



Bendigo
Telco

2021

Concise Financial Report

Contents

Chairman and Managing Director's Report	4
2021 Highlights and Company Statistics	6
100 GIG Bendigo	8
Business Transformation	10
Community Support	12
Products and Pricing	14
Financial Report	16



Chairman and Managing Director's Report

We continue to focus on our customers and communities by delivering technology and services that allow them to thrive.

Dear Shareholder

We would like to thank you for your ongoing support during a year in which COVID-19 continued to have a significant impact on our lives, communities and the economy.

The telco industry has not been immune from these impacts and whilst we continue to see change in technologies and the industry, we are still of the strong belief that opportunities exist where our business can add value for customers in all our markets, as well as enhance the services and support we can offer in each individual market we support.

The continued rollout of the NBN, new technologies and changing customer requirements in this digital environment, for both business and consumer clients, has required us to refine our priorities and enhance our product set and focus across the business.

We are pleased that we continue to produce solid results while transitioning the business to offer products, services and technologies that are now utilised and depended upon by our customers.

We are committed to remain relevant and effective for our customers in this new telco environment.

We believe - through commitment to purpose, adaptation of strategy and support from our strategic partners - we will continue to contribute to a sustainable future for all customers. As a business we remain committed to our original purpose applied over two decades. We continue to focus on our customers and communities to ensure they are successful in the execution and delivery of technology into their chosen strategy.

During the year Kevin Dole was appointed as the new Managing Director. Kevin has been a Director since September 2016 and provided consultancy into the business prior to his appointment. Kevin has held several senior roles during his career and brings a wealth of technical and leadership experience to the business. The Board is extremely pleased with the appointment and the progress being made under Kevin's leadership.

Financial Results

This year's financial results include the investment we have been making into the business to enhance our customer engagement and delivery capability.

In addition, we have been developing our strategic product set to ensure we continue to deliver our customers' current and future technology requirements.

The business continues to deliver solid results with an underlying NPAT of \$1.43m, revenue of \$29.72m and a reported EBITDA of \$4.18m.

These results have provided our Board with the opportunity to declare a fully franked dividend of 7.5 cents for the final half of the year, bringing the total dividends paid from the FY21 trading year to 13.5 cents.

Investment

During the past twelve months we continued to invest in our customer engagement and delivery capabilities, as well as progressing and enhancing our products and services to remain relevant to our customers.

We have focused on multiple layers to uplift our engagement, from customer and community networks through to regional and government sectors. We will continue to focus on all opportunities in our chosen markets as we strive to confirm a real point of difference in delivering commitment and value for our customers.

With regard to our delivery capabilities, we have adopted a more agile and modern work practice across our service teams. This has resulted in improved customer connection and more efficient business outcomes.

As a technology-based, customer services business, we will continue to partner with key telecommunication and technology providers to build and deliver products and services that support our customer's needs. This year has seen us review a number of our technology partners and we will continue to do so in the coming year ahead.

Products and Services

Our product development has continued to focus on maintaining the core products and services of a traditional telco as we reposition our traditional voice and network product set. The continued rollout and adoption of new technologies continues to compress some margins and revenue as customers adopt the appropriate new services for their business.

As the industry advances and technologies change, our products will continue to evolve with the adoption of cloud services which provide a greater level of scale, flexibility, and efficiency.

For our customers to be successful in the delivery of their strategy we are repositioning your business to be more than a traditional telco. Our customers require highly available and cost-effective network connections to support customer service applications, cloud services and the implementation of sensor-based networks for industries such as advanced manufacturing and smart agriculture. The advances in our product set will support our customers in the successful adoption of new technologies.

We will continue to deliver more meaningful and relevant relationships with our customers to ensure the long term sustainability of our business.

During the year we expanded our product set in the form of 'IT Services' to service our customers' technology needs. We have mobilised a service team focused on helping customers adopt new business applications and offering support to improve workplace productivity. In a short period of time, we have been able to see pleasing results as we continue to enhance our services and support.

As we move forward our products and services will continue to be developed with ongoing enhancements to maintain success for all stakeholders. We have implemented a structured release program where product feature and function will continue to be a mainstay of our business. The enhancement and review of our products is being undertaken with a focus on a number of factors: relevant products, supported by strategic industry partners, delivered in a cost-effective and efficient manner.

Whilst technology products will evolve, our commitment to genuine customer engagement will set us apart. Our business will continue to deliver services through a number of channels, which ultimately provides our customers with choice. We will continue to have direct engagement via our dedicated staff and partners as well as striving to adapt and deliver a relevant digital experience.

Chairman and Managing Director's Report

Our Year Ahead

As we begin our next year, we look to continue to deliver upon our strategy through our five key strategic focus areas of People, Customers, Communities, Business Operations and Financial Strength.

The investment we continue to make in our people will help us deliver upon our unique 'strategy with purpose'. Our people are committed to your business by ensuring we continue to deliver success into our third decade of operations.

Our business is strong and positioned well to support growth as our people engagement and structure is adaptable and capable in responding to new opportunities.

We will continue to invest in the following areas:

- Our people, talent pathways, strategic partners and community networks
- Our customer engagement channels
- Enhancing our service delivery capabilities
- Strategic product set
- Ensuring we continue to build a sustainable business providing long term value for shareholders

Thank You

On behalf of the Board and senior leadership team we would like to thank each one of our staff for their continued commitment and focus on delivering quality services which will ensure our customers and communities continue to apply appropriate digital technologies to remain successful.

To all customers and communities, thank you for providing us with the opportunity to be part of your success. It is your loyalty and commitment that has enabled us to continue to be your locally based technology partner.

As Chairman and Managing Director we would also like to thank the Board for their guidance, wise counsel, contribution and ongoing commitment to our business.



\$29,718,095

-10.94%

Total Company Revenue



\$4,187,803

-11%

Underlying EBITA*



\$1,433,291

-19.85%

Underlying NPAT*

Finally, on behalf of all our staff we would like to thank you, our shareholders, for the opportunity to continue to deliver sustainable outcomes for your business. Whilst there may still be challenging and uncertain times ahead, we believe the adaptability and skill set of our team and our strategic focus and commitment to all our stakeholders will ensure our ongoing success.



A stylized, handwritten signature of Rob Hunt in black ink.

Rob Hunt
Chairman



A stylized, handwritten signature of Kevin Dole in black ink.

Kevin Dole
Managing Director



\$3,042,637

-48.5%

Cash Flow from Operating Activities



18.5c

EPS based on Underlying NPAT*



13.5c

FY21 Dividend

* Underlying results are calculated before one-off adjustments including non-cash impairments to goodwill and non-current assets and restructuring costs.

100 GIG Bendigo



In December, the 100 GIG Bendigo initiative was launched at a media event at the Bendigo Data Centre.

The launch highlighted the partnership between Bendigo Telco and the City of Greater Bendigo to promote the benefits of Bendigo Telco's super-fast 100 gigabit broadband network, which has the capacity to break down the 'digital divide' between Bendigo and the rest of the world.

Bendigo Telco's network has been utilised by the Bendigo Bank and

other key businesses such as City of Greater Bendigo, Coliban Water and Bendigo Health over the past 20 years and has recently enabled the 100-gig capacity in a bid to provide our customers better and more reliable internet speeds. As well as a network of optic fibre, the Bendigo Data Centre securely stores large amounts of data locally, which supports high speed and reliable cloud computing.

1999 The Beginning

Bendigo Community Telco established by a consortium of local businesses.



2005 Stock Exchange Listing

Bendigo Community Telco listed on the National Stock Exchange.



2003

Our First Data Centre

Central Victoria's Innovation Park officially opens. Bendigo Data Centre begins operating.

2006

Building Our Fibre Network

Private fibre assets installed throughout Bendigo.



2009

Metro Area Network

Completion of a fibre-ring operating in Bendigo.

