Annual Report 2022

Redcliffe Peninsula Financial Services Limited

Community Bank
Margate

ABN 66 109 123 677

Contents

A Little About Us

We are a passionate local company, working to support our customers, people, partners, and community through a successful, dependable, and sustainable Community Bank.

Sustaining, Building and Supporting our community

We opened our Margate Community Bank in 2006 to fill the gap created when other banks closed their doors.

We are working to build a sustainable and resilient community and to help local people create the place they want to live. We strive to create and share value with everyone connected to our business.

Bendigo Bank introduced the Community Bank network to empower local communities - giving them direct equity in their banking service provider, as well as the scale advantage associated with an established banking brand. Bendigo Bank provides the balance sheet, the financial products, systems and training, while the local community provides the premises, equipment and staff.

At heart, we are a community business that focuses on supporting our community. We have three main objectives:

1. provide exceptional banking services to our community;
2. grow our capacity to invest in community projects; and
3. provide a reasonable financial return to shareholders, many of whom live locally.

We are very proud of our strong and valued brand, our commitment to great customer service and our role in the community. To date, we have invested more than $800,000 back into the community. We provide economic and social value by funding more than community groups and organisations. Indeed, our financial support and investment ensures many community projects remain viable.

The main reasons that we can continue this good work is because of our loyal customers who choose to bank with us. Backed by Bendigo Bank, we can provide robust banking solutions - home loans, personal and business banking, and insurance - as well as exceptional personalised customer service. In short, we are a genuine banking option for all. So, make sure you help us tell our story!

Image 1 - Tigers AFL Club, proudly sponsored by Community Bank Margate

Image 2 – Northlakes Kangaroos Rugby Club, proudly sponsored by Community Bank Margate

Highlights

LOCAL IMPACT

"A successful banking business that is commercially viable, yet community spirited, underpins community investment."

COMMUNITY INVESTMENT

85 local community groups and individuals supported since 2006

10 community groups or individuals supported in FY2022

$818,786 total community investments since inception (2006)

$24,479 total community investments in FY2022

Image 2 – Redcliffe Coast Guard being presented with a grant by Gavin Daw, Community Bank Margate Branch Manager

Image 1 – Community Bank Margate Treasurer, Peter Morley, presenting Redcliffe League Softball Club with a grant.

Chair's Report

'Supporting our Community is why our directors become involved with the company. We are committed to growing the company and maintain our role in supporting local communities through investments and funding. Since our company began in 2006, we have provided more than $814,000 to local community groups and individuals – this is our mandate.'

Image 6 - Community Bank Margate Treasurer, Peter Morley receiving a sponsorship award from Peninsula Power FC.

In the 17 odd years that Community Bank Margate has been trading, I think I can honestly say that the last financial year was the toughest we have ever endured. A perfect storm of Covid-19 pandemic restrictions coupled with the lowest interest rates in Australia's recent history created headwinds for our business that made it extremely difficult to make progress.

However, thanks to the resilience and determination of our Branch Manager, Gavin Daw, our staff and my fellow directors, we managed to plough forward and keep the business afloat. Despite growing our book by more than 10.3% to $118.4 million, the impact of low interest rates played havoc with our margin income which, in turn, seriously affected our profitability as you can see from the financials contained in this annual report. Faced with these difficulties the Board adopted a conservative approach to cut expenditure and expenses and unfortunately, we have once again been unable to declare a dividend.

Despite the tough trading conditions, we have continued to support our local community wherever possible, but of course in a limited way, and have maintained a strong asset base and significant capital reserves. We continue to monitor the situation closely, but thanks to the Reserve Bank's recent increases to interest rates and ongoing revision and modification of our business plan, we predict a much better future as we continue to move towards profitability.

It takes a team to operate any successful business, and I am grateful to the team of dedicated people who work with me. Firstly, I'd like to thank my fellow directors for their perseverance and determination through a very trying year. They bring an incredible mix of skills and experience to the boardroom and their enthusiasm for strengthening both the bank and our community never wanes. Secondly, I'd like to thank our staff who are the professional face of our company. Our Branch Manager, Gavin Daw, oversees the Margate branch operations and is actively involved within our community. Gavin is supported by our dedicated, highly-trained and enthusiastic team. Lastly, a massive thanks to you, our shareholders, who have had to weather the storm with us but will hopefully share our optimistic view that better times are coming.

Stephen Hart
Chairperson
Redcliffe Peninsula Financial Services Limited

Manager's Report

TEAM MEMBERS
Gavin Daw
Branch Manager
Suzy Hill
Customer Relationship Manager
Carly Vanderwert (currently on leave)
Customer Relationship Officer
Dominic Cridland
Senior Customer Service Officer
Shefali Krishan
Customer Service Officer
Hannah Keating
Customer Service Officer

FY2022 TOTAL FOOTINGS
$118.4m

GROWTH

Deposits

FY2022	$56.8m	+21.4%
FY2021	$46.8m	

Lending

FY2022	$56.4m	+1.8%
FY2021	$55.4m	

Other Business

FY2022	$5.2m	+0%
FY2021	$5.2m	

Total Business Growth

FY2022	$11.1m	+10.3%

I have the privilege as Branch Manager of Community Bank Margate to report on the great success we have achieved over the previous financial year.

Our focus remains on adding value to our existing customers while building new relationships in the community to ultimately grow our business and to be Redcliffe Peninsula's most customer connected bank.

Retail banking remains competitive and challenging with increased competition hitting the market almost every day as well as the unprecedented impacts from the COVID-19 pandemic and ultra-low interest rates. We are addressing these challenges by focussing on better connecting with our customers and community groups. We offer a full range of competitive products and services which we promote with our customers, community groups and local businesses. Our exceptional, personalised service sets us apart from our competition. In addition, with the macro economy improving, we are optimistic for the future.

Image 3- Piggy at Redcliffe Jetty

Once again, the growth in our business has allowed Community Bank Margate to continue its pursuit of assisting local community groups and clubs, even though this was at a lower level than previous years. In the last year we have supported many local groups including: Peninsula Power FC, Redcliffe Tigers AFC & Redcliffe Musical Theatre. We are extremely proud of these contributions and will continue to develop & strengthen these partnerships and establish new relationships within Margate Community.

