



Interim Financial Report

for the half-year ended

31 December 2022

DIRECTORS' REPORT

Your directors submit the interim financial report of Bendigo Telco Limited and Controlled Entities (the Group) for the half-year ended 31 December 2022.

Directors

The names of directors who held office during or since the end of the half-year:

Robert George Hunt	Kevin Gerard Dole
Donald James Erskine	Jonathon David Selkirk
Rodney David Payne	Gregory Douglas Gillett
Nicole Therese Rooke	Stephen John Griffin (Appointed: 19 October 2022)

Review of Results and Operations

Operational Review

The Group has recorded a solid EBITDA of \$1,445,894 and an after-tax profit of \$162,110 for the half year ended 31 December 2022. The results represent a 33.4% increase when compared to the previous year's first half result (31 December 2021: \$121,487).

The Group's revenue and margins from legacy voice and data products continued to decline over the period. The reductions were inline with the Group's projections and with what the broader telco industry is experiencing.

The Group was able to offset its legacy voice and data declines with marginal growth in its mobile and SIP revenues and significant growth in its Managed IT Service revenue which resulted in total revenues for the first half being 5.06% higher than previous year's first half results at \$14,162,544 (31 December 2021: \$13,480,166).

On 1 September 2022, the Group completed its acquisition of the Managed Service customers from Boltens Office Supplies Pty Ltd. The acquisition was the second completed during the calendar year following the Group's acquisition of MGR Information Technology Pty Ltd customers in May 2022.

Both acquisitions align to the Group's service-based growth strategy with the integration of people, process and systems being a key focus. The Group is also focusing on active engagement with its existing and new Customers, ensuring that we continue to offer them the required level of service and support which will enable them to successfully adopt technology and generate successful business outcomes.

The Group has continued to evolve its service model, refine its existing product offerings and develop new product offerings to ensure that it can remain relevant, competitive and continue to produce quality customer and community outcomes.

The Board is pleased with the progress and performance of the Group and continues to look for investment opportunities which will enhance the Group's prospects of success.

Impact of COVID-19

The Group continues to follow all Government directives, focusing on the protection of our staff and ensuring that we continue to deliver service and support to our customers and communities.

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

Reported Results

The Group generated a net profit before tax of \$277,886 and a net profit after tax of \$162,110 for the half year ended 31 December 2022. This compares to a net profit before tax of \$199,354 and a net profit after tax of \$121,487 in the prior period.

Earnings before interest, tax, depreciation and amortisation ("EBITDA") for the period was \$1,445,894, representing an increase of \$31,851 (2.2%) compared to the prior year (2021: \$1,414,043).

Total Group revenue increased by 5.06% over the corresponding prior period to \$14,162,544 (2021: \$13,480,166) with the increase primarily attributable to the acquired managed service customer base.

At the end of the period, the net assets of the Group were \$7,503,888 (30 June 2022: \$7,496,934). The Group generated strong cash flows from operating activities of \$1,767,181 (31 December 2021: \$1,151,177).

At 31 December 2022, the Group recorded a working capital deficiency of \$1,542,163. As disclosed in the 30 June 2022 financial report, this is predominantly due to \$1,500,466 of interest-only borrowings being reclassified from non-current liabilities in June 2022 to current liabilities in August 2022, with the term of the facility scheduled to mature in August 2023.

During the period, management commenced negotiations with its bankers to refinance the interest-only facility which are progressing as planned. On the date of signing this half-year financial report, the directors have no reason to believe the Group's interest-only borrowing facility will not be refinanced on terms and conditions acceptable to the Group prior to maturity.

Based on the Group's forecasts and projections, refinancing the facility is expected to significantly improve the Group's working capital position. Further, the directors have access to a \$500,000 bank overdraft which is considered sufficient to manage the Group's working capital throughout the foreseeable future.

Refer to Note 1 for further information.

Business Asset Acquisition

On 1 September 2022, the Group completed its contract with Boltons Office Supplies Pty Ltd to acquire their Managed (MSP) and IT Consulting clients. The directors of the Group concluded the acquisition of this business gave rise to an asset acquisition as opposed to a business combination. The Group agreed to a purchase price of \$208,244. Refer to Note 8 for further information.

