

Annual Report 2022

Boorowa Community Financial
Services Limited

Community Bank
Boorowa

ABN 76 093 519 094

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Chair's report

For year ending 30 June 2022

It is pleasing to announce another profit in our 21st year of trading. We have continued to grow our business despite a pandemic and historically low margins.

Thank you to our team for their ongoing dedication and diligence. Despite the many challenges of recent times, they continue to deliver a highly valued banking service to our community.

This year we were able to distribute a 10c fully franked dividend to shareholders. This continues the trend of recent years. We have paid a fully franked dividend every year since 2008.

Once again, we have returned considerable funds to the community in the form of sponsorship and grants. A list of recipients can be found in this report.

Looking to the future, we will continue to evolve as Community Banking needs evolve. This year we have employed another mobile lender to enable business growth. There has been some revision of trading hours to balance branch staff's increasing administrative tasks with declining branch foot traffic. Our customers are enjoying the flexibility of digital banking but still value that personal relationship with our bank staff.

Thank you to all involved in the success of our Community Bank. I acknowledge the valuable contributions made by the Board, our Accountants - Laterals GLP and our business partners - Bendigo and Adelaide Bank. I particularly thank our staff, led by Manager Greg Pryor, for the wonderful day-to day service we all enjoy. Most importantly, I thank shareholders and community members for their ongoing support.

I look forward to future success in banking and the rewards it brings to our community.



Sue Corcoran
Chair

Manager's report

For year ending 30 June 2022

Community Bank Boorowa has again achieved a very good result in the past financial year in which the Banking Industry has seen many challenges particularly with COVID-19.

Business levels have reached a new peak at 20 June 2022 of \$166.7 million in business levels, growing over \$13.1 million for the year while account numbers now exceed 4,583.

Once again, the continued