)
Profit/(loss) after tax	(1,991)	(110,077)	108,086	(98%)
Total comprehensive income	(1,991)	(110,077)	108,086	(98%)
Operating cash inflows (outflows)	42,840	12,467	30,373	244%
Cash and cash equivalents	8	35	(27)	(77%)

The company meets its day to day working capital requirements through an overdraft facility. The overdraft has an approved limit of $300,000 and was drawn to $174,127 as at 30 June 2022.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current overdraft facility.

Note 2. Basis of preparation and statement of compliance (continued)

The current economic environment is difficult and while revenue continues to increase the company has again reported an operating loss for the year. The directors' consider that the outlook presents significant challenges in terms of banking business volume and pricing as well as for operating costs. Whilst the directors have instituted measures to preserve cash and secure additional finance, these circumstances create material uncertainties over future trading results and cash flows.

The directors have concluded that the combination of the circumstances above represents a material uncertainty that casts significant doubt upon the company's ability to continue as a going concern and that, therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Nevertheless, after making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the unforeseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Note 3. Significant accounting policies

The company has consistently applied the following accounting policies to all periods presented in these financial statements.

Changes in accounting policies, standards and interpretations
There are a number of amendments to accounting standards issued by the AASB that became mandatorily effective for accounting periods beginning on or after 1 July 2021, and are therefore relevant for the current financial year. The amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when, it is expected to be realised or intended to be sold or consumed in the company's normal operating cycle, it is held primarily for the purpose of trading, it is expected to be realised within 12 months after the reporting period or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when, it is either expected to be settled in the company's normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within 12 months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Impairment
Non-derivative financial assets
Expected credit losses (ECL) 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. At each reporting date, the entity recognises the movement in the ECL (if any) 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 Bank, which is received 10 business days post month end. Due to the reliance on Bendigo 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 Bank and found no instances of default. As a result no ECL 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 amounts of its tangible and intangible assets that have an indefinite useful life to determine whether there is any indication those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss.

Note 3. Significant accounting policies (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Goods and Services Tax (GST)
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.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the 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.

Note 4. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. There does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Estimation of useful lives of assets
The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Going concern
At each reporting date management must asses the company's ability to continue as a going concern are appropriate. Management’s decision will be underpinned by assumptions and judgements about future events.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 4. Critical accounting judgements, estimates and assumptions (continued)

Lease term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations, comparison of terms and conditions to prevailing market rates, incurrence of significant penalties, existence of significant leasehold improvements and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate
Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision
The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and inflation have been taken into account.

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.

In the absence of sufficient historical employee attrition rates, the company applies a benchmark probability rate from across the Community Bank network to factor in estimating the probability of an employee, at a given date, achieving continuous employment eligible for entitlement in accordance with legislation.

Note 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the 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.

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.

Note 5. Economic dependency (continued)

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
- security and cash logistic controls
- calculation of company revenue and payment of many operating and administrative expenses
- the formulation and implementation of advertising and promotional programs
- sales techniques and proper customer relations
- providing payroll services.

Note 6. Revenue from contracts with customers

	2022 $	2021 $
Margin income	400,562	351,952
Fee income	32,456	31,299
Commission income	44,467	63,012
Revenue from contracts with customers	477,485	446,263

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 stream	Includes	Performance obligation	Timing of recognition
Franchise agreement profit share	Margin, commission, and fee income	When the company satisfies its obligation to arrange for the services to be provided to the customer by the supplier (Bendigo Bank as franchisor).	On completion of the provision of the relevant service. Revenue is accrued monthly and paid within 10 business days after the end of each month.

All revenue is stated net of the amount of GST. There was no revenue from contracts with customers recognised over time during the financial year.

Revenue calculation
The franchise agreement provides that three forms of revenue may be earned by the company which are 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.

Note 6. Revenue from contracts with customers (continued)

Margin
Margin is arrived at through the following calculation:

	Interest paid by customers on loans less interest paid to customers on deposits
plus:	any deposit returns i.e. interest return applied by Bendigo Bank for a deposit
minus:	any costs of funds i.e. interest applied by to fund a loan.

The company is entitled to a share of the margin earned by Bendigo 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 Bank Group 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 Bank may change the form and amount of financial return the company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo 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.

Bendigo 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 Bank’s margin at that time. For other products and services, there is no restriction on the change Bendigo Bank may make.

