

Shoalhaven Community Financial Services Ltd
ABN 77 128 253 065

Trading as

Nowra & District Community Bank
Branch of Bendigo & Adelaide Bank Ltd

Financial Report
For the year ended 30 June 2019

Nowra & District Community Bank Branch of Bendigo & Adelaide Bank Ltd Directors Report for 30 June 2019

Directors Report

The Directors present this report on the Company for the year ended 30 June 2019.

The names of the Directors in office at any time during, or since the end of, the year are:

Directors

MORRIS, Antony	President
EMERY, Maria	Director
DEAN, Paul	Director
FINCH, Anna	Director
FINNEY, Elspeth	Director
THALER, Christopher	Director (to August 2019)
FLINT, Andrew	Director (to March 2019)
MILLER, Jack	Director (from October 2018)
TEARLE, Gary	Director (from November 2018)
TAYLOR, Kelvin	Director (from August 2019)

Review of Operations

The net operating profit for the year after provision for income tax was \$19,954.

Principal Activities

The principal activities of the Company during the course of the financial period were in providing community bank services under management rights to operate a franchised branch of the Bendigo and Adelaide Bank Limited.

There were no significant changes to the nature of those activities during the year.

Proceedings on Behalf of Company

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

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 4 of the financial report.

Significant Changes

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

Directors' Benefits

Apart from those transactions detailed in Note 14, no other director has received or become entitled to receive, during or since the financial period, a benefit because of a contract made by the Company 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.

Dividends

No dividends were declared or paid since incorporation and the Directors recommend that no dividend be paid for the current period.

Nowra & District Community Bank Branch of Bendigo & Adelaide Bank Ltd Directors Report for 30 June 2019

Options

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

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Indemnification of Officers

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

Insurance Premiums

During the financial year the Company has paid premiums in respect of Directors' and Officers' liability contracts for the year ended 30 June 2019 and since the financial year, the Company has paid or agreed to pay premiums in respect of such insurance contracts for the year ending 30 June 2019. Such insurance contracts insure against certain liability (subject to specific exclusions) of persons who are or have been Directors or Executive Officers of the Company.

The Directors have not included details of the nature of the liabilities cover or the amount of the premium paid in respect of the Directors' and Officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

Events Subsequent to the End of the Reporting Period

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

Likely Developments

There are currently no likely developments in the entity's operations in future financial years.

Environmental Regulations

The entity's operations are not subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Directors

MORRIS, Antony	President
EMERY, Maria	Director
DEAN, Paul	Director
FINCH, Anna	Director
FINNEY, Elspeth	Director
THALER, Christopher	Director
FLINT, Andrew	Director
MILLER, Jack	Director
TEARLE, Gary	Director

Meetings Attended

11/11
8/11
10/11
6/11
8/11
6/11
2/8
6/8
4/6

Nowra & District Community Bank Branch of Bendigo & Adelaide Bank Ltd Directors Report for 30 June 2019

Remuneration Report

Remuneration Policy

There has been no remuneration policy developed as Director positions are held on a voluntary basis and Directors are not remunerated for their services.

Equity Holdings of Key Management Personnel

The number of ordinary shares in the company held during the year and prior year by each Director and other key management personnel, including their related parties, are set out below:

Personnel	Balance at the start of the year	Movements during the year	Balance at the end of the year
Maria Emery	1,000	-	1,000
Gary Tearle	1,000	-	1,000

Loans to Key Management Personnel

There were no loans to key management personnel during the current or prior reporting period.

Functional and presentation currency

The functional currency of the entity is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars.

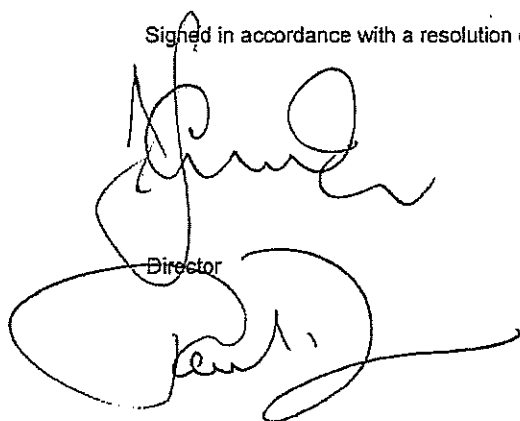
Authorised Shares

The total number of authorised shares in the entity is 844,400.

