Annual Report 2020

Pine Rivers Community Finance Limited

Community Bank
Samford and Brendale

ABN 14 098 199 476

Contents

Chairman’s report

For year ending 30 June 2020

It is with pleasure that I present to shareholders this 19th Report of Pine Rivers Community Finance Limited.

In what was a very mixed year for the community, starting with bushfires and drought and finishing with the coronavirus pandemic, our two local branches at Samford and Brendale have fared remarkably well. Through the hard work of our team in difficult circumstances we maintained our flexibility, customer focus and our professionalism in delivering a service that was essentially uninterrupted.

Business Results

Over the last twelve months, we have continued to grow the business, with revenue increasing by 4% to $1.5m and the operating profit before community grants increasing by 41% to $300,452. The current interest rate environment will again make revenue growth difficult over the next year.

Whilst maintaining customer numbers, loans and deposits under management increased by 4.6% to $209 million.

With revenue growth expected to be low, we are monitoring closely the operating expenses of the business and ensuring we are maintaining a strong expense discipline to deliver the best outcome for all stakeholders.

We are expecting to continue the substantial level of investment in our communities during the 2021 financial year.

Our Community

During the 2020 year we continued our driver education and training courses, and our programme of installing and maintaining defibrillators in our local community. We also started and grew our relationships with a number of local sporting clubs, schools, health and disability service providers, and we contributed money to assist families affected by domestic violence. Aid was also given to local groups helping those most affected by the coronavirus.

Our Shareholders

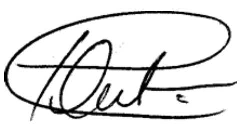
Notwithstanding the challenging and uncertain year we had in 2020, the company’s overall financial position remains strong and our ongoing profitability has enabled a shareholder dividend payment of 3.5 cents per share (3.5cps in 2019). It is our aim to grow the annual dividend as your company grows, balancing the community focus with the need to provide shareholders with a return commensurate to the market.

Our Team

At the time of writing our team comprises a group of 8 dedicated volunteer directors and a team of 11 professional and friendly staff at both Brendale and Samford branches who provide a comprehensive range of competitive banking products to our customers.

In July 2020 we farewelled Carolyn Grant one of our Board members. A member of the board since December 2016 Carolyn was most recently the Marketing Committee chairperson. We wish her all the best and thank her for her contribution.

The year ahead will be challenging and marked with uncertainty, but we are in a strong position, and as a team we will work hard to continue the good work in supporting our customers and the community. I would like personally to thank you our shareholders, our staff, customers, volunteer directors and community partners for your ongoing support, and wish you all a prosperous 2021.



Paul Outen

Chairman

Senior Manager’s report

For year ending 30 June 2020

Last year was my first full year as the Senior Branch Manager for the Community Bank Brendale and Samford. Last year’s business results were positive with some good growth seen over our deposits and lending.

During the last twelve months, we have all experienced the upheaval of bushfires, floods, prolonged drought, and a world pandemic. This has significantly changed the working rhythm of our two branches. With social distancing and lockdowns occurring during March to May the staff had to adapt quickly to ensure that our customers were always taken care of. We had new screens and other items installed to continue to protect our customers and to protect the staff as essential workers.

At the core of what we achieve every year is the community investment programme that commenced in early 2012. We continued this year to provide much needed financial support to many community groups within our community. The community contributions since 2010 now exceed $700,000 and without all our wonderful customers we could not have achieved this wonderful contribution. Some of the community highlights over the last twelve months have included:

- Continuing the Annual Youth Defensive Driving Programme at Lakeside Park.
- Donation to WIRES during the Bushfires
- Partnership with Mt Samson State School for the Community Garden Program
- COVID-19 school relief for children who require food due to financial hardship
- New partnership with the Pine Rivers Swans
- COVID-19 relief package donation to the Samford Support Network to assist those families in need
- Pine Rivers Care (Encircle) received funds to assist with the building of a covered area for their food parcels distribution.

Looking to the future and planning for what is come is difficult. We are still navigating through the impact of COVID-19 and uncertainty remains as to what the full economic impact will be. We are experiencing record low interest rates, and this has an overall impact on our company’s income margins. Our company has been investing in the digital space and we will continue to do this.

Our team has seen some changes this year, we have staff move onto other careers, staff having some time with new babies and some joining the team. The roles within the team have become more structure and clear expectations were set at the start of the year and review as the year progressed. Throughout all these changes, we have remained focused on our vision of becoming Australia’s Bank of Choice. We have a strong and focused team and we will continue to adapt and move forward through the obstacles that may still present themselves moving forward.

Thank you to our volunteer board of directors for their ongoing commitment and support to help our team this year. They have supported my role as the Senior Branch Manager which allowed me to lead my team to success.

M Bell

Mandy Bell
Senior Manager
Brendale & Samford Community Bank

Directors' report

For year ending 30 June 2020

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

Directors

The following persons were Directors of Pine Rivers Community Finance Limited during or since the end of the financial year up to the date of this report:

Paul Outen

Position	Chairperson and Treasurer
Professional qualifications	Bachelor of Business; Member of the Association of Chartered Accountants.
Experience and expertise	Owner of First Class Accounts; 2nd Officer of Closeburn Rural Fire Brigade; Director of Ozmann Pty Ltd.

Gail Brown

Position	Non-Executive Director (Retired from Board 7 November 2020)
Experience and expertise	A trained and accredited mediator. Over 25 years experience in the banking industry; 20 years with Uni Credit Union with roles and responsibilities ranging from Teller to Branch Manager. A merger with bankmecu in 2008 provided opportunities within a larger organisation and Gail took up the role of Queensland Personal Banking Service Manager. Gail retired from this position in 2013.

Robert Millar (Bob)

Position	Non-Executive Director
Professional qualifications	Diploma Australian Institute of Company Directors (AICD); Fellow of AICD, Fellow Financial Services Institute of Australia.
Experience and expertise	Over 30 years experience in banking industry; Councillor Moreton Bay Regional Council - 2000 to 2016 (Chairman of Corporate Services, Chairman of Audit Committee); Member Local Government Mutual Services Board since 2008 - present; Member Local Government Workcover Board since 2009 - present.

