Annual Report 2021

Maroondah Community Enterprises Limited

Community Bank
Ringwood East and Croydon

ABN 91 103 341 993

Contents

Chairman's report

For year ending 30 June 2021

This year is Maroondah Community Enterprises Limited's 19th year of operation for Community Bank Ringwood East, Heathmont and now Croydon. With record low interest rates and the downturn in real estate sales this year's financial results were well below budget. The Board have made some tough decisions to ensure our business remains profitable and the balance sheet continues to grow.

After three years of deliberating and the Bendigo Bank modelling changing, it gave us an opportunity to open the branch at Croydon Central. The branch opened in February 2021 amongst another lockdown. It's the only bank on the highway side of Main Street. As Croydon Central continues to improve we are hoping the branch will open new opportunities in Croydon Hills, Croydon North, Warranwood, Wonga Park and Croydon.

COVID-19 has created many challenges for our staff. Wearing face masks every day, cleaning the counters and desks, ensuring our customers are protected to the best of our ability. Bendigo Bank is extremely competitive in the home loan market therefore we have seen record numbers of consumers refinancing from the majors over the last six months. Bendigo Bank offer competitive rates and great services whilst our profits stay in benefiting our local community.

The Board made the decision to close Community Bank Heathmont on 30 June 2021. After 11 years of operation the branch did achieve the growth targets however, with Ringwood East in the same 3135 post code and only three kms away it made commercial sense to encourage Heathmont customers to visit our Ringwood East or Croydon branches. The move resulted in a negative impact on our financials this year with writing off plant and equipment that had a couple of years left in depreciation. It's important to note that our community grants didn't reduce this financial year.

Jade Mainwaring as Branch Manager has provided great stability with our people with her great organisational and management skills, along with true passion for our customers and community. Our staff have ridden the emotional roller coaster over the last 18 months during COVID-19. It's a credit to them all in the way they have individually managed these challenging times. Like any business our staff are our greatest asset. Our staff are continually being upskilled with their product knowledge. I would like to thank all the staff for their efforts this year which saw both branches reaching most of their KPI's.

The community hub was out of action for most of the year due to COVID-19 restrictions. It will be open again from December under COVID-19 rules. We encourage you to use the area for any board meetings, training events or small functions.

The master plan of our redevelopment was put on hold this year. The plans for the third level of 60 Railway Avenue were for a roof top bar however, with lockdown many hospitality venues have experienced incredibly challenging times. As a result, opening a new venue hasn't been on the radar for existing operators.

The Branch Manager's report will highlight the banking performances for the last 12 months so please read Jade's report.

I would like to acknowledge the hard work and efforts of the staff, the Board, and sub-committees. I would also like to congratulate Sheridan Armstrong and Katrina Guthrie on their 10 years and welcome new staff members; Chloe Thomas into the Lending Centre, Jason Doran our new CRO at Community Bank Ringwood East, and Jana McConnell as a CRO at Bendigo Bank Croydon.

If you are interested in becoming involved in our sub-committees or Board, please do not hesitate to give me a call.

I would also like to thank Chris Cahir our Regional Manager at Bendigo Bank. We are fortunate to have these guys as our partners representing Bendigo Bank.

We find ourselves in a strong financial position that enables us to carefully plan our next phase of growth and Community Investment programs.

Stuart Greig
Chairman

Manager’s report

For year ending 30 June 2021

Once again, I have the privilege of contributing to the Annual Report as Senior Manager for Community Bank Ringwood East, Heathmont and now Croydon.

Each year I reflect on the year that was and review previous reports to see how far we have come. Whilst we’re still in what seems like circles and roundabouts of this COVID-19 world we now live in; we once again rise to the many positives.

Here are just a few:

- Our traineeship program continued with Kaylah Dagher completing a successful year, and welcoming Jana McConnell to the traineeship program who is now a part of our permanent team of staff.
- Our Community Investments are now approaching $3 million by way of grants, sponsorships, and donations.
- Continued combined growth of just under $20 million for the full financial year across all branches with the combined book of business now sitting at $381 million.
- We opened Bendigo Bank Croydon in February 2021 during a stage 4 lockdown. A new concept for us with a shared space, incorporating a retail pop up. After a very soft opening and a slow start to growth, Bendigo Bank Croydon is now holding its place firmly on the map.
- We developed and implemented a Lending Centre at Community Bank Ringwood East, a multi branch focussed team of home lending specialists to service all the Maroondah Community Enterprises Limited branches.
- We consolidated our Ringwood East and Heathmont branches into one multi functioning site at Ringwood East, to ensure our return to our community is sustainable.
- We welcomed Katrina Guthrie back to the team to work in our Lending Centre.
- We welcomed Jason Doran into a Customer Relationship role at Community Bank Ringwood East and Chloe Thomas as a Customer Relationship Manager in the Lending Centre.

Throughout the last 12 months and beyond, I’ve watched and listened to the empathy and compassion of the amazing team of people supporting our customers through good times and bad, sharing tears and laughter with our customers, and I could not be prouder. I’d like to take this opportunity to thank Kiran, Jana and Emily at Croydon branch; Tony, Faye, Katrina and Chloe in the Lending Centre; and Sheree, Jodie, Jason, Sheridan, and Kaylah at Community Bank Ringwood East for their continued passion for our customers, our community, and our business.

Our focus over the next 12 months is to gain some momentum in our lending growth and re-set our community engagement as we open up and can re-join our community in person. We can’t wait.

As a Community Bank, our aim is to provide up to 80% of our profits back to our community, and I’d like to continue the message to you all to think of Bendigo Bank with your banking and help us give back to the community that we love.