Company Secretary

Jane Fisher held the position of Company Secretary at the end of the financial year.

Signed in accordance with a resolution of the Board of Directors:



Director

Director

Dated this 25th day of September 2019, Nowra



**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001
To the Directors of Shoalhaven Community Financial Services Limited**

I declare that, to the best of my knowledge and belief, there have been:

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

Daley Audit
Daley Audit

Stephen Milgate
Stephen Milgate
Partner

Wollongong

25 September 2019

Liability limited by a scheme approved under Professional Standards Legislation

Wollongong
PO Box 333
Wollongong NSW 2520
☎ 02 4229 6477
✉ wollongong@daley.com.au

Bowral
PO Box 1032
Bowral NSW 2576
☎ 02 4862 1082
✉ bowral@daley.com.au

Sydney
PO Box 993
Sydney NSW 2001
☎ 02 8235 8177
✉ sydney@daley.com.au

🌐 daley.com.au
ABN 43 152 844 291
Daley Audit is a member of the
Daley Group of Companies.
Daley Group of Companies
is a registered company in
Australia.



Nowra & District Community Bank Branch of Bendigo & Adelaide
Bank Ltd
Statement of profit or loss & other comprehensive income
For the year ended 30 June 2019

	<i>Note</i>	2019	2018
		\$	\$
Revenue	2	568,649	582,190
Other income	2	4,771	9,277
Employee benefits		(337,926)	(304,795)
Depreciation & amortisation expenses		(19,854)	(36,668)
Rent & occupancy expenses		(60,754)	(78,375)
Interest expenses		(13,414)	(13,443)
Information technology expenses		(20,587)	(19,682)
Administration expenses		(88,711)	(116,454)
Other administration expenses		(12,220)	(8,618)
Profit/(Loss) before income tax		19,954	13,432
Income tax expense	3	-	-
Profit/(loss) for the year		19,954	13,432
Other comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		-	-
Profit/(loss) attributable to the members of the Company		19,954	13,432

The statement of profit and loss and other comprehensive income is to be read in conjunction with the notes of the financial statements

Nowra & District Community Bank Branch of Bendigo &
 Adelaide Bank Ltd
 Statement of financial position
 As at 30 June 2019

	<i>Note</i>	2019	2018
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	5	8,109	3,004
Trade and other receivables	6	30,049	30,228
Other assets	7	4,720	4,468
Total current assets		42,878	37,700
Non-current assets			
Property, plant and equipment	8	46,155	48,465
Intangible assets	9	52,889	66,111
Total non-current assets		99,044	114,576
Total assets		141,922	152,276
Liabilities			
Current liabilities			
Trade and other payables	10	53,562	41,076
Borrowings – secured	11	299,405	329,490
Provisions	12	42,170	37,366
Total current liabilities		395,137	407,932
Non-current liabilities			
Provisions	12	6,302	9,271
Trade and other payables	10	29,089	43,633
Total non-current liabilities		35,391	52,904
Total liabilities		430,528	460,836
Net assets / (liabilities)		(288,606)	(308,560)
Equity			
Contributed equity	13	844,400	844,400
Accumulated losses		(1,133,006)	(1,152,960)
Total equity		(288,606)	(308,560)

The statement of financial position is to be read in conjunction with the notes to the financial statements

Nowra & District Community Bank Branch of Bendigo & Adelaide
Bank Ltd
Statement of changes in equity
For the year ended 30 June 2019

	Issued Capital	Accumulated Losses	Total
	\$	\$	\$
<i>Balance at 1 July, 2017</i>	844,400	(1,166,392)	(321,992)
<i>Profit for the year</i>	-	13,432	13,432
<i>Balance at 30 June, 2018</i>	<u>844,400</u>	<u>(1,152,960)</u>	<u>(308,560)</u>
 <i>Balance at 1 July, 2018</i>	 844,400	 (1,152,960)	 (308,560)
<i>Profit for the year</i>	-	19,954	19,954
<i>Balance at 30 June, 2019</i>	<u>844,400</u>	<u>(1,133,006)</u>	<u>(288,606)</u>

