

Annual Report 2021

San Remo District Financial
Services Limited

Community Bank
San Remo, Cowes and
Grantville & Districts

ABN 20 102 770 150



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Chair's report

For year ending 30 June 2021

I am very pleased to report that SRDFS has made substantial growth and progress within our Company in a year impacted by many COVID-19 lockdowns and disruptions.

The growth is reflected in our improved financial performance, with strong growth across all aspects of the business, including deposits and lending. We have delivered an improved financial position with substantial increases in both footings and profits. All three branches achieved, surpassed and doubled the budgets set, which is an exceptional result in a testing year of lockdowns. This could not be achieved without the hard work and dedication of Michael, Tanya, Kelly and all our wonderful staff who go above and beyond to provide excellent customer service every day. The management, staff and board will continue to focus on all aspects of the business, including customer growth and supporting our communities.

In July, SRDFS declared a seven cent per share dividend, up from the previous two years and reflective of the strong growth and profits over the past year.

I would like to take this opportunity to thank Michael, Tanya, Kelly and all our fantastic staff for their ongoing commitment, focus and support to their customers, the growth of the business and support to the SRDFS Board.

I would also like to thank each of my fellow volunteer Directors, who have worked very hard throughout the year to support our Management, staff and communities. They put in many hours each month to attend committee meetings, Board meetings and presentations to ensure the business grows and provides financial support to local Community, Sporting and Social groups.

The Board, Management and staff have worked hard throughout the year to support all our customers and communities in this current, ongoing pandemic and will continue to do so. We believe we can look forward to a bright, sustainable future with the support from our customers, shareholders, staff, Directors and communities.

I hope you all stay safe and well.

Joan Matthews
Chair

Manager's report

For year ending 30 June 2021

After the events of the 2019/2020 financial year we were hoping that this year would return to 'normal', however, as we now know, this wasn't the case. We were again faced with the day to day uncertainties of COVID-19 and numerous lockdowns that were out of our control. We did all that we could to support our customers, community groups and people and I am extremely proud of how our staff responded to all of the challenges presented.

We also saw record low interest rates, tightening of margins and the increased level of competitor activity is still at an all-time high.

Taking this into account, it is beyond our expectations to report that as a Group, we were able to increase our footings by nearly \$40,000,000, to a record high of over \$359,000,000. This is an outstanding effort and a credit to the hard work of the Staff and Directors, as well as the fantastic support that our growing community gives back to us. We were subsequently delighted to be acknowledged for our efforts in two categories at the recent State Awards Conference.

Also pleasing was our profit for the year. This year, with all the uncertainty across our state, we were able to post a profit of \$221,000, not including over \$360,000 in Sponsorships and funds that were transferred to the Community Foundation for future grants and large sponsorship projects.

Our sponsorships were back on track to a degree this year; our three football clubs were the largest beneficiaries from our sponsorship program, however there were numerous other clubs and community events that we were able to assist throughout the year. We also have future large projects earmarked within our community including the Phillip Island Aquatic Centre and the Phillip Island Community Hospital.

I would like to thank all of our wonderful staff who have faced another tough year and make my job so much easier. We have been lucky that we have been able to work through the pandemic relatively unscathed. Their continued level of exceptional high customer service is a standout compared to our competitors.

We receive great support from our volunteer Board of Directors who are all passionate community members driven to build a sustainable business that invests in its people and the community. I would like to acknowledge and thank them all, together with our regional manager, Gerry Marvin, who this year led our region to be the envy of the country with our outstanding results.

I would also like to thank you, our shareholders, for your continued support of our company. Your support and banking builds a stronger community. The more we can grow our business, the more we can contribute to you and your local groups and environment. Please refer your family, friends and work colleagues to us so we can continue to grow and invest for you and our incredible, and resilient, community.

Michael Scott

Branch Manager San Remo Cowes & Grantville Branches

Dividend Payment history

Financial Year	Amount Per Share	Franking Level*
2019/2020	.05	Fully franked
2018/2019	.06	Fully franked
2017/2018	.06	Fully franked
2016/2017	.06	Fully franked
2015/2016	.06	Fully franked
2014/2015	.04	Fully franked
2013/2014	.06	Fully franked
2012/2013	.06	Fully franked
2011/2012	.03	Fully franked
2010/2011	.03	
2009/2010	.03	
2008/2009	.05	
2006/2007	.02	

Directors' Report

For the year ended 30 June 2021

The Directors present their report, together with the financial statements, on San Remo District Financial Services Limited for the financial year ended 30 June 2021.

Board of Directors

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

Joan Matthews

Title:	Chair
Qualifications:	Diploma of Accounting
Experience & Expertise:	National Sales and Marketing Manager for Park Units, small business operator for 25 years.

Peter Paul

Title:	Deputy Chair
Qualifications:	B.A., B.Ed., B.Tech., T.P.T.C
Experience & Expertise:	School principal for over 30 years, former Councillor and Mayor of Bass Coast Shire.

Pat Russell

Title:	Non-Executive Director
Qualifications:	Cert IV Training Diploma Management
Experience & Expertise:	28 years at Phillip Island Nature Parks; Local CFA trainer and facilitator for over 5 years.

Greg Mead

Title:	Non-Executive Director
Qualifications:	Nil
Experience & Expertise:	27 year of experience on RSL committees, with 8 years of experience as President of Phillip Island RSL Board.