Kenneth Armstrong

Position	Non-Executive Director
Experience and expertise	Major, retired, British Army RA, Retired Managing Director of a major military procurement organisation in the Middle East (15 years in Oman) and inaugural president of the Arts Alliance of Pine Rivers (now a local Arts Council). Past president of the Rotary Club of Albany Creek.

Directors (continued)

Directors’ report

Abigail Senior

Position	Non-Executive Director
Professional qualifications	PhD, MSc Strategy & Resource Management, BA (Hons) Business Management, Member of AICD..
Experience and expertise	Professor of Work and Organisation and Director of QUT’s Academy of Learning and Teaching. Abby is an international accreditor and Principal Fellow of the Higher Education Academy (UK) and has wide leadership experience working with Higher Education providers globally. Abby was president of the Samford & District Playgroup for 4 years.

Carolyn Grant

Position	Non-Executive Director
Professional qualifications	Diploma Australian Institute of Company Directors (AICD); Bachelor of Commerce; Bachelor of Arts;
Experience and expertise	Carolyn is director and founder of 6peas marketing and engagement. Carolyn has over 20 years in senior level marketing roles in Australia and Hong Kong in Finance, Energy and Retail. Carolyn has previously served on Samford Show Society and Mater Foundation committees for 8 years.

Kellie Pamic

Position	Deputy Chairperson
Professional qualifications	Member of AICD.
Experience and expertise	Kellie has over 20 years business management experience in the construction and facilities management sectors. Currently General Manager of a Management Consultancy firm and the Director and Co-Founder of Fola Muinin Pty Ltd which has operations in commercial construction, training and education. Experience working with business and community groups including the Hills and District Chamber of Commerce.

Terence Hogan (Terry)

Position	Non-Executive Director
Experience and expertise	Currently Adjunct Professor in the School of Government and International Relations and former Principal Policy Adviser to the Vice Chancellor of Griffith University. Former Director General, Chief Executive and senior management positions in Local, State and Commonwealth Government agencies. Chair of the Steering Committee that established Samford Community Bank Branch of Bendigo Bank and chaired the Pine Rivers Community Finance Limited’s Finance and Audit Committee. Has wide experience in community organisations (e.g. President Samford Show Society) and is a former member of the Sustainability Advisory Panel for the 2018 Commonwealth Games.

Ruth Lennon

Position	Non-Executive Director (Company Secretary from 7 November 2020)
Professional qualifications	Masters of Applied Taxation, Graduate Diploma in Accounting, Bachelor of Business, Member of Institute of Chartered Accountants Australia.
Experience and expertise	Ruth is a Chartered Accountant and Registered Tax Agent who has over 16 years accounting and taxation experience. Former Director and Treasurer of QLD Artworks Alliance Inc. Principal and owner of professional services firms Malcolm V. Leeke & Co. and Remote Tax.

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

Directors' meetings

Attendances by each Director during the year were as follows:

	Board Meetings		Finance and Audit Committee Meetings	
Director	**A**	**B**	**A**	**B**
Robert Millar	3	3	7	7
Gail Brown	6	6	10	9
Paul Outen	6	5	1	1
Kenneth Armstrong	6	6	10	10
Abigail Senior	6	6	10	9
Carolyn Grant	6	5	N/A	N/A
Kellie Pamic	6	6	N/A	N/A
Terence Hogan	6	5	10	9
Ruth Lennon	6	6	10	9

A - The number of meetings eligible to attend.
B - The number of meetings attended.
N/A - not a member of that committee.

Company Secretary

Gail Brown was the Company Secretary of Pine Rivers Community Finance Limited from 2015, and resigned from the position on 7 November 2020. Ruth Lennon was appointed the Company Secretary effective 7 November 2020.

Ruth is a Chartered Accountant and Registered Tax Agent who has over 16 years accounting and taxation experience. Former Director and Treasurer of QLD Artworks Alliance Inc. Principal and owner of professional services firms Malcolm V. Leeke & Co. and Remote Tax.

Principal activities

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

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

Review of operations

The profit of the company for the financial year after provision for income tax was $90,146 (2019 profit: $26,859), which is a 235.6% increase as compared with the previous year.

New Accounting Standards Implemented

The Company has implemented a new accounting standard that is applicable for the current reporting period.

AASB 16: Leases has been applied retrospectively using the modified cumulative approach, with the cumulative effect of initially applying the standard recognised as an adjustment to the opening balance of retained earnings at 1 July 2019. Therefore, the comparative information has not been restated and continues to be reported under AASB 117: Leases.

COVID-19 Impact on Operations

The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary interventions to stabilise economic conditions.

The Company has determined that these events have not required any specific adjustments within the financial report. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as any impact on the financial position and results of the Company for future periods.

Dividends

An unfranked final dividend of 3.5 cents per share was declared in June 2019 and paid during the 2020 financial year. An unfranked final dividend of 3.5 cents per share was declared in June 2020 and was paid in September 2020.

Options

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

Significant changes in the state of affairs

No significant changes in the company's state of affairs occurred during the financial year.

Events subsequent to the end of the reporting period

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

Likely developments

The company will continue its policy of providing banking services to the community.

Signed in accordance with a resolution of the Board of Directors at Samford on 30 October 2019.

Environmental regulations

The company is not subject to any significant environmental regulation.

Indemnifying Officers or Auditor

The company has agreed to indemnify each Officer (Director, Secretary or employee) out of assets of the company to the relevant extent against any liability incurred by that person arising out of the discharge of their duties, except where the liability arises out of conduct involving dishonesty, negligence, breach of duty or the lack of good faith. The company also has Officers Insurance for the benefit of Officers of the company against any liability occurred by the Officer, which includes the Officer's liability for legal costs, in or arising out of the conduct of the business of the company or in or arising out of the discharge of the Officer's duties.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The company has not provided any insurance for an Auditor of the company.

Proceedings on behalf of company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Auditor independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set at page 5 of this financial report. No Officer of the company is or has been a partner of the Auditor of the company.

Signed in accordance with a resolution of the Board of Directors at Samford on 21 December 2020.