There has traditionally been a disparity between what regional Australians receive compared to their counterparts in capital cities, and Bendigo Telco is proud to be helping to conquer the digital divide and to be building our technological skills and capabilities to help support businesses to access digital services and drive digital innovation.

Following the launch, Bendigo Telco developed a product and marketing campaign for the 100 GIG service.



2011
First MPLS VPN
Awarded the Bendigo Bank BEN3 network contract. The first MPLS VPN deployed.



2011
Private Cloud Enablement
vSphere Cloud Infrastructure deployed at Bendigo Data Centre.



2014
Expansion
New offices open in Ballarat, Geelong and Tasmania.



2014
First NBN Connection
Bendigo Telco becomes one of the first RSPs to onboard NBN. Wheelers Hill Bendigo Bank branch brought online.



2020
New Strategy
"Next Generation Bendigo Telco" strategy launched focussing on a whole of business transformation and new operating model to position the business and our customers for success.



2021
100GIG Bendigo
Previously only available in the world's biggest cities, businesses in Bendigo's city centre are invited to join the Bendigo and Adelaide Bank, City of Greater Bendigo, Bendigo Health and Coliban Water in accessing Bendigo Telco's 100 gigabit data link.



Business Transformation

During the year we commenced a review of our business model to ensure we remain relevant, connected and committed to our customers, our communities and to our own future success.

This work restated our Purpose, validated our Vision and confirmed our renewed strategic priorities, all necessary to secure our long term position as an important community asset. Resulting from this review a business transformation process was implemented to position Bendigo Telco for new ways of working as the preferred technology partner for regional communities across Australia. To lead the new generation of Bendigo Telco, a new executive structure team was put in place, headed by Kevin Dole as Managing Director, supported by an experienced team of executives.

Internally the transformation process has been communicated as "Positioning for Success" with communications encapsulating the Next Generation of Bendigo Telco and what that looks like for each stakeholder.

Positioning for Success is an exciting opportunity for Bendigo Telco to create a great organisation, encompassing new ways of working for our people, and new ways of working with our existing and new customers to engage and partner with us. It is sharing in collaborative, valued and trusted relationships with our partners and stakeholders.

It is how we embrace change, through belief and sharing our story, to create a stronger future. Engaging our external environment and developing a culture of innovation into our markets will create exciting opportunities for us all.

The scale of the challenge means these changes require investment in enablers to allow Bendigo Telco to look to a future state of operations as a partner with businesses and aligned with the community at the heart of all we do.

The organisation is investing in the future, embracing a window of opportunity to reset strategy to a COVID normal environment and taking advantage of the possibilities and innovation that has presented to enable technology to play a much bigger part in the future.

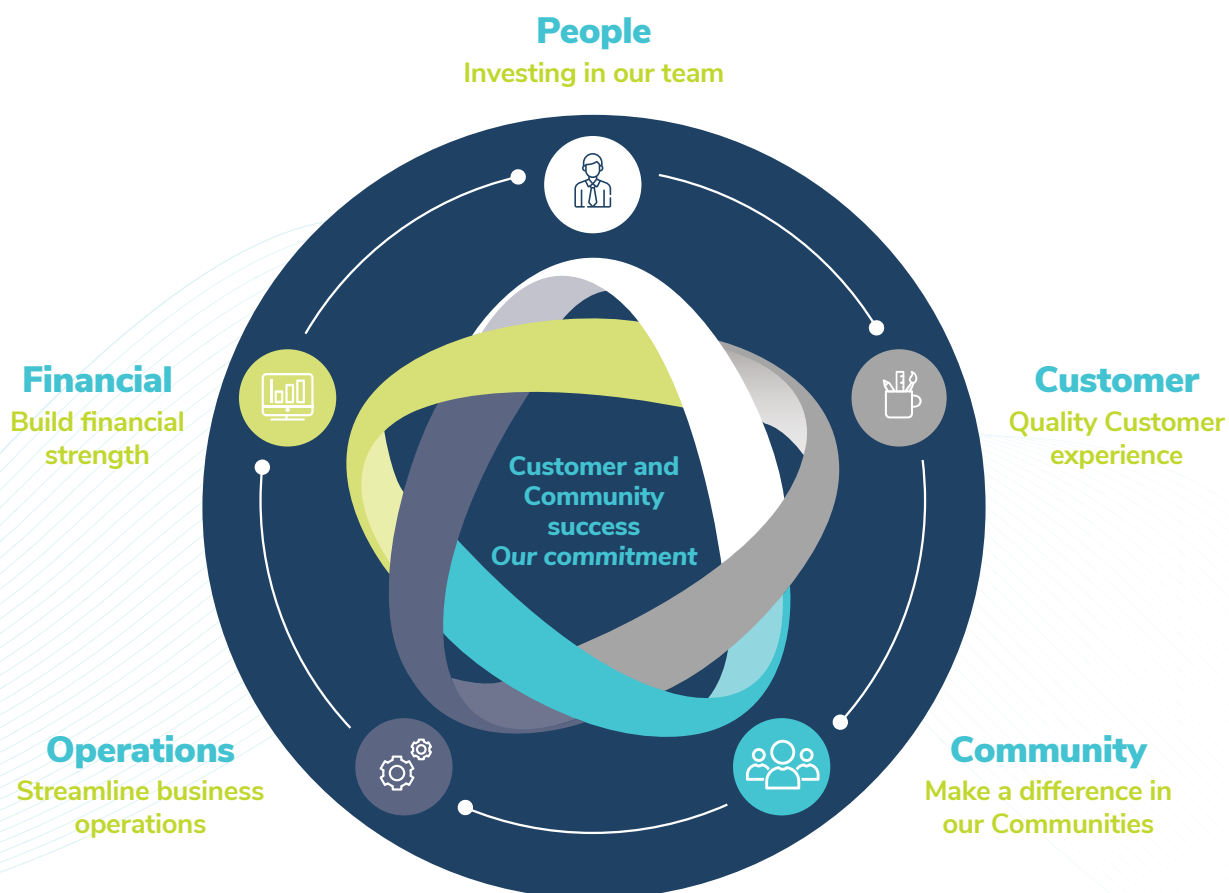
Positioning for Success has focussed on the areas of People, Customer, Community, Operations and Finance as the pillars of the transformation program. By implementing our new business model, we will move to a new operating model that will lead to changes in organisational structure.

The new operating model will introduce a new way of working to enable our people to deliver customer and community success.

The first phase of this has involved working through how we can reorganise our services. We are pleased to say that our organisation is now starting the process of formally working through how we reorganise our people across the service areas of IT Services, Products, Network Services, and Voice Services.

The second phase, the Customer and Community Engagement area of the business model was finalised in the second half of 2021, with the appointment of Marg O'Rourke as Head of Customer and Community, along with a renewed customer service structure and team.

To increase our engagement in regional areas we changed our office location in Geelong, moving into shared and higher profile accommodation for our team.



Community Support

This year Bendigo Telco invested \$51,945 back into our communities through our community enterprise funding model.

We proudly partner with several volunteer-run Community Enterprise groups around Australia. Through these partnerships, Bendigo Telco shares a portion of the profits from customer's telco services with the Community Enterprise of their choice, enabling the Enterprise to build fantastic community assets like sporting fields, bike trails, playgrounds, and so much more. Since committing to these funding arrangements in 2005, Bendigo Telco has reinvested more than \$760k back into local communities. In addition to supporting the Community Enterprise groups, Bendigo Telco chooses to support a number of community initiatives directly through grants and sponsorship and is a member of a several important community focused organisations including Be.Bendigo, Geelong Chamber of Commerce and Commerce Ballarat. We continued our sponsorship of the Geelong Cats for the 2020 season and are working towards a partnership with Tasmania's Jack Jumpers.

We have reviewed several partnerships and referral relationships with community groups, business associations and sporting groups to ensure we have up to date agreements. These are important links into our communities and how we can mutually work more closely together in a more valuable way goes to the heart of why we exist. We are also looking for new partnerships or where some have lapsed and need to be rekindled.