The statement of changes in equity is to be read in conjunction with the notes to the financial statements

Nowra & District Community Bank Branch of Bendigo
& Adelaide Bank Ltd
Statement of cash flows
For the year ended 30 June 2019

	2019	2018
	\$	\$
Cash flows from operating activities		
Receipts from operations	630,941	664,686
Payments to suppliers and employees	(578,015)	(602,649)
Cash generated from operations	52,926	62,037
Finance costs paid	(13,414)	(13,443)
Interest received	-	-
Net cash from operating activities	19(b) 39,512	48,594
Cash flows from investing activities		
Acquisition of property, plant and equipment	(4,322)	(1,664)
Acquisition of intangible assets	-	(14,544)
Net cash from investing activities	(4,322)	(16,208)
Cash flows from financing activities		
Financing activities	-	-
Net cash from financing activities	-	-
Net increase in cash and cash equivalents	35,190	32,386
Cash and cash equivalents at 1 July	(326,486)	(358,872)
Cash and cash equivalents at 30 June	19(a) (291,296)	(326,486)

The statement of cash flows is to be read in conjunction with the notes to the financial statements

Nowra & District Community Bank Branch of Bendigo & Adelaide Bank Ltd

Notes to the financial statements

1. Summary of significant accounting policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The company is a for profit entity for the purpose of presenting the financial statements.

The financial statements, except for the 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 amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 25 September 2019 by the directors of the Company.

Accounting Policies

A. Revenue

The Company has adopted AASB 15 *Revenue from Contracts with Customers* for the first time in the current year with a date of initial application of 1 July 2018.

The key changes to the Company's accounting policies and the impact on these financial statements from applying AASB 15 are limited to the updating of the accounting policy for revenue as disclosed at note 1.

For comparative year

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied. Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

For current year

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Nowra & District Community Bank Branch of Bendigo & Adelaide Bank Ltd

Notes to the financial statements

A. Revenue (cont.)

Specific revenue streams

The Company recognises revenue from the following major source providing Community Bank ® branch services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

Provision of branch services

Revenue from the provision of branch services is recognised over the period in which the services are rendered. The contract for branch services are subject to a formal franchise agreement.

The agreement includes an enforceable right for the Company to receive payment for work performed to date based on the services provided based upon observable data and therefore the criteria for recognition of revenue over time is met.

The Company's payment terms are 30 days from the end of the month and accordingly there is no financing element to the services provided.

At the end of each month, the Company recognises a receivable as this represents the point in time at which the Company's right to consideration becomes unconditional as a Recipient Created Tax invoice (or equivalent) accompanies the services provided, as only the passage of time is required before payment is due.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

B. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost as indicated, less, where applicable, accumulated depreciation and any impairment losses.

Plant & equipment

The depreciable amount of all fixed assets, including buildings and capitalised leased assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	5% - 10%
Plant and equipment	5% - 20%
Computer equipment	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Nowra & District Community Bank Branch of Bendigo & Adelaide Bank Ltd

Notes to the financial statements

B. Property, Plant and Equipment (cont.)

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

C. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset – but not the legal ownership – are transferred in the Company, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

D. Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have not been measured at the present value of the estimated future cash outflows to be made for those benefits.

E. Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Nowra & District Community Bank Branch of Bendigo & Adelaide Bank Ltd

Notes to the financial statements

F. Cash and Cash Equivalents

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

G. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Company during the reporting period 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.

H. Goods and Services Tax (GST)

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

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

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

I. Income Tax

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

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

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

Current and deferred income tax expense/(income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

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

With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through a sale.

Nowra & District Community Bank Branch of Bendigo & Adelaide Bank Ltd

Notes to the financial statements

I. Income Tax (cont.)

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

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

J. Comparative Figures

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

K. Critical Accounting Estimates & Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

L. Going Concern

These financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Company is technically insolvent in that its liabilities exceed its assets. Furthermore, current liabilities exceed current assets. This has come as a result of ongoing trading losses experienced since commencing business.