Sue Munro

Title:	Non-Executive Director
Qualifications:	Nil
Experience & Expertise:	Tabcorp Holdings and General Manager, Club Kilsyth and Club Ringwood

Caroline Talbot

Title:	Non-Executive Director
Qualifications:	Cert III Business administration
Experience & Expertise:	25 years school office manager, member of Community Advisory group, Wonthaggi Regional Health

Bruce Procter

Title:	Non-Executive Director
Qualifications:	Certificate Course in Post Office Administration
Experience & Expertise:	Past director of Warley Hospital and past director of Bass Coast Regional Health.

Kelvin Simpson

Title:	Non-Executive Director
Qualifications:	Diploma of Mortgage Lending, William Angliss (Cooking)
Experience & Expertise:	Mortgage Broker, Business Owner, Manager, President of Dalyston Rec Reserve

Directors' Report

For the year ended 30 June 2021

Board of Directors (*continued*)

Bronwyn Pratt	
Title:	Non-Executive Director
Qualifications:	Diploma of Education, Associate Diploma of Arts - Gold & Silversmithing
Experience & Expertise:	Goldsmith, Secondary Teacher, Business Owner, President/Secretary SRTDB INC, President of the GSGA

Janice Rowlingson	
Title:	Non-Executive Director
Qualifications:	Cert IV Business Administration, Certificate in Accounting
Experience & Expertise:	Small business owner/operator for 6 years. 14 years experience working with a CPA firm.

Paul Waylen	
Title:	Non-Executive Director
Qualifications:	Engineer
Experience & Expertise:	Director and owner of engineering company for over 40 years.

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

No Directors have material interests in contracts or proposed contracts with the company.

Directors' Meetings

Attendances by each Director during the year were as follows:

Director	Board Meetings	
	A	B
Joan Matthews	12	11
Pat Russell	12	11
Greg Mead	12	11
Sue Munro	8	6
Peter Paul	12	12
Caroline Talbot	12	12
Bruce Procter	12	12
Kelvin Simpson	12	11
Bronwyn Pratt	12	9
Janice Rowlingson	12	7
Paul Waylen	12	10

A - The number of meetings eligible to attend.

B - The number of meetings attended.

Company Secretary

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

Caroline Talbot	
Qualifications:	Cert III Business administration
Experience & Expertise:	25 years school office manager, member of Community Advisory group, Wonthaggi Regional Health

Directors' Report

For the year ended 30 June 2021

Principal Activities

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

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

Operating Results

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

	30 June 2021 (\$)	30 June 2020 (\$)	Movement
Profit After Tax	190,580	154,319	23%

Directors' Benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

Director's Interests

Director	Fully Paid Ordinary Shares		
	Balance at July 1 2020	Changes During the Year	Balance at 30 June 2021
Joan Matthews	11,801	-	11,801
Pat Russell	2,000	-	2,000
Greg Mead	24,151	-	24,151
Sue Munro	-	-	-
Peter Paul	33,652	-	33,652
Caroline Talbot	3,200	-	3,200
Bruce Procter	1,000	-	1,000
Kelvin Simpson	-	-	-
Bronwyn Pratt	1,100	-	1,100
Janice Rowlingson	3,300	-	3,300
Paul Waylen	30,250	-	30,250

Dividends

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

	Cents per Share	Total Amount (\$)
Final fully franked dividend	7.00	104,212
Total Amount	7.00	104,212

Directors' Report

For the year ended 30 June 2021

Options

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

Significant Changes in the State of Affairs

During the financial year, the Australian economy was greatly impacted by COVID-19. Bendigo Bank, as franchisor, announced a suite of measures aimed at providing relief to customers affected by the COVID-19 pandemic. The uncertain economic conditions has not materially impacted the company's earnings for the financial year. As the pandemic continues to affect the economic environment, uncertainty remains on the future impact of COVID 19 to the company's operations.

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

Events Since the end of the Financial Year

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

Likely Developments

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

Environmental Regulations

The company is not subject to any significant environmental regulation.

Indemnification & Insurance of Directors & Officers

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

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

Proceedings on Behalf of the Company

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

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

Directors' Report

For the year ended 30 June 2021

Non-audit Services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (RSD Audit) for audit and non-audit services provided during the year are set out in Note 29 to the accounts.


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

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

Auditor's Independence Declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6 of this financial report.

Signed in accordance with a resolution of the Board of Directors at San Remo, Vic.



Joan Matthews
Chair

Dated this 8th day of September, 2021

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Bendigo, Victoria
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admin@rsdaudit.com.au
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Auditors Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors of San Remo District Financial Services Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of San Remo District Financial Services Limited. As the lead audit partner for the audit of the financial report for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.