Paul Outen
Chairman

Auditor's Independence Declaration

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Bendigo, Victoria
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Auditors Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors of Pine Rivers Community Finance Limited

In accordance with Section 307C of the *Corporations Act 2001,* I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been no contraventions of:

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

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

RSD Audit

Kathie Teasdale
Partner
41A Breen Street
Bendigo VIC 3550

Dated: 21 December 2020

Richmond Sinnott & Delahunty, trading as RSD Audit
ABN 85 619 186 908
Liability limited by a scheme approved under Professional Standards Legislation

Financial statements

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2020

	Note	2020 $	2019 $
Revenue	2	1,473,891	1,423,439
Expenses			
Employee benefits expense	3	(759,689)	(735,251)
Depreciation and amortisation	3	(167,048)	(82,177)
Finance costs	3	(16,540)	-
Bad and doubtful debts expense	3	(982)	(1,042)
Administration and general costs		(130,137)	(165,034)
Occupancy expenses		(45,104)	(172,390)
IT expenses		(53,939)	(54,240)
Operating profit before charitable donations & sponsorship		**300,452**	**213,305**
Charitable donations and sponsorships		(171,445)	(139,298)
Profit before income tax		**129,007**	**74,007**
Income tax expense	4	(38,861)	(47,148)
Profit for the year after income tax		**90,146**	**26,859**
Other comprehensive income		-	-
Total comprehensive income for the year		**90,146**	**26,859**
Profit attributable to members of the company		90,146	26,859
Total comprehensive income attributable to members of the company		**90,146**	**26,859**
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company (cents per share):			
- basic earnings per share	17	8.18	2.44

The accompanying notes form part of these financial statements.

Statement of Financial Position
for the year ended 30 June 2020

	Note	2020 $	2019 $
Assets			
Current assets			
Cash and cash equivalents	5	108,598	480,279
Trade and other receivables	6	139,612	133,129
Financial assets	7	756,172	399,877
Total current assets		**1,004,382**	**1,013,285**
Non-current assets			
Property, plant and equipment	8	391,887	100,522
Intangible assets	9	106,901	7,801
Deferred tax assets	4	3,285	-
Total non-current assets		**502,073**	**108,323**
Total assets		**1,506,455**	**1,121,608**
Liabilities			
Current liabilities			
Trade and other payables	11	126,104	225,167
Current tax liability	4	45,200	22,104
Leases	12	83,110	-
Provisions	13	48,463	47,758
Total current liabilities		**302,877**	**295,029**
Non-current liabilities			
Trade and other payables	11	92,299	-
Leases	12	233,555	-
Deferred tax liability	4	14,297	14,727
Total non-current liabilities		**340,151**	**14,727**
Total liabilities		**643,028**	**309,756**
Net assets		**863,428**	**811,852**
Equity			
Issued capital	14	916,808	916,808
Accumulated losses	15	(53,380)	(104,956)
Total equity		**863,428**	**811,852**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
for the year ended 30 June 2020

	Note	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 July 2019		916,808	(104,956)	811,852
Comprehensive income for the year				
Profit for the year		-	90,146	90,146
Transactions with owners in their capacity as owners				
Dividends paid or provided	16	-	(38,570)	(38,570)
Balance at 30 June 2020		**916,808**	**(53,380)**	**863,428**
Balance at 1 July 2018		916,808	(93,245)	823,563
Comprehensive income for the year				
Profit for the year		-	26,859	26,859
Transactions with owners in their capacity as owners				
Dividends paid or provided	16	-	(38,570)	(38,570)
Balance at 30 June 2019		**916,808**	**(104,956)**	**811,85**

The accompanying notes form part of these financial statements.

Statement of Cash Flows
for the year ended 30 June 2020

	Note	2020 $	2019 $
Cash flows from operating activities			
Receipts from customers		1,452,152	1,550,601
Payments to suppliers and employees		(1,167,078)	(1,351,895)
Interest paid		(16,540)	-
Interest received		11,327	11,319
Income tax paid		(19,480)	(14,478)
Net cash flows provided by operating activities	**18b**	**260,361**	**195,547**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		5,909	-
Purchase of property, plant and equipment		(3,250)	(296)
Purchase of investments		(356,295)	(8,267)
Purchase of intangible assets		(130,680)	-
Net cash flows used in investing activities		**(484,316)**	**(8,563)**
Cash flows from financing activities			
Repayment of lease liabilities		(109,880)	-
Dividends paid		(37,866)	(21,040)
Net cash flows used in financing activities		**(147,746)**	**(21,040)**
Net increase in cash held		**(371,681)**	**165,944**
Cash and cash equivalents at beginning of financial year		480,279	314,335
Cash and cash equivalents at end of financial year	**18a**	**108,598**	**480,279**

The accompanying notes form part of these financial statements.

Notes to financial statements

For year ending 30 June 2020

These financial statements and notes represent those of Pine Rivers Community Finance Limited (the Company) as an individual entity.

Pine Rivers Community Finance Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue by the Directors on 21 December 2020.

Note 1. Summary of significant accounting policies

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

<u>Economic dependency</u>

The Company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the Community Bank branches at Samford and Brendale.

The branches operate as a franchise of Bendigo and Adelaide Bank Limited, using the name “Bendigo Bank”, the logo, and systems of operation of Bendigo and Adelaide Bank Limited. The Company manages the Community Bank branches on behalf of Bendigo and Adelaide Bank Limited, however all transactions with customers conducted through the Community Bank branches are effectively conducted between the customers and Bendigo and Adelaide Bank Limited.

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

Note 1. Summary of significant accounting policies (continued)

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

- Advice and assistance in relation to the design, layout and fit out of the Community Bank branches;
- Training for the Branch Managers and other employees in banking, management systems and interface protocol;
- Methods and procedures for the sale of products and provision of services;
- Security and cash logistic controls;
- Calculation of company revenue and payment of many operating and administrative expenses;
- The formulation and implementation of advertising and promotional programs; and
- Sale techniques and proper customer relations.

(b) Impairment of assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

(c) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(d) Comparative figures

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

(e) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company. Estimates and judgements are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The estimates and judgements that have a significant risk of causing material adjustments to the carrying values of assets and liabilities are as follows:

Note 1. Summary of significant accounting policies (continued)

(e) Critical accounting estimates and judgements (continued)

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and intangible assets. The depreciation and amortisation charge will increase where useful lives are less than previously estimated lives.

Fair value assessment of non-current physical assets

The AASB 13 Fair Value standard requires fair value assessments that may involved both complex and significant judgement and experts. The value of land and buildings may be materially misstated and potential classification and disclosure risks may occur.