Since the balance date, the Company has continued to take steps to improve its trading performance by careful cash flow management, further reducing operating costs and reconfirming the level of support from Bendigo and Adelaide Bank Ltd in relation to the provision of the overdraft facility of \$450,000 for a period of 12 months from the date of signing this financial report (refer note 11). This allows the statutory financial report to be prepared on a going concern basis.

Whilst support has been provided, the overdraft continues to be utilised as part of the working capital of the Company, hence it is recorded as a current liability in the statement of financial position. As a result of the above measures, the Directors believe that the company will continue as a going concern.

Nowra & District Community Bank Branch of Bendigo & Adelaide Bank Ltd

Notes to the financial statements

M. Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

(I) Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets as those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the balance sheet.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Nowra & District Community Bank Branch of Bendigo & Adelaide Bank Ltd

Notes to the financial statements

M. Financial instruments (cont.)

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

(ii) Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables and finance lease liabilities.

(iii) Accounting policies applied prior to 1 July 2018

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs.

Financial assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables; and
- held to maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

Nowra & District Community Bank Branch of Bendigo & Adelaide Bank Ltd

Notes to the financial statements

M. Financial Instruments (cont.)

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and most other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case by case basis.

Held to maturity investments

Held to maturity investments are non derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held to maturity if it is the intention of the Company's management to hold them until maturity.

Held to maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Financial liabilities

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance account, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Nowra & District Community Bank Branch of Bendigo & Adelaide Bank Ltd

Notes to the financial statements

N. New and Amended Accounting Policies Adopted by the Company

Financial Instruments - Adoption of AASB 9

The Company has adopted AASB 9 *Financial Instruments* for the first time in the current year with a date of initial adoption of 1 July 2018.

As part of the adoption of AASB 9, the Company adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- AASB 101 *Presentation of Financial Statements* requires the impairment of financial assets to be presented in a separate line item in the statement of profit or loss and other comprehensive income. In the comparative year, this information was presented as part of other expenses.
- AASB 7 *Financial Instruments: Disclosures* requires amended disclosures due to changes arising from AASB 9, this disclosures have been provided for the current year.

The key changes to the Company's accounting policy and the impact on these financial statements from applying AASB 9 are limited to the updating of the accounting policy for financial instruments as disclosed at note 1(M).

Impairment of financial assets

The incurred loss model from AASB 139 has been replaced with an expected credit loss model in AASB 9 for assets measured at amortised cost, contract assets and fair value through other comprehensive income. This has had no impact on the recognition of credit loss (bad debt provisions).

Revenue from Contracts with Customers - Adoption of AASB 15

The Company has adopted AASB 15 *Revenue from Contracts with Customers* for the first time in the current year with a date of initial application of 1 July 2018.

The key changes to the Company's accounting policies and the impact on these financial statements from applying AASB 15 are limited to the updating of the accounting policy for revenue as disclosed at note 1(A).

O. New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Company. The directors have decided not to early adopt any of the new and amended pronouncements. Their assessment of the pronouncements that are relevant to the Company but applicable in future reporting periods is set out below:

– AASB 16: *Leases*

A core change under AASB 16: *Leases* is that most leases will be recognised on the balance sheet by lessees, as the new Standard does not differentiate between operating and finance leases.

An asset and a financial liability are recognised in accordance with this new Standard. There are, however, two exceptions allowed. These are short-term and low-value leases.

Basis of preparation

The accounting for the Company's operating leases will be primarily affected by this new Standard.

**Nowra & District Community Bank Branch of Bendigo &
Adelaide Bank Ltd**

Notes to the financial statements

O. New Accounting Standards for Application In Future Periods (cont.)

AASB 16 will be applied by the Company from its mandatory adoption date of 1 July 2019. The comparative amounts for the year prior to first adoption will not be restated as the Company has chosen to apply AASB 16 retrospectively with cumulative effect. The simplified transition approach will be the Company's chosen approach; thus, the comparative amounts for the year prior to first adoption will not be restated. While the right-of-use assets for property leases will be measured on transition as if the new rules had always been applied, all other right-of-use assets will be measured at the amount of the lease liability on adoption (after adjustments for any prepaid or accrued lease expenses).