RSD Audit



Kathie Teasdale
Partner
41A Breen Street
Bendigo VIC 3550

Dated: 9 September 2021

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

	Note	2021 \$	2020 \$
Revenue			
Revenue from contracts with customers	7	1,973,709	1,956,245
Other revenue	8	117,500	137,500
Finance income	9	1,990	3,140
		2,093,199	2,096,885
Expenses			
Employee benefits expense	10	(945,341)	(1,080,850)
Depreciation and amortisation	10	(152,040)	(148,104)
Finance costs	10	(14,156)	(16,595)
Bad and doubtful debts expense		(90)	(440)
Administration and general costs		(133,550)	(151,034)
Occupancy expenses		(82,584)	(77,724)
IT expenses		(83,874)	(85,547)
Advertising and marketing		(28,891)	(27,879)
Other expenses		(35,607)	(38,704)
		(1,476,133)	(1,626,877)
Operating profit before charitable donations and sponsorship		617,066	470,008
Charitable donations and sponsorship	10	(373,005)	(277,824)
Profit before income tax		244,061	192,184
Income tax expense	11	(53,481)	(37,865)
Profit for the year after income tax		190,580	154,319
Total comprehensive income attributable to ordinary shareholders of the company		190,580	154,319
Earnings per share		¢	¢
- basic and diluted earnings per share	31	12.80	10.37

Statement of Financial Position
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	12	285,786	408,088
Trade and other receivables	13	166,612	154,921
Financial assets	14	460,338	207,654
Other assets	15	11,410	7,855
Total current assets		924,146	778,518
Non-current assets			
Property, plant and equipment	16	988,730	977,864
Right-of-use assets	17	272,039	332,492
Intangible assets	18	193,492	10,168
Deferred tax assets	19	15,727	25,067
Total non-current assets		1,469,988	1,345,591
Total assets		2,394,134	2,124,109
Liabilities			
Current liabilities			
Trade and other payables	20	116,654	64,137
Current tax liability	19	22,265	27,682
Borrowings	21	-	6,094
Lease liabilities	22	69,840	55,683
Employee benefits	23	101,968	172,083
Provision for dividends		130,575	-
Total current liabilities		441,302	325,679
Non-current liabilities			
Trade and other payables	20	137,308	-
Lease liabilities	22	214,176	284,017
Employee benefits	23	1,915	1,348
Total non-current liabilities		353,399	285,365
Total liabilities		794,701	611,044
Net assets		1,599,433	1,513,065
Equity			
Issued capital	24	1,423,739	1,423,739
Retained earnings	25	175,694	89,326
Total equity		1,599,433	1,513,065

The accompanying notes form part of these financial statements

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

	Note	Issued Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2019		1,423,739	9,444	1,433,183
Comprehensive income for the year				
Profit for the year		-	154,319	154,319
Transactions with owners in their capacity as owners				
Dividends paid or provided	30	-	(74,437)	(74,437)
Balance at 30 June 2020		1,423,739	89,326	1,513,065
Balance at 1 July 2020		1,423,739	89,326	1,513,065
Comprehensive income for the year				
Profit for the year		-	190,580	190,580
Transactions with owners in their capacity as owners				
Dividends paid or provided	30	-	(104,212)	(104,212)
Balance at 30 June 2021		1,423,739	175,694	1,599,433

Statement of Cash Flows

For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from customers		2,075,817	2,064,144
Payments to suppliers and employees		(1,644,085)	(1,711,628)
Interest paid		(14,156)	(16,595)
Interest received		2,709	2,692
Income tax paid		(49,558)	(19,412)
Net cash flows provided by operating activities	26b	370,727	319,201
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		15,454	-
Purchase of property, plant and equipment		(76,204)	-
Purchase of investments		(252,684)	(24,717)
Purchase of intangible assets		(45,165)	-
Net cash flows used in investing activities		(358,599)	(24,717)
Cash flows from financing activities			
Repayment of borrowings		(6,094)	(8,818)
Repayment of lease liabilities		(55,684)	(53,244)
Dividends paid		(72,652)	(87,801)
Net cash flows used in financing activities		(134,430)	(149,863)
Net increase/(decrease) in cash held		(122,302)	144,621
Cash and cash equivalents at beginning of financial year		408,088	263,467
Cash and cash equivalents at end of financial year	26a	285,786	408,088

The accompanying notes form part of these financial statements

Notes to the Financial Statements

For the year ended 30 June 2021

Note 1. Corporate Information

These financial statements and notes represent those of San Remo District Financial Services Limited (the Company) as an individual entity. San Remo District Financial Services Limited is a company limited by shares, incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on 8th September 2021.

Further information on the nature of the operations and principal activity of the company is provided in the directors' report. Information on the company's related party relationships is provided in Note 28.

Note 2. Basis of Preparation

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

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

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar, unless otherwise stated.

Note 3. Summary of Significant Accounting Policies

The company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

(a) Economic Dependency

The Company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the following Community Bank branches:

San Remo Community Bank
Cowes Community Bank
Grantville Community Bank

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

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

Notes to the Financial Statements

For the year ended 30 June 2021

Note 3. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

(b) Revenue From Contracts With Customers

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

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

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

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

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

Notes to the Financial Statements

For the year ended 30 June 2021

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

Revenue Calculation

The franchise agreement provides that three forms of revenue may be earned by the company – margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services.

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

Margin

Margin is arrived at through the following calculation:

Interest paid by customers on loans, less interest paid to customers on deposits
<i>plus</i>
Deposit returns (i.e. interest return applied by BABL on deposits)
<i>minus</i>
Any costs of funds (i.e. interest applied by BABL to fund a loan)

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

Commission

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

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

Fee Income

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

Core Banking Products

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

Ability to Change Financial Return

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

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

Notes to the Financial Statements

For the year ended 30 June 2021

Note 3. Summary of Significant Accounting Policies (continued)

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

(c) Other Revenue

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

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

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

Discretionary Financial Contributions

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

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

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

Cash Flow Boost

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

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

The amounts are not assessable for tax purposes and there is no obligation to repay the amounts when the cash flow of the company improves.