Property Leases

On 1 September 2022, the Group surrendered the final year of its building lease for Edwards Road, Bendigo (Bendigo Data Centre) and entered into a five year extension, with an option for a further five years. Whilst this had no material impact on the Group's profit, the new lease did increase the Group's right-of-use assets and lease liabilities by \$924,150 on that date.

Auditor's Independence Declaration

The lead auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 4 for the half-year ended 31 December 2022.

This directors' report is signed in accordance with a resolution of the Board of Directors.



Robert Hunt, Chairman



Donald Erskine, Director

Dated this 22nd day of February 2022



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550

afs@afsbendigo.com.au
03 5443 0344

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2022, there have been no contraventions of:

- i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- ii) any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated this 22nd day of February 2023

A handwritten signature in black ink, appearing to read 'Joshua Griffin'.

Joshua Griffin
Lead Auditor



**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	Note	31.12.2022 \$	31.12.2021 \$
Revenue	3(a)	14,162,544	13,480,166
Cost of products sold		(6,291,681)	(6,256,088)
Finance income	3(b)	379	151
Salaries and employee benefit costs		(4,578,903)	(3,964,309)
Occupancy and associated costs		(142,242)	(150,719)
General administration costs		(839,569)	(814,151)
Depreciation and amortisation costs		(1,133,296)	(1,182,941)
Advertising and promotion costs		(79,245)	(107,727)
Systems costs		(764,208)	(720,628)
Borrowing costs		(55,893)	(84,400)
Profit before income tax		277,886	199,354
Income tax expense		(115,776)	(77,867)
Profit after income tax		162,110	121,487
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		<u>162,110</u>	<u>121,487</u>
Total comprehensive income attributable to members of Bendigo Telco Limited		<u>162,110</u>	<u>121,487</u>
Earnings per share			
Basic earnings per share (cents)		2.09	1.57
Diluted earnings per share (cents)		2.09	1.57

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	31.12.2022	30.06.2022
	\$	\$
Current Assets		
Cash and cash equivalents	1,360,195	862,127
Trade and other receivables	1,517,379	1,590,208
Prepayments	1,008,353	1,157,223
Inventories	157,896	150,708
Current tax asset	61,594	309,712
Total Current Assets	4,105,417	4,069,978
Non Current Assets		
Prepayments	143,165	46,404
Property, plant and equipment	1,144,159	1,260,114
Right-of-use assets	2,271,655	2,189,309
Intangible assets	6,306,167	6,331,437
Deferred tax asset	619,255	614,807
Total Non Current Assets	10,484,401	10,442,071
TOTAL ASSETS	14,589,818	14,512,049
Current Liabilities		
Trade and other payables	1,795,529	1,738,804
Borrowings	1,765,713	398,206
Lease Liabilities	649,138	980,963
Employee Entitlements	1,137,200	1,090,411
Provisions	300,000	303,733
Total Current Liabilities	5,647,580	4,512,117
Non Current Liabilities		
Borrowings	-	1,565,982
Lease Liabilities	1,329,806	839,046
Employee Entitlements	92,058	80,938
Provisions	16,486	17,032
Total Non Current Liabilities	1,438,350	2,502,998
TOTAL LIABILITIES	7,085,930	7,015,115
NET ASSETS	7,503,888	7,496,934
EQUITY		
Issued capital	7,032,430	7,032,430
Retained earnings	471,458	464,504
TOTAL EQUITY	7,503,888	7,496,934

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	Note	Ordinary Share Capital \$	Retained Earnings \$	Total \$
Balance at 1 July 2021		7,032,430	949,679	7,982,109
Comprehensive Income				
Profit for the period		-	121,487	121,487
Other comprehensive income for the period		-	-	-
Total comprehensive income for the period		-	121,487	121,487
Transaction with owners, in their capacity as owners, and other transfers				
Dividends recognised for the period	2	-	(581,834)	(581,834)
Cost of equity raised		-	-	-
Total transactions with owners and other transfers		-	(581,834)	(581,834)
Balance at 31 December 2021		7,032,430	489,332	7,521,762
Balance at 1 July 2022		7,032,430	464,504	7,496,934
Comprehensive Income				
Profit for the period		-	162,110	162,110
Other comprehensive income for the period		-	-	-
Total comprehensive income for the period		-	162,110	162,110
Transaction with owners, in their capacity as owners, and other transfers				
Dividends recognised for the period	2	-	(155,156)	(155,156)
Cost of equity raised		-	-	-
Total transactions with owners and other transfers		-	(155,156)	(155,156)
Balance at 31 December 2022		7,032,430	471,458	7,503,888