The Company's non-cancellable operating lease commitments amount to \$132,045 as at the reporting date. Of this amount there were no short-term leases or low-value leases. In the future, these amounts will be recognised as expense in profit or loss on a straight-line basis.

Whilst the impact of AASB 16 has not been quantified, the Company's operating leases most of which we anticipate will be brought onto the statement of financial position (except for low value assets).

Interest and amortisation expenses will increase and rental expense will decrease.

The Company is applying the modified retrospective approach and therefore will not restate comparatives. The low value exception will be used for all appropriate leases.

Nowra & District Community Bank Branch of Bendigo &
Adelaide Bank Ltd
Notes to the financial statements

2. Revenue & other income

	2019 \$	2018 \$
Revenue		
Services and commission	568,649	582,190
Other income		
Rent received	-	9,277
Other income	4,771	-
	4,771	9,277
	573,420	591,467

3. Income tax expense / (benefit)

	2019 \$	2018 \$
Prima facie tax payable on the result from ordinary activities before income tax at 27.5%	5,487	3,694
Tax losses not brought to account as deferred tax assets	(5,487)	(3,694)
Income tax expense / (benefit)	-	-
Deferred tax assets not brought to account		
Revenue losses	294,253	300,245

4. Expenses

	2019 \$	2018 \$
Depreciation of property, plant and equipment	6,632	23,469
Amortisation of intangible assets	13,222	13,199
Finance costs	13,414	13,443
Superannuation payments	27,903	25,359
Audit services		
Auditor's remuneration:		
Audit and review of financial reports	10,426	10,510
	10,426	10,510

Nowra & District Community Bank Branch of Bendigo &
Adelaide Bank Ltd
Notes to the financial statements

5. Cash and cash equivalents

	2019 \$	2018 \$
Cash at bank and on hand	8,109	3,004
Cash and cash equivalents in the statement of cash flows	8,109	3,004

6. Trade and other receivables

	2019 \$	2018 \$
Other receivables	30,049	30,228
	30,049	30,228

(i) Credit risk – trade and other receivables

	Gross Amount	Past Due and Impaired	< 30	Past Due but Not Impaired (Days Overdue)				Within Initial Trade Terms
				31–60	61–90	> 90		
2019								
Other debtors	30,049	-	-	-	-	-	-	30,049
Total	30,049	-	-	-	-	-	-	30,049
2018								
Other debtors	30,228	-	-	-	-	-	-	30,228
Total	30,228	-	-	-	-	-	-	30,228

7. Other assets

	2019 \$	2018 \$
Prepayments	4,720	4,468
	4,720	4,468

8. Property, plant and equipment

	2019 \$	2018 \$
Plant & equipment		
At cost	20,600	18,818
Less: Accumulated depreciation	(18,996)	(18,818)
	1,604	-

Nowra & District Community Bank Branch of Bendigo &
Adelaide Bank Ltd
Notes to the financial statements

8. Property, plant and equipment (cont.)

	2019 \$	2018 \$
Computer equipment		
At cost	18,187	18,187
Less: Accumulated depreciation	(17,189)	(16,436)
	998	1,751
Leasehold improvements		
At cost	290,154	287,616
Less: Accumulated depreciation	(246,601)	(240,902)
	43,553	46,714
TOTAL PROPERTY PLANT & EQUIPMENT	46,155	48,465

	Plant & equipment	Computer equipment	Leasehold improvements	Total
2018				
Balance at the beginning of the year	652	1,675	67,943	70,270
Additions at cost	-	1,664	-	1,664
Disposals	-	-	-	-
Depreciation expense	(652)	(1,588)	(21,229)	(23,469)
Carrying amount at the end of the year	-	1,751	46,714	48,465
2019				
Balance at the beginning of the year	-	1,751	46,714	48,465
Additions at cost	1,782	-	2,540	4,322
Disposals	-	-	-	-
Depreciation expense	(178)	(753)	(5,701)	(6,632)
Carrying amount at the end of the year	1,604	998	43,553	46,155

9. Intangible assets

	2019 \$	2018 \$
Franchise fee at cost	66,111	66,111
Less: Accumulated amortisation	(13,222)	-
	52,889	66,111

Additional information:

As the franchise fee periods expire, it is considered that they have no ongoing value to the Company thus they are removed from the Company's intangible assets.