We are looking forward to being more active in the coming year with our community relationships getting out and engaging with customers and community organisations across our service areas.

Work commenced during the year to reinvigorate with the Community Enterprise model and re-engage the local groups, increasing the support we can provide to our communities across all our regions. In turn, a strong community strategy will provide our sales team with a purpose to engage and attract new local customers. Bendigo Telco's purpose for 20 years has always been to support our communities. During the year we started planning a relaunch, including a focus on engagement with the Bendigo Bank, reviewing our community/customer value proposition, streamlining payment processes, health checks on our data and promoting our suite of new generation internet and mobile products.

Some other new initiatives being explored include:

- Technology partnerships with regional providers
- Community Broadband Networks
- Regional Smart Cities programs
- Government and Local Government digital initiatives such as the regional connect program and 10G Benalla
- Re-examining local Community Enterprise/Community Engagement initiatives.

- Exploring potential for custom Community Enterprise agreements for new areas
- Engaging with local community and business associations and exploring joint marketing initiatives

Staff and leadership supported charity initiatives this year including Brain Cancer Awareness Month, RU OK Day, the Push-Up Challenge for mental health where staff fundraising was matched by Bendigo Telco to enable a donation of \$3,110 to Headspace Bendigo. All these charity activities were led by staff.

As a commitment to the young people in our communities, we hosted several students for work experience, as well as signing a formal partnership agreement with headspace Bendigo to host and mentor young people in our business. We also started working with the Goldfields LLEN to support the Young Industry Ambassador (YIA) program. This program gives young people aged 18 to 30 an opportunity to inspire school students in their area of work and study and give insight into future work opportunities in our region.

We also developed a partnership with AXIS Employment through the autism@work Pilot Program to increase employment outcomes for DES participants on the autism spectrum.



Products and Pricing

New branding for our Next Generation Internet and Next Generation Mobile products was developed this year.

The new branding highlighted our unique offering as a local service provider, underpinned by our community support philosophy.

After a rigorous process, we selected Optus as our wholesale partner for mobile and launched a competitively priced offering which was enthusiastically taken up by existing and new customers following the launch on 1 September 2021.

As a RSP for nbn™'s broadband services we have been preparing to launch new business broadband and enterprise ethernet products, to compliment our new "Gold Fibre" 100GIG Bendigo product.

Bendigo Telco also aspires to add value to customers in a range of services like CIOaaS as we continue to build capability and skills in this area. During the year we commenced seeking these types of opportunities for our Next Generation products in all our locations.

Bendigo
Gold Fibre

Powered by Bendigo Telco
100 GIG
BENDIGO
Next Generation Internet

Tassie
Mobile

Powered by Bendigo Telco
100 GIG
BENDIGO
Next Generation Mobile

South East QLD
Enterprise Ethernet

Powered by Bendigo Telco
100 GIG
BENDIGO
Next Generation Internet

Ballarat
Home Broadband

Powered by Bendigo Telco
100 GIG
BENDIGO
Next Generation Internet

Geelong
Business Broadband

Powered by Bendigo Telco
100 GIG
BENDIGO
Next Generation Internet

Vic West
Mobile

Powered by Bendigo Telco
100 GIG
BENDIGO
Next Generation Mobile

Simply better mobile plans



Powered by

BendigoTelco
Next Generation Mobile

1300 228 123

bendigotelco.com.au

Connecting our community

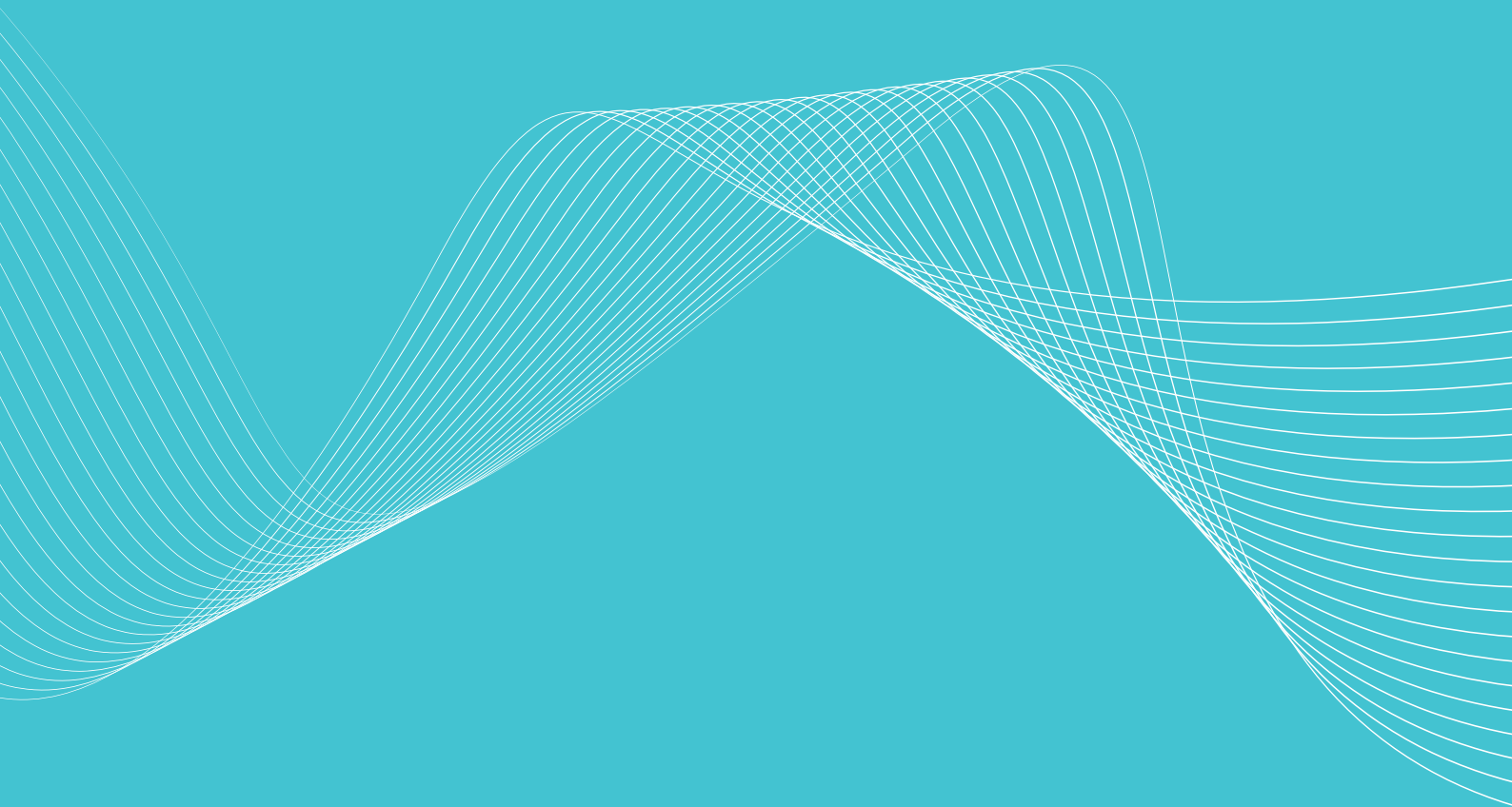
**DO NOT
OVERTAKE
TURNING
VEHICLE**



MAXIMUM SAFE CARRYING
CAPACITY: 20 PASSENGERS

8199 AD
VICTORIA

Financial Report



OPERATING AND FINANCIAL REVIEW

PRINCIPAL ACTIVITIES

The principal activities of the Group during the course of the financial year were telecommunications services.