Notes to the Financial Statements

For the year ended 30 June 2021

Note 3. Summary of Significant Accounting Policies (continued)**(d) Employee Benefits****Short-term Employee Benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for salary and wages (including non-monetary benefits), annual leave, and sick leave which are expected to be wholly settled within 12 months of the reporting date. They are measured at amounts expected to be paid when the liabilities are settled, plus related on-costs. Expenses for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

An annual leave liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated.

Other Long-term Employee Benefits

The company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior reporting periods.

That benefit is discounted to determine its present value. Consideration is given to expected future wage and salary levels plus related on-costs, experience of employee departures, and years of service achieved. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimate future cash outflows.

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

(e) Tax

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

Current Income Tax

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

Deferred Tax

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

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

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

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

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

Notes to the Financial Statements

For the year ended 30 June 2021

Note 3. Summary of Significant Accounting Policies (continued)**Goods & Services Tax**

Revenues, expenses and assets are recognised net of the amount of GST, except:

- when the amount of GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue or expense item.
- when receivables and payables are stated with the amount of GST included.

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

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

(f) Cash & Cash Equivalents

For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise: cash on hand, deposits held with banks, and short-term, highly liquid investments (mainly money market funds) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(g) Property, Plant & Equipment**Recognition & Measurement**

Items of property, plant and equipment are measured at cost or fair value as applicable, which includes capitalised borrowings costs, less accumulated depreciation and any accumulated impairment losses.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent Expenditure

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

Depreciation

Depreciation is calculated to write-off the cost of items of property, plant and equipment less their estimated residual values using diminishing value method over their estimated useful lives, and is recognised in profit or loss.

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

Asset Class	Method	Useful Life
Buildings	Straight line	75 years
Leasehold improvements	Straight line	8 - 10 years
Plant & equipment	Straight line	3 - 10 years
Motor vehicles	Straight line	6 years

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

Notes to the Financial Statements

For the year ended 30 June 2021

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

(h) Intangible Assets

Intangible assets of the company include the franchise fees paid to Bendigo Bank conveying the right to operate the Community Bank franchise.

Recognition & Measurement

Intangible assets acquired separately are measured on initial recognition at cost.

Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognised in profit or loss as incurred.

Amortisation

Intangible assets are amortised over their useful life and assessed for impairment whenever impairment indicators are present.

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

Asset Class	Method	Useful Life
Establishment fee	Straight line	Franchise term (5 years)
Franchise fee	Straight line	Franchise term (5 years)

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

(i) Financial Instruments

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

Sub-note (i) and (j) refer to the following acronyms:

Acronym	Meaning
FVTPL	Fair value through profit or loss
FVTOCI	Fair value through other comprehensive income
SPPI	Solely payments of principal and interest
ECL	Expected credit loss
CGU	Cash-generating unit

Recognition & Initial Measurement

Trade receivables are initially recognised when they originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to the acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Notes to the Financial Statements

For the year ended 30 June 2021

Note 3. Summary of Significant Accounting Policies (continued)**Classification & Subsequent Measurement***Financial Assets*

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

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVTOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial Assets - Business Model Assessment

The company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed.

Financial Assets - Subsequent Measurement, Gains & Losses

For financial assets at amortised cost, these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial Liabilities - Classification, Subsequent Measurement, Gains & Losses

Borrowings and other financial liabilities (including trade payables) are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition*Financial Assets*

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Where the company enters into transactions where it transfers assets recognised in the statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred asset, the transferred assets are not derecognised.

Notes to the Financial Statements

For the year ended 30 June 2021

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

The company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

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

(j) Impairment*Non-derivative Financial Instruments*

The company recognises a loss allowance for estimated credit losses (ECL)'s on its trade receivables.

ECL's are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received.

In measuring the ECL, a provision matrix for trade receivables is used, taking into consideration various data to get to an ECL, (i.e. diversity of its customer base, appropriate groupings of its historical loss experience etc.).

Recognition of ECL in Financial Statements

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The company's trade receivables are limited to the monthly profit share distribution from Bendigo and Adelaide Bank, which is received 14 days post month end. Due to the reliance on Bendigo and Adelaide Bank the company has reviewed credit ratings provided by Standard & Poors, Moody's and Fitch Ratings to determine the level of credit exposure to the company. The company also performed a historical assessment of receivables from Bendigo and Adelaide Bank and found no instances of default. As a result no impairment loss allowance has been made in relation to trade receivables as at 30 June 2021.

Non-financial Assets

At each reporting date, the company reviews the carrying amount of its non-financial assets (other than investment property, contracts assets, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The company has assessed for impairment indicators and noted no material impacts on the carrying amount of non-financial assets

(k) Issued Capital*Ordinary Shares*

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

Notes to the Financial Statements

For the year ended 30 June 2021

Note 3. Summary of Significant Accounting Policies (continued)**(l) Leases****As Lessee**

At commencement or on modification of a contract that contains a lease component, the company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for leases of property the company has elected not to separate lease and non-lease components and account for the lease and non-lease components as a single lease component.

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the company by the end of the lease term or the costs of the right-of-use asset reflects that the company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate.

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

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual guarantee; and
- the exercise price under a purchase option the company is reasonable certain to exercise, lease payments in an option renewal period if the company is reasonably certain to exercise that option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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

Short-term Leases & Leases of Low-value Assets

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

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

As Lessor

The company has not been a party in an arrangement where it is a lessor.