During FY22, despite the challenging conditions, Community Bank Margate achieved a considerable year of growth coming off the back of prior challenging years. Over the course of FY22, the branch grew by $11.1 million against a budget of $9.1 million. This is a very exciting result for everyone involved from the staff, the Directors, our customers and our shareholders. But most of all it is a great win for our Margate community.

To continue building this business, I ask all shareholders to consider whether they want their banking to contribute to the growth and development of our community. I invite you all to pose the same question to your friends and families, and encourage them to consider moving their banking to us, where they will receive outstanding personal service and banking products while making an indirect contribution to their local community.

I would like to acknowledge and thank all the team - Suzy, Dominic, Shefali & Hannah - for their continuous dedication, teamwork, and enthusiasm over the last year. We did say goodbye to Belinda, Cameron and Josh, and I would like to thank them for all their hard work and support over the past 12 months.

I reach out to thank our Board of Directors who dedicate many hours and work tirelessly in their roles to support me in my role as Branch Manager and to ensure the ongoing success of our business.

Finally, thank you to everyone for your support, and I look forward to working with you all during the coming year as we continue to grow and positively impact our community.

Gavin Daw
Branch Manager
Community Bank - Margate, Bendigo & Adelaide Bank

Image 4 - Community Bank Margate director Joel and branch staff Josh and Dom attending Peninsula Power FC game with Piggy

Image 9 - Community Bank Margate directors and branch team.

Bendigo & Adelaide Bank Message

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

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

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

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

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

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

Warmest regards,

Justine Minne
Head of Community Banking
Bendigo and Adelaide Bank

Future Focus

Growing the Business

Over the past year, we focussed on ensuring we have the right structure and team to keep growing our business. Further developing our team's capabilities remains important for the year ahead. We aim to generate new business through increased community outreach where our staff will become more front and centre within the community. In addition, personalised banking service will continue to be one of our greatest assets.

The Margate branch's location has and will continue to provide new opportunities for us to connect more with local business and the community – especially as we are in the heart of Margate's shopping and business district.

We will keep working to increase the number of products held by our customers. We will support and train staff so that they can promote our full suite of products to both new and existing customers and to focus on penetrating new home loan opportunities as a result of the growth in housing demand locally and across the peninsula.

Community focus will continue to be pivotal in the next 12 months. That's why we work with community groups to promote Community Bank Margate and our story which will ensure that our message gets across to new audiences, translating into new business. We will support the community groups who promote us and our services, by providing marketing support and materials.

We will look to drive business growth through traditional advertising channels, using both print and digital platforms. We will use social media to share our community stories, promote our community investment programs as well as our products.

Investing in the community

Over the next 12 months, we will keep engaging with our local community groups who receive sponsorships and grants through our community investment program. Generating meaningful and successful partnerships will remain the focus of our marketing efforts, particularly with our core sponsorship partners. We will ensure our community groups understand what is possible through a mutually beneficial relationship, and how much the community can benefit. We are excited that our staff will be playing a larger role in developing these relationships over the next 12 months. Further, we will identify new sporting opportunities which will help us deliver greater returns.

We will also keep supporting groups that help disadvantaged members of our community, such as the elderly, homeless and those with disabilities. We have a strong and ongoing commitment to support these crucial organisations.

"Generating meaningful and successful partnerships will remain the focus of our marketing initiatives"

Adapting to change

The banking landscape continues to evolve rapidly, particularly competition from micro-lenders and "fin-tech" start-ups as well as continuing regulatory change. Though banking technology is reducing foot-traffic in the majority of bank branches, we continue to see high levels of people coming into our branch. We have embraced new technologies in the branch to help streamline services but also to allow our staff to engage in more meaningful discussions with our customers.

Director Profiles

Steve Hart
Director & Chairperson

Steve is currently a property consultant after having spent 5 years as the CEO of the Redcliffe Hospital Foundation until 2012. Prior to this he was the Manager of Redcliffe and Bayside Herald and Managing Director and Co-Owner of The Magazine Publishing Company. Steve brings significant experience to the company from his vast experience in marketing, strategy and community relations.

Special Responsibilities
Steve is currently the Chairperson of the Board and a member of the Community Engagement & Marketing Committee.

Rae Frawley
Director & Deputy Chairperson

Rae has had an extensive career as an elected local government representative where she was a Councillor for 8 years until her retirement in 2012. In addition to this, Rae has worked for the Redcliffe hospital as a medical records and dental clinic clerk as well as being a small business operator. More recently, Rae was the Relief Manager of Peninsula Park Retirement Village.

Special Responsibilities
Rae is the Assistant Treasurer, Chair of the Audit, Governance and Risk Committee as well as being a member of the Scholarship & Student Development Committee.

Daniel Petravicius
Director & Company Secretary
LLB(Hons). BBus(Econ). GDLP. CertGov&RiskMgt. GIA(Affiliated). J.P (Qual).

Daniel is currently an Assistant Company Secretary with Boardroom Pty Limited and is a qualified lawyer. Prior to his current appointment, Daniel spent several years' working within boutique commercial law firms assisting clients with commercial litigation, business transactions and general corporate governance. Daniel holds dual bachelor's degrees in Law (with honours) and Business (majoring in economics) from the Queensland University of Technology, a Graduate Diploma in Legal Practice from the College of Law and has completed a Certificate in Governance and Risk Management from the Governance Institute of Australia (GIA). In addition, Daniel is a qualified Justice of the Peace in Queensland and an Affiliated Member of GIA

Special Responsibilities
Daniel is the Company Secretary and is Chair of the Scholarship & Student Development Committee as well as a member of the Audit, Governance and Risk Committee.

Peter Morley
Director & Treasurer
Dip. Financial Planning. Dip. Marketing. Cert. IV Workplace Training & Assessment. Cert. IV Mortgage Broking.

Peter has had an extensive career as a finance professional having been a financial planner and is a former Director of Morley Investment Group Pty Ltd. In addition to this, he is a passionate and active member of several not-for-profit organisation, including the current President of the Redcliffe Rotary Club.