OPERATING RESULTS AND REVIEW OF OPERATIONS

The concise financial report is an extract from the full financial report for the full year ended 30 June 2021. The financial statements and disclosures in the concise report have been derived from the 2021 financial report of Bendigo Telco Limited and Controlled Entities. The concise financial report cannot be expected to provide as full an understanding of financial performance, financial position and financing and investing activities as the full financial report. A copy of the full financial report and auditor's report will be sent to any shareholder, free of charge, upon request. The discussion and analysis is provided to assist shareholders in understanding the concise financial report.

About Bendigo Telco

Bendigo Telco, formed in year 2000, was established by a group of prominent Bendigo based businesses who wanted improved access to competitive pricing telecommunication and technology across our local market. These businesses identified the disadvantages (market failure) that they as regional businesses faced when compared with their metropolitan competitors. Early analysis identified the need to create a locally owned and focused organisation to improve the telecommunication and technology solutions, in terms of price, priority, competition, and access to essential infrastructure.

Bendigo Telco has played a major role in addressing many of these shortcomings as well as promoting a more competitive and responsive telco market across all of the communities that we now support. The company continues to provide of a broad range of telecommunications services to enterprise, business, and consumer customers across these Australian regional markets.

Operational Review

Over the past 12 months, the Group has continued to produce sound results in a challenging and competitive market. The Groups results reflect reduced revenues and margins from a number of our legacy voice and data services, whilst revenues from NBN and a number of our other services have remained stable. The decline in these legacy revenues is in line with our expectations and industry trends. We expect further declines in FY22.

The Group has also seen a decrease in mobile revenues primarily attributable to a reduction in the number of services offered across our consumer customer base. The Group is currently in the final stages of recontracting the supply of mobile services which we expect will provide competitive pricing and a more aligned product set to our customer base. We expect our mobile service revenues to grow during FY22.

The Group has been able to increase revenues across other product sets including Voice over Internet and Cloud product offerings. We are convinced that by focusing on improving the accessibility, support and delivery of technology outcomes for our customers and communities, it will be able to position itself for future sustainable growth and continued creation of shareholder value.

During the year, the Group refined its priorities, strategic approach and core operating model to ensure that we could continue to produce quality customer and community outcomes in an evolving and challenging technology market place. This important work included redefining management and operational priorities incorporating a balanced approach across our key focus areas, to ensure the appropriate level of attention and growth opportunities can be achieved and maintained. The five key focus areas are:

- People – *promoting a positive culture where people feel valued and supported.*
- Customer – *through understanding Customer needs we will deliver to support their success.*
- Community – *committed to the success of our Community.*
- Operations – *deliver services in an efficient and cost-effective manner.*
- Financial – *a sustainable business model with a focus on long term prosperity for all stakeholders.*

By focusing on the delivery of quality customer outcomes across existing capabilities and introducing new product and service initiatives, the Group will be able to achieve these strategic priorities.

Impact of COVID-19

Over the past 12 months, the COVID-19 pandemic has continued to impact people, businesses and communities. The Group continues to follow government guidelines and have been able to maintain remote working arrangements for staff with minimal impact to efficiency or productivity.

Over this period, we have focused on ensuring that our customers and communities requirements have been met as the reliance on our services, support and infrastructure became even more critical as they too adjusted their own working arrangements.

The events relating to COVID-19 have not had an adverse impact on either the operations or financial performance of the company during this period. Given the uncertainty, the longer-term impacts of COVID-19 are difficult to fully assess at this stage. The company continues to monitor the situation and engage with customers to ensure we meet or exceed their service and support requirements.

The business received \$50,000 from the 2nd ATO cash flow boost during FY21 and was not entitled to any other Government related payments.

Financial and Operating Results

Summary financial results	FY21 \$'000	FY20 \$'000	Change (%)
Revenue	29,718	33,368	(10.94%)
Gross margin	15,557	16,715	(6.93%)
EBITDA	4,188	4,647	(9.88%)
Net profit/(loss) after tax	1,037	1,065	(2.63%)
Underlying net profit/(loss) after tax*	1,433	1,788	(19.85%)
Earnings per share (cents)	13.36	13.73	

* Underlying net profit/(loss) after tax represents results excluding non-cash impairments to goodwill and other non-current assets and restructuring costs

Total Group revenue decreased by 10.94% from the prior year delivering a total turnover of \$29,718,095 (FY20: \$33,367,674) in line with our expectations.

The NPAT result for the year, on a reported basis, was a profit of \$1,036,754 (FY20: \$1,064,822). The Group incurred restructuring and repositioning costs of \$535,861 attributable to redefining management and operational priorities which directly impacted this year's profit.

The net assets of the Group decreased by \$173,852 from the prior year to \$7,982,109 (FY20: \$8,155,961). The Group was able to maintain a strong equity ratio of 46.70% (FY20: 42.18%).

The Directors resolved to pay a fully franked final dividend of 7.5 cents per share which will be paid to shareholders on 30 September 2021. This brings the total dividend for FY21 to 13.5 cents fully franked. This represents a 73% payout ratio on FY21 underlying earnings (NPAT excluding restructuring costs).

Year Ahead

FY22 will continue to present both challenges and opportunities for the Group. The Group will maintain its investment in its people, processes, and products and is confident that by remaining focused on its strategic priorities and delivering on its stated objectives it will continue to produce a solid result for shareholders.

The Board is pleased with the progress and performance of the Group and continues to look for investment or business enhancement opportunities which will improve the Groups prospects of continued success.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

The events relating to COVID-19 have not had an adverse impact on either the operations or financial performance of the Group during this period. The Group continues to monitor the situation.

Since the end of the financial year a fully franked final dividend in the amount of 7.5 cents per share was declared by the Board of Directors on 25 August 2021 which will be distributed to shareholders on 30 September 2021.

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 Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Disclosure of information relating to major developments in the operations of the Group and the expected results of those operations in future financial years, which, in the opinion of the directors, will not unreasonably prejudice the interests of the Group, is contained in the Report by the Chairman and Managing Director on page 4.

ENVIRONMENTAL ISSUES

The group is not subject to any significant environmental regulation.

SECURITIES REGISTER

The securities register is managed by AFS & Associates on behalf of Bendigo Telco Limited and Controlled Entities. You can contact the registry by:

Mail:	Bendigo Telco Share Register C/- AFS & Associates PO Box 454 Bendigo Victoria 3552	Telephone:	(03) 5443 0344
		Email:	shares@bendigotelco.com.au

The information contained in this report is correct and current at 30 June 2021.

CORPORATE GOVERNANCE STATEMENT

Bendigo Telco Limited is committed to high standards of Corporate Governance. This commitment applies to the conduct of its business dealings with its customers and its dealings with its shareholders, employees, suppliers and the Community.

The Board of Bendigo Telco Limited have adopted the following principles of Corporate Governance. The policies may be viewed on the group website www.bendigotelco.com.au.

1. A Board Charter which outlines the responsibilities of the Board by formalising and disclosing functions reserved to the Board and those delegated to management.
2. An Audit and Risk Committee Charter and the appointment of the Audit and Risk Committee as a sub-committee of the Board. The members of the Audit and Risk Committee were Directors Rob Hunt, Graham Bastian, Rod Payne, Don Erskine and Greg Gillett.
3. A Share Trading policy which outlines directors and employees obligations in trading in its securities. The policy restricts directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the Group's security price.
4. A Remuneration policy which sets out the terms and conditions for the Managing Director and other senior managers. The members of the Remuneration Committee were Directors Rob Hunt and Don Erskine.
5. A Continuous Disclosure policy which complies with the obligations imposed by National Stock Exchange (NSX) Listing Rules and the *Corporations Act 2001*. This policy requires immediate notification to the NSX of any information concerning the group, of which it is aware or becomes aware, which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the group shares.

BOARD COMPOSITION

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report are detailed in the director's report.

DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred herein as the Group) consisting of Bendigo Telco Limited and its controlled entities for the financial year ended 30 June 2021. The information in the preceding operating and financial review forms part of this directors' report for the financial year ended 30 June 2021 and is to be read in conjunction with the following information:

GENERAL INFORMATION

DIRECTORS

The following persons were directors of Bendigo Telco during or since the end of the financial year up to the date of this report:

Mr R Hunt (Chairman)	Mr R Payne
Mr G Bastian (resigned 21 October 2020)	Mr K Dole
Ms M O'Sullivan (resigned 21 October 2020)	Mr G Gillett
Mr D Erskine	Ms N Rooke
Mr J Selkirk	

Particulars of each director's experience and qualifications are set out later in this report.

DIVIDENDS PAID OR RECOMMENDED

Ordinary Dividends Paid:

	Cents	\$
Final – September 2020	9.5	736,989
Interim – March 2021	6.0	465,467
	15.5	1,202,456

Ordinary Dividends Declared:

Final - September 2021	7.5	581,834
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INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Group has indemnified all directors, officers and managers in respect of liabilities to other persons (other than the Group or related body corporate) that may arise from their position as directors, officers or managers of the Group 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 Group has not provided any insurance for an auditor of the Group or a related body corporate.

PROCEEDINGS ON BEHALF OF GROUP

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

The Group was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

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

The Board of Directors, in accordance with advice from the Audit and Risk Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the following services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Audit and Risk Committee prior to the commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with the APES 110: *Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or are payable to Andrew Frewin Stewart for non-audit services provided during the year ended 30 June 2021:

	\$
Share registry services	20,677
Taxation	900
	<u>21,577</u>

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on page 31 of the financial report.

OPTIONS

The Group has not issued any share options.

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report are detailed below.

Robert Hunt – AM, FAICD - Chairman

Occupation	Director / Investor
Qualifications	Fellow of the Australian Institute of Company Directors, 2003 Doctor of the University (honoris causa), LaTrobe University, 1999
Experience	Mr Hunt retired as Managing Director of Bendigo and Adelaide Bank on 3 July 2009 after 21 years as Chief Executive Officer. Mr Hunt is the architect of the Community Bank® model, and has been instrumental in the development of a range of Community Enterprise and Engagement models, now utilised by communities across Australia to provide key infrastructure and essential services through local commercial structures. These Enterprises provide communities with a framework, the cashflow, capacity and flexibility to address new economic opportunities.
Interest in shares	Indirect – Hunters Ridge Pty Ltd (Hunt Family Trust) 55,000 Shares Indirect – Hunters Ridge Pty Ltd (Rob & Annette Hunt Superannuation Fund) 458,758 Shares
Special Responsibilities	Chair of Remuneration Committee and Member of Audit and Risk Committee.
Other Directorships & Appointments	Director, Apollo Bay Central District Community Bank since 2011; Director, BEUT Property Pty Ltd
Honours and Awards	Order of Australia Award /Member (AM) General Division, 2002; Paul Harris Fellowship Award, Rotary Club of Bendigo Sandhurst, 2000; Citizen of the Year Award, City of Greater Bendigo 1999; Key to the City Award, City of Greater Bendigo 2009.

Donald Erskine – Director

Occupation	Managing Director – Industrial Conveying (Aust.) Pty Ltd
Experience	Don is trained as a mechanical engineer. He is Managing Director of Industrial Conveying (Aust.) Pty Limited which was formed by Don in 1979 and DJE Investments Pty Ltd (Yourland Developments). His previous appointments include non-executive Director of Bendigo Bank and a member of the Bank's Credit, IT Strategy and Property Committees, Director of North West Country Credit Union Co-op Ltd, Director of Coliban Water, Director of Community Telco Australia, Director of Bendigo Economic Development Committee, Chairman of Australian Technical College and Director of Bendigo Regional Institute of TAFE. Don is actively involved in the Bendigo Community.
Interest in Shares	Direct - 0 Shares Indirect – Erskine Investments Pty Ltd 939,326 Shares
Special Responsibilities	Member of Remuneration Committee and Member of the Audit and Risk Committee.
Other Directorships	Nil

Kevin Dole – Director

Occupation	Managing Director
Qualifications	Associate Diploma in Information Processing (Latrobe)
Experience	Kevin was appointed as Managing Director in July 2021. Prior to this appointment he provided consultancy for 12 months in a full time capacity and has been on the Board of Directors since September 2016. His career spans over 34 years in the technology industry with specific experience in delivering solutions and services in the banking and finance sector. Throughout his career he has held several senior technical and leadership roles. He has considerable experience in Strategic development, large program delivery, due diligence for mergers and acquisitions and delivery of organisation change programs. Kevin is focused on continuing to ensure long term shareholder value and delivering value for all stakeholders through sustainable partnerships.
Interest in shares	Direct – Nil
Special Responsibilities	Nil
Other Directorships	Nil

Rodney Payne – Director

Occupation	Principal Harwood Andrews Lawyers
Qualifications	Bachelor of Law (Melbourne University)
Experience	Rod has been a lawyer in commercial practice for 35 years and has been a partner at Harwood Andrews since 2000. Rod was a director of Geelong Community Telco Pty Ltd and Vicwest Community Telco prior to the amalgamation of Vicwest with Bendigo Telco Ltd. In his legal practice Rod has undertaken a broad range of commercial work and in his role in Karingal and Karingal St Laurence has been involved in major developments and mergers.
Interest in shares	Indirect - Linrod Holdings Pty Ltd atf the Payne Investment Trust A/C 7,089 shares
Special Responsibilities	Member of Audit and Risk Committee
Other Directorships	Director - The Legal Lantern Group Director - Karingal St Laurence

Jonathan (Jock) Selkirk – Director

Occupation	Chief Financial Officer, Country Club Living Pty Ltd.
Qualifications	Bach. Business, Chartered Accountant, Graduate Australian Institute of Company Directors.
Experience	Jock has held executive roles across several industries including financial services, manufacturing, building and property development. Jock started his career in chartered accounting, then moved into banking & financial services in both Melbourne & London and was CFO at a Ballarat manufacturing and distribution business for 11 years prior to his current role. He has experience in driving business growth, governance, risk management, and people and culture development. He has also held several director roles in both the private and public sector. Jock is also actively involved in other community programs.
Interest in shares	Nil
Special Responsibilities	Nil
Other Directorships	Board member Ballarat and Clarendon College, Ballarat.

Gregory Gillett – Director

Occupation	Retired
Qualifications	Senior Fellow of the Financial Services Institute of Australia.
Experience	Greg is a retired Bank Executive with 37 years of experience in the banking industry (20 years at NAB and 17 years at Bendigo Bank). The last 10 years of his working life being in Executive roles at the Bendigo Bank. Greg has held Executive roles covering Retail Banking, Marketing, Human Resources, Strategic Planning and Community Development. Greg has been a company Director of both private and publicly listed companies.
Interest in shares	Direct - 24,108 shares
Special	
Responsibilities	Chairman of Audit and Risk Committee
Other Directorships	Nil

Nicole Rooke – Director

Occupation	Head of Corporate Strategy, Bendigo and Adelaide Bank Ltd
Qualifications	CPA, B Commerce
Experience	Nicole has 15+ years' experience in Financial Services and is currently Head of Corporate Strategy for Bendigo and Adelaide Bank. Prior to working for the bank, Nicole was based in London and held financial and management accounting roles for Sempra Energy and Intelligent Engineering. Prior to this, Nicole worked as a public accountant and tax specialist for Pitcher Partners and was based in Melbourne. Nicole's prior Directorship was with VRCLP from 2016 to 2018, a not-for-profit organisation focused on effective leadership for a vibrant and sustainable regional Victoria.
Interest in shares	Nil
Special	
Responsibilities	Nil
Other Directorships	Nil

COMPANY SECRETARY

The following person held the position of company secretary at the end of the financial year:

Mr Ken Belfrage FCA, GAICD, Dip. Bus.

Mr Belfrage is an experienced Company Director and Company Secretary who has extensive business, finance and general management skills including 34 years as a practicing public accountant.