Note 7. Other revenue

	2022 $	**2021 $**
Market development fund	30,000	35,000
Cash flow boost	-	21,873
Other income	167	1,158
Other revenue	30,167	58,031

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.

Note 7. Other revenue (continued)

Revenue stream	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 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
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 sized businesses that employ staff and have been affected by the economic downturn associated with COVID-19.

The amounts received are 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.

Note 8. Expenses

Depreciation and amortisation expense

	2022 $	2021 $
Depreciation of non-current assets		
Leasehold improvements	14,168	76,601
Plant and equipment	2,585	3,128
	16,753	79,729
Depreciation of right-of-use assets		
Leased land and buildings	17,328	17,328
Amortisation of intangible assets		
Franchise fee	2,184	2,184
Franchise renewal process fee	10,918	10,918
	13,102	13,102
	47,183	110,159

Note 8. Expenses (continued)

Finance costs

	2022 $	2021 $
Bank loan interest paid or accrued	6,595	2,883
Lease interest expense	5,747	6,159
	12,342	9,042

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

Employee benefits expense

	2022 $	2021 $
Wages and salaries	287,552	282,139
Superannuation contributions	28,649	26,546
Expenses related to long service leave	922	5,160
Other expenses	17,374	20,659
	334,497	334,504

Leases recognition exemption

	2022 $	2021 $
Expenses relating to low-value leases	13,565	19,778
Expenses relating to short-term leases	8,139	47,601
	21,704	67,379

The company pays for the right to use information technology equipment. The underlying assets have been assessed as low value and exempted from recognition under AASB 16 accounting. Expenses relating to low-value exempt leases are included in system costs expenses.

The company pays for the right to use a self-storage unit. The lease agreement is expired and continues on existing terms on a month-by-month basis with no significant penalty for termination. The company also came to the end of their previous branch premises lease agreement during the previous period. As such the lease has been assessed as short term and exempted from recognition under AASB 16 accounting. Expenses relating to short term exempt leases are included in occupancy and associated costs expenses.

Note 9. Income tax

	2022 $	2021 $
Income tax benefit		
Movement in deferred tax	(4,470)	40,938
Reduction in company tax rate	-	13,318
Recoupment of prior year tax losses	3,806	-
Future income tax benefit attributable to losses	-	(82,443)
Aggregate income tax benefit	(664)	(28,187)
Prima facie income tax reconciliation		
Loss before income tax benefit	(2,655)	(138,264)
Tax at the statutory tax rate of 25% (2021: 26%)	(664)	(35,949)
Tax effect of:		
Non-deductible expenses	-	131
Other assessable income	-	(5,687)
	(664)	(41,505)
Adjustment to deferred tax balances as a result of change in statutory tax rate	-	13,318
Income tax benefit	(664)	(28,187)

	2022 $	2021 $
Deferred tax assets/(liabilities)		
Tax losses	338,214	342,021
Property, plant and equipment	(17,282)	(21,471)
Employee benefits	7,941	8,309
Lease liabilities	38,514	42,316
Accrued expenses	894	775
Right-of-use assets	(34,655)	(38,988)
Deferred tax asset	333,626	332,962

Accounting policy for income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Accounting policy for current 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.

Accounting policy for 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.

Note 9. Income tax (continued)

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

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

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

Note 10. Cash and cash equivalents

	2022 $	2021 $
Cash at bank and on hand	8	35

Reconciliation to cash and cash equivalents at the end of the financial year
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

	2022 $	2021 $
Balances as above	8	35
Bank overdraft (note 16)	(174,127)	(175,058)
Balance as per statement of cash flows	(174,119)	(175,023)

Accounting policy for cash and cash equivalents
For the purposes of the Statement of Financial Position cash and cash equivalents comprise cash on hand and deposits held with banks. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Note 11. Trade and other receivables

	2022 $	2021 $
Trade receivables	45,811	39,363
Prepayments	6,635	8,515
	52,446	47,878

Accounting policy for trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 12. Property, plant and equipment

	2022 $	2021 $
Leasehold improvements - at cost	85,364	85,364
Less: Accumulated depreciation	(25,127)	(10,960)
	60,237	74,404
Plant and equipment - at cost	34,741	34,741
Less: Accumulated depreciation	(25,849)	(23,263)
	8,892	11,478
	69,129	85,882