Employee benefits provision

Assumptions are required for wage growth and CPI movements. The likelihood of employees reaching unconditional service is estimated. The timing of when employee benefit obligations are to be settled is also estimated.

Income tax

The company is subject to income tax. Significant judgement is required in determining the deferred tax asset. Deferred tax assets are recognised only when it is considered sufficient future profits will be generated. The assumptions made regarding future profits is based on the company's assessment of future cash flows.

Impairment

The company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value in use calculations which incorporate various key assumptions.

(f) New and revised standards that are effective for these financial statements

With the exception of the below, these financial statements have been prepared in accordance with the same accounting policies adopted in the entity's last annual financial statements for the year ended 30 June 2019. Note that the changes in accounting policies specified below **ONLY** apply to the current period. The accounting policies included in the company's last annual financial statements for the year ended 30 June 2019 are the relevant policies for the purposes of comparatives.

AASB 16 Leases became mandatorily effective on 1 January 2019. Accordingly, these standards apply for the first time to this set of annual financial statements. The nature and effect of changes arising from these standards are summarised in the section below.

AASB 16 Leases

AASB 16 Leases replaces AASB 117 Leases and three associated Interpretations. The new standard has been applied using the modified retrospective approach, with the cumulative effect of adopting AASB 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated, as permitted under the specific transition provisions in the standard.

Note 1. Summary of significant accounting policies (continued)

(f) New and revised standards that are effective for these financial statements (continued)

AASB 16 Leases (continued)

For contracts in place at the date of initial application, as permitted under the specific transition provisions in the standard, the Company has elected to apply the definition of a lease from AASB 117 and relevant associated interpretations, and has not applied AASB 16 to arrangements that were previously not identified as a lease under AASB 117 and associated interpretations. This means that any contracts that were deemed to not contain a lease under AASB 117 have not been reassessed under AASB 16.

The Company has also elected to not include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of AASB 16, being 1 July 2019. Furthermore, at this date, the Company has elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition as allowed under the transition provisions.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of AASB 16.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value-assets (less than $10,000) the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial.

On transition to AASB 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under AASB 16 was 4.39%.

The Company has benefited from the use of hindsight for determining lease term when considering options to extend and terminate.

	$
Total operating lease commitments disclosed at 30 June 2019	456,053
Adjustments relating to commitment disclosures	(66,204)
Operating lease liabilities before discounting	**389,849**
Lease liability discounted using incremental borrowing rate at date of initial application (1 July 19)	418,047

	$
Lease liability as at 1 July 2019	418,047
Represented by:	
Current lease liabilities	135,207
Non-current lease liabilities	282,840
	418,047

Note 1. Summary of significant accounting policies (continued)

(f) New and revised standards that are effective for these financial statements (continued)

AASB 16 Leases (continued)

Adjustments recognised in the balance sheet on 1 July 2019

The recognised right-of-use assets relate to the following types of assets:

	30 June 2020 $	30 June 2019 $
Properties	327,942	389,849
Total right-of-use assets	**327,942**	**389,849**

The change in accounting policy affected the following items in the balance sheet on 1 July 2019:

Balance Sheet Item	Effect	Amount $
Property, plant and equipment	Increase	389,849
Lease liabilities	Increase	418,047

(g) Change in accounting policies

Accounting policy applicable from 1 July 2019

The Company as a lessee

For any new contracts entered into on or after 1 July 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- the Company has the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net any incentives received).

The Company depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or to the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

Note 1. Summary of significant accounting policies (continued)

(g) Change in accounting policies (continued)

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, the right-of-use assets have been included in property, plant and equipment (except those meeting the definition of investment property) and lease liabilities have been included in borrowings.

Accounting policy applicable before 1 July 2019
The Company as a lessee
Finance leases

Management applies judgement in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the Company obtains ownership of the asset at the end of the lease term.

For leases of land and buildings, the minimum lease payments are first allocated to each component based on the relative fair values of the respective lease interests. Each component is then evaluated separately for possible treatment as a finance lease, taking into consideration the fact that land normally has an indefinite economic life.

See the accounting policy note in the year-end financial statements for the depreciation methods and useful lives for assets held under finance leases. The interest element of lease payments is charged to profit or loss, as finance costs over the period of the lease.

Operating leases
All other leases are treated as operating leases. Where the Company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

Note 1. Summary of significant accounting policies (continued)

(g) Change in accounting policies (continued)

Impact of standards issued but not yet applied by the entity

AASB 17 Insurance Contracts

AASB 17 was issued in July 2017 as replacement for AASB 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured each reporting period. The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under AASB 9.

The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features. As the company does not issue any insurance contracts or investment contracts with discretionary participation features, the directors have determined this standard will not affect the company when the company does not intend to adopt the standard before its effective date.

AASB 1059 Service Concession Arrangements: Grantors

The standard applies to both not-for-profit and for-profit public sector entities that are grantors in a service concession arrangement. These are arrangements that involve an operator providing public services related to a service concession asset on behalf of a public sector entity for a specified period of time and managing at least some of those services.

As the company is not a grantor in a service concession arrangement, the directors have determined this standard will not affect the company when adopted.

The company does not intend to adopt the standard before its effective date.

Note 2. Revenue

	2020 $	2019 $
Revenue		
- service commissions	152,735	166,648
- profit share	1,306,239	1,244,855
	1,458,974	**1,411,503**
Other revenue		
- interest received	11,468	11,317
- other revenue	3,449	619
	14,917	**11,936**
Total revenue	**1,473,891**	**1,423,439**

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

The entity applies the revenue recognition criteria set out below to each separately identifiable sales transaction in order to reflect the substance of the transaction.

Interest and other income

Interest income is recognised on an accrual basis using the effective interest rate method. Other revenue is recognised when the right to the income has been established. All revenue is stated net of the amount of goods and services tax (GST).

Rendering of services

As detailed in the franchise agreement, companies earn three types of revenue - margin, commission and fee income. Bendigo and Adelaide Bank Limited decide the method of calculation of revenue the company earns on different types of products and services and this is dependent on the type of business the company generates also taking into account other factors including economic conditions, including interest rates.