MEETINGS OF DIRECTORS

During the financial year, 10 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

Directors	Directors' Meetings		Audit & Risk Committee		Remuneration Committee	
	No. eligible to attend	No. attended	No. eligible to attend	No. attended	No. eligible to attend	No. attended
Robert Hunt	10	10	4	4	1	1
Graham Bastian	4	4	1	1	-	-
Donald Erskine	10	10	4	4	1	1
Michelle O'Sullivan	4	2	-	-	-	-
Kevin Dole	10	10	-	-	-	-
Jonathan Selkirk	10	9	-	-	-	-
Rodney Payne	10	9	4	4	-	-
Gregory Gillett	10	9	4	4	-	-
Nicole Rooke	10	10	-	-	-	-

DIRECTORS BENEFITS AND INTEREST IN CONTRACTS

No director has received or become entitled to receive during or since the financial year, a benefit because of a contract made by the group with the director, a firm of which the director is a member or an entity in which the director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the group's accounts, prepared in accordance with the Corporate Regulations, or the fixed salary of full-time employees of the group, controlled entity or related body corporate other than interests and benefits disclosed at Note 30 to the Full Financial Statements.

REMUNERATION REPORT

The information provided in this remuneration report has been audited as required by Section 308 (3c) of the *Corporations Act 2001*.

This report details the nature and amount of remuneration for each key management person of the Group, and for the executives receiving the highest remuneration.

Principles used to determine the nature and amount of remuneration

The remuneration policy of the Group has been designed to align key management personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component and incentives based on key performance areas affecting the Group's financial results. The Board of the Group believes the remuneration policy to be appropriate and effective in its ability to attract and retain high-quality KMP to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for KMP of the group is as follows:

- The remuneration policy, setting the terms and conditions for the KMP, was developed by the Remuneration Committee and approved by the Board.
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation and performance incentives.
- The Remuneration Committee reviews key management personnel packages annually. This review is subject to the remuneration policy set by the Board.
- The Remuneration Committee, at their discretion, can refer their business to the full Board for consideration.

The performance of KMP is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the Group's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

KMP receive, at minimum a superannuation guarantee contribution required by the government, which is currently 10% of the individuals average weekly ordinary time earnings (AWOTE). Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to KMP is valued at the cost to the Group and expensed. KMP are also entitled and encouraged to participate in the employee share plan to align directors' interests with shareholder interests. Shares given to KMP are expensed at the market price as listed on the National Stock Exchange at the date of granting of any shares under the employee share plan.

Performance-based remuneration

As part of each of the KMP's remuneration package there is a performance-based component, consisting of key performance indicators (KPIs). The intention of this program is to facilitate goal congruence between key management personnel with that of the business and shareholders. The KPIs are set annually, with a certain level of consultation with KMP to ensure buy-in.

Performance in relation to the KPIs is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved.

Directors

From the inception of the Group, all non-executive directors who have served have done so free of charge. It was put to the Annual General Meeting in October 2007, and approved, that a payment of \$15,000 per director be made for each full year of service from 1 July 2007 onwards.

Key Management Personnel

(i) Non-Executive Directors

Robert Hunt	Chairman
Donald Erskine	Director
Graham Bastian	Director (Retired 21 October 2020)
Michelle O'Sullivan	Director (Retired 21 October 2020)
Jonathan Selkirk	Director
Rodney Payne	Director
Gregory Gillett	Director
Nicole Rooke	Director

(ii) Executive Director

Kevin Dole	Executive Director (1 July 2020 to 31 May 2021), Managing Director (1 June 2021 to 30 June 2021)
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(iii) Other KMP

Steven Wright	Acting Executive General Manager (1 July 2020 to 31 May 2021), Chief Financial Officer (1 June 2021 to 30 June 2021)
John Barlow	Acting General Manager - Operations (1 July 2020 to 5 March 2021)
Kale Beesley	Acting General Manager - Technology (1 July 2020 to 29 March 2021)

Group performance, shareholder wealth and director and executive remuneration

The following table shows the gross revenue, profits and dividends for the last five years for the Group, as well as the share price at the end of the respective financial years.

Analysis of the actual figures show consistent profits each year, with the exception of 2017 which dropped as a result of additional operational and acquisition costs associated with the implementation and consolidation of a business merger. 2019 net profits were impacted due to the non-cash impairment of goodwill and other intangibles. 2020 net profits were impacted due to the non-cash impairment of intangible assets. Dividends paid to shareholders remain strong with an average dividend yield over the past five years of 8.32% fully franked. The Board is satisfied with the group's progress which can be attributed in part to the previously described Remuneration Policy and is satisfied with the overall trend in shareholder wealth over the past five years.

	2017	2018	2019	2020	2021
Revenue	\$31.9M	\$35.4M	\$36.6M	\$33.4M	\$29.7M
EBITDA	\$3.08M	\$3.86M	\$1.28M	\$4.65M	\$4.19M
Net profit/(loss)	\$0.91M	\$1.22M	(\$1.33M)	\$1.06M	\$1.04M
Share price at year end	\$2.10	\$1.95	\$1.40	\$1.15	\$1.25
Dividends paid	13.0 cents	12.0 cents	12.0 cents	12.0 cents	15.5 cents

Bendigo Telco Limited and Controlled Entities
ABN 88 089 782 203
Concise Financial Report for the Year Ended 30 June 2021

Details of remuneration for year ended 30 June 2021

		Short term benefits		Post employment benefits	Share-based payment			
		Salaries & Fees	Non-Cash Benefits	Superannuation	Shares	Termination Benefits	Total	Proportion of remuneration performance based
		\$	\$	\$	\$	\$	\$	%
Non-Executive Directors								
Robert Hunt	2021	13,699	-	1,301	-	-	15,000	-
	2020	13,699	-	1,301	-	-	15,000	-
Graham Bastian	2021	5,000	-	-	-	-	5,000	-
	2020	15,000	-	-	-	-	15,000	-
Donald Erskine	2021	-	-	15,000	-	-	15,000	-
	2020	-	-	15,000	-	-	15,000	-
Michelle O’Sullivan	2021	4,566	-	434	-	-	5,000	-
	2020	13,699	-	1,301	-	-	15,000	-
Jonathon Selkirk	2021	13,699	-	1,301	-	-	15,000	-
	2020	13,699	-	1,301	-	-	15,000	-
Rodney Payne	2021	15,000	-	-	-	-	15,000	-
	2020	15,000	-	-	-	-	15,000	-
Gregory Gillett	2021	13,699	-	1,301	-	-	15,000	-
	2020	13,699	-	1,301	-	-	15,000	-
Nicole Rooke	2021	13,699	-	1,301	-	-	15,000	-
	2020	13,699	-	1,301	-	-	15,000	-
Executive Director								
Kevin Dole	2021	243,928	-	13,977	-	-	257,905	-
	2020	13,699	-	1,301	-	-	15,000	-
Other KMP								
Steven Wright	2021	226,859	-	20,125	-	-	246,984	10
	2020	200,276	-	17,861	-	-	218,137	11
Jarrold Draper	2021	-	-	-	-	-	-	-
	2020	67,800	-	6,632	-	20,250	94,682	-
John Barlow	2021	101,257	10,000	10,618	-	65,566	187,441	4
	2020	124,413	15,000	11,819	-	-	151,232	-
Kale Beesley	2021	111,845	11,250	10,725	-	-	133,820	4
	2020	120,076	15,000	11,407	-	-	146,483	-
		2021	763,251	21,250	76,083	-	65,566	926,150
		2020	624,759	30,000	70,525	-	20,250	745,534

This marks the end of the audited remuneration report.

This directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors on 25 August 2021.