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Leasehold improvements $	Plant and equipment $	Total $
Balance at 1 July 2020	80,085	14,606	94,691
Additions	85,364	-	85,364
Disposals	(14,444)	-	(14,444)
Depreciation	(76,601)	(3,128)	(79,729)
Balance at 30 June 2021	74,404	11,478	85,882
Depreciation	(14,168)	(2,585)	(16,753)
Balance at 30 June 2022	60,236	8,893	69,129

Accounting policy for property, plant and equipment
Items of property, plant and equipment are measured at cost or fair value as applicable, less accumulated depreciation. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	1.5 to 10 years
Plant and equipment	5 to 40 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Changes in estimates
During the financial year, the company assessed estimates used for property, plant and equipment including useful lives, residual values, and depreciation methods. There were no changes in estimates for the current reporting period.

Note 13. Right-of-use assets

	2022 $	2021 $
Land and buildings - right-of-use	173,276	173,276
Less: Accumulated depreciation	(34,655)	(17,327)
	138,621	155,949

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Land and buildings $	Total $
Balance at 1 July 2020	-	-
Additions	173,277	173,277
Depreciation expense	(17,328)	(17,328)
Balance at 30 June 2021	155,949	155,949
Depreciation expense	(17,328)	(17,328)
Balance at 30 June 2022	138,621	138,621

Accounting policy for right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for 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.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Refer to note 17 for more information on lease arrangements.

Note 14. Intangibles

	2022 $	2021 $
Franchise fee	20,918	20,918
Less: Accumulated amortisation	(14,368)	(12,184)
	6,550	8,734
Franchise renewal fee	54,588	54,588
Less: Accumulated amortisation	(21,836)	(10,918)
	32,752	43,670
	39,302	52,404

Note 14. Intangibles (continued)

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Franchise fee $	Franchise renewal fee $	Total $
Balance at 1 July 2020	10,918	54,588	65,506
Amortisation expense	(2,184)	(10,918)	(13,102)
Balance at 30 June 2021	8,734	43,670	52,404
Amortisation expense	(2,184)	(10,918)	(13,102)
Balance at 30 June 2022	6,550	32,752	39,302

Accounting policy for intangible assets
Intangible assets of the company relate to the franchise fees paid to Bendigo Bank which conveys the right to operate the Community Bank franchise.

Intangible assets are measured on initial recognition at cost. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

The franchise fees paid by the company 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	Expiry/renewal date
Franchise establishment fee	Straight-line	Over the franchise term (5 years)	September 2024
Franchise fee	Straight-line	Over the franchise term (5 years)	September 2024

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

Change in estimates
During the financial year, the company assessed estimates used for intangible assets including useful lives, residual values, and amortisation methods. There were no changes in estimates for the current reporting period.

Note 15. Trade and other payables

	2022 **$**	**2021** **$**
Current liabilities		
Trade payables	16,751	19,540
Other payables and accruals	28,441	25,527
	45,192	45,067
Non-current liabilities		
Other payables and accruals	29,790	44,852

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 15. Trade and other payables (continued)

Where the company is liable to settle the amount within 12 months of the reporting date, the liability is classified as current. All other obligations are classified as non-current.

Note 16. Borrowings

	2022 $	2021 $
Current liabilities		
Bank overdraft	174,127	175,058
Bank loans	16,080	18,750
	190,207	193,808
Non-current liabilities		
Bank loans	76,479	81,250

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	2022 $	2021 $
Total facilities		
Bank overdraft	300,000	300,000
Used at the reporting date		
Bank overdraft	174,127	175,058
Unused at the reporting date		
Bank overdraft	125,873	124,942

Bank overdraft
The bank overdraft is repayable on demand and used for cash management purposes. The bank overdraft has a rolling renewal date and is reviewed annually by the lender, Bendigo Bank. It is secured by a floating charge over the company's assets. As at balance date, the lender does not intend to reduce or end the overdraft facility within the next 12 months.

Bank loans
Interest is recognised at rate of 3.07% (2021: 2.03%). The loans are secured by a fixed and floating charge over the company's assets.