Notes to the Financial Statements

For the year ended 30 June 2021

Note 3. Summary of Significant Accounting Policies (continued)**(m) Standards Issued But Not Yet Effective**

There are no new standards effective for annual reporting periods beginning after 1 January 2020 that are expected to have a significant impact on the company's financial statements.

(n) Comparative Figures

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

Note 4. Significant Accounting Judgements, Estimates & Assumptions

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to these estimates are recognised prospectively.

(a) Judgements

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

Note	Judgement
Note 7 - Revenue	Whether revenue is recognised over time or at a point in time
(a) Control	Whether a contract is or contains a lease at inception by assessing whether the company has the right to direct the use of the identified asset and obtain substantially all the economic benefits from the use of that asset
(b) Lease term	Whether the company is reasonably certain to exercise extension options, termination periods, and purchase options
(c) Discount rates	Judgement is required to determine the discount rate, where the discount rate is the company's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. The incremental borrowing rate is determined with reference to factors specific to the company and underlying asset including: <ul style="list-style-type: none"> • the amount • the lease term • economic environment • any other relevant factors

Notes to the Financial Statements

For the year ended 30 June 2021

Note 4. Significant Accounting Judgements, Estimates & Assumptions (continued)**(b) Assumptions & Estimation Uncertainty**

Information about assumptions and estimation uncertainties at 30 June 2020 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note	Assumption
Note 19 - Recognition of deferred tax assets	Availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilised
Note 16 - Estimation of asset useful lives	Key assumptions on historical experience and the condition of the asset
Note 23 - Long service leave provision	Key assumptions on attrition rate of staff and expected pay increases through promotion and inflation

Note 5. Financial Risk Management

The company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company does not utilise any derivative instruments.

Risk management is carried out directly by the Board of Directors.

(a) Credit Risk

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

The company has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo and Adelaide Bank.

(b) Liquidity Risk

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

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

30 June 2021		Contractual Cash Flows		
Non-derivative Financial Liability	Carrying Amount	< 12 Months	1 - 5 Years	> 5 Years
Lease liabilities	284,016	72,638	246,419	-

Notes to the Financial Statements

For the year ended 30 June 2021

Note 5. Financial Risk Management (continued)**(c) Market Risk**

Market risk is the risk that changes in market prices - e.g. foreign exchange rates, interest rates, and equity prices - will affect the company's income or the value of its holdings in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The company has no exposure to any transactions denominated in a currency other than Australian dollars.

Price Risk

The company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. There is no exposure to the company in regard to commodity price risk.

Cash Flow & Fair Values Interest Rate Risk

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

The company held cash and cash equivalents of \$285,786 at 30 June 2021 (2020: \$408,088). The cash and cash equivalents are held with Bendigo & Adelaide Bank, which are rated BBB on Standard & Poor's credit ratings.

Note 6. Capital Management

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

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

The distribution limit is the greater of:

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

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

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

Notes to the Financial Statements

For the year ended 30 June 2021

Note 7. Revenue From Contracts With Customers

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

	2021 \$	2020 \$
Revenue		
- Revenue from contracts with customers	1,973,709	1,965,245
	1,973,709	1,965,245
Disaggregation of Revenue From Contracts With Customers		
- Margin income	1,666,994	1,586,883
- Fee income	153,575	169,125
- Commission income	153,140	200,237
	1,973,709	1,956,245

All revenue from contracts customers shown above was recognised at a point in time. There was no revenue from contracts with customers recognised over time during the financial year.

Note 8. Other Revenue

The company generates other sources of revenue as outlined below.

	2021 \$	2020 \$
Other Revenue		
- Cashflow boost	50,000	50,000
- Market development fund income	67,500	87,500
	117,500	137,500

Note 9. Finance Income

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

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

	2021 \$	2020 \$
Finance Income		
At amortised cost:		
- Interest from term deposits	1,990	3,140
	1,990	3,140

Notes to the Financial Statements

For the year ended 30 June 2021

Note 10. Expenses

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

(a) Employee Benefits Expense

	2021 \$	2020 \$
Employee Benefits Expense		
- Wages & salaries	833,894	940,960
- Superannuation costs	77,853	84,312
- Other expenses related to employees	33,594	55,578
	945,341	1,080,850

(b) Depreciation & Amortisation Expense

	2021 \$	2020 \$
Depreciation of Non-current Assets		
- buildings	10,515	10,952
- leasehold improvements	23,320	25,525
- plant and equipment	8,142	5,528
- motor vehicles	5,297	4,979
	47,274	46,984
Depreciation of Right-of-use Assets		
- leased buildings	60,453	60,452
	60,453	60,452
Amortisation of Intangible Assets		
- franchise fees	44,313	40,668
	44,313	40,668
Total depreciation & amortisation expense	152,040	148,104

The non-current tangible and intangible assets listed above are depreciated and amortised in accordance with the company's accounting policy (see Note 3(g) and 3(h) for details).

(c) Finance Costs

	Note	2021 \$	2020 \$
Finance Costs			
- Interest paid		14,156	16,595
		14,156	16,595

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

Notes to the Financial Statements

For the year ended 30 June 2021

Note 10. Expenses (continued)**(d) Community Investments & Sponsorship**

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

	Note	2021 \$	2020 \$
Community Investments & Sponsorship			
- Direct sponsorship and grant payments		373,005	277,824
		373,005	277,824

The funds contributed are held by the Community Enterprise Foundation (CEF) and are available for distribution as grants to eligible applicants for a specific purpose in consultation with the directors.