Nowra & District Community Bank Branch of Bendigo &
Adelaide Bank Ltd
Notes to the financial statements

9. Intangible assets (cont.)

(a) Movements in carrying amounts

Franchise fee

2018	\$
Balance at the beginning of the year	13,199
Additions	66,111
Amortisation expense	(13,199)
	<u>66,111</u>
2019	
Balance at the beginning of the year	66,111
Additions	-
Amortisation expense	(13,222)
	<u>52,889</u>

Intangible assets have a finite useful life. The current amortisation charges for intangible assets are included under depreciation and amortisation expense in the statement of profit or loss and other comprehensive income.

10. Trade and other payables

	2019	2018
	\$	\$
CURRENT		
Trade and other payables	53,562	41,076
	<u>53,562</u>	<u>41,076</u>
NON-CURRENT		
Trade and other payables	29,089	43,633
	<u>29,089</u>	<u>43,633</u>

11. Borrowings - secured

	2019	2018
	\$	\$
Bank overdraft	299,405	329,490
	<u>299,405</u>	<u>329,490</u>

- (a) The overdraft facility is supplied by the Bendigo and Adelaide Bank Ltd. The facility has an approved limit of \$400,000 with a floating interest rate of 1.205% at 30 June 2019. Bendigo and Adelaide Bank Ltd have a Registered First Company Debenture charge from the Company.

Nowra & District Community Bank Branch of Bendigo &
Adelaide Bank Ltd
Notes to the financial statements

15. Key Management Personnel

The Board of Directors are considered to be Key Management Personnel of the Company.

No compensation is paid or payable to Key Management Personnel of the Company in connection with the management of the Company.

16. Capital Management

Management controls the capital of the entity to ensure that the Company can fund its operations and continue as a going concern.

The Company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

Management effectively manages the Company's capital by assessing the entity's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

The gearing ratios for the years ended 30 June 2019 and 30 June 2018 are as follows:

	2019	2018
	\$	\$
Total borrowings, trade and other payables	382,056	414,199
Less cash on hand	(8,109)	(3,004)
Net debt	373,947	411,195
Total capital	844,400	844,400
Gearing ratio	44.3%	48.7%

17. Capital and leasing commitments

	2019	2018
	\$	\$
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable – minimum lease payments:		
– not later than 12 months	37,727	37,727
– later than 12 months but not later than five years	94,318	132,045
	132,045	169,772

The property lease is a non-cancellable lease with a five year term, with rent payable monthly in advance. An option exists to renew the lease at the end of the five year term for an additional term of five years.

Nowra & District Community Bank Branch of Bendigo & Adelaide
Bank Ltd
Notes to the financial statements

18. Events after the reporting period

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

19. Cash flow information

(a) Reconciliation of cash

	2019 \$	2018 \$
Cash and cash equivalents	8,109	3,004
Borrowings	(299,405)	(329,490)
	<hr/> (291,296)	<hr/> (326,486)

(b) Reconciliation of cash flows from operating activities

	2019 \$	2018 \$
Cash flows from operating activities		
Profit for the period	19,954	13,432
Adjustments for:		
Depreciation and amortisation	19,854	36,668
Operating profit before changes in working capital and provisions	<hr/> 39,808	<hr/> 50,100
(Increase)/decrease in trade and other receivables	179	14,072
(Increase)/decrease in other assets	(252)	469
(Decrease)/increase in trade and other payables	(2,058)	(14,899)
(Decrease)/Increase in provisions	1,835	(1,148)
Net cash from operating activities	<hr/> 39,512	<hr/> 48,594

Nowra & District Community Bank Branch of Bendigo & Adelaide
Bank Ltd
Notes to the financial statements

20. Financial risk management

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable and borrowings.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 (2018: AASB 139) as detailed in the accounting policies to these financial statements, are as follows:

	Note	2019 \$	2018 \$
Financial assets			
Cash and cash equivalents	5	8,109	3,004
Trade and other receivables	6	30,049	30,228
Total financial assets		38,158	33,232
Financial liabilities			
Financial liabilities at amortised cost:			
– Trade and other payables	10	82,651	84,709
– Borrowings	11	299,405	329,490
Total financial liabilities		382,056	414,199

Financial Risk Management Policies

The Directors' overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Specific Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk.

a. **Credit risk**

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

The Company does not have any material credit risk exposures as its major source of revenue is the receipt of commission.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

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

Credit risk related to balances with banks and other financial institutions is managed by the Board of Directors.