Special Responsibilities
Peter is the Treasurer and a member of the Audit, Governance and Risk Committee.

Brent Campbell
Director
BCom.

Brent has had an extensive career in property management having commenced employment with Retail First in 2003. Between his significant experience in property management, Brent is also a trusted marketing advisor having received the Property Council of Australia's Excellence in Marketing Award. During his career at Retail First he has been a Marketing Manager of Peninsula Fair shopping centre and Margate Village, Centre Manager of Bluewater Square in Redcliffe, Retail Manager of Toowong Village and Tower, and is currently the Retail Manager of Mt Ommaney Shopping Centre.

Special Responsibilities
Brent is Chair of the OH&S and Property Committee as well as a member of both the Scholarship & Student Development and Community Engagement & Marketing Committees.

Joel Hudson
Director
BA(Hons)

Joel has extensive experience in business, management, sales and marketing. He is currently the CEO of the Australian Institute of Professional Coaches (AIPC). Prior to this, he held senior management positions within AIPC including Chief Operating Officer and National Careers Manager. Before commencing with AIPC, Joel held positions in sales and business development within the employment and property sectors as well as having led local community newspapers. Joel is involved with local community sports clubs having volunteered at many events through the community.

Special Responsibilities
Joel is Chair of the Community Engagement & Marketing Committee.

Serge Paggiaro
Former Director and Chairperson
(resigned 1 September 2021)

Serge is a founding Director and current Chairman of Redcliffe Peninsula Financial Services. Previously involved in the not-for-profit sector. Former Marketing Manager Redcliffe Hospital Foundation. Former Director of Sales and Marketing Golf ala Cart promoting golf tours to Asia and Hawaii. Partner and manager of travel agencies for 21 years. Member of and involved in various community organisation over the past 47 years. Past President Rotary Club of Kippa Ring. Past President Redcliffe Hockey Club. Redcliffe City Bicentennial Committee Member. Involved in various community and sporting organisations in Redcliffe Peninsula over the past 48 years.

Governance Report

The Company places great importance on its governance framework, adopting a proactive approach to ensure the structures, values and behaviours of the Company have the interests of its stakeholders as a primary focus.

Polices & Procedures to ensure compliance with the law

The Company has adopted the following governance strategies, policies and procedures to ensure it complies with the law as well as our obligations under our franchise agreement with Bendigo & Adelaide Bank Group.

Board Charter & Code of Conduct – the Board has identified and documented the roles and obligations of its Directors and Officers in a Board Governance Charter. The Board Governance Charter promotes ethical, considered and independent judgement of matters before the Board. In addition, the Boards responsibilities are further enshrined in the Company Code of Conduct which affects both the Board as well as staff. These documents highlight the statutory and common law obligations of Directors and Officeholders generally and also sets out the expectations that are placed on them in terms of the time dedicated to the Company's affairs.

Whistleblower Policy – the Board is committed to promoting a culture of integrity and ethical behaviour, where our decisions, actions and conduct reflect and reinforce our values. Therefore, the Company has adopted a Whistleblower Policy allowing for concerns to be raised in a safe environment free from fear of personal detriment. All whistleblower concerns raised under this policy are treated seriously and are investigated carefully in conjunction with Bendigo and Adelaide Bank.

Workplace Health & Safety and Pandemic Policy – the Board takes workplace health and safety (WHS) as well as our business continuity planning, extremely seriously and is committed to dedicating an appropriate level of time and planning for instances that are beyond our control. We aim to ensure that the responsibilities of the Company are able to be maintained within the minimum amount of time, with minimal disruption and at minimal cost as well as maintaining a healthy and safe working environment.

Monthly Secretary Reports – the Company Secretary provides a report to the Board at each monthly Board meeting regarding the various compliance obligations and notes outstanding matters. The Company Secretary oversees all low-volume market coordination and compliance as well as manages ASIC reporting (in conjunction with the Treasurer), and monitors compliance with the Franchise Agreement and Company Constitution.

Compliance Calendar – the compliance requirements of the company have been defined and listed in a Compliance/Company Calendar, which is reviewed by the Audit, Governance & Risk Committee on an ongoing basis. The individual items due for completion are reported by the Committee and the Company Secretary to the Board each month.

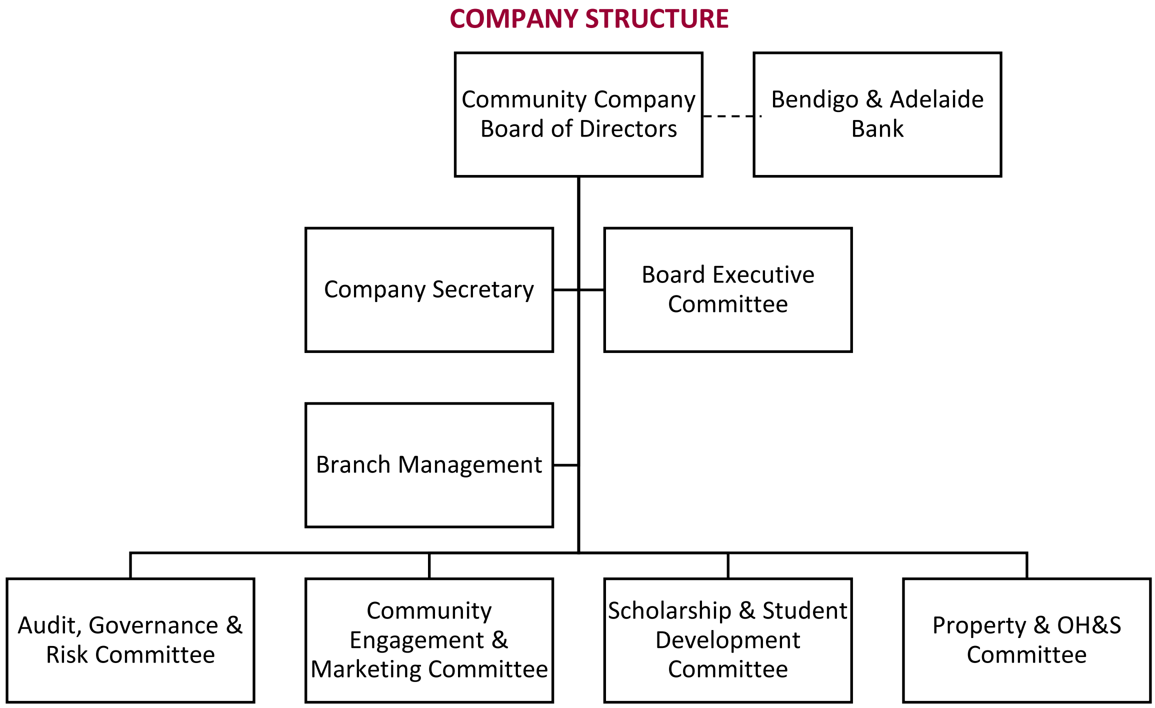
Privacy Policy – Bendigo and Adelaide Bank have incorporated the requirements of the Australian Privacy Principles a Privacy Policy that considers the privacy of shareholders, community groups and other stakeholders. Due to the size our company, we have adopted Bendigo and Adelaide Bank's Privacy Policy which our staff must adhere to.