When the company pays a contribution in to the CEF, the company loses control over the funds at that point. While the directors are involved in the payment of grants, the funds are not refundable to the company.

Notes to the Financial Statements

For the year ended 30 June 2021

Note 11. Income Tax Expense

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

(a) The Components of Tax Expense

	2021 \$	2020 \$
Current tax expense	52,676	51,426
Deferred tax expense	7,766	(11,680)
Recoupment of prior year tax losses	-	-
Under / (over) provision of prior years	1,878	(1,880)
Change in tax rate	516	-
FITB	(9,355)	-
	53,481	37,865

(b) *Prima Facie* Tax Payable

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

	2021 \$	2020 \$
Prima facie tax on profit before income tax at 26% (2020: 27.5%)	63,456	52,851
Add Tax Effect Of:		
- Utilisation of previously unrecognised carried forward tax losses		
- Under / (over) provision of prior years	1,971	(1,880)
- Non-deductible expenses	538	644
- Cashflow boost	(13,000)	(13,750)
- Reduction in tax rate (timing differences)	516	-
Income tax attributable to the entity	53,481	37,865
The applicable weighted average effective tax rate is:	21.91%	19.70%

Notes to the Financial Statements

For the year ended 30 June 2021

Note 12. Cash & Cash Equivalents

	2021 \$	2020 \$
Cash at bank and on hand	285,786	408,088
	285,786	408,088

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

Note 13. Trade & Other Receivables

	2021 \$	2020 \$
Current		
Trade receivables	166,612	154,202
Other receivables	-	719
	166,612	154,921

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

The Company's main debtor relates to the Bendigo & Adelaide Bank monthly profit share distribution, which is deposited within a reasonable timeframe each month. There are no items that require the application of the lifetime expected credit loss model.

Note 14. Financial Assets

	2021 \$	2020 \$
At Amortised Cost		
Term deposits	460,338	207,654
	460,338	207,654

Term deposits classified as financial assets include only those with a maturity period greater than three months. Where maturity periods are less than three months, these investments are recorded as cash and cash equivalents.

Note 15. Other Assets

	2021 \$	2020 \$
Prepayments	7,820	7,247
Security bond	3,590	500
Other	-	108
	11,410	7,855

Other assets represent items that will provide the entity with future economic benefits controlled by the entity as a result of past transactions or other past events.

Notes to the Financial Statements

For the year ended 30 June 2021

Note 16. Property, Plant & Equipment**(a) Carrying Amounts**

	2021 \$			2020 \$		
	At Cost / Valuation	Accumulated Depreciation	Written Down Value	At Cost / Valuation	Accumulated Depreciation	Written Down Value
Land & Buildings	816,513	90,898	725,615	816,513	80,383	736,130
Leasehold improvements	437,635	265,161	172,474	437,635	241,841	195,794
Plant & equipment	271,094	220,029	51,065	236,039	211,887	24,152
Motor vehicles	41,149	1,573	39,576	33,192	11,404	21,788
	1,566,391	577,661	988,730	1,523,379	545,515	977,864

(b) Movements in Carrying Amounts

2021	Land & Buildings \$	Leasehold Imp. \$	Plant & Equipment \$	Motor Vehicles \$
Opening carrying value	736,130	195,794	24,152	21,788
Additions	-	-	35,055	41,149
Disposals	-	-	-	(18,064)
Depreciation expense	(10,515)	(23,320)	(8,142)	(5,297)
Closing carrying value	725,615	172,474	51,065	39,576

2020	Land & Buildings \$	Leasehold Imp. \$	Plant & Equipment \$	Motor Vehicles \$
Opening carrying value	747,082	221,319	29,680	26,767
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation expense	(10,952)	(25,525)	(5,528)	(4,979)
Closing carrying value	736,130	195,794	24,152	21,788

(c) Capital Expenditure Commitments

The entity does not have any capital expenditure commitments as at 30 June 2021 (2020: None).

(d) 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.

Notes to the Financial Statements

For the year ended 30 June 2021

Note 17. Right-of-use Assets

Right-of-use assets are measured at amounts equal to the present value of enforceable future payments on the adoption date, adjusted for lease incentives, make-good provisions, and initial direct costs.

The company derecognises right-of-use assets at the termination of the lease period or when no future economic benefits are expected to be derived from the use of the underlying asset.

The company's lease portfolio includes buildings.

Options to Extend or Terminate

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

AASB 16 Amounts Recognised in the Statement of Financial Position

	Leased Buildings \$	Total ROU Asset \$
Leased asset	392,944	392,944
Depreciation	(120,905)	(120,905)
	272,039	272,039

Movements in carrying amounts:

	Leased Buildings \$	Total ROU Asset \$
Recognised on initial application of AASB 16	392,944	392,944
Depreciation expense	(120,905)	(120,905)
Net carrying amount	272,039	272,039

AASB 16 Amounts Recognised in the Statement of Financial Position

	2021 \$	2020 \$
Depreciation expense related to right-of-use assets	(60,453)	(60,452)
Interest expense on lease liabilities	(14,156)	(16,595)