Nowra & District Community Bank Branch of Bendigo & Adelaide Bank Ltd

Notes to the financial statements

b. Liquidity risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The Company manages this risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

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

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Financial liabilities due for payment								
Trade and other payables	53,562	41,076	29,089	43,633	-	-	82,651	84,709
Borrowings	299,405	329,490	-	-	-	-	299,405	329,490
Total financial liabilities	352,967	370,566	29,089	43,633	-	-	382,056	414,199

c. Market risk

(i) Interest rate risk

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

Sensitivity analysis

The following table illustrates sensitivities to the Company's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables

	Profit	Equity
	\$	\$
Year ended 30 June 2019		
1% increase interest rates	(2,995)	(2,995)
1% decrease in interest rates	2,995	2,995
Year ended 30 June 2018		
1% increase interest rates	(3,295)	(3,295)
1% decrease in interest rates	3,295	3,295

Nowra & District Community Bank Branch of Bendigo &
Adelaide Bank Ltd
Notes to the financial statements

Fair Values

Fair value estimation

The fair values of all financial assets and financial liabilities are approximately equivalent to the carrying amounts reported in the Balance Sheet, due to the short term maturities of the investments.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Company. Most of these instruments, which are carried at amortised cost (ie accounts receivables, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Company.

21. Economic support

As can be seen in Note 11, the Company has significant borrowing facilities with its banker, being an overdraft of \$400,000 (with \$299,405 used at balance date). This is in light of:

- The negative asset position in the statement of financial position
- The net current asset deficiency position and going concern assertion referred to in Note 1(L); and
- The gearing ratio of 44.3% in Note 16

As part of the facility agreement, the bank reviews the position of the Company on a regular basis and has been in communication with management of the Company in relation to its financial performance and position. As at the date of signing this report, the Company has met all repayment schedules requested by the bank and they have formally confirmed that they will continue to provide this overdraft facility.

22. Company details

The company is limited by shares and was incorporated in Australia.

The registered office and principal place of business of the Company is:

98 Kinghorne Street
Nowra NSW 2541

Nowra & District Community Bank Branch of Bendigo & Adelaide
Bank Ltd

Directors' Declaration

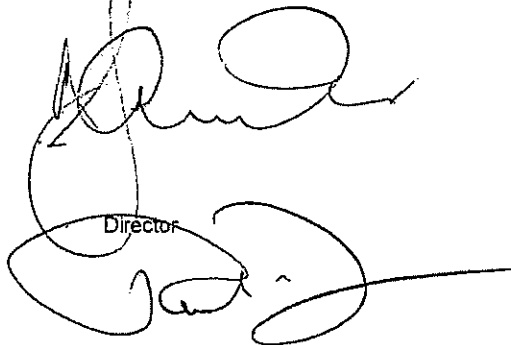
The Directors of the Company declare that:

The financial statements and notes, as set out on pages 5 to 28, are in accordance with the *Corporations Act 2001* and:

- a. comply with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- b. give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the Company.

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

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

A handwritten signature in black ink, consisting of a large, stylized 'D' followed by a series of loops and a long horizontal stroke at the end.

Director
Nowra, 25th September 2019



**Independent Audit Report
to the members of Shoalhaven Community Financial Services Limited**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Shoalhaven Community Financial Services Limited ("the Company") which comprises the statement of financial position as at 30 June 2019, the statement of profit and loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the Company 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 2019 and of its financial performance for the year 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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Relating to Going Concern

We draw attention to Note 1(L) in the financial report which, among other matters, indicates that the Company is in a net asset and net current asset deficiency position as at balance date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore whether the Company will be able to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Information Other than the Financial Report and Auditor's Report

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the Directors' report for the year ended 30 June 2019, 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

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.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on page 3 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Shoalhaven Community Financial Services Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.