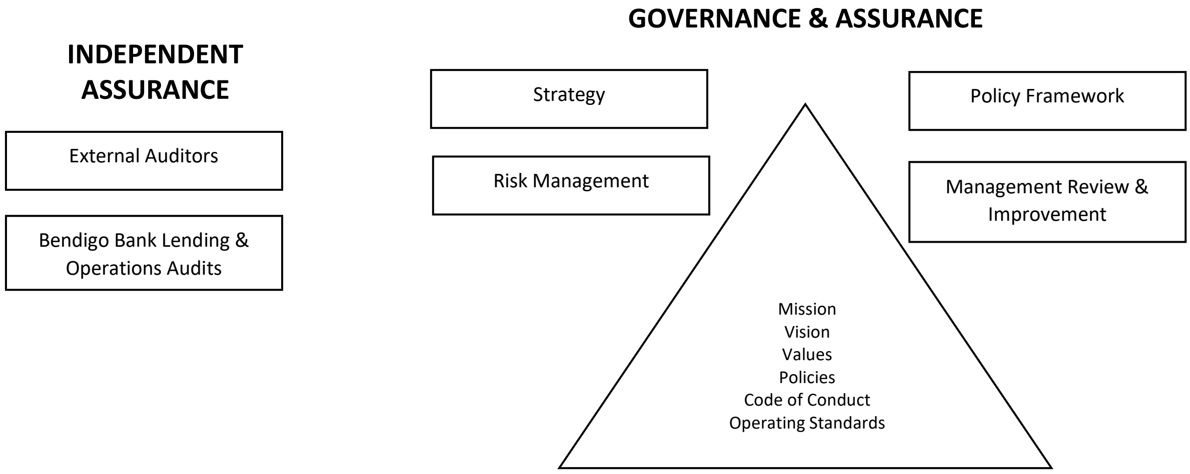
Audit, Governance & Risk Committee – this Board Committee has a special role in ensuring the Company complies with its corporate governance obligations and requirements.

Company Structure

Our Company does not have an executive structure because of its scale and the desire of the Board to be directly connected to the local community. Accordingly, the Company has its Management, that is the Branch Manager as well as an Executive Committee of the Board of Directors which includes the Board Chair and Deputy Chair, Treasurer and Company Secretary.

The below figure depicts our current company structure:





Due to the size and scale of the Company, Directors are involved in many practical roles such as marketing, community engagement and risk management. These types of roles are usually overseen by an executive in a larger corporation. Directors are not specifically remunerated for this, rather renumeration is governed by their special responsibilities (this is outlined in the Non-Executive Director Remuneration Policy).

Role of the Chairman

The Chairman's role is defined in the Board Charter and is responsible for a range of roles that deal with leadership of the Board and the Company, generally. The principle role is to facilitate effective discussion and decision making at the Board level of materially relevant issues to the conduct of the Company. The Chairman must be an independent, non-executive director.

Role of the Manager

The Manager provides leadership to the Company and is responsible for the operational aspect of the Company. The Manager is responsible for the implantation of strategy, business growth, asset management, communications, and community relations. The Manager is responsible for the banking operations and provides the Board with a direct link to Bendigo Bank and its systems and procedures.

Board Appointments

The Board has prepared a Skills Matrix to identify the various skills and experience of its current members and to assist it in identifying the skills that need to be required to the Board in the future. The Board foes not have a standing Nominations Committee, rather the Risk, Governance and Risk Committee will fill in this role from time to time when considering the apportionment of a new director. All new Directors must satisfy a comprehensive due diligence process that meets the requirements of the Company's and Bendigo Bank's risk management systems.

Directors are elected by shareholders for a maximum of three years, with retirements on a rotating basis. The Chairman, as part of their annual discussion with Directors, will canvas each Director's view of their future plans to remain on the Board. The Board Charter considers the ongoing succession planning for the Board composition.

An induction procedure is in place to ensure all new Directors are able to learn as much about the company as possible in a short time frame and to be able to contribute to the Board's functions as soon as possible.

The Board does not have a formal diversity policy because of the scale of the Company and the small geographic are the Company services. The Board does have an aspiration to have greater gender balance on the Board but is mindful that service on the Board is not remunerated on commercial terms and the limitations this creates.

Director's Report

Your directors submit their report of the Company for the financial year ended 30 June 2022.

Review of operations

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

Year ended 30 June 2022 $	Year ended 30 June 2021 $
(51,427)	(53,358)

Operations have continued to perform in line with expectations.

Dividend

No dividends were declared or paid in the current financial year.

Directors

The names of the Company's Directors in office during the financial year and since the end of the financial year, including their skills, experience, qualifications and responsibilities are set out in the Directors Profile section.

No Directors have material interests in contracts or proposed contracts with the Company unless otherwise specified in the Annual Report.

Indemnification and Insurance of Directors and Officers

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

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance.