Robert Hunt

Chairman



Donald Erskine

Director



Lead auditor's independence declaration under *section 307C of the Corporations Act 2001* to the directors of Bendigo Telco Ltd

As lead auditor for the audit of Bendigo Telco Ltd for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

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

Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated this 25th day of August 2021

Joshua Griffin
Lead Auditor

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$	2020 \$
Revenue	2(a)	29,718,095	33,367,674
Cost of products sold		(14,161,505)	(16,652,702)
Other income	2(b)	58,800	50,000
Finance income	2(c)	1,040	5,693
Salaries and employee benefit costs		(7,550,030)	(7,660,919)
Occupancy and associated costs		(332,263)	(393,825)
General administration costs		(1,715,367)	(1,300,267)
Depreciation and amortisation costs		(2,437,878)	(2,515,677)
Advertising and promotion costs		(159,176)	(202,744)
Systems costs		(1,620,772)	(1,773,281)
Borrowing costs		(242,689)	(293,286)
Impairment losses		-	(723,120)
Profit before income tax		1,558,255	1,907,546
Income tax expense		(521,501)	(842,724)
Net profit/(loss) for the year		1,036,754	1,064,822
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>1,036,754</u>	<u>1,064,822</u>
Total comprehensive income attributable to members of Bendigo Telco Limited		<u>1,036,754</u>	<u>1,064,822</u>
Earnings per share			
Basic earnings per share (cents)		13.36	13.73
Diluted earnings per share (cents)		13.36	13.73

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	2021 \$	2020 \$
Current Assets			
Cash and cash equivalents		3,098,818	4,120,844
Trade and other receivables		1,319,733	1,088,785
Prepayments		1,159,904	1,792,232
Inventories		77,440	104,701
Total Current Assets		5,655,895	7,106,562
Non Current Assets			
Property, plant and equipment		1,256,919	1,126,203
Right-of-use assets		4,889,285	5,372,539
Intangible assets		4,663,588	4,995,107
Deferred tax asset		627,172	735,164
Total Non Current Assets		11,436,964	12,229,013
TOTAL ASSETS		17,092,859	19,335,575
Current Liabilities			
Trade and other payables		1,188,850	1,823,033
Borrowings		396,859	386,008
Lease Liabilities		1,368,448	1,720,355
Employee Entitlements		966,993	987,396
Current tax liabilities		59,204	411,195
Total Current Liabilities		3,980,354	5,327,987
Non Current Liabilities			
Borrowings		1,963,042	2,363,869
Lease Liabilities		3,030,773	3,406,075
Employee Entitlements		93,548	81,683
Provisions		43,033	-
Total Non Current Liabilities		5,130,396	5,851,627
TOTAL LIABILITIES		9,110,750	11,179,614
NET ASSETS		7,982,109	8,155,961
EQUITY			
Issued capital		7,032,430	7,040,580
Retained earnings		949,679	1,115,381
TOTAL EQUITY		7,982,109	8,155,961

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Ordinary Share Capital \$	Retained Earnings \$	Total \$
Balance at 1 July 2019		<u>7,069,308</u>	<u>981,493</u>	<u>8,050,801</u>
Comprehensive Income				
Loss for the year		-	1,064,822	1,064,822
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		<u>-</u>	<u>1,064,822</u>	<u>1,064,822</u>
Transaction with owners, in their capacity as owners, and other transfers				
Dividends recognised for the year	3	-	(930,934)	(930,934)
Shares issued during the year		-	-	-
Cost of equity raised		<u>(28,728)</u>	<u>-</u>	<u>(28,728)</u>
Total transactions with owners and other transfers		<u>(28,728)</u>	<u>(930,934)</u>	<u>(959,662)</u>
Balance at 30 June 2020		<u>7,040,580</u>	<u>1,115,381</u>	<u>8,155,961</u>
Balance at 1 July 2020		<u>7,040,580</u>	<u>1,115,381</u>	<u>8,155,961</u>
Comprehensive Income				
Profit for the year		-	1,036,754	1,036,754
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		<u>-</u>	<u>1,036,754</u>	<u>1,036,754</u>
Transaction with owners, in their capacity as owners, and other transfers				
Dividends recognised for the year	3	-	(1,202,456)	(1,202,456)
Shares issued during the year		-	-	-
Cost of equity raised		<u>(8,150)</u>	<u>-</u>	<u>(8,150)</u>
Total transactions with owners and other transfers		<u>(8,150)</u>	<u>(1,202,456)</u>	<u>(1,210,606)</u>
Balance at 30 June 2021		<u>7,032,430</u>	<u>949,679</u>	<u>7,982,109</u>

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		33,157,929	37,226,302
Payments to suppliers and employees		(29,101,521)	(31,172,931)
Lease payments not included in lease liabilities		(53,503)	(67,767)
Interest paid on lease liabilities		(104,830)	(122,469)
Interest paid on borrowings		(82,829)	(101,712)
Income tax (paid)/refunded		(773,649)	135,191
Interest received		1,040	5,693
Net cash provided by operating activities		3,042,637	5,902,307
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangible assets		-	(7,515)
Purchase of property, plant and equipment		(637,510)	(358,723)
Proceeds from sale of property, plant and equipment		30,772	43,000
Net cash used in investing activities		(606,738)	(323,238)
CASH FLOW FROM FINANCING ACTIVITIES			
Cost of shares issued		-	(28,728)
Repayment of lease liabilities		(1,865,493)	(1,957,365)
Repayment of bank loans		(389,976)	(410,141)
Dividends paid		(1,202,456)	(930,934)
Net cash used in financing activities		(3,457,925)	(3,327,168)
Net increase / (decrease) in cash held		(1,022,026)	2,251,901
Cash and cash equivalents at beginning of financial year		4,120,844	1,868,943
Cash and cash equivalents at end of the financial year		3,098,818	4,120,844

The accompanying notes form part of these financial statements

NOTES TO THE CONCISE FINANCIAL REPORT

1. BASIS OF PREPARATION OF THE CONCISE FINANCIAL REPORT

The concise financial report is an extract for the full financial report for the year ended 30 June 2021. The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: *Concise Financial Reports*, and the *Corporations Act 2001*.

The financial statements, specific disclosures and other information included in the concise financial report are derived from and are consistent with the full financial report of the Group. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investment activities of the Group as the full financial report. A copy of the full financial report and auditor's report will be sent to any member, free of charge, upon request.

The presentation currency used in this concise financial report is Australian dollars.

2. REVENUE AND OTHER INCOME

	2021 \$	2020 \$
(a) Revenue:		
Revenue from contracts with customers	29,718,095	33,367,674
	<u>29,718,095</u>	<u>33,367,674</u>
(b) Other income:		
Profit on sale of assets	8,800	-
Government Grants	50,000	50,000
	<u>58,800</u>	<u>50,000</u>
(c) Finance income:		
Interest received	1,040	5,693
	<u>1,040</u>	<u>5,693</u>
	<u>29,777,935</u>	<u>33,423,367</u>

3. DIVIDENDS PAID AND PROPOSED

	2021	2020
Distributions paid:	\$	\$
2020 Final fully franked ordinary dividend of 9.5 (2019: 7.0) cents per share franked at the rate of 26.0% (2019: 27.5%)	736,989	543,045
2021 Interim fully franked ordinary dividend of 6.0 (2020: 5.0) cents per share franked at the rate of 26.0% (2020: 27.5%)	465,467	387,889
	<u>1,202,456</u>	<u>930,934</u>
Total dividends (cents) per share for the period	15.50	12.00
a. Proposed Final 2021 fully franked ordinary dividend of 7.5 (2020: 9.5) cents per share franked at the rate of 25.0% (2020: 26.0%)	581,834	736,989
After the reporting date, the above dividend was declared. The amount has not been recognised as a liability as at 30 June 2021 but will be brought to account in the 2022 financial year.		
b. Balance of franking account at year-end adjusted for franking credits arising from:		
- dividends recognised as receivables and franking debits arising from payment of proposed dividends	1,322,170	1,005,044
Subsequent to year-end, the franking account would be reduced by the proposed dividend reflected per (a) as follows:	(193,945)	(279,548)

4. INTEREST IN SUBSIDIARIES

a. Information about Principal Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. The subsidiaries principal place of business is also its country of incorporation.