Notes to the Financial Statements

For the year ended 30 June 2021

Note 18. Intangible Assets**(a) Carrying Amounts**

	2021			2020		
	At Cost / Valuation	Accumulated Amortisation	Written Down Value	At Cost / Valuation	Accumulated Amortisation	Written Down Value
Franchise fees	227,637	34,145	193,492	203,343	193,175	10,168
	227,637	34,145	193,492	203,343	193,175	10,168

(b) Movements in Carrying Amounts

2021	Franchise Fees \$
Opening carrying value	10,168
Additions	227,637
Disposals	-
Amortisation expense	(44,313)
Closing carrying value	193,492

2020	Franchise Fees \$
Opening carrying value	50,836
Additions	-
Disposals	-
Amortisation expense	(40,668)
Closing carrying value	10,168

Notes to the Financial Statements

For the year ended 30 June 2021

Note 19. Tax Assets & Liabilities**(a) Current Tax**

	2021 \$	2020 \$
Income tax payable	22,265	27,682

(b) Deferred Tax

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

	30 June 2020 \$	Recognised in P & L \$	30 June 2021 \$
Deferred Tax Assets			
- Expense accruals	5,635	(1,465)	4,170
- Employee provisions	20,464	6,546	27,010
Total deferred tax assets	26,099	5,081	31,180
Deferred Tax Liabilities			
- Right-of-use assets	1,982	(1,982)	-
- Prepayments	(1,993)	(40)	(2,033)
- Property, plant & equipment	(1,022)	(12,398)	(13,420)
Total deferred tax liabilities	(1,033)	(14,420)	(15,453)
Net deferred tax assets	25,066	(9,339)	15,727

Movement in the company's deferred tax balances for the year ended 30 June 2020:

	30 June 2019 \$	Recognised in P & L \$	30 June 2020 \$
Deferred Tax Assets			
- Expense accruals	3,285	2,350	5,635
- Provision for doubtful debts	-	-	-
- Unused tax losses	-	-	-
- Property, plant & equipment	-	-	-
- Employee provisions	18,528	1,936	20,464
Total deferred tax assets	21,813	4,286	26,099
Deferred Tax Liabilities			
- Right-of-use assets	-	1,982	1,982
- Prepayment	(1,867)	(126)	(1,993)
- Property, plant & equipment	(6,559)	5,537	(1,022)
Total deferred tax liabilities	(8,426)	7,393	(1,033)
Net deferred tax assets	13,387	11,679	25,066

Notes to the Financial Statements

For the year ended 30 June 2021

Note 20. Trade & Other Payables

	2021 \$	2020 \$
Current		
Trade creditors	17,743	13,625
Other creditors and accruals	53,747	50,512
Franchise fee payable	45,164	-
	116,654	64,137
Non-Current		
Franchise fee payable	137,308	-
	137,308	-

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

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

Note 21. Borrowings

	2021 \$	2020 \$
Current		
Secured Liabilities		
Chattel mortgage	-	6,094
	-	6,094
Total borrowings	-	6,094

Loans

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Notes to the Financial Statements

For the year ended 30 June 2021

Note 22. Lease Liabilities

Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate on the adoption date. The discount rate used on recognition was 4.5%.

The discount rate used in calculating the present value of enforceable future payments takes into account the particular circumstances applicable to the underlying leased assets (including the amount, lease term, economic environment, and other relevant factors).

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

(a) Lease Portfolio

The company's lease portfolio includes:

Lease	Details
San Remo Branch	The lease agreement is a non-cancellable lease with an initial term of five years which commenced in October 2015. The lease has one further five year extension option available.
Grantville Branch	The lease agreement is a non-cancellable lease with an initial term of five years which commenced in October 2015. The lease has two further five year extension option available.

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

(b) Lease Liabilities

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2021 \$	2020 \$
Current	69,840	55,683
Non-current	214,176	284,017

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2021 were as follows:

	Minimum lease payments due				
	< 1 Year	1 - 2 Years	3 - 5 Years	> 5 years	Total
30 June 2021					
Lease payments	72,638	148,521	97,898	-	319,057
Finance charges	(11,679)	(20,387)	(2,975)	-	35,041
Net present values	60,959	128,134	94,923	-	284,016
30 June 2020					
Lease payments	69,837	139,674	174,593	-	384,104
Finance charges	(16,594)	(20,515)	(7,295)	-	44,404
Net present values	53,243	119,159	167,298	-	339,700

Notes to the Financial Statements

For the year ended 30 June 2021

Note 23. Employee Benefits

	2021 \$	2020 \$
Current		
Provision for annual leave	42,388	24,065
Provision for long service leave	59,580	49,003
Provision for dividends	130,575	99,015
	232,543	172,083
Non-Current		
Provision for long service leave	1,915	1,348
	1,915	1,348

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

Employee Attrition Rates

The company uses historical employee attrition rates in determining the probability of an employee, at a given date, achieving continuous employment eligible for entitlement in accordance with long service leave legislation.