Likely Developments

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

Principal Activities

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

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

Proceedings on behalf of the Company

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

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

Environment Regulations

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

Company Secretary

The company secretary is Daniel Petravicius. Mr Petravicius was appointed to the position of secretary on 15 April 2019 and his biography can be located in the 'Director's Profiles' section of the Annual Report.

Matters subsequent to the end of the financial year

Since the end of the year, the Reserve Bank of Australia (RBA) has increased the cash rate by 1.5 basis points moving from 0.85% at 30 June 2022 to 2.35% as at the date of signing these accounts. The increase in the cash rate has a direct impact on the revenue received by the company on its products (deposits and loans) offered to its customers. The company has noted a material increase in the revenue streams for the first couple of months July – August 2022.

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

Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 26 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Significant Changes in the State of Affairs

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

Indemnity and insurance of auditor

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

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

Director Interests

Director	Fully Paid Ordinary Shares		
	Balance Year Beginning	**Changes**	**Balance Year End**
Serge Paggiaro	1	-	1
Stephen Hart	1001	-	1001
Daniel Petravicius	-	100	100
Peter Morley	-	100	100
Rae Frawley	-	100	100
Brent Campbell	-	100	100
Joel Hudson	-	100	100

Directors' Meetings

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

	Board Meetings Attended	
	Eligible	*Attended*
Stephen Hart	11	9
Daniel Petravicius	11	9
Peter Morley	11	10
Rae Frawley	11	11
Brent Campbell	11	11
Joel Hudson	11	10
Serge Paggiaro	2	2

There were four sub-committees between June 2021 to June 2022 (inclusive) however attendance was not recorded. Sub-committees were: Community Engagement and Marketing (3 members), Audit, Governance and Risk (3 members), Scholarship and Student Development (3 members) and OH & S and Property (1 member).

Non Audit Services

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

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

- all non-audit services have been reviewed by the Board to ensure they do not impact on the impartiality, integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the company, acting as an advocate for the company or jointly sharing

Auditor's Indepedence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

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

On behalf of the directors,

……………………………………………………
Stephen Hart, Chairman
Dated this 25th day of October 2022

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550

afs@afsbendigo.com.au
03 5443 0344

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Redcliffe Peninsula Financial Services Limited

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 25 October 2022

Adrian Downing
Lead Auditor

Redcliffe Peninsula Financial Services Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 $	2021 $
Revenue from contracts with customers	6	680,354	637,465
Other revenue	7	21,233	46,948
Finance revenue		1,361	4
Fair value gains/(losses) on financial assets	8	(8,252)	26,870
Employee benefits expense	9	(439,280)	(465,694)
Advertising and marketing costs		(2,100)	(2,678)
Occupancy and associated costs		(15,356)	(20,314)
System costs		(44,025)	(47,912)
Depreciation and amortisation expense	9	(118,863)	(119,945)
Finance costs	9	(9,464)	(15,059)
General administration expenses		(109,743)	(97,051)
Loss before community contributions and income tax benefit		(44,135)	(57,366)
Charitable donations and sponsorships expense		(23,968)	(15,075)
Loss before income tax benefit		(68,103)	(72,441)
Income tax benefit	10	16,676	19,083
Loss after income tax benefit for the year	22	(51,427)	(53,358)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(51,427)	(53,358)
		Cents	**Cents**
Basic earnings per share	30	(7.55)	(7.83)
Diluted earnings per share	30	(7.55)	(7.83)

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

Redcliffe Peninsula Financial Services Limited
Statement of financial position
As at 30 June 2022

	Note	2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	11	63,474	2,774
Trade and other receivables	12	41,281	12,116
Financial assets	13	83,146	178,959
Total current assets		187,901	193,849
Non-current assets			
Property, plant and equipment	14	178,641	238,228
Right-of-use assets	15	107,595	157,568
Intangibles	16	31,773	44,841
Deferred tax assets	10	72,299	55,623
Total non-current assets		390,308	496,260
Total assets		578,209	690,109
Liabilities			
Current liabilities			
Trade and other payables	17	50,421	42,552
Borrowings	18	42,540	42,540
Lease liabilities	19	46,696	42,138
Total current liabilities		139,657	127,230
Non-current liabilities			
Trade and other payables	17	15,222	30,444
Borrowings	18	52,222	64,708
Lease liabilities	19	69,655	116,350
Provisions	20	32,200	30,697
Total non-current liabilities		169,299	242,199
Total liabilities		308,956	369,429
Net assets		269,253	320,680
Equity			
Issued capital	21	644,605	644,605
Accumulated losses	22	(375,352)	(323,925)
Total equity		269,253	320,680

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

Redcliffe Peninsula Financial Services Limited
Statement of changes in equity
For the year ended 30 June 2022

	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 July 2020	644,605	(270,567)	374,038
Loss after income tax expense	-	(53,358)	(53,358)
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	(53,358)	(53,358)
Balance at 30 June 2021	644,605	(323,925)	320,680

	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 July 2021	644,605	(323,925)	320,680
Loss after income tax expense	-	(51,427)	(51,427)
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	(51,427)	(51,427)
Balance at 30 June 2022	644,605	(375,352)	269,253

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

Redcliffe Peninsula Financial Services Limited
Statement of cash flows
For the year ended 30 June 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		739,965	752,087
Payments to suppliers and employees (inclusive of GST)		(707,775)	(709,697)
		32,190	42,390
Dividends received		3,994	4,031
Interest received		1,361	4
Interest and other finance costs paid		(1,288)	(5,033)
Income taxes refunded		-	7,578
Net cash provided by operating activities	29	36,257	48,970
Cash flows from investing activities			
Payments for investments		-	(2,238)
Payments for intangibles		(13,838)	(13,838)
Proceeds from disposal of investments		95,813	-
Net cash provided by/(used in) investing activities		81,975	(16,076)
Cash flows from financing activities			
Repayment of lease liabilities	19	(45,046)	(46,313)
Repayment of borrowings		(12,486)	(75,282)
Net cash used in financing activities		(57,532)	(121,595)
Net increase/(decrease) in cash and cash equivalents		60,700	(88,701)
Cash and cash equivalents at the beginning of the financial year		2,774	91,475
Cash and cash equivalents at the end of the financial year	11	63,474	2,774

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

Note 1. Reporting entity

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

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Shop 1A 300, 270 Oxley Avenue, Margate QLD 4019.