Thank you

Jade Mainwaring
Senior Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2021

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

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

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

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

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

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

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

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

Collin Brady
Head of Community Development

Directors' report

For the financial year ended 30 June 2021

The directors present their report together with the financial statements of the company for the financial year ended 30 June 2021

Directors

The directors of the company who held office during the financial year and to the date of this report are:

Stuart Robert Greig

Chairman
Occupation: Real Estate Agent
Qualifications, experience and expertise: Stuart has been the Chairman of the company since inception and is actively involved in community activities including the Ringwood East Traders Association. Stuart has worked in the real estate & building industry for 30 years and is on the sponsorship committee of Norwood Football Club.
Special responsibilities: Chair of Special Projects Committee, Marketing Committee and HR Committee
Interest in shares: NIL

Christopher Henry Monaghan

Deputy Chairman
Occupation: Circulation Manager
Qualifications, experience and expertise: Chris has extensive experience in the media industry managing Operations, Sales and Distribution Divisions. He has managed large scale projects and large teams of people to achieve positive results. For many years Chris also ran a Management Consultancy business working with state and local Government. Locally Chris has worked with MCEL to assist in establishing the Heathmont branch and continues to be involved in local sporting clubs.
Special responsibilities: Deputy Chairman and Chair of Nominations Committee
Interest in shares: 500

William Pirie Sutherland

Director
Occupation: Retired
Qualifications, experience and expertise: Bill has recently retired as a Financial Controller having previously been in banking for 29 years and a retail owner for 13.5 years. He holds a degree in Banking (ABIA) and has been involved in both local Lions and Rotary Clubs for 18 years. Current member of the Probus Club, Lilydale.
Special responsibilities: Special Projects and Marketing Committees
Interest in shares: 10,000

Anthony Morris Hart

Director
Occupation: Company Director
Qualifications, experience and expertise: Tony is a Cafe / Restaurant owner for the past 5 years and a Bakers Delight owner in Heathmont for the past 18 years. His previous experience includes a senior position with National Australia Bank for over 30 years. A commissioned officer with the Australian Defence Force, full time and reserve for 15 years. He is currently the Vice President of the Ringwood Chamber of Commerce and a member of Heathmont Lions Club.
Special responsibilities: HR Sub Committee and Nominations Committee
Interest in shares: 1,000

Directors (continued)

Arthur Michael Corcoris

Director
Occupation: Manager / Director
Qualifications, experience and expertise: Arthur was one of the founding director's of the company and has been involved in the local community of Ringwood for over 42 years and Heathmont for 9 years through ownership of supermarket businesses. Arthur is the proprietor of the Local IGA Supermarkets in Ringwood East and Heathmont, overseeing the running of the businesses to supply to the local community the best products and especially locally produced and manufactured goods at the best price.
Special responsibilities: Major Developments Committee
Interest in shares: 40,002

Matthew Mark Cannon

Treasurer and Secretary
Occupation: Certified Practising Accountant
Qualifications, experience and expertise: Matthew is a Certified Practising Account, Registered Tax Agent and holds a Masters in Applied Finance. He has held senior finance positions within listed corporate companies and also has experience in business service advisory and virtual CFO consulting in the small and medium business services industry.
Special responsibilities: Chair of Finance Committee & Treasurer
Interest in shares: Nil

Rhonda Gailey

Director
Occupation: Manager Corporate Development
Qualifications, experience and expertise: Rhonda is a business professional with all-round management experience within the accounting and health & medical device sectors. She recently completed her Masters of Business Administration from Deakin University and also holds a Graduate Diploma in Accounting (Monash University) and a BA (LaTrobe University). Rhonda and her family are active locals of the Heathmont and wider communities.
Special responsibilities: None
Interest in shares: Nil

Robert Lindsay Steane

Director (Resigned 1 April 2021)
Occupation: Liquor Licensing Consultant
Qualifications, experience and expertise: Current Councillor for the City of Maroondah, elected 2008. Current Chair of Council's Community Safety Committee and Deputy Chair of National Local Government Safe Cities Network. Former Mayor 2011 – 2012. Former member of Council's Audit Advisory Committee, former member of School Council at Melba Collage, former member of School Council at Croydon Hills Primary School. Former Police Sergeant (Victoria Police 1981 – 1997).
Special Responsibilities: Marketing Committee, Special Projects Committee
Interest in Shares: 2,000

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

No directors have material interest in contracts or proposed contracts with the company.

Company Secretary

The company secretary is Matthew Mark Cannon. Matthew was appointed to the position of secretary on 9 March 2017.

Mr Cannon is a Certified Practising Accountant, Registered Tax Agent and holds a Masters of Applied Finance. Matthew is a director of an accountancy practice located in Ringwood East and for 5 years prior to that he held senior finance positions at listed companies and held various business services advisory roles in accounting practices in the small and medium business services industry.

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 these activities during the financial year.

Operating results

The profit/(loss) of the company for the financial year after provision for income tax was:

Year ended 30 June 2021 $	Year ended 30 June 2020 $
(3,721)	269,921

Directors' interests

	Fully paid ordinary shares		
	Balance at start of the year	Changes during the year	Balance at end of the year
Stuart Robert Greig	6,002	-6,002	-
Christopher Henry Monaghan	500	-	500
William Pirie Sutherland	10,000	-	10,000
Anthony Morris Hart	1,000	-	1,000
Arthur Michael Corcoris	40,002	-	40,002
Matthew Mark Cannon	-	-	-
Rhonda Gailey	-	-	-
Robert Lindsay Steane	2,000	-	2,000

Dividends

	Cents per share	Total amount $
Fully franked dividends provided for and paid in the year	4.50	81,365

Significant changes in the state of affairs

Since January 2020, COVID-19 has developed and spread globally. In response, the Commonwealth and State Government introduced a range of social isolation measures to limit the spread of the virus. Such measures have been revised, as appropriate, based on case numbers and the level of community transmission. Whilst there has been no significant changes on the companies financial performance so far, uncertainty remains on the future impact of COVID-19 to the company's operations.