Daley Audit
Stephen Milgate
Partner

Wollongong

25 September 2019

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CHAIRMAN'S REPORT TO AGM

It is my pleasure to present the 12th Annual Chairman's report for Shoalhaven Community Financial Services Limited.

I am pleased to advise that the financial results for 2018 year show a net profit of \$19,954. This is the second year we have achieved profit and we look forward to continual improvement in profitability going forward.

There have been some changes to the directors on the Board for the 2018/2019 financial year. I would like to welcome Kelvin Taylor to the board. Christopher Thaler resigned from the board due to other commitments and we would like to thank him for his assistance during his time with us. We remain with 8 Directors on our Board.

In accordance with the company Constitution where a third of the Board directors are required to stand down at each Annual General Meeting (AGM), Elspeth Finney and Jack Miller will be standing down and are also willing to be re-elected if the meeting approves.

I extend my congratulations to our team at the Branch for its continued support and ongoing passion for the concept of the Community Bank model. We have five staff working in the branch, two of which are full time, the others being part-time. Daniel Riepsamen has been promoted to Customer Relationship Manager and our School Based Trainee has now completed his schooling and will be offer a permanent part time position on completion of his traineeship.

Our Manager Heather Darlington continues to bring her banking expertise to the branch and her passion, determination and enthusiasm creates a positive and friendly working environment. This is supported from the positive feedback received from customers.

The branch customer base continues to grow despite the continuing financial and economic difficulties.

There are now 324 Community Bank Branches with over \$205 million returned to communities since the models' inception. Our Community Bank branch continues to support the community in the not-for-profit, sport and cultural areas. These investments have been possible as a result of the marketing Development fund (MDF). This is additional funding provided by Bendigo Bank and is based on the level of business we hold at our branch. For every \$1million on our books, we receive up to a maximum of \$50,000 of which \$15,000 is earmarked for marketing purposes with those funds combined with the boards of Milton, Sussex Inlet and Sanctuary Point allowing us a far greater marketing dollar.

Tis year we were again active in the School Breakfast program run through 2ST/Power FM radio stations, sponsoring primary school students for breakfast at various schools in the Shoalhaven. We also sponsored the 2019 Shoalhaven Business Awards, Shoalhaven Youth Awards, Shoalhaven Cancer Newsletter which is printed monthly in the South Coast Youth Leadership Forum, Callala Winter Arts Festival, Shoalhaven Community Choir (fundraising for Shoalhaven Hospital), Nowra Show and other smaller sponsorships.

To maintain our profitability, we need not only the support of the Board by all shareholders. We extend an invitation once again to all our shareholders to make us their bank of choice and we are confident that once your do, you will be able to assist with growing out customer base by spreading the word of what a great Community Bank branch we are and of the excellent customer service provided. We provide full banking services for both business and personal requirements with the

added benefit of personal service and direct branch contact. We can do what every other bank can do by way of products and we do it with great customer service.

Finally, my thanks to the Board and staff for a year of hard work and determination to grow the business.

James Morris
Chairman

Manager's Report
Year ended 30 June 2019

The financial year ending 30 June 2019 was again considered a success with continued growth of the branch.

Our customer base grew by a net 272 new customers bringing our total customer numbers to 2,559 as at 30 June 2019. At a time when some banks continue to encourage customers not to use face to face banking, we continue to provide excellent service ensuring customers enjoy their banking experience.

As a Community Bank branch, we continue to assist in community sponsorships and events with the staff and our company directors giving their own time on numerous occasions, waving the flag for Nowra & District Community Bank Branch. I am extremely proud to be part of such a team.

Much of our growth is achieved through word of mouth referrals by satisfied customers.

As shareholders, we ask for your help in bringing in new business into the Branch by introducing us to Community groups you are involved in or to business acquaintances.

If you do not currently bank with us then I would welcome your business providing us the chance to show you just how pleasant banking with us can be.

Once you are a customer of the branch, I am confident you would then be happy to refer others and assist the branch in business growth and subsequently our ability to continue community contributions and payment of dividends.

I look forward to the next 12 months and the continuance of our efforts to ensure we are the most customer connected bank with a reputation for excellent service and competitive banking products.

Regards,

Heather Darlington
Branch Manager