Accounting policy for borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 17. Lease liabilities

	2022 $	2021 $
Current liabilities		
Land and buildings lease liabilities	21,584	20,955
Unexpired interest	(5,189)	(5,747)
	16,395	15,208
Non-current liabilities		
Land and buildings lease liabilities	155,621	177,205
Unexpired interest	(17,961)	(23,151)
	137,660	154,054

Reconciliation of lease liabilities

	2022 $	2021 $
Opening balance	169,262	173,276
Lease interest expense	5,747	6,159
Lease payments - total cash outflow	(20,954)	(10,173)
	154,055	169,262

Maturity analysis

	2022 $	2021 $
Not later than 12 months	21,584	20,955
Between 12 months and 5 years	88,926	88,279
Greater than 5 years	66,695	88,926
	177,205	198,160

Accounting policy for 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.

Lease payments included in the measurement of the lease liability comprise fixed or variable lease payments that depend on an index or rate and lease payments in a renewal option if the company is reasonably certain to exercise that option. For leases of property the company has elected not to separate lease and non-lease components when calculating the lease liability.

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

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the company changes its assessment of whether it will exercise an extension option or if there is a revised in-substance fixed lease payment.

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.

Note 17. Lease liabilities (continued)

Where the company is a lessee for the premises to conduct its business, extension options are included in the lease term except when the company is reasonably certain not to exercise the extension option. This is due to the significant disruption of relocating premises and the loss on disposal of leasehold improvements fitted out in the demised leased premises.

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 nil.

The company's lease portfolio includes:

Kwinana branch	The lease agreement commenced in July 2020 for a term of 5 years. The company has 1 x 5 year renewal option available which for AASB 16: Leases purposes they are reasonably certain to exercise. As such, the lease term end date used in the calculation of the lease liability is June 2030. The discount rate used in calculations is 3.54%.

Note 18. Employee benefits

	2022 $	2021 $
Current liabilities		
Annual leave	16,727	19,120
Long service leave	8,981	-
	25,708	19,120
Non-current liabilities		
Long service leave	6,057	14,116

Accounting policy for employee benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognised for salary and wages where the employee has provided the service but payment has not yet occurred at the reporting date. They are measured at amounts expected to be paid, plus related on-costs. Non-accumulating sick leave is expensed 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. The company's obligations for short-term employee benefits such as salaries and wages are recognised as part of current trade and other payables in the statement of financial position. The company's obligations for employees' annual leave and long service leave entitlements are recognised in employee benefits in the statement of financial position.

Superannuation contributions
Contributions to superannuation plans are expensed in the period in which they are incurred.

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

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 estimated future cash outflows.

Note 18. Employee benefits (continued)

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

Note 19. Issued capital

	2022 Shares	2021 Shares	2022 $	2021 $
Ordinary shares - fully paid	1,160,008	1,160,008	1,160,008	1,160,008
Less: Equity raising costs	-	-	(39,890)	(39,890)
	1,160,008	1,160,008	1,120,118	1,120,118

Accounting policy for issued capital
Ordinary shares are recognised at the fair value of the consideration received by the company being $1 per share. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Rights attached to issued capital

Ordinary shares
Voting rights
Subject to some limited exceptions, each member has the right to vote at a general meeting.

On a show of hands or a poll, each member attending the meeting (whether they are attending the meeting in person or by attorney, corporate representative or proxy) has one vote, regardless of the number of shares held. However, where a person attends a meeting in person and is entitled to vote in more than one capacity (for example, the person is a member and has also been appointed as proxy for another member) that person may only exercise one vote on a show of hands. On a poll, that person may exercise one vote as a member and one vote for each other member that person represents as duly appointed attorney, corporate representative or proxy.

The purpose of giving each member only one vote, regardless of the number of shares held, is to reflect the nature of the company as a community based company, by providing that all members of the community who have contributed to the establishment and ongoing operation of the Community Bank branch have the same ability to influence the operation of the company.

Dividends
Generally, dividends are payable to members in proportion to the amount of the share capital paid up on the shares held by them, subject to any special rights and restrictions for the time being attaching to shares. The franchise agreement with Bendigo Bank contains a limit on the level of profits or funds that may be distributed to shareholders. There is also a restriction on the payment of dividends to certain shareholders if they have a prohibited shareholding interest (see below).

Transfer
Generally, ordinary shares are freely transferable. However, the directors have a discretion to refuse to register a transfer of shares.

Subject to the foregoing, shareholders may transfer shares by a proper transfer effected in accordance with the company's constitution and the *Corporations Act 2001*.

Prohibited shareholding interest
A person must not have a prohibited shareholding interest in the company.

In summary, a person has a prohibited shareholding interest if any of the following applies:

Note 19. Issued capital (continued)

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the Board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 326. As at the date of this report, the company had 360 shareholders (2021: 361 shareholders).