Name of Subsidiaries	Principal Place of Business	Ownership Interest Held by the Group		Proportion of Non-controlling Interests	
		2021	2020	2021	2020
		%	%	%	%
BCT Shepparton Pty Ltd	Shepparton, Australia	100	100	-	-
Vicwest Community Telco Ltd	Geelong & Ballarat, Australia	100	100	-	-

Subsidiaries financial statements used in preparation of these concise consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

b. Significant Restrictions

There are no restrictions over the Group's ability to access or use assets, and settle liabilities, of the Group.

5. OPERATING SEGMENTS

The Group has adopted AASB 8 Operating Segments from 1 July 2009 whereby segment information is presented using a 'management approach'; that is, segment information is provided on the same basis as information used for internal reporting purposes by the chief operating decision maker (the board that makes strategic decisions).

Bendigo Telco Limited operates under two divisions, Business and Enterprise (B&E) and Consumer and Small Business (CSB). The breakdown of revenue has also been disclosed by division and product set. Goodwill has been reallocated accordingly to cash generating units which cannot be greater than a segment as defined in AASB 8 Operating Segments. On reallocation, no additional goodwill impairment was required.

Major customers

During the year ended 30 June 2021 approximately 36.4% (2020: 35%) of Bendigo Telco's external revenue was derived from sales to one customer (2020: one customer).

Revenue by division and product set for the period ending 30 June 2021

	B&E \$	CSB \$	Total \$
Revenue from contracts with customers			
Voice	5,804,322	1,623,146	7,427,468
Mobile	877,646	1,524,661	2,402,307
Data Networks	10,058,586	-	10,058,586
Broadband	967,017	2,851,003	3,818,020
IT Services	250,250	-	250,250
Hardware and Installations	458,933	94,838	553,771
Data Centre	2,767,956	-	2,767,956
Cloud	2,280,936	36,542	2,317,478
Other	51,685	70,574	122,259
	<u>23,517,331</u>	<u>6,200,764</u>	<u>29,718,095</u>
Other Income			
Profit on sale of assets	8,800	-	8,800
Government Grants	50,000	-	50,000
Interest received	1,040	-	1,040
	<u>59,840</u>	<u>-</u>	<u>59,840</u>
Interest expense			(191,670)
Depreciation and amortisation			(2,437,878)
Other expenses			(25,590,132)
Profit before income tax expense			<u>1,558,255</u>

Revenue by division and product set for the period ending 30 June 2020

	B&E	CSB	Total
	\$	\$	\$
Revenue from contracts with customers			
Voice	7,110,093	2,054,758	9,164,851
Mobile	1,029,273	1,895,165	2,924,438
Data Networks	10,437,810	-	10,437,810
Broadband	984,992	3,088,952	4,073,944
IT Services	226,114	-	226,114
Hardware and Installations	1,167,678	152,694	1,320,372
Data Centre	3,043,537	-	3,043,537
Cloud	2,027,911	32,790	2,060,701
Other	35,650	80,257	115,907
	<u>26,063,058</u>	<u>7,304,616</u>	<u>33,367,674</u>
Other Income			
Government Grants	50,000	-	50,000
Interest received	5,693	-	5,693
	<u>55,693</u>	<u>-</u>	<u>55,693</u>
Interest expense			(224,181)
Depreciation and amortisation			(2,515,677)
Other expenses			(28,775,963)
Profit before income tax expense			<u>1,907,546</u>

Assets & Liabilities

No information is disclosed for segment assets as no measure of segment assets is regularly provided to the chief operating decision maker.

6. EVENTS AFTER THE REPORTING PERIOD

Since the end of the financial year a final dividend in the amount of 7.5 cents per share was declared by the Board of Directors on 25 August 2021 which will be distributed to shareholders on 30 September 2021.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Bendigo Telco Limited, the directors of the Group declare that the concise financial report of Bendigo Telco Limited and Controlled Entities for the financial year ended 30 June 2021:

- a. Complies with Accounting Standard AASB 1039: *Concise Financial Reports* ; and
- b. Is an extract from the full financial report for the year ended 30 June 2021 and has been derived from and is consistent with the full financial report of Bendigo Telco Limited.

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

On behalf of the directors



Robert Hunt

Chairman



Donald Erskine

Director

Signed on 25 August 2021



Independent auditor's report to the members of Bendigo Telco Limited

Report on the Concise Financial Report

Opinion

We have audited the concise financial report of Bendigo Telco Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2021, consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and related notes, derived from the audited financial report of the Group for the year ended 30 June 2021.

In our opinion, the accompanying concise financial report of the Group, complies with AASB 1039: *Concise Financial Reports*.

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* section of our report. We are independent of the Group 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 concise 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.

Concise Financial Report

The concise financial report does not contain all the disclosures required by Australian Accounting Standards in the preparation of the financial report. Reading the concise financial report and the auditor's report thereon, therefore, is not a substitute for reading the audited financial report and the auditor's report thereon. The concise financial report and the financial report do not reflect the effects of events that occurred subsequent to the date of our report on the financial report.

The Financial Report and Our Report Thereon

We expressed an unmodified audit opinion on the financial report in our report dated 25 August 2021. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period.

Directors' Responsibility for the Concise Financial Report

The directors are responsible for the preparation of the concise financial report in accordance with AASB 1039: *Concise Financial Reports* and the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the concise financial report.

Auditor's Responsibility for the Audit of the Concise Financial Report

Our responsibility is to express an opinion on whether the concise financial report, complies in all material respects, with AASB 1039 Concise Financial Reports based on our procedures, which were conducted in accordance with Auditing Standard ASA 810: Engagements to Report on Summary Financial Statements.

Report on the Remuneration Report

The following paragraphs are copies from our Report on the Remuneration Report of the Group for the year ended 30 June 2021.

We have audited the Remuneration Report included in pages 27 to 30 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of the Group, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.



Andrew Frewin Stewart
61 Bull Street, Bendigo, 3550
Dated this 26th day of August 2021



Joshua Griffin
Lead Auditor

SHAREHOLDER INFORMATION

The shareholder information set out below was current as at 27 July 2021.

Distribution of Shareholders

Category	Number of Holders
1 - 1,000	137
1,001 - 5,000	247
5,001 - 10,000	71
10,001 - 100,000	61
100,001 and over	6
	<u>522</u>

The number of shareholdings held in less than marketable parcels is 29.

Top 10 Shareholders

Name of Shareholder	Number of Shares	% of Total Shares
Bendigo and Adelaide Bank	2,386,747	30.8
Erskine Investments Pty Ltd	939,326	12.1
Hunters Ridge Pty Ltd	513,758	6.6
Ron Poyser Administrators Pty Ltd	438,400	5.7
National Nominees Limited	160,000	2.1
P.J. & D.A. Eddy Pty Ltd	100,000	1.3
MGR Property Pty Ltd	90,000	1.2
Latrobe University	84,000	1.1
Community Telco Syndicate	78,000	1.0
Indicrock Superannuation Pty Ltd	70,058	0.9
Total shares held by top 10 holders	<u>4,860,289</u>	<u>62.7</u>



Bendigo Telco

Bendigo Telco Limited

ABN 88 089 782 203

Registered Office

Bendigo Telco

23 McLaren Street, Bendigo VIC 3550

Office Locations

Innovation Court, Kennington VIC 3550

33 Piper Road, East Bendigo VIC 3550

39A Peel Street, Ballarat VIC 3350

15 Yarra Street, Geelong VIC 3218

Level 9, 39 Murray Street, Hobart TAS 7000

Suite 2, Level 1 Patterson Street, Launceston TAS 7250

Shareholder Enquiries

Bendigo Telco Share Registry

C/- AFS & Associates

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1300 228 123

bendigotelco.com.au

Connecting our community