Core Banking Products
Bendigo and Adelaide Bank Limited identify specific products and services as ‘core banking products’, however it also reserves the right to change the B27products and services identified as ‘core banking products’, providing 30 days notice is given. The core banking products, as at the end of the financial year included deposits, loans and asset finance.

Margin
Margin is earned on all core banking products. A Funds Transfer Pricing (FTP) model is used for the method of calculation of the cost of funds, deposit return and margin. Margin is determined by taking the interest paid by customers on loans less interest paid to customers on deposits, plus any deposit returns, i.e. interest return applied by Bendigo and Adelaide Bank Limited for a deposit, minus any costs of funds i.e. interest applied by Bendigo and Adelaide Bank Limited to fund a loan.

Note 2. Revenue (continued)

Rendering of services (continued)

Commission

Commission is a fee earned on products and services sold. Depending on the product or services, it may be paid on the initial sale or on an ongoing basis.

Fee Income

Fee income is a share of ‘bank fees and charges’ charged to customers by Bendigo and Adelaide Bank Limited, including fees for loan applications and account transactions.

Discretionary Financial Contributions

Bendigo and Adelaide Bank Limited has made discretionary financial payments to the company, outside of the franchise agreement and in addition to margin, commission and fee income. This income received by the company is classified as “Market Development Fund” (MDF) income. The purpose of these payments is to assist the company with local market development activities, however, it is for the board to decide how to use the MDF. Due to their discretionary nature, Bendigo and Adelaide Bank Limited may change or stop these payments at any time.

Form and Amount of Financial Return

The franchise agreement stipulates that Bendigo and Adelaide Bank Limited may change the form, method of calculation or amount of financial return the company receives. The reasons behind making a change may include, but not limited to, changes in Bendigo and Adelaide Bank Limited’s revenue streams/processes; economic factors or industry changes.

Bendigo and Adelaide Bank Limited may make any of the following changes to form, method of calculation or amount of financial returns:

- A change to the products and services identified as ‘core banking products and services’
- A change as to whether it pays the company margin, commission or fee income on any product or service.
- A change to the method of calculation of costs of funds, deposit return and margin and a change to the amount of any margin, commission and fee income.

These abovementioned changes, may impact the revenue received by the company on a particular product or service, or a range of products and services.

However, if Bendigo and Adelaide Bank Limited make any of the above changes, per the franchise agreement, it must comply with the following constraints in doing so.

a) If margin or commission is paid on a core banking product or service, Bendigo and Adelaide Bank Limited cannot change it to fee income;
b) In changing a margin to a commission or a commission to a margin on a core banking product or service, OR changing the method of calculation of a cost of funds, deposit return or margin or amount of margin or commission on a core product or service, Bendigo and Adelaide Bank Limited must not reduce the company’s share of Bendigo and Adelaide Bank Limited’s margin on core banking product and services when aggregated to less than 50% of Bendigo and Adelaide Bank Limited’s margin on core banking products attributed to the company’s retail branch operation; and
c) Bendigo and Adelaide Bank Limited must publish the change at least 30 days before making the change.

Note 3. Expenses

	2020 $	2019 $
Profit before income tax includes the following specific expenses:		
Employee benefits expense		
- wages and salaries	558,428	526,296
- superannuation costs	55,679	54,561
- other costs	145,582	154,394
	759,689	**735,251**
Depreciation and amortisation		
- right of use assets	115,677	43,662
- leasehold improvements	6,219	43,662
- plant and equipment	9,426	11,999
- furniture and fittings	3,957	4,609
- relocation costs	18	1,782
- motor vehicles	171	1,044
	135,468	**63,096**
Amortisation		
- franchise fees	31,580	19,081
Total depreciation and amortisation	**167,048**	**82,177**
Finance costs		
- Interest paid	16,540	-
Bad and doubtful debts expenses	982	1,042
(Gain)/Loss on disposal of property, plant and equipment	(2,948)	-
Auditors' remuneration		
Remuneration of the Auditor, RSD Audit, for:		
- Audit or review of the financial report	5,440	5,440
	5,440	**5,440**

Operating expenses

Operating expenses are recognised in profit or loss on an accruals basis, which is typically upon utilisation of the service or at the date upon which the entity becomes liable.

Borrowing costs

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

Note 3. Expenses (continued)

Depreciation

The depreciable amount of all fixed and intangible assets are depreciated over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

Class of asset	Rate	Method
Leasehold improvements	2.5 - 20%	Straight line
Plant and equipment	5 - 40%	Straight line / Diminishing value
Motor vehicles	25%	Diminishing value
Right of Use Assets	20%	Straight Line
Franchise fees	20%	Straight line

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains/losses upon disposal of non-current assets

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise.

Note 4. Income tax

	2020 $	2019 $
a. The components of tax expense comprise:		
Current tax expense	39,030	32,421
Deferred tax expense	(169)	14,727
	38,861	**47,148**
b. Prima facie tax payable		
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on profit before income tax at 27.5% (2019: 27.5%)	35,477	20,352
Income tax attributable to the entity	**35,477**	**20,352**
The applicable weighted average effective tax rate is:	30.12%	63.71%

Note 4. Income tax (continued)

	2020 $	2019 $
c. Current tax liability		
Current tax relates to the following:		
Current tax liabilities / (assets)		
Opening balance	22,104	5,839
Income tax paid	(15,772)	(14,478)
Current tax	39,030	32,421
Under / (over) provision prior years	(162)	(1,678)
	45,200	**22,104**
d. Deferred tax liability		
Deferred tax relates to the following:		
Deferred tax assets comprise:		
Property, plant & equipment	1,755	-
Accurals	1,530	1,513
	3,285	**1,513**
Deferred tax liabilities comprise:		
Property, plant & equipment	14,297	16,240
Net deferred tax liability	**(11,012)**	**(14,727)**
Total carried forward tax losses not recognised as deferred tax assets:	-	-
e. Deferred income tax included in income tax expenses comprises:		
Decrease / (increase) in deferred tax assets	(1,733)	(314)
(Decrease) / increase in deferred tax liabilities	(1,942)	(11,755)
Under / (over) provision prior years	-	26,796

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities/assets are measured at the amounts expected to be paid to/recovered from the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Note 4. Income tax (continued)

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:
- the initial recognition of goodwill; and
- the initial recognition of an asset or liability in a transaction which:
    - is not a business combination; and
    - at the time of the transaction, affects nether accounting profit nor taxable profit (tax loss).