As with voting rights, the purpose of this prohibited shareholding provision is to reflect the community-based nature of the company.

Where a person has a prohibited shareholding interest, the voting and dividend rights attaching to the shares in which the person (and his or her associates) have a prohibited shareholding interest, are suspended.

The Board has the power to request information from a person who has (or is suspected by the board of having) a legal or beneficial interest in any shares in the company or any voting power in the company, for the purpose of determining whether a person has a prohibited shareholding interest. If the board becomes aware that a member has a prohibited shareholding interest, it must serve a notice requiring the member (or the member's associate) to dispose of the number of shares the Board considers necessary to remedy the breach. If a person fails to comply with such a notice within a specified period (that must be between three and six months), the Board is authorised to sell the specified shares on behalf of that person. The holder will be entitled to the consideration from the sale of the shares, less any expenses incurred by the Board in selling or otherwise dealing with those shares.

In the constitution, members acknowledge and recognise that the exercise of the powers given to the Board may cause considerable disadvantage to individual members, but that such a result may be necessary to enforce the prohibition.

Note 20. Accumulated losses

	2022 $	2021 $
Accumulated losses at the beginning of the financial year	(1,012,483)	(902,406)
Loss after income tax benefit for the year	(1,991)	(110,077)
Accumulated losses at the end of the financial year	(1,014,474)	(1,012,483)

Note 21. Capital management

The Board's policy is to maintain a strong capital base so as to sustain future development of the company. The Board 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:
- 20% of the profit or funds of the company otherwise available for distribution to shareholders in that 12 month period; and
- 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 financial year can be seen in the statement of profit or loss and other comprehensive Income.

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

Note 22. Financial instruments

	2022 $	2021 $
Financial assets		
Trade and other receivables	45,811	39,363
Cash and cash equivalents	8	35
	45,819	39,398
Financial liabilities		
Trade and other payables	74,982	89,919
Lease liabilities	154,055	169,262
Bank loans	92,559	100,000
Bank overdrafts	174,127	175,058
	495,723	534,239

Accounting policy for 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, borrowings and lease liabilities.

Trade receivables are initially recognised at the transaction price when they originated. All other financial assets and financial liabilities are initially measured at fair value plus, transaction costs (where applicable) when the company becomes a party to the contractual provisions of the instrument. These assets and liabilities are subsequently measured at amortised cost using the effective interest method.

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the rights are transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and rewards associated with the asset. Financial liabilities are derecognised when its contractual obligations are discharged, cancelled, or expire. Any gain or loss on derecognition is recognised in profit or loss.

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.

Financial risk management
The company has exposure to credit, liquidity and market risk arising from financial instruments. 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 use derivative instruments. Risk management is carried out directly by the Board.

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. The company is not exposed to commodity price risk.

Cash flow and fair value interest rate risk
Interest-bearing assets and liabilities are held with Bendigo 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 $8 at 30 June 2022 (2021: $35). The cash and cash equivalents are held with Bendigo Bank, which are rated BBB+ on Standard & Poor's credit ratings.

Note 22. Financial instruments (continued)

As at the reporting date, the company had the following variable rate borrowings outstanding:

	2022		2021	
	Nominal interest rate %	Balance $	Nominal interest rate %	Balance $
Bank overdraft	3.81%	174,127	2.03%	175,058
Bank loans	3.07%	92,559	2.09%	100,000
Net exposure to cash flow interest rate risk		266,686		275,058

An analysis by remaining contractual maturities is shown in 'liquidity risk' below.

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's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo Bank. The company monitors credit worthiness through review of credit ratings of the bank.

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.

Financing arrangements
Unused borrowing facilities at the reporting date:

	2022 $	2021 $
Bank overdraft	125,873	124,942

Exposure to liquidity risk
The following are the remaining contractual maturities of financial liabilities. The contractual cash flow amounts are gross and undiscounted and therefore may differ from their carrying amount in the statement of financial position.