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 7 October 2022. The directors have the power to amend and reissue the financial statements.

Note 2. Basis of preparation and statement of compliance

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

Note 3. Significant accounting policies

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

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

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

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

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

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

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Note 3. Significant accounting policies (continued)

Impairment of financial assets
The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Impairment
Non-derivative financial assets
Expected credit losses (ECL) are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received. At each reporting date, the entity recognises the movement in the ECL (if any) as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The company's trade receivables are limited to the monthly profit share distribution from Bendigo Bank, which is received 10 business days post month end. Due to the reliance on Bendigo Bank the company has reviewed credit ratings provided by Standard & Poors, Moody's and Fitch Ratings to determine the level of credit exposure to the company. The company also performed a historical assessment of receivables from Bendigo Bank and found no instances of default. As a result no ECL has been made in relation to trade receivables as at 30 June 2022.

Non-financial assets
At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets that have an indefinite useful life to determine whether there is any indication those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss.

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

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

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

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

Note 4. Critical accounting judgements, estimates and assumptions

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

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

Fair value measurement hierarchy
The company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: inputs are based on the quoted market price at the close of business at the end of the reporting period
Level 2: inputs are based on a valuation performed by a third party qualified valuer using quoted prices for similar assets in an active market
Level 3: unobservable inputs for the asset or liability.

Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

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

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

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

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

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

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

Lease make good provision
A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Note 5. Economic dependency

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

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

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

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

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

Note 5. Economic dependency (continued)

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

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

Note 6. Revenue from contracts with customers

	2022 $	2021 $
Margin income	548,950	510,541
Fee income	50,347	49,039
Commission income	81,057	77,885
Revenue from contracts with customers	680,354	637,465

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

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

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

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

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

Revenue calculation
The franchise agreement provides that three forms of revenue may be earned by the company which are margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services. The revenue earned by the company is dependent on the business that it generates. It may also be affected by other factors, such as economic and local conditions, for example, interest rates.

Note 6. Revenue from contracts with customers (continued)

Margin
Margin is arrived at through the following calculation:

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

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

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

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

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

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

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

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

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

Note 7. Other revenue

	2022 $	**2021 $**
Market development fund	15,000	32,917
Cash flow boost	-	10,000
Dividend and distribution income	3,994	4,031
Other income	2,239	-
Other revenue	21,233	46,948

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

Note 7. Other revenue (continued)

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

All revenue is stated net of the amount of GST.

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

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

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

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

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

The amounts are not assessable for tax purposes and there is no obligation to repay the amounts.

Note 8. Fair value gains/(losses) on financial assets

	2022 $	2021 $
Fair value gains/(losses) on financial assets	(8,252)	26,870

These amounts relate to the increase/(decrease) in the market value of financial assets held by the company.

Note 9. Expenses

Depreciation and amortisation expense

	2022 $	2021 $
Depreciation of non-current assets		
Leasehold improvements	57,404	57,142
Plant and equipment	2,183	2,463
	59,587	59,605
Depreciation of right-of-use assets		
Leased land and buildings	46,208	47,272
Amortisation of intangible assets		
Franchise fee	2,178	2,178
Franchise renewal fee	10,890	10,890
	13,068	13,068
	118,863	119,945

Finance costs

	2022 $	2021 $
Bank loan interest paid or accrued	1,288	5,033
Lease interest expense	6,673	8,593
Unwinding of make-good provision	1,503	1,433
	9,464	15,059

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

Employee benefits expense

	2022 $	2021 $
Wages and salaries	330,042	340,406
Superannuation contributions	37,952	38,921
Expenses related to long service leave	2,322	5,230
Other expenses	68,964	81,137
	439,280	465,694

Accounting policy for employee benefits
Bendigo Bank seconds employees to work for the company. Bendigo Bank charges the cost of these employees through the monthly profit share arrangement. The company recognises these expenses when recording the monthly invoice. No annual leave or long service leave liabilities are recognised for the company as these are Bendigo Bank employees.

Leases recognition exemption

	2022 $	2021 $
Expenses relating to low-value leases	19,427	26,870

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

Note 10. Income tax

	2022 $	2021 $
Income tax benefit		
Movement in deferred tax	(3,620)	3,813
Adjustment recognised for prior periods	-	2,225
Future income tax benefit attributable to losses	(13,056)	(25,121)
Aggregate income tax benefit	(16,676)	(19,083)
Prima facie income tax reconciliation		
Loss before income tax benefit	(68,103)	(72,441)
Tax at the statutory tax rate of 25% (2021: 26%)	(17,026)	(18,835)
Tax effect of:		
Non-deductible expenses	350	127
Other assessable income	-	(2,600)
Adjustment to deferred tax to reflect reduction in tax rate in future periods	-	2,225
Income tax benefit	(16,676)	(19,083)

	2022 $	2021 $
Deferred tax assets/(liabilities)		
Employee benefits	261	1,039
Lease liabilities	29,088	39,622
Provision for lease make good	8,050	7,674
Carried-forward tax losses	70,597	57,541
Right-of-use assets	(26,899)	(39,392)
Fair value of investments	(8,798)	(10,861)
Deferred tax asset	72,299	55,623

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

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

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

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

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

Note 10. Income tax (continued)

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

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

Note 11. Cash and cash equivalents

	2022 $	2021 $
Cash at bank and on hand	63,474	2,774

Accounting policy for cash and cash equivalents
For the purposes of the Statement of Financial Position and Statement of Cash Flows, cash and cash equivalents comprise cash on hand and deposits held with banks.

Note 12. Trade and other receivables

	2022 $	2021 $
Trade receivables	31,025	12,116
Other receivables and accruals	5,000	-
Prepayments	5,256	-
	10,256	-
	41,281	12,116

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

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

Note 13. Financial assets

	2022 $	2021 $
Equity securities - designated at fair value through profit or loss	83,146	178,959

The company classifies financial assets as a current asset when it expects to realise the asset, or intends to sell or consume it, no more than 12 months after the reporting period. All other financial assets are classified as non-current.