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

Events since the end of the financial year

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

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 29 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.

Indemnification and insurance of directors and officers

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

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

Directors' meetings

The number of directors' meetings (including meetings of committees of directors) attended by each of the directors of the company during the financial year were:

E - eligible to attend A - number attended

	Board Meetings Attended		Committee Meetings Attended					
			Marketing		Finance		HR	
	E	A	E	A	E	A	E	A
Stuart Robert Greig	12	12	2	1	2	2	4	4
Christopher Henry Monaghan	12	11	-	-	-	-	-	-
William Pirie Sutherland	12	12	2	2	2	2	-	-
Anthony Morris Hart	12	12	-	-	-	-	4	4
Arthur Michael Corcoris	12	9	-	-	-	-	-	-
Matthew Mark Cannon	12	10	-	-	2	2	-	-
Rhonda Gailey	12	8	-	-	-	-	4	4
Robert Lindsay Steane	6	2	2	-	-	-	-	-

Proceedings on behalf of the company

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

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

Non audit services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non audit services provided during the year are set out in note 28 to the accounts.

The board of directors has considered the non-audit services provided during the year by the auditor and are 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 of directors to ensure they do not impact on the impartiality, integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the company, acting as an advocate for the company or jointly sharing risks and rewards.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

Signed in accordance with a resolution of the directors at Ringwood East, Victoria

Stuart Robert Greig, Chair

28 October 2021

Auditor's independence declaration

61 Bull Street
Bendigo VIC 3550

afs@afsbendigo.com.au
03 5443 0344

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Maroondah Community Enterprises Limited

As lead auditor for the audit of Maroondah Community Enterprises Limited for the year ended 30 June 2021, 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: 28th October 2021

Adrian Downing
Lead Auditor

afsbendigo.com.au

Liability limited by a scheme approved under Professional Standards Legislation. ABN: 51 061 795 337

Financial statements

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

	Notes	2021 $	2020 $
Revenue from contracts with customers	8	1,982,272	2,133,816
Other revenue	9	42,209	154,158
Finance income	10	7,016	17,103
Employee benefit expenses	11d)	(1,180,426)	(1,148,513)
Charitable donations, sponsorship, advertising and promotion	11c)	(150,867)	(173,492)
Occupancy and associated costs		(87,566)	(70,770)
Systems costs		(73,958)	(62,301)
Depreciation and amortisation expense	11a)	(198,822)	(184,166)
Finance costs	11b)	(44,219)	(52,943)
Loss on disposal of assets	12	(29,490)	-
General administration expenses		(252,073)	(276,976)
Profit before income tax expense		**14,076**	**335,916**
Income tax expense	13b)	(17,797)	(65,995)
Profit/(loss) after income tax expense		**(3,721)**	**269,921**
Total comprehensive income for the year attributable to the ordinary shareholders of the company:		**(3,721)**	**269,921**
Earnings per share		**¢**	**¢**
- Basic and diluted earnings/(loss) per share:		(0.21)	14.93

The accompanying notes form part of these financial statements.

Statement of Financial Position
as at 30 June 2021

	Notes	2021 $	2020 $
ASSETS			
Current assets			
Cash and cash equivalents	14a)	1,364,996	1,493,312
Trade and other receivables	15a)	231,642	225,483
Current tax assets	19a)	53,152	-
Total current assets		**1,649,790**	**1,718,795**
Non-current assets			
Property, plant and equipment	16a)	1,147,161	1,144,584
Right-of-use assets	17a)	679,531	951,658
Intangible assets	18a)	55,432	95,658
Deferred tax asset	19b)	130,009	147,806
Total non-current assets		**2,012,133**	**2,339,706**
Total assets		**3,661,923**	**4,058,501**
LIABILITIES			
Current liabilities			
Trade and other payables	20a)	178,115	81,561
Current tax liabilities	19a)	-	24,502
Lease liabilities	21a)	78,638	65,637
Employee benefits	23a)	107,904	139,248
Total current liabilities		**364,657**	**310,948**
Non-current liabilities			
Trade and other payables	20b)	23,594	60,268
Lease liabilities	21b)	632,437	960,440
Employee benefits	23b)	10,097	10,159
Provisions	22a)	36,920	37,382
Total non-current liabilities		**703,048**	**1,068,249**
Total liabilities		**1,067,705**	**1,379,197**
Net assets		**2,594,218**	**2,679,304**
EQUITY			
Issued capital	24a)	1,073,286	1,073,286
Retained earnings	25	1,520,932	1,606,018
Total equity		**2,594,218**	**2,679,304**

The accompanying notes form part of these financial statements.

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

	Notes	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2019		1,073,286	1,417,462	2,490,748
Total comprehensive income for the year		-	269,921	269,921
Dividends provided for or paid	30	-	(81,365)	(81,365)
Balance at 30 June 2020		**1,073,286**	**1,606,018**	**2,679,304**
Balance at 1 July 2020		1,073,286	1,606,018	2,679,304
Total comprehensive income for the year		-	(3,721)	(3,721)
Dividends provided for or paid	30	-	(81,365)	(81,365)
Balance at 30 June 2021		**1,073,286**	**1,520,932**	**2,594,218**

The accompanying notes form part of these financial statements.