2022	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives				
Bank overdraft	174,127	-	-	174,127
Bank loans	16,080	76,479	-	92,559
Trade and other payables	45,192	29,790	-	74,982
Lease liabilities	21,584	88,926	66,695	177,205
Total non-derivatives	256,983	195,195	66,695	518,873

Note 22. Financial instruments (continued)

2021	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives				
Bank overdraft	175,058	-	-	175,058
Bank loans	18,750	81,250	-	100,000
Trade and other payables	45,067	44,852	-	89,919
Lease liabilities	20,955	88,279	88,926	198,160
Total non-derivatives	259,830	214,381	88,926	563,137

Note 23. Key management personnel disclosures

The following persons were directors of Kwinana Community Financial Services Ltd during the financial year:

Johannes Maria Iriks
Wayne Milnes
Stephen Paul Williams
Maxwell John Bird
Sarah Rachel Mahony
Leslie Harris Whiddett
Robert George Cooper
Christopher Michael Duke
Daniel Wei Hoong Chan

No director of the company receives remuneration for services as a company director or committee member.

There are no executives within the company whose remuneration is required to be disclosed.

Note 24. Related party transactions

The following transactions occurred with related parties:

	2022 $	2021 $
Johannes Iriks is a Director and shareholder of KPC Investments Pty Ltd who is the owner of Kwinana Professional Centre, Suite 4 which is the building leased by the company.	20,954	14,264

Note 25. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Andrew Frewin Stewart, the auditor of the company:

	2022 $	2021 $
Audit services		
Audit or review of the financial statements	5,200	5,000
Other services		
Taxation advice and tax compliance services	600	600
General advisory services	2,620	3,160
Share registry services	2,000	1,900
	5,220	5,660
	10,420	10,660

Note 26. Reconciliation of loss after income tax to net cash provided by operating activities

	2022 $	2021 $
Loss after income tax benefit for the year	(1,991)	(110,077)
Adjustments for:		
Depreciation and amortisation	47,182	110,159
Net loss on disposal of non-current assets	-	14,444
Lease liabilities interest	5,747	6,159
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(4,568)	5,613
Increase in deferred tax assets	(664)	(28,187)
Increase/(decrease) in trade and other payables	(1,395)	6,637
Increase/(decrease) in employee benefits	(1,471)	28,174
Decrease in other provisions	-	(20,455)
Net cash provided by operating activities	42,840	12,467

Note 27. Earnings per share

	2022 $	2021 $
Loss after income tax	(1,991)	(110,077)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	1,160,008	1,160,008
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,160,008	1,160,008
	Cents	**Cents**
Basic earnings per share	(0.17)	(9.49)
Diluted earnings per share	(0.17)	(9.49)

Accounting policy for earnings per share
Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Kwinana Community Financial Services Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Note 28. Commitments

The company has no commitments contracted for which would be provided for in future reporting periods.

Note 29. Contingencies

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

Note 30. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Kwinana Community Financial Services Ltd
Directors' declaration
30 June 2022

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;

- the attached financial statements and notes give 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

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

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors

Johannes Maria Iriks
Chair

30 August 2022

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Independent auditor’s report to the Directors of Kwinana Community Financial Services Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Kwinana Community Financial Services Ltd’s (the company), which comprises:

- Statement of financial position as at 30 June 2022
- Statement of profit or loss and other comprehensive income
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements, including a summary of significant accounting policies
- The directors' declaration of the company.

In our opinion, the accompanying financial report of Kwinana Community Financial Services Ltd, is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the company’s financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Material uncertainty related to going concern

Our opinion is not modified for this matter. We draw attention to Note 2 in the financial report, which indicates that the company incurred a net loss after tax of $1,991 during the year ended 30 June 2022, and, as of that date, the company recorded a working capital deficiency of $225,048, with current liabilities of $277,502 exceeding current assets of $52,454. These conditions, along with other matters as set forth in

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Note 2, indicate the existence of a material uncertainty that may cast doubt over the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Other Information

The company usually prepares an annual report that will include the financial statements, directors' report and declaration and our independence declaration and audit report (the financial report). The annual report may also include "other information" on the entity's operations and financial results and financial position as set out in the financial report, typically in a Chairman's report and Manager's report, and
reports covering governance and shareholder matters.

The directors are responsible for the other information. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and accordingly we will not express any form of assurance conclusion thereon.

Our responsibility is to read the other information identified above when it becomes available 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 we identify that a material inconsistency appears to exist when we read the annual report (or become aware that the other information appears to be materially misstated), we will discuss the matter with the directors and where we believe that a material misstatement of the other information exists, we will request management to correct the other information.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that it 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 is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit

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conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatement 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 the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 30 August 2022

Adrian Downing
Lead Auditor

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Bendigo Bank

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