Note 14. Property, plant and equipment

	2022 $	**2021** $
Leasehold improvements - at cost	286,758	393,477
Less: Accumulated depreciation	(131,278)	(180,593)
	155,480	212,884
Plant and equipment - at cost	145,107	145,107
Less: Accumulated depreciation	(121,946)	(119,763)
	23,161	25,344
	178,641	238,228

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

	Leasehold improvements $	Plant and equipment $	Total $
Balance at 1 July 2020	270,026	27,807	297,833
Depreciation	(57,142)	(2,463)	(59,605)
Balance at 30 June 2021	212,884	25,344	238,228
Depreciation	(57,404)	(2,183)	(59,587)
Balance at 30 June 2022	155,480	23,161	178,641

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

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

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

Leasehold improvements	5 to 15 years
Plant and equipment	2.5 to 27 years

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

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

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

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

Note 15. Right-of-use assets

	2022 $	2021 $
Land and buildings - right-of-use	245,015	248,780
Less: Accumulated depreciation	(137,420)	(91,212)
	107,595	157,568

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

	Land and buildings $	Total $
Balance at 1 July 2020	205,025	205,025
Remeasurement adjustments	(185)	(185)
Depreciation expense	(47,272)	(47,272)
Balance at 30 June 2021	157,568	157,568
Remeasurement adjustments	(3,765)	(3,765)
Depreciation expense	(46,208)	(46,208)
Balance at 30 June 2022	107,595	107,595

Accounting policy for right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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

Refer to note 19 for more information on lease arrangements.

Note 16. Intangibles

	2022 $	2021 $
Franchise fee	10,890	10,890
Less: Accumulated amortisation	(5,594)	(3,416)
	5,296	7,474
Franchise renewal fee	54,450	54,450
Less: Accumulated amortisation	(27,973)	(17,083)
	26,477	37,367
	31,773	44,841

Note 16. Intangibles (continued)

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

	Franchise fee $	Franchise renewal fee $	Total $
Balance at 1 July 2020	9,652	48,257	57,909
Amortisation expense	(2,178)	(10,890)	(13,068)
Balance at 30 June 2021	7,474	37,367	44,841
Amortisation expense	(2,178)	(10,890)	(13,068)
Balance at 30 June 2022	5,296	26,477	31,773

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

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

The franchise fees paid by the company are amortised over their useful life and assessed for impairment whenever impairment indicators are present.

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

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	December 2024
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	December 2024

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

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

Note 17. Trade and other payables

	2022 **$**	**2021** **$**
Current liabilities		
Trade payables	14,978	14,507
Other payables and accruals	35,443	28,045
	50,421	42,552
Non-current liabilities		
Other payables and accruals	15,222	30,444

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

Note 17. Trade and other payables (continued)

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

Note 18. Borrowings

	2022 $	2021 $
Current liabilities		
Bank loans	42,540	42,540
Non-current liabilities		
Bank loans	52,222	64,708

Bank loans
Bank loans are repayable monthly. Interest is recognised at rate of 4.14% (2021: 4.10%). The loans are secured by a fixed and floating charge over the company's assets.

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

Note 19. Lease liabilities

	2022 $	2021 $
Current liabilities		
Land and buildings lease liabilities	51,266	48,825
Unexpired interest	(4,570)	(6,687)
	46,696	42,138
Non-current liabilities		
Land and buildings lease liabilities	72,062	123,328
Unexpired interest	(2,407)	(6,978)
	69,655	116,350

Reconciliation of lease liabilities

	2022 $	2021 $
Opening balance	158,488	196,394
Remeasurement adjustments	(3,764)	(186)
Lease interest expense	6,673	8,593
Lease payments - total cash outflow	(45,046)	(46,313)
	116,351	158,488

Note 19. Lease liabilities (continued)

Maturity analysis

	2022 $	2021 $
Not later than 12 months	51,266	48,825
Between 12 months and 5 years	72,062	123,328
	123,328	172,153

Accounting policy for lease liabilities
Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate.

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

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

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

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

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

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

The company's lease portfolio includes:

Margate branch	The lease agreement commenced in October 2019 and is a non-cancellable term of 5 years. The company has no renewal option available. As such, the lease term end date used in the calculation of the lease liability is October 2024. The discount rate used in calculations is 4.79%.

Note 20. Provisions

	2022 $	2021 $
Lease make good	32,200	30,697

Lease make good
In accordance with the branch lease agreement, the company must restore the leased premises to the original condition before the expiry of the lease term. The company has estimated the provision to be $36,000 for the Margate branch lease, based on experience and consideration of the expected future costs to remove all fittings and the ATM as well as cost to remedy any damages caused during the removal process. The lease is due to expire on 31 October 2024 at which time it is expected the face-value costs to restore the premises will fall due.

Note 20. Provisions (continued)

Accounting policy for provisions
Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Note 21. Issued capital

	2022 Shares	2021 Shares	2022 $	2021 $
Ordinary shares - fully paid	681,359	681,359	666,359	666,359
Less: Equity raising costs	-	-	(21,754)	(21,754)
	681,359	681,359	644,605	644,605

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

Rights attached to issued capital

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

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

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

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

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

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

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

Note 21. Issued capital (continued)

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

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the Board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").

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

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

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

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

Note 22. Accumulated losses

	2022 $	2021 $
Accumulated losses at the beginning of the financial year	(323,925)	(270,567)
Loss after income tax benefit for the year	(51,427)	(53,358)
Accumulated losses at the end of the financial year	(375,352)	(323,925)

Note 23. Capital management

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

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

The distribution limit is the greater of:

- 20% of the profit or funds of the company otherwise available for distribution to shareholders in that 12 month period; and
- subject to the availability of distributable profits, the relevant rate of return multiplied by the average level of share capital of the company over that 12 month period where the relevant rate of return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

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

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

Note 24. Financial instruments

	2022 $	2021 $
Financial assets		
Trade and other receivables	36,025	12,116
Cash and cash equivalents	63,474	2,774
Financial assets	83,146	178,959
	182,645	193,849
Financial liabilities		
Trade and other payables	65,643	72,996
Lease liabilities	116,351	158,488
Bank loans	94,762	107,248
	276,756	338,732

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

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

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

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

Financial risk management
The company has exposure to credit, liquidity and market risk arising from financial instruments. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company does not use derivative instruments. Risk management is carried out directly by the Board.