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred income tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Current tax assets and liabilities are offset where a legally enforceable right of off-set exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity.

Note 5. Cash and cash equivalents

	2020 **$**	**2019** **$**
Cash at bank and on hand	108,598	335,255
Short-term bank deposits	-	145,024
	108,598	**480,279**

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less.

Note 6. Trade and other receivables

	2020 **$**	**2019** **$**
Current		
Trade receivables	135,845	129,504
Other receivables	3,767	3,625
	139,612	**133,129**

Note 6. Trade and other receivables (continued)

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

The Company's main debtor relates to the Bendigo & Adelaide Bank monthly profit share distribution, which is deposited 14 days post month end, there are no items that require the application of the lifetime expected credit loss model.

Credit risk

The main source of credit risk relates to a concentration of trade receivables owing by Bendigo and Adelaide Bank Limited, which is the source of the majority of the company's income.

The Company always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current and forecast directions of conditions at the reporting date.

There has been change in the estimation techniques or significant assumptions made during the current reporting period.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be high credit quality.

	Gross amount $	Not past due $	Past due but not impaired			Past due and impaired $
			< 30 days $	31-60 days $	> 60 days $	
2020						
Trade receivables	135,845	135,845	-	-	-	-
Other receivables	3,766	3,766	-	-	-	-
Total	**139,611**	**139,611**	-	-	-	-
2019						
Trade receivables	129,504	129,504	-	-	-	-
Other receivables	3,625	3,625	-	-	-	-
Total	**133,129**	**133,129**	-	-	-	-

Note 7. Financial assets

	2020 $	2019 $
Amortised cost		
Term deposits	756,172	399,877
	756,172	**399,877**

The effective interest rate on the bank deposit was 1.55% (2019: 2.05%).

(a) Classification of financial assets

The company classifies its financial assets at amortised cost.

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets.

(b) Measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. Cash and cash equivalents, trade and other receivables fall into this category of financial instruments as well as government bonds that were previously classified as held-to-maturity under AASB 139.

Note 7. Financial assets (continued)

(c) Impairment of financial assets

AASB 9's impairment requirements use more forward looking information to recognise expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVTOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

(d) Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Note 8. Property, plant and equipment

	2020			2019		
	At cost $	Accumulated depreciation $	Written down value $	At cost $	Accumulated depreciation $	Written down value $
Right of use assets	426,545	(115,677)	310,868	-	-	-
Leasehold improvement	243,330	(227,344)	15,986	243,330	(221,125)	22,205
Plant and equipment	156,025	(118,152)	37,873	152,776	(108,726)	44,050
Furniture and fittings	142,402	(115,241)	27,160	142,402	(111,285)	31,117
Motor vehicles	-	-	-	18,379	(15,247)	3,132
Relocation costs	-	-	-	8,970	(8,952)	18
Total property, plant and equipment	**968,302**	**(576,414)**	**391,887**	**565,857**	**(465,335)**	**100,522**

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Leased assets

As described in Note 1(h), the Company has applied AASB 16 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under AASB 17.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(a) Capital expenditure commitments

The entity does not have any capital expenditure commitments at 30 June 2019 (2018: None).

Note 8. Property, plant and equipment (continued)

(b) Movements in carrying amounts of PP&E

2020	Right of use assets $	Leasehold improvements $	Plant & equipment $	Furniture & fittings $	Motor vehicles $	Relocation costs $	Total $
Opening carrying value	-	22,205	44,050	31,117	3,132	18	100,522
Adjustment for adoption of AASB 16	426,545	-	-	-	-	-	426,545
Restated opening net book amount	426,545	22,205	44.050	31,117	3,132	18	527,067
Additions	-	-	3,25	-	-	-	3,250
Disposals	-	-	-	-	(2,961)	-	(2,961)
Depreciation	(115,677)	(6,219)	(9,426)	(3,957)	(171)	(18)	(135,468)
Closing carry value	**310,868**	**15,986**	**37,874**	**27,160**	**-**	**-**	**391,888**

2019	Right of use assets $	Leasehold improvements $	Plant & equipment $	Furniture & fittings $	Motor vehicles $	Relocation costs $	Total $
Opening carrying value	-	65,867	55,753	35,726	4,176	1,800	163,322
Additions	-	-	296	-	-	-	296
Depreciation	-	(43,662)	(11,999)	(4,609)	(1,044)	(1,782)	(63,096)
Closing carry value	**-**	**22,205**	**44,050**	**31,117**	**3,132**	**18**	**100,522**

Included in the net carrying amount of property, plant and equipment are right-of-use assets as follows:

	2020 $
Opening carrying value	310,868
Total right-of-use assets	**310,868**

(c) Right of use assets

The Company's lease portfolio includes buildings, plant and equipment.

Options to extend or terminate

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

Note 8. Property, plant and equipment (continued)

(i) AASB 16 related amounts recognised in the statement of financial position

	Leased Building $	Total Right of use asset $
Leased asset	426,545	426,545
Accumulated depreciation	(115,677)	(115,677)
	310,868	**310,868**

Movements in carrying amounts:

	Leased Building $	Total Right of use asset $
Recognised on initial application of AASB 16 - previously classified as operating leases	426,545	426,545
Depreciation expense	(115,677)	(115,677)
Net carrying amount	**310,868**	**310,868**

(ii) AASB 16 related amounts recognised in the statement of profit or loss.

	2020 $
Depreciation charge related to right-of-use assets	115,677
Interest expense on lease liabilities	16,540

(iii) AASB 16 related amounts recognised in the statement of profit or loss (continued)

Total cash outflows for leases	109,880

Note 9. Intangible assets

	2020			2019		
	At cost	Accumulated amortisation	Written down value	At cost	Accumulated amortisation	Written down value
	$	$	$	$	$	$
Franchise fees	130,680	(23,779)	106,901	95,406	(87,605)	7,801
Total intangible assets	**130,680**	**(23,779)**	**106,901**	**95,406**	**(87,605)**	**7,801**

Franchise fees have been initially recorded at cost and amortised on a straight line basis at a rate of 20% per annum. The current amortisation charges for intangible assets are included under depreciation and amortisation in the Statement of Profit or Loss and Other Comprehensive Income.