Statement of Cash Flows
for the year ended 30 June 2021

	Notes	2021 $	2020 $
Cash flows from operating activities			
Receipts from customers		2,151,194	2,375,637
Payments to suppliers and employees		(1,831,777)	(1,793,709)
Interest received		9,568	20,192
Lease payments (interest component)	11b)	(42,448)	(51,198)
Lease payments not included in the measurement of lease liabilities	11e)	(36,530)	(24,436)
Rent received		13,967	13,577
Income taxes paid		(77,654)	(100,805)
Net cash operating activities	**26**	**186,320**	**439,258**
Cash flows from investing activities			
Payments for property, plant and equipment		(106,031)	(20,996)
Payments for intangible assets		(36,467)	(27,394)
Net cash used in investing activities		**(142,498)**	**(48,390)**
Cash flows from financing activities			
Lease payments (principle component)		(90,773)	(70,230)
Dividends paid	30	(81,365)	(81,365)
Net cash used in financing activities		**(172,138)**	**(151,595)**
Net cash increase/(decrease) in cash held		**(128,316)**	**239,273**
Cash and cash equivalents at the beginning of the financial year		1,493,312	1,254,039
Cash and cash equivalents at the end of the financial year	**14**	**1,364,996**	**1,493,312**

The accompanying notes form part of these financial statements.

Notes to the financial statements

For the year ended 30 June 2021

Note 1 Reporting entity

This is the financial report for Maroondah Community Enterprises Limited (the company). The company is a for profit entity limited by shares, and incorporated and domiciled in Australia. The registered office and principal place of business is:

Registered Office	**Principal Place of Business**
36 RAILWAY AVENUE RINGWOOD EAST VIC 3135	62 RAILWAY AVENUE RINGWOOD EAST VIC 3135

Further information on the nature of the operations and principal activity of the company is provided in the Directors' Report. Information on the company's related party relationships is provided in Note 29.

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, except for certain properties, financial instruments, and equity financial assets that are measured at revalued amounts or fair values at the end of each reporting period. The financial report is presented in Australian dollars and all values are rounded to the nearest dollar, unless otherwise stated.

These financial statements for the year ended 30 June 2021 were authorised for issue in accordance with a resolution of the directors.

Note 3 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 2020, 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.

Note 4 Summary of significant accounting policies

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

a) Revenue from contracts with customers

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

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

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

Note 4 Summary of significant accounting policies (continued)

a) Revenue from contracts with customers (continued)

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 Goods and Services Tax (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 – margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services.

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

Margin

Margin is arrived at through the following calculation:

- Interest paid by customers on loans less interest paid to customers on deposits
- plus 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.

b) Other revenue

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

Note 4 Summary of significant accounting policies (continued)

b) 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.
Other income	All other revenues that did not contain contracts with customers are recognised as goods and services are provided.

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

Discretionary financial contributions

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

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

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

c) Economic dependency - Bendigo Bank

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.

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 4 Summary of significant accounting policies (continued)

d) Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for salary and wages 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 wages, salaries and sick leave 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.

Defined superannuation contribution plans

The company contributes to a defined contribution plan. Obligations for superannuation contributions to defined contribution plans are expensed as the related service is provided.

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.

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

e) Taxes

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

Current income tax

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

Deferred tax

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

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

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

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

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

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except when the amount of GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue or expense item.

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.

Note 4 Summary of significant accounting policies (continued)

e) Taxes (continued)

Goods and Services Tax (continued)

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

f) Cash and cash equivalents

For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise cash on hand and deposits held with banks.

g) 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.

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

Depreciation is calculated to write-off the cost of items of property, plant and equipment less their estimated residual values using straight-line or diminishing value method over their estimated useful lives, and is recognised in profit or loss. Land is not depreciated.

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

Asset class	Method	Useful life
Building	Straight-line	40 years
Leasehold improvements	Straight-line	5-15 years
Plant and equipment	Straight-line and diminishing value	2 to 15 years
Furniture, fixtures and fittings	Diminishing value	2 to 15 years
Motor vehicles	Diminishing value	3 to 10 years

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

h) 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
Franchise establishment fee	Straight-line	Over the franchise term (5 years)
Franchise fee	Straight-line	Over the franchise term (5 years)
Franchise renewal process fee	Straight-line	Over the franchise term (5 years)

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

i) Financial instruments

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

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.

Note 4 Summary of significant accounting policies (continued)

i) Financial instruments (continued)

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

j) Impairment

Non-derivative financial 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 2021.

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 the impairment loss (if any).

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.

k) Issued capital

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

l) Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

m) Leases

At inception of a contract, the company assesses whether a contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration and obtain substantially all the economic benefits from the use of that asset.

As a lessee

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the company's incremental borrowing rate.

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

Lease payments included in the measurement of the lease liability comprise 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 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 4 Summary of significant accounting policies (continued)

m) Leases (continued)

As a lessee (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 zero.

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.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Short-term leases and leases of low-value assets

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

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

Note 5 Significant accounting judgements, estimates, and assumptions

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

a) Judgements

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

Note	Judgement
- Note 21 - leases:	
a) control	a) whether a contract is or contains a lease at inception by assessing whether the company has the right to direct the use of the identified asset and obtain substantially all the economic benefits from the use of that asset;
b) lease term	b) whether the company is reasonably certain to exercise extension options, termination periods, and purchase options;
c) discount rates	c) judgement is required to determine the discount rate, where the discount rate is the company's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. The incremental borrowing rate is determined with reference to factors specific to the company and underlying asset including the amount, the lease term, economic environment and other relevant factors.

b) Assumptions and estimation uncertainties

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

Note	Assumptions
- Note 19 - recognition of deferred tax assets	availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilised;
- Note 16 - estimation of useful lives of assets	key assumptions on historical experience and the condition of the asset;

Note 5 Significant accounting judgements, estimates, and assumptions (continued)

b) Assumptions and estimation uncertainties (continued)

Note	Assumptions
- Note 23 - long service leave provision	key assumptions on attrition rate and pay increases though promotion and inflation;
- Note 22 - make-good provision	key assumptions on future cost estimates in restoring the leased premises in accordance with the lease agreement.

Note 6 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 of directors.

a) Credit risk

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

The company'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.

b) Liquidity risk

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

The following are the remaining contractual maturities of financial liabilities. The contractual cash flows amounts are gross and undiscounted.

30 June 2021		Contractual cash flows		
Non-derivative financial liability	Carrying amount	Not later than 12 months	Between 12 months and five years	Greater than five years
Lease liabilities	711,075	109,201	407,557	354,302
Trade payables	18,806	18,806	-	-
	729,881	**128,007**	**407,557**	**354,302**

30 June 2020		Contractual cash flows		
Non-derivative financial liability	Carrying amount	Not later than 12 months	Between 12 months and five years	Greater than five years
Lease liabilities	1,026,077	113,747	464,748	761,152
Trade payables	26,986	26,986	-	-
	1,053,063	**140,733**	**464,748**	**761,152**

c) Market risk

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 primary goal of the company's investment in equity securities is to hold the investments for the long term for strategic purposes.

Note 6 Financial risk management (continued)

c) Market risk (continued)

Price risk (continued)

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 $1,364,996 at 30 June 2021 (2020: $1,493,312). The cash and cash equivalents are held with Bendigo Bank, which are rated BBB+ on Standard & Poor's credit ratings.

Note 7 Capital management

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

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

The distribution limit is the greater of:

(a) 20% of the profit or funds of the company otherwise available for distribution to shareholders in that 12 month period; and

(b) subject to the availability of distributable profits, the relevant rate of return multiplied by the average level of share capital of the company over that 12 month period where the relevant rate of return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

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

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

Note 8 Revenue from contracts with customers

	2021 $	2020 $
- Margin income	1,679,745	1,805,696
- Fee income	116,357	134,137
- Commission income	153,878	158,983
- Market development fund	32,292	35,000
	1,982,272	**2,133,816**

Note 9 Other revenue

	2021 $	2020 $
- Rental income	13,967	13,577
- Cash flow boost	-	100,000
- Other income	28,242	40,581
	42,209	**154,158**

Note 10 Finance income

	2021 $	2020 $
- Term deposits	7,016	17,103
	7,016	**17,103**

Finance income is recognised when earned using the effective interest rate method.

Note 11 Expenses

	2021 $	2020 $
a) Depreciation and amortisation expense		
Depreciation of non-current assets:		
- Buildings	18,224	18,224
- Leasehold improvements	47,301	41,725
- Plant and equipment	14,353	12,514
- Motor vehicles	735	739
	80,613	**73,202**
Depreciation of right-of-use assets		
- Leased land and buildings	90,414	84,536
	90,414	**84,536**
Amortisation of intangible assets:		
- Franchise fee	4,499	4,405
- Franchise renewal process fee	20,475	22,023
- Establishment Fee	2,821	-
	27,795	**26,428**
Total depreciation and amortisation expense	**198,822**	**184,166**
b) Finance costs		
- Lease interest expense	42,448	51,198
- Unwinding of make-good provision	1,771	1,745
	44,219	**52,943**

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

c) Charitable donations, sponsorship, advertising and promotion

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

	2021 $	2020 $
- Direct sponsorship, advertising, and promotion payments	150,867	173,492
	150,867	**173,492**

Note 11 Expenses (continued)

	2021 $	2020 $
d) Employee benefit expenses		
Wages and salaries	1,003,677	978,390
Non-cash benefits	98	4,062
Contributions to defined contribution plans	83,048	91,591
Expenses related to long service leave	(31,406)	13,875
Other expenses	125,009	60,595
	1,180,426	**1,148,513**

e) Recognition exemption

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.

	2021 $	2020 $
Expenses relating to low-value leases	**36,530**	**24,436**

Note 12 Loss on disposal of assets

	2021 $	2020 $
- Loss on disposal of property, plant and equipment	74,240	-
- Gain on disposal of right-of-use assets	(44,750)	-
	29,490	**-**

During the period the company ceased operations the Heathmont branch. This included recognising the disposals of the carrying amounts of the property, plant and equipment and right-of-use assets in relation to that branch.

Note 13 Income tax expense

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

	2021 $	2020 $
a) Amounts recognised in profit or loss		
Current tax expense		
- Current tax	-	88,573
- Future income tax benefit attributable to losses	(52,331)	-
- Movement in deferred tax	56,866	(48,909)
- Adjustment to deferred tax on AASB 16 retrospective application	-	26,331
- Reduction in company tax rate	13,262	-
	17,797	**65,995**

Progressive changes to the company tax rate have been enacted. Consequently, as of 1 July 2021, the company tax rate will be reduced from 26% to 25%. This change resulted in a loss of $13,262 related to the Remeasurement of deferred tax assets and liabilities of the company.

Note 13 Income tax expense (continued)

	2021 $	2020 $
b) Prima facie income tax reconciliation		
Operating profit before taxation	14,076	335,916
Prima facie tax on profit/(loss) from ordinary activities at 26% (2020: 27.5%)	3,660	92,377
Tax effect of:		
- Non-deductible expenses	859	1,118
- Non-assessable income	-	(27,500)
- Temporary differences	(56,850)	22,578
- Reduction in company tax rate	13,262	-
- Movement in deferred tax	56,866	(48,909)
- Leases initial recognition	-	26,331
	17,797	**65,995**

Note 14 Cash and cash equivalents

	2021 $	2020 $
a) Cash and cash equivalents		
- Cash at bank and on hand	114,473	446,107
- Term deposits	1,236,773	1,047,205
- Bank Guarantee	13,750	-
	1,364,996	**1,493,312**

Note 15 Trade and other receivables

	2021 $	2020 $
a) Current assets		
Trade receivables	173,900	167,860
Prepayments	25,831	35,287
Other receivables and accruals	31,912	22,336
	231,642	**225,483**

Note 16 Property, plant and equipment

	2021 $	2020 $
a) Carrying amounts		
Land		
At cost	285,000	285,000
Less: accumulated impairment	-	-
	285,000	**285,000**
Buildings		
At cost	728,952	728,953
Less: accumulated depreciation and impairment	(152,684)	(134,460)
	576,268	**594,493**

Note 16 Property, plant and equipment (continued)

	2021 $	2020 $
a) Carrying amounts (continued)		
Leasehold improvements		
At cost	375,342	509,609
Less: accumulated depreciation and impairment	(208,419)	(328,763)
	166,923	**180,846**
Plant and equipment		
At cost	278,083	296,209
Less: accumulated depreciation and impairment	(161,349)	(214,935)
	116,734	**81,274**
Motor vehicles		
At cost	103,531	103,531
Less: accumulated depreciation and impairment	(101,295)	(100,560)
	2,236	**2,971**
Total written down amount	**1,147,161**	**1,144,584**

The directors do not believe the carrying amount exceeds the recoverable amount of the above assets. The directors therefore believe the carrying amount is not impaired.

	2021 $	2020 $
b) Reconciliation of carrying amounts		
Land		
Carrying amount at beginning	285,000	285,000
	285,000	**285,000**
Buildings		
Carrying amount at beginning	594,492	612,716
Depreciation	(18,224)	(18,224)
	576,268	**594,492**
Leasehold improvements		
Carrying amount at beginning	180,846	201,833
Additions	94,120	20,738
Disposals	(60,105)	-
Depreciation	(47,938)	(41,725)
	166,923	**180,846**
Plant and equipment		
Carrying amount at beginning	81,275	93,531
Additions	63,310	258
Disposals	(14,136)	-
Depreciation	(13,715)	(12,514)
	116,734	**81,275**
Motor vehicles		
Carrying amount at beginning	2,971	3,710
Depreciation	(735)	(739)
	2,236	**2,971**
Total written down amount	**1,147,161**	**1,144,584**

Note 16 Property, plant and equipment (continued)

c) Changes in estimates

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

Note 17 Right-of-use assets

	2021 $	2020 $
a) Carrying amounts		
Leased land and buildings		
At cost	919,575	1,268,037
Less: accumulated depreciation and impairment	(240,044)	(316,379)
Total written down amount	**679,531**	**951,658**
b) Reconciliation of carrying amounts		
Leased land and buildings		
Carrying amount at beginning	951,658	-
Initial recognition on transition	-	1,268,037
Accumulated depreciation on adoption	-	(231,843)
Remeasurement adjustments	(181,713)	-
Depreciation	(90,414)	(84,536)
Total written down amount	**679,531**	**951,658**

Note 18 Intangible assets

	2021 $	2020 $
a) Carrying amounts		
Franchise fee		
At cost	26,812	56,252
Less: accumulated amortisation and impairment	(18,439)	(40,308)
	8,373	**15,944**
Franchise establishment fee		
At cost	21,000	-
Less: accumulated amortisation and impairment	(2,821)	-
	18,179	**-**
Franchise renewal process fee		
At cost	119,057	301,249
Less: accumulated amortisation and impairment	(90,177)	(221,535)
	28,880	**79,714**
Total written down amount	**55,432**	**95,658**

Note 18 Intangible assets (continued)

	2021 $	2020 $
b) Reconciliation of carrying amounts		
Franchise fee		
Carrying amount at beginning	15,944	20,349
Additions	3,000	-
Disposals	(6,072)	-
Amortisation	(4,499)	(4,405)
	8,373	**15,944**
Franchise establishment fee		
Carrying amount at beginning	-	-
Additions	21,000	-
Amortisation	(2,821)	-
	18,179	**-**
Franchise renewal process fee		
Carrying amount at beginning	79,714	101,737
Disposals	(30,359)	-
Amortisation	(20,475)	(22,023)
	28,880	**79,714**
Total written down amount	**55,432**	**95,658**

The additions represent the Croydon branch franchise opened during the period, whilst the disposals represent the end of the Heathmont branch franchise.

c) Changes 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 19 Tax assets and liabilities

	2021 $	2020 $
a) Current tax		
Income tax payable/(refundable)	**(53,152)**	**24,502**
b) Deferred tax		
Deferred tax assets		
- superannuation payable	46	239
- employee provisions	29,500	41,087
- make-good provision	9,230	10,280
- lease liability	180,983	284,751
- property, plant and equipment	29,814	73,155
- carried-forward tax losses	50,319	-
Total deferred tax assets	**299,892**	**409,512**

Note 19 Tax assets and liabilities (continued)

	2021 $	2020 $
b) Deferred tax (continued)		
Deferred tax liabilities		
- right-of-use assets	169,883	261,706
Total deferred tax liabilities	**169,883**	**261,706**
Deferred taxes brought to account	**-**	**-**
Net deferred tax assets (liabilities)	**130,009**	**147,806**
Movement in deferred tax charged to Statement of Profit or Loss and Other Comprehensive Income	**(17,797)**	**22,577**
Movement in deferred tax charged to Statement of Changes in Equity	**-**	**26,332**

Note 20 Trade creditors and other payables

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

	2021 $	2020 $
a) Current liabilities		
Trade creditors	18,806	26,986
Other creditors and accruals	159,309	54,575
	178,115	**81,561**
b) Non-current liabilities		
Other creditors and accruals	23,594	60,268
	23,594	**60,268**

Note 21 Lease liabilities

Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate on the adoption date. The discount rate used on recognition was 4.79%. Subsequent lease modifications were discounted at 3.54%.

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 company's lease portfolio includes:

- Ringwood East branch
  The lease agreement commenced in November 2016 for 5 years. The company has 2 x 5 year renewal options 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 October 2031.
- Heathmont branch
  The lease agreement commenced in September 2016 for 5 years and ceased in August 2021.
- Croydon branch
  The lease agreement commenced in November 2020 for 3 years. The company has 1 x 3 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 October 2026

Note 21 Lease liabilities (continued)

	2021 $	2020 $
a) Current lease liabilities		
Property lease liabilities	109,201	113,747
Unexpired interest	(30,563)	(48,110)
	78,638	**65,637**
b) Non-current lease liabilities		
Property lease liabilities	761,859	1,225,900
Unexpired interest	(129,422)	(265,460)
	632,437	**960,440**
c) Reconciliation of lease liabilities		
Balance at the beginning (finance lease liabilities)	1,026,077	-
Initial recognition on AASB 16 transition	-	1,096,307
Remeasurement and disposal adjustments	(224,229)	-
Lease payments - interest	42,448	51,198
Lease payments	(133,221)	(121,428)
	711,075	**1,026,077**
d) Maturity analysis		
- Not later than 12 months	109,201	113,747
- Between 12 months and 5 years	407,557	464,748
- Greater than 5 years	354,302	761,152
Total undiscounted lease payments	**871,060**	**1,339,647**
Unexpired interest	(159,985)	(313,570)
Present value of lease liabilities	**711,075**	**1,026,077**

Note 22 Provisions

	2021 $	2020 $
a) Non-current liabilities		
Make-good on leased premises	**36,920**	**37,382**

In accordance with the branch lease agreements, the company must restore the leased premises to their original condition before the expiry of the lease term. The company has estimated the provision based on experience and consideration of the expected future costs to remove all fittings and the ATM as well as cost to remedy any damages caused during the removal process. The leases are due to expire per below at which time it is expected the face-value costs to restore the premises will fall due.

Lease	Lease term expiry date per AASB 16	Estimated provision
Ringwood East Branch	October 2031	$39,060
Heathmont Branch	August 2021	$0
Croydon Branch 3	October 2026	$15,800

Note 22 Provisions (continued)

	2021 $	2020 $
Balance at the beginning	37,382	-
Face-value of make-good costs recognised	-	35,637
Present value unwinding	1,772	1,745
Provision remeasurements	(2,234)	-
	36,920	**37,382**

c) Changes in estimates

During the financial year, the company re-assessed the estimates and assumptions for estimates of the expected future costs of the Heathmont branch. As a result of this, make good costs were reduced to Nil for this branch. New estimates and assumptions for the future expected costs of the Croydon branch make good were also made.

Note 23 Employee benefits

	2021 $	2020 $
a) Current liabilities		
Provision for annual leave	59,814	58,574
Provision for long service leave	48,090	80,675
	107,904	**139,249**
a) Non-current liabilities		
Provision for long service leave	10,097	10,159
	10,097	**10,159**

a) Key judgement and assumptions

Employee attrition rates

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 24 Issued capital

a) Issued capital

	2021		2020	
	Number	$	Number	$
Ordinary shares - fully paid	1,808,118	1,148,109	1,808,118	1,148,109
Less: equity raising costs	-	(74,823)	-	(74,823)
	1,808,118	**1,073,286**	**1,808,118**	**1,073,286**

b) 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.

Note 24 Issued capital (continued)

b) Rights attached to issued capital (continued)

Ordinary shares (continued)

Voting rights (continued)

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:

- 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 386 As at the date of this report, the company had 364 shareholders (2020: 365 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 25 Retained earnings

	Note	2021 $	2020 $
Balance at beginning of reporting period		1,606,018	1,486,881
Adjustment for transition to AASB 16		-	(69,419)
#DIV/0!		(3,721)	269,921
Dividends provided for or paid	30	(81,365)	(81,365)
Balance at end of reporting period		**1,520,932**	**1,606,018**

Note 26 Reconciliation of cash flows from operating activities

	2021 $	2020 $
Net profit/(loss) after tax from ordinary activities	(3,721)	269,921
Adjustments for:		
- Depreciation	171,026	157,738
- Amortisation	27,795	26,428
- (Profit)/loss on disposal of non-current assets	29,490	-
Changes in assets and liabilities:		
- (Increase)/decrease in trade and other receivables	(6,159)	24,638
- (Increase)/decrease in other assets	(17,230)	(22,578)
- Increase/(decrease) in trade and other payables	57,382	22,725
- increase/(decrease) in deferred tax assets	(18,126)	(48,909)
- Increase/(decrease) in employee benefits	(31,407)	19,782
- Increase/(decrease) in provisions	1,772	1,745
- Increase/(decrease) in tax liabilities	(24,502)	(12,232)
Net cash flows operating activities	**186,320**	**439,258**

Note 27 Financial instruments

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

	Note	2021 $	2020 $
Financial assets			
Cash and cash equivalents	14	128,223	446,107
Term deposits	14	1,236,773	1,047,205
Trade and other receivables	15	205,811	190,196
		1,364,996	**1,493,312**
Financial liabilities			
Trade and other payables	20	18,806	26,986
Lease liabilities	21	711,075	1,026,077
		729,881	**1,053,063**

Note 28 Auditor's remuneration

Amount received or due and receivable by the auditor of the company for the financial year.

	2021 $	2020 $
Audit and review services		
- Audit and review of financial statements	5,000	4,800
Non audit services		
- General advisory services	2,050	2,875
- Share registry services	4,154	4,212
Total auditor's remuneration	**11,204**	**11,887**

Note 29 Related parties

a) Details of key management personnel

The directors of the company during the financial year were:

Stuart Robert Greig
Christopher Henry Monaghan
William Pirie Sutherland
Anthony Morris Hart
Arthur Michael Corcoris
Matthew Mark Cannon
Rhonda Gailey
Robert Lindsay Steane

b) Key management personnel compensation

	2021 $	2020 $
Key management personnel compensation comprised the following.		
Short-term employee benefits	34,000	34,800
	34,000	**34,800**

Compensation of the company's key management personnel includes salaries.

c) Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

	2021 $	2020 $
Transactions with related parties		
- Greig Real Estate Pty Ltd, a company associated with Stuart Robert Greig, supplied services or goods to the value of:	15,000	15,000
- Focus Financial Group Pty Ltd, a company associated with Matthew Mark Cannon, supplied services or goods to the value of:	35,150	34,856
- Pauls IGA, a company associated with Arthur Michael Corcoris, supplied services or goods to the value of:	3,958	9,865
Total transactions with related parties	**54,108**	**59,721**

Note 30 Dividends provided for or paid

a) Dividends provided for during the period

The following dividends were provided for and paid to shareholders during the reporting period as presented in the Statement of Changes in Equity and Statement of Cash Flows.

	30 June 2021		30 June 2020	
	Cents	$	Cents	$
Fully franked dividend	4.50	81,365	4.50	81,365
Total dividends provided for during the financial year	**4.50**	**81,365**	**4.50**	**81,365**

The tax rate at which dividends have been franked is 26% (2020: 27.5%).

Note 30 Dividends provided for or paid (continued)

b) Franking account balance

	2021 $	2020 $
Franking credits available for subsequent reporting periods		
Franking account balance at the beginning of the financial year	845,328	775,386
Franking transactions during the financial year:		
- Franking credits (debits) arising from income taxes paid (refunded)	77,654	100,805
- Franking debits from the payment of franked distributions	(28,587)	(30,863)
Franking account balance at the end of the financial year	894,395	845,328
Franking transactions that will arise subsequent to the financial year end:		
- Franking credits (debits) that will arise from payment (refund) of income tax	-	3,759
Franking credits available for future reporting periods	**894,395**	**849,087**

The ability to utilise franking credits is dependent upon the company's ability to declare dividends. The tax rate at which future dividends will be franked is 25%.

Note 31 Earnings per share

a) Based and diluted earnings per share

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

	2021 $	2020 $
Profit/(loss) attributable to ordinary shareholders	**(3,721)**	**269,921**
	Number	Number
Weighted-average number of ordinary shares	**1,808,118**	**1,808,118**
Basic and diluted earnings/(loss) per share	**(0.21)**	**14.93**

Note 32 Commitments

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

Note 33 Contingencies

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

Note 34 Subsequent events

There have been no significant events occurring after the reporting period which may affect either the company's operations or the results of those operations or the company's state of affairs.

Directors' declaration

In accordance with a resolution of the directors of Maroondah Community Financial Services Limited, we state that:

In the opinion of the directors:

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

   (i) giving a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and

   (ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

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

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

Stuart Robert Greig, Chair

28 October 2021

Independent audit report

61 Bull Street
Bendigo VIC 3550
afs@afsbendigo.com.au
03 5443 0344

Independent auditor's report to the Directors of Maroondah Community Enterprises Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Maroondah Community Enterprises Limited's (the company), which comprises:

- Statement of financial position as at 30 June 2021
- 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 Maroondah Community Enterprises Limited, is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the company's financial position as at 30 June 2021 and of its 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.

Liability limited by a scheme approved under Professional Standards Legislation. ABN: 51 061 795 337

AFS
Partners in success
Chartered Accountants

61 Bull Street
Bendigo VIC 3550

afs@afsbendigo.com.au
03 5443 0344

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 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.

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61 Bull Street
Bendigo VIC 3550

afs@afsbendigo.com.au
03 5443 0344

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: 28th October 2021

Adrian Downing
Lead Auditor

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Community Bank · Ringwood East
62 Railway Avenue,
Ringwood East VIC 3135
Phone: (03) 9870 3655

Bendigo Bank · Croydon
Shop 5, 5-15 Kent Avenue,
Crodyon VIC 3136
Phone: (03) 8739 9448

Franchisee: Maroondah Community Enterprises Limited
ABN: 91 103 341 993
62 Railway Avenue
Ringwood East VIC 3156
Email: ringwoodeastcb3135@outlook.com

Share Registry:
AFS & Associates Pty Ltd
PO Box 454, Bendigo VIC 3552
Phone: 5443 0344
Fax: 5443 5304
Email: shareregistry@afsbendigo.com.au

@communitybankringwoodeastheathmontcroydon

@communitybank_re_hmnt_croydon

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Bendigo Bank

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