Market risk
Market risk is the risk that changes in market prices - e.g. foreign exchange rates, interest rates, and equity prices - will affect the company's income or the value of its holdings in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The company has no exposure to any transactions denominated in a currency other than Australian dollars.

Price risk
The company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. The company is not exposed to commodity price risk.

Equity Price risk
All of the company's listed equity investments are listed on the Australian Stock Exchange (ASX). Changes in equity securities value is recognised through profit or loss or other comprehensive income.

Note 24. Financial instruments (continued)

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

The company held cash and cash equivalents of $63,474 at 30 June 2022 (2021: $2,774). The cash and cash equivalents are held with Bendigo Bank, which are rated BBB+ on Standard & Poor's credit ratings.

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

	2022		2021	
	Nominal interest rate %	Balance $	Nominal interest rate %	Balance $
Bank loans	4.14%	94,762	4.10%	107,248
Net exposure to cash flow interest rate risk		94,762		107,248

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

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

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

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

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

2022	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives				
Bank loans	42,540	-	-	42,540
Trade and other payables	50,421	15,222	-	65,643
Lease liabilities	51,266	72,062	-	123,328
Total non-derivatives	144,227	87,284	-	231,511

Note 24. Financial instruments (continued)

2021	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives				
Bank loans	42,540	64,708	-	107,248
Trade and other payables	42,552	30,444	-	72,996
Lease liabilities	48,825	123,328	-	172,153
Total non-derivatives	133,917	218,480	-	352,397

Note 25. Fair value measurement

Fair value hierarchy
The following tables detail the company's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

2022	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Equity securities	83,146	-	-	83,146
Total assets	83,146	-	-	83,146

2021	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Equity securities	178,959	-	-	178,959
Total assets	178,959	-	-	178,959

There were no transfers between levels during the financial year.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Note 26. Key management personnel disclosures

The following persons were directors of Redcliffe Peninsula Financial Services Limited during the financial year:

Stephen John Hart
Daniel Petravicius
Peter John Morley
Rae Amelda Frawley
Brent Anthony Campbell
Joel Lee Hudson
Serge Paggiaro

Note 26. Key management personnel disclosures (continued)

Key management personnel compensation comprised the following.

	2022 $	2021 $
Short-term employee benefits	22,114	29,200
Post-employment benefits	2,211	3,265
	24,325	32,465

Compensation of the company's key management personnel includes salaries and contributions to a post-employment superannuation fund.

Note 27. Related party transactions

The following transactions occurred with related parties:

	2022 $	2021 $
Daniel Petravicius provided the company with governance consultancy services. The total benefit received was:	2,950	3,550

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

Note 28. Remuneration of auditors

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

	2022 $	2021 $
Audit services		
Audit or review of the financial statements	5,200	5,000
Other services		
General advisory services	3,680	3,410
Share registry services	3,950	2,500
	7,630	5,910
	12,830	10,910

Note 29. Reconciliation of loss after income tax to net cash provided by operating activities

	2022 $	2021 $
Loss after income tax benefit for the year	(51,427)	(53,358)
Adjustments for:		
Depreciation and amortisation	118,863	119,945
Income reinvested in financial assets	-	(358)
Lease liabilities interest	6,673	8,593
(Increase)/decrease in fair value of equity instruments designated at FVTPL	8,252	(26,870)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(37,417)	15,210
Increase in deferred tax assets	(16,676)	(11,505)
Increase/(decrease) in trade and other payables	6,486	(4,120)
Increase in other provisions	1,503	1,433
Net cash provided by operating activities	36,257	48,970

Note 30. Earnings per share

	2022 $	2021 $
Loss after income tax	(51,427)	(53,358)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	681,359	681,359
Weighted average number of ordinary shares used in calculating diluted earnings per share	681,359	681,359
	Cents	**Cents**
Basic earnings per share	(7.55)	(7.83)
Diluted earnings per share	(7.55)	(7.83)

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

Note 31. Commitments

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

Note 32. Contingencies

	2022 $	2021 $
Contingent liabilities at reporting date		
Contingent liabilities not otherwise provided for or disclosed in the financial statements:	-	27,500

Contingent liabilities related predominantly to actual or potential claims on the company for which amounts are reasonably estimated but the liability is not probable and therefore the company has not provided for such amount in these financial statements.

Assessing the amount or liabilities that are not probable is highly judgemental. Contingent liabilities are disclosed on the basis of the known maximum exposure.

There is no longer a liability at the end of the current period.

Note 33. Events after the reporting period

Since the end of the year, the Reserve Bank of Australia (RBA) has increased the cash rate by 1.5 basis points moving from 0.85% at 30 June 2022 to 2.35% as at the date of signing these accounts. The increase in the cash rate has a direct impact on the revenue received by the company on its products (deposits and loans) offered to its customers. The company has noted a material increase in the revenue streams for the first couple of months July – August 2022.

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

Redcliffe Peninsula Financial Services Limited
Directors' declaration
30 June 2022

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

Stephen John Hart
Chair

25 October 2022

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550

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03 5443 0344

Independent auditor's report to the Directors of Redcliffe Peninsula Financial Services Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Redcliffe Peninsula Financial Services Limited (the company), which comprises:

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

In our opinion, the accompanying financial report of Redcliffe Peninsula Financial Services Limited, is in accordance with the *Corporations Act 2001*, including:

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

Basis for Opinion

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

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

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

Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550

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03 5443 0344

Other Information

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

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

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

Our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's responsibilities for the Audit of the Financial Report

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

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As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

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

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

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 25 October 2022

Adrian Downing
Lead Auditor

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