Movements in carrying amounts

2020	Opening written down value	Additions	Amortisation	Closing written down value
Franchise fees	7,801	130,680	(31,580)	106,901
Total intangible assets	**7,801**	**130,680**	**(31,580)**	**106,901**

2019	Opening written down value	Additions	Amortisation	Closing written down value
Franchise fees	26,882	-	(19,081)	7,801
Total intangible assets	**26,882**	**-**	**(19,081)**	**7,801**

Note 10. Financial liabilities

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

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

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

Note 11. Trade and other payables

	2020 $	2019 $
Current		
Unsecured liabilities:		
Trade creditors	126,989	219,126
Other creditors and accruals	(885)	6,041
	126,104	**225,167**
Non Current		
Trade Creditors	92,299	-
	92,299	**-**

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

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

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

Note 12. Leases

	2020 $	2019 $
Current		
Property Leases	83,110	-
	83,110	**-**
Non Current		
Property leases	233,555	-
	233,555	**-**
Total leases	**316,665**	**-**

The Company has leases for property leases. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as a lease payments based on a percentage of Group sales) are excluded from the initial measurement of the lease liability and asset. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see Note 8).

Note 12. Leases (continued)

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying asset outright at the end of the lease, or to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and factory premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company must insure items of property, plant & equipment and incur maintenance fees on such items in accordance with the lease contracts.

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2020 were as

Minimum lease payments due

30 June 2020	Within 1 Year $	1-2 Years $	3-5 Years $	After 5 years $	Total $
Lease payments	115,873	100,827	104,200	-	320,900
Finance charges	11,604	6,645	2,732	-	20,981
Total property, plant and equipment	**127,477**	**107,472**	**106,932**	**-**	**341,881**
30 June 2019					
Lease payments	-	-	-	-	-
Finance charges	-	-	-	-	-
Total property, plant and equipment	**-**	**-**	**-**	**-**	**-**

Lease payments not recognised as a liability.

The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of the lease liability is as follows:

	30 June 2020 ($)
Variable lease payments	341,881
	341,881

Total cash outflows for leases for the year ended 30 June 2020 was $126,420 (2019: $150,926).

Note 13. Provisions

	2020 $	2019 $
Current		
Dividends - Declared in June	38,570	38,570
Dividends - Prior year unpaid	9,188	9,188
Total provisions	**48,463**	**47,758**

Note 14. Share capital

	2020 $	2019 $
1,102,010 Ordinary shares fully paid	960,308	960,308
Less: Equity raising costs	(43,500)	(43,500)
	916,808	**916,808**

Ordinary shares are classified as equity.

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

(i) the Distribution Limit is the greater of:
   (a) 20% of the profit or funds of the company otherwise available for distribution to shareholders in that 12 month period; and
   (b) subject to the availability of distributable profits, the Relevant Rate of Return multiplied by the average level of share capital of the Franchisee over that 12 month period; and

(ii) the Relevant Rate of Return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid can be seen in the Statement of Profit or Loss and Comprehensive Income.

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

Note 15. Accumulated losses

	2020 $	2019 $
Balance at the beginning of the reporting period	(104,956)	(93,245)
Profit for the year after income tax	90,146	26,859
Dividends declared	(38,570)	(38,570)
Balance at the end of the reporting period	**(53,380)**	**(104,956)**

Note 16. Dividends paid or provided for on ordinary shares

	2020 $	2019 $
Dividends paid or provided for during the year		
A final unfranked ordinary dividend of 3.5 cents per share was paid September 2019. A final unfranked dividend for 2020 of 3.5 cents per share was declared in June 2020.	38,570	38,570

Note 17. Earnings per share

	2020 $	2019 $
Basic earnings per share (cents)	8.18	2.44
Earnings used in calculating basic earnings per share	90,146	26,859
Weighted average number of ordinary shares used in calculating basic earnings per share.	1,102,008	1,102,008

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issues during the year.

Note 18. Statement of cash flows

(a) Cash and cash equivalents balances as shown in the Statement of Financial Position can be reconciled to that shown in the Statement of Cash Flows as follows:

	2020 $	2019 $
Cash and cash equivalents (Note 5)	108,598	480,279
As per the Statement of Cash Flow	**108,598**	**480,279**

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

	2020 $	2019 $
Profit for the year after income tax	90,146	26,859
Non-cash flows in profit		
- Depreciation and amortisation	167,048	(82,177)
- Bad Debts	982	1,042
- Net (profit) on disposal of property, plant & equipment	(2,948)	-
Changes in assets and liabilities		
- (Increase) / decrease in trade and other receivables	(7,465)	(2,669)
- (Increase) / decrease in deferred tax assets	(3,715)	14,727
- Increase / (decrease) in trade and other payables	(6,763)	57,146
- Increase / (decrease) in current tax liability	23,096	16,265
Net cash flows from operating activities	**260,381**	**31,193**

Note 19. Key management personnel and related party disclosures

(a) Key management personnel

Key management personnel includes any person having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any Director (whether executive or otherwise) of that company.

No Director of the company receives remuneration for services as a Director or Committee Member.

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

Note 19. Key management personnel and related party disclosures (continued)

(b) Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

(c) Transactions with key management personnel and related parties

Other than detailed below, no key management personnel or related party has entered into any contracts with the company.

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

Name of related party	Description of goods / services provided	Value $
First Class Accounts - The Gap Related party of Director Paul Outen	For Bookkeeping and BAS Agent Services	12,000

(d) Key management personnel shareholdings

The number of ordinary shares in Pine Rivers Community Finance Limited held by each key management personnel of the company during the financial year is as follows:

	Balance as at June 2019	Balance as at June 2018
Robert Millar	3,500	3,500
Terence Hogan	500	500
Abigail Senior	500	500
	4,500	**4,500**

There was no movement in key management personnel shareholdings during the year. Each share held has a paid up value of $1 and is fully paid.

(e) Other key management transactions

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

Note 20. Community Enterprise Foundation™

The Community Enterprise Foundation™ (CEF) is the philanthropic arm of the Bendigo and Adelaide Bank Group to which Community Bank branches can make financial contributions. These contributions made by the company are included in the charitable donations and sponsorship expenditure in the Statement of Profit or Loss and Other Comprehensive Income.