Note 24. Issued Capital**(a) Issued Capital**

	2021		2020	
	Number	\$	Number	\$
650,011 Ordinary shares - fully paid	650,011	650,011	650,011	650,011
436,498 Ordinary shares - fully paid Cowes Branch	436,498	436,498	436,498	436,498
337,230 Ordinary shares - fully paid Grantville Branch	337,230	337,230	337,230	337,230
	1,423,739	1,423,739	1,423,739	1,423,739

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

(b) Movements in share capital

	2021 \$	2020 \$
Fully paid ordinary shares:		
At the beginning of the reporting period	1,488,739	1,488,739
Shares issued during the year	-	-
At the end of the reporting period	1,488,739	1,488,739

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

Notes to the Financial Statements

For the year ended 30 June 2021

Note 25. Retained Earnings

	Note	2021 \$	2020 \$
Balance at the beginning of the reporting period		89,326	9,444
Profit for the year after income tax		190,580	154,319
Dividends paid	30	(104,212)	(74,437)
Balance at the end of the reporting period		175,694	89,326

Note 26. Cash Flow Information

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

	2021 \$	2020 \$
Cash and cash equivalents (Note 12)	285,786	408,088
As per the Statement of Cash Flows	285,786	408,088

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

	2021 \$	2020 \$
Profit for the year after income tax	190,580	154,319
Non-cash flows in profit		
- Depreciation	107,728	107,435
- Amortisation	44,312	40,668
- Bad debts	-	-
- Net loss on disposal of property, plant & equipment	2,610	-
Changes in assets and liabilities		
- (Increase) / decrease in trade and other receivables	(11,691)	(30,200)
- (Increase) / decrease in prepayments and other assets	(3,555)	(306)
- (Increase) / decrease in deferred tax asset	9,340	(13,560)
- Increase / (decrease) in trade and other payables	7,353	21,789
- Increase / (decrease) in current tax liability	(5,417)	32,014
- Increase / (decrease) in provisions	29,467	7,042
Net cash flows from operating activities	370,727	319,201

Notes to the Financial Statements

For the year ended 30 June 2021

Note 27. Financial Instruments

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

	Note	2021 \$	2020 \$
Financial Assets			
Trade and other receivables	13	166,612	154,921
Cash and cash equivalents	12	285,786	408,088
Term deposits	14	460,338	207,654
		912,736	770,663
Financial Liabilities			
Trade and other payables	20	253,962	64,137
Borrowings	21	-	6,094
Lease liabilities	22	284,016	339,700
		537,978	409,931

Note 28. Related Parties**(a) Key Management Personnel**

Key management personnel includes any person having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any Director (whether executive or otherwise) of that company. The only key management personnel identified for the company are the Board of Directors, the members of which are listed in the Directors' report.

(b) Key Management Personnel Compensation

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

(c) Other Related Parties

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

(d) Transactions With Key Management Personnel & Related Parties

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

Name of Related Party	Description of Goods or Services Provided	Value \$
Park Accommodation (Joan Matthews)	Rent Payments	41,527

Notes to the Financial Statements

For the year ended 30 June 2021

Note 28. Related Parties (continued)**(e) Key Management Personnel Shareholdings**

The number of ordinary shares in the company held by each key management personnel during the financial year has been disclosed in the Director's Report.

(f) Other Key Management Transactions

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

Note 29. Auditor's Remuneration

The appointed auditor of San Remo District Financial Services Limited for the year ended 30 June 2021 is RSD Audit. Amounts paid or due and payable to the auditor are outlined below.

	2021 \$	2020 \$
Audit & Review Services		
Audit and review of financial statements (RSD Audit)	5,700	5,700
	5,700	5,700
Non-Audit Services		
Preparation of the financial statements	1,700	1,300
	1,700	1,300
Total auditor's remuneration	7,400	7,000

Note 30. Dividends

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

	2021		2020	
	Number	\$	Number	\$
Fully franked dividend	1,488,739	104,212	1,488,739	74,437
Dividends provided for and paid during the year	1,488,739	104,212	1,488,739	74,437

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

Note 31. Earnings Per Share

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

	2021 \$	2020 \$
Profit attributable to ordinary shareholders	190,580	154,319
	Number	Number
Weighted average number of ordinary shares	1,488,739	1,488,739
	¢	¢
Basic and diluted earnings per share	12.80	10.37

Notes to the Financial Statements

For the year ended 30 June 2021

Note 32. Events After the Reporting Period

There have been no significant events after the end of the financial year that would have a material impact on the financial statements or the company's state of affairs.

Note 33. Commitments & Contingencies

Any commitments for future expenditure associated with leases are recorded in Note 22. Details about any capital commitments are detailed in Note 16(c).

The company has no other commitments requiring disclosure.

There were no contingent liabilities or assets at the date of this report that would have an impact on the financial statements.

Note 34. Company Details

The registered office of the company is:

San Remo District Financial Services Limited	103A Marine Parade, San Remo VIC 3925
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The principal places of business are:

San Remo & District Community Bank	103A Marine Parade, San Remo VIC 3925
Grantville & District Community Bank	2/1503 Bass Hwy, Grantville VIC 3984
Cowes & District Community Bank	1/209-213 Settlement Rd, Cowes VIC 3922

Director's Declaration

For the year ended 30 June 2021

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

In the opinion of the directors:

- (a) The financial statements and notes of the company are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable

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



Joan Matthews

Chair

Dated this 8th day of September, 2021

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SAN REMO DISTRICT FINANCIAL SERVICES LIMITED**

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of San Remo District Financial Services Limited (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the accompanying financial report of San Remo Community 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 2021 and of its performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*

Basis for Opinion

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

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

Independence

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

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

Director's Responsibility for the Financial Report

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

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

Auditor's Responsibility for the Audit of the Financial Report

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

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

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

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

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

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

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

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

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RSD Audit

Chartered Accountants

**Kathie Teasdale**

Partner

Bendigo

Dated: 9 September 2021

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