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	31.12.2022	31.12.2021
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	15,698,603	14,913,308
Payments to suppliers and employees	(14,004,910)	(13,355,369)
Lease payments not included in lease liabilities	(23,366)	(26,752)
Interest paid on lease liabilities	(15,256)	(27,387)
Interest paid on borrowings	(16,163)	(30,569)
Income tax paid	127,894	(322,205)
Interest received	379	151
Net cash provided by operating activities	<u>1,767,181</u>	<u>1,151,177</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for intangible assets	(233,390)	-
Purchase of property, plant and equipment	(109,218)	(125,962)
Net cash used in investing activities	<u>(342,608)</u>	<u>(125,962)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(572,874)	(904,463)
Repayment of bank loans	(198,475)	(198,050)
Dividends paid	(155,156)	(581,834)
Net cash used in financing activities	<u>(926,505)</u>	<u>(1,684,347)</u>
Net increase / (decrease) in cash held	498,068	(659,132)
Cash and cash equivalents at beginning of period	862,127	3,098,818
Cash and cash equivalents at end of the period	<u>1,360,195</u>	<u>2,439,686</u>

The accompanying notes form part of these financial statements

NOTES TO AND FORMING PART OF THE INTERIM FINANCIAL REPORT

Note 1: Summary of significant accounting policies

Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2022 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update of the latest annual financial statements of the Group. As such, it does not contain information that represents relatively insignificant changes during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements for the year ended 30 June 2022, together with any public announcements made during the following half-year.

These interim financial statements were authorised for issue on 22nd February 2023.

Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Group has considered the implications of new or amended Accounting Standards, but determined that their application to the financial statements is either not relevant or not material.

Going Concern

At 31 December 2022 the Group recorded net assets of \$7,503,888 and recorded earnings before interest, tax, depreciation and amortisation (EBITDA) of \$1,445,894.

However, the Group recorded a working capital deficiency of \$1,542,163 at 31 December 2022, with current liabilities of \$5,647,580 exceeding current assets of \$4,105,417.

The key factor attributable to this working capital deficiency was \$1,500,466 of borrowing facilities reclassified from non-current to current in August 2022.

The Group also acquired Managed (MSP) and IT Consulting clients from Boltons Office Supplies Pty Ltd. Settlement occurred in September 2022, with the purchase being funded through the Group's cash reserves. Refer to Note 8 for further information.

To ensure the going concern basis remains appropriate, the directors have prepared forecasts and projections for the foreseeable future, which considers facts and circumstances known at the date of this report, including the reasonable possibility of changes in trading performance.

The directors also note the following:

- During the period, management commenced negotiations with its bankers to refinance the interest-only facility which are progressing as planned. On the date of signing this half-year financial report, the directors have no reason to believe the Group's \$1,500,466 interest-only borrowing facility will not be refinanced on terms and conditions acceptable to the Group prior to maturity in August 2023.
- The Group has access to a \$500,000 bank overdraft which can be used if necessary.

Assuming the interest only facility can be refinanced on terms and conditions that are acceptable to the Group prior to maturity in August 2023, of which the directors have no reason to expect otherwise, the directors believe the Group's \$500,000 unused bank overdraft facility will be sufficient to manage the Group's working capital for the foreseeable future.

Accordingly, the directors conclude the Group has adequate resources to pay its debts as and when they fall due for the foreseeable future and that there is no material uncertainty over going concern. For these reasons, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Note 2: Dividends Paid and Proposed

	31.12.2022	31.12.2021
	\$	\$
Distributions paid:		
2022 Final fully franked ordinary dividend of 2.0 (2021: 7.5) cents per share franked at the tax rate of 25.0% (2021: 25.0%).	155,156	581,834
Distributions proposed:		
2023 Interim fully franked ordinary dividend of 1.5 (2022: 2.0) cents per share franked at the tax rate of 25% (2022: 25%).	116,367	155,156

After the reporting date the above dividend was declared. The amount has not been recognised as a liability as at 31 December 2022 but will be brought into account in the 2023 financial year.

Note 3: Revenue and Other Income

	31.12.2022	31.12.2021
	\$	\$
(a) Revenue:		
Revenue from contracts with customers	14,162,544	13,480,166
	<u>14,162,544</u>	<u>13,480,166</u>
(b) Finance income:		
Interest received	379	151
	<u>379</u>	<u>151</u>
	<u>14,162,923</u>	<u>13,480,317</u>

Disaggregation of revenue from contracts with customers based on the nature and the timing of transfer of goods and services, by major products, is presented in Note 4: Operating Segments.

Note 4: 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 reports and delivers services under three dedicated teams, Voice Services, Network Services and IT Services. These teams are responsible for the efficient end to end delivery of their product suites.

Major customers

During the half year ended 31 December 2022 approximately 37.9% (2021: 36.7%) of Bendigo Telco's external revenue was derived from sales to one customer (2021: one customer).

Revenue by division and product set for the period ending 31 December 2022

	Voice Services \$	Network Services \$	IT Services \$	Total \$
Revenue from sales of services recognised over time				
Fixed Voice Services	785,830	-	-	785,830
SIP, VOIP, NBN Voice Services	1,931,778	-	-	1,931,778
VPN Products	-	4,217,054	-	4,217,054
Mobile Phone Services	1,074,986	-	-	1,074,986
Esolutions Products	-	-	60,251	60,251
DSL Internet Services	-	42,623	-	42,623
NBN Internet Services	-	1,635,525	-	1,635,525
IT Services	-	-	1,528,420	1,528,420
Data Centre and MAN	-	-	1,328,023	1,328,023
Cloud Infrastructure Services	-	-	748,340	748,340
	<u>3,792,594</u>	<u>5,895,202</u>	<u>3,665,034</u>	<u>13,352,830</u>
Revenue from sale of goods recognised at point in time				
Mobile Phone Services	28,895	-	-	28,895
NBN Internet Services	-	2,618	-	2,618
IT Services	-	-	-	-
Hardware and Installations	-	-	778,201	778,201
	<u>28,895</u>	<u>2,618</u>	<u>778,201</u>	<u>809,714</u>
Other Income				
Interest received	127	126	126	379
	<u>127</u>	<u>126</u>	<u>126</u>	<u>379</u>
Interest expense				(34,712)
Depreciation and amortisation				(1,133,296)
Other expenses				(12,717,029)
Profit before income tax expense				<u>277,886</u>

Revenue by division and product set for the period ending 31 December 2021

	Voice Services \$	Network Services \$	IT Services \$	Total \$
Revenue from sales of services recognised over time				
Fixed Voice Services	1,066,049	-	-	1,066,049
SIP, VOIP, NBN Voice Services	1,812,292	-	-	1,812,292
VPN Products	-	4,901,251	-	4,901,251
Mobile Phone Services	1,050,900	-	-	1,050,900
Esolutions Products	-	-	48,982	48,982
DSL Internet Services	-	66,365	-	66,365
NBN Internet Services	-	1,683,012	-	1,683,012
IT Services	-	-	117,347	117,347
Data Centre and MAN	-	-	1,344,682	1,344,682
Cloud Infrastructure Services	-	-	754,044	754,044
	<u>3,929,241</u>	<u>6,650,628</u>	<u>2,265,055</u>	<u>12,844,924</u>

Revenue from sale of goods recognised at point in time

Mobile Phone Services	30,395	-	-	30,395
NBN Internet Services	-	18,396	-	18,396
IT Services	-	-	134,500	134,500
Hardware and Installations	-	-	451,951	451,951
	<u>30,395</u>	<u>18,396</u>	<u>586,451</u>	<u>635,242</u>

Other Income

Interest received	50	50	51	151
	<u>50</u>	<u>50</u>	<u>51</u>	<u>151</u>

Interest expense	(59,135)
Depreciation and amortisation	(1,182,941)
Other expenses	(12,038,887)

Profit before income tax expense

199,354

Assets & Liabilities

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

Note 5: Contingent Liabilities and Contingent Assets

At 30 June 2022 the Group had recognised Provisions of \$300,000 which relate to deferred consideration payable for the acquisition of assets from MGR Information Technology Pty Ltd (refer to Note 13 of the annual financial statements for further details of asset acquisitions). Payment of this amount is contingent on the retention of gross revenue being derived from the provision of goods and services to the acquired customer base. If gross revenue generated from acquired customers is less than 10% of the agreed gross revenue target, this would give rise to a reduction in provisions of \$300,000 and a decrease in intangible assets of \$300,000 for the year ended 30 June 2023.

Note 6: Events after the end of the interim period

Other than the following, the directors are not aware of any significant events since the end of the interim period.

Since the end of the interim period, the directors have resolved to pay an interim fully franked dividend of 1.5 cents per share (2022: 2.0 cents per share) payable on 31 March 2023 to shareholders on the share register at 21 March 2023. This dividend will be recognised in shareholders' equity in the next interim financial statements.

Note 7: Capital Commitments

The Group has no capital commitments at the end of the interim period.

Note 8: Asset Acquisitions

On 1 September 2022, the Group completed its contract with Boltons Office Supplies Pty Ltd to acquire their Managed (MSP) and IT Consulting clients.

The directors concluded this transaction gave rise to an asset acquisition as opposed to a business combination.

The fair values of assets and liabilities acquired by the Group, and details of the consideration paid for such assets and liabilities are disclosed below.

<i>Financial position</i>	\$
ASSETS	
Property, plant and equipment	10,000
Total assets	<u>10,000</u>
LIABILITIES	
Employee entitlements	22,302
Prepaid income	9,248
Total liabilities	<u>31,550</u>
Net assets acquired	(21,550)
Less consideration paid	208,244
Less legal costs	3,596
Intangible assets acquired	<u><u>233,390</u></u>

Note 9: Related Party Transactions

The Group enters into transactions with related entities including revenue received and services and supplies procured. These revenue and expense items are included in the Statement of Profit or Loss and Other Comprehensive Income. Amounts owing to and from related entities are included in the Statement of Financial Position.

The transactions are commercial and conducted on the same terms as other third party transactions.

A summary of material transactions excluding dividends between the Group and related parties during the period were;

	31.12.2022	31.12.2021
	\$	\$
Network, Voice and Cloud telecommunication services provided to related entities	5,361,901	4,890,553
Supplies and services purchased from related entities	147,548	106,790
Amounts owing to / (from) related entities	2,197,166	3,063,810
Other non significant related party transactions include;		
Rent expense	39,414	1,200

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Bendigo Telco Limited, the directors of the Group declare that:

1. The financial statements and notes, as set out on pages 1 to 13 are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Regulations 2001; and
 - b. giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

On behalf of the Directors



Robert Hunt, Chairman



Donald Erskine, Director

Dated this 22nd day of February 2023



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
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03 5443 0344

Independent auditor's review report to the shareholders of Bendigo Telco Ltd

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Bendigo Telco Ltd, which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Bendigo Telco Ltd does not comply with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Bendigo Telco Ltd's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- ii. complying with AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 of the half-year financial report, which discloses the following:

- Bendigo Telco Ltd recorded a working capital deficiency of \$1,542,163 at 31 December 2022, with current liabilities of \$5,647,580 exceeding current assets of \$4,105,417.
- The working capital deficiency is predominantly due to Bendigo Telco Ltd's \$1,500,466 interest-only borrowing facility being classified as current liability at 31 December 2022 as it matures in August 2023.
- During the half-year and subsequent to 31 December 2022, management have held negotiations with its bankers to refinance the \$1,500,466 interest-only facility.
- Negotiations to refinance the \$1,500,466 facility are progressing as planned.
- The directors have no reason to believe Bendigo Telco Ltd's \$1,500,466 interest-only borrowing facility will not be refinanced on terms and conditions acceptable to the directors prior to maturity in August 2023.
- Bendigo Telco Ltd has access to an unused \$500,000 bank overdraft which the directors consider sufficient to manage the Group's working capital throughout the foreseeable future.

The directors have concluded the going concern basis is appropriate and that this position does not give rise to material uncertainty.





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61 Bull Street Bendigo VIC 3550

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Basis for conclusion

We conducted our review in accordance with *ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the directors for the Financial Report

The directors of Bendigo Telco Ltd are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including, giving a true and fair view of Bendigo Telco Ltd's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

Andrew Frewin Stewart
61 Bull Street, Bendigo, 3550
Dated this 22nd day of February 2023

A handwritten signature in black ink, appearing to read 'Joshua Griffin'.

Joshua Griffin
Lead Auditor