Note 20. Community Enterprise Foundation™ (continued)

	2020 $	2019 $
Opening balance	129,514	97,211
Contributions	220,000	30,000
Grants Paid	(4,050)	-
Interest	2,656	2,302
GST	21,345	(3,158)
Management fees	(10,671)	(1,579)
Balance available for distribution in future periods	**316,104**	**124,777**

Note 21. Events after the reporting period

There have been no events after the end of the financial year that would materially affect the financial statements.

Note 22. Contingent liabilities and contingent assets

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

Note 23. Operating segments

The company operates in the financial services sector where it provides banking services to its clients. The company operates in two area being Brendale & Samford, Queensland. The company has a franchise agreement in place with Bendigo and Adelaide Bank Limited who account for 99% of the revenue (2019: 99%).

Note 24. Commitments

Operating lease commitments

	2020 $	2019 $
Payable:		
- no later than 12 months	-	125,392
- between 12 months and five years	-	330,661
Minimum lease payments	**-**	**456,053**

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

Note 25. Company details

The registered office and principal place of business is:

Shop 4 Brendale 7 Day Shopping Centre ,
Kremzow Road, Brendale, Qld 4500

Note 26. Financial instrument risk

Financial risk management policies

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established an Audit Committee which reports regularly to the Board.

Specific financial risk exposure and management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and other price risk. There have been no substantial changes in the types of risks the company is exposed to, how the risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

The company's financial instruments consist mainly of deposits with banks, short term investments, account receivables and payables, bank overdraft and loans. The totals for each category of financial instruments measured in accordance with AASB 9 Financial Instruments as detailed in the accounting policies are as follows:

	Notes	2020 $	2019 $
Financial assets			
Financial assets at amortised cost:			
- Cash and cash equivalents	5	108,598	480,279
- Trade and other receivables	6	139,612	133,129
		248,210	**613,408**
Investments designated as fair value through other comprehensive income:			
- Unlisted investment	7	756,172	399,877
		756,172	**399,877**
Total financial assets		**1,004,382**	**1,013,285**
Financial liabilities			
Financial liabilities at amortised cost:			
- Trade and other payables	11	126,104	225,167
- Provisions	12	316,665	-
Total financial liabilities		**442,769**	**225,167**

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the company.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that clients and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms for normal fee income are generally 30 days from the date of invoice. For fees with longer settlements, terms are specified in the individual client contracts. In the case of loans advanced, the terms are specific to each loan.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets as presented in the table above.

The company has significant concentrations of credit risk with Bendigo and Adelaide Bank Limited. The company's exposure to credit risk is limited to Australia by geographic area.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 6.

The company limits its exposure to credit risk by only investing in liquid securities with Bendigo and Adelaide Bank Limited and therefore credit risk is considered minimal.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures it will have enough liquidity to meet its liabilities when due under both normal and stressed conditions. Liquidity management is carried out within the guidelines set by the Board.

Typically, the company maintains sufficient cash on hand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Note 26. Financial instrument risk (continued)

Financial liability and financial asset maturity analysis:

30 June 2020	Weighted average interest rate %	Total $	Within 1 year $	1 to 5 years $	Over 5 years $
Financial assets					
Cash and cash equivalents	-%	108,598	108,598	-	-
Trade and other receivables		139,612	139,612	-	-
Listed investments	1.47%	756,172	756,172	-	-
Unlisted investments		756,172	399,877	-	-
Total anticipated inflows		**1,760,554**	**1,404,259**	**-**	**-**
Financial liabilities					
Trade and other payables		126,104	126,104	-	-
Lease Liabilities		127,477	127,477	214,404	
Total expected outflows		**253,581**	**253,581**	**214,404**	**-**
Net inflow / (outflow) on financial instruments		**1,506,973**	**1,150,678**	**(214,404)**	**-**

30 June 2020	Weighted average interest rate %	Total $	Within 1 year $	1 to 5 years $	Over 5 years $
Financial assets					
Cash and cash equivalents	-%	480,279	480,279	-	-
Trade and other receivables		133,129	133,129	-	-
Listed investments	20.5%	399,877	399,877	-	-
Unlisted investments		399,877	399,877	-	-
Total anticipated inflows		**1,413,162**	**1,413,162**	**-**	**-**
Financial liabilities					
Trade and other payables		225,167	225,167	-	-
Total expected outflows		**225,167**	**225,167**	**-**	**-**
Net inflow / (outflow) on financial instruments		**1,187,995**	**1,187,995**	**-**	**-**

Note 26. Financial instrument risk (continued)

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

The primary risks the company is exposed to is interest rate risk. The company has no exposure to fluctuations in foreign currency or other price risk.

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The financial instruments that primarily expose the company to interest rate risk are fixed interest securities, and cash and cash equivalents.

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, management believes the following movements are 'reasonably possible' over the next 12 months:
- A parallel shift of +/- 0.5% in market interest rates from year-end rates.

These movements will not have a material impact on the valuation of the company's financial assets and liabilities, nor will they have a material impact on the results of the company's operations.

Directors' declaration

In accordance with a resolution of the Directors of Pine Rivers Community Finance Limited, the Directors of the company declare that:

1. The financial statements and notes, as set out on pages 10 to 44 are in accordance with the *Corporations Act 2001* and:

   (i) comply with Australian Accounting Standards which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

   (ii) give a true and fair view of the company's financial position as at 30 June 2020 and of the performance for the year ended on that date;

2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This resolution is made in accordance with a resolution of the Board of Directors.

Paul Outen
Director

Signed at Samford on 30 November 2020.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PINE RIVERS COMMUNITY FINANCE LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Pine Rivers Community Finance Limited (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the accompanying financial report of Pine Rivers Community Finance 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 2020 and of its performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001;* and

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements related to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

Director's Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001,* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Richmond Sinnott & Delahunty, trading as RSD Audit
ABN 60 616 244 309
Liability limited by a scheme approved under Professional Standards Legislation

Auditor's Responsibility for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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

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

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

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

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

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

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RSD Audit
Chartered Accountants

Kathie Teasdale
Partner
Bendigo
Dated: 21 December 2020

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Bendigo Bank

Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL/Australian Credit Licence 237879. (BNPAR20044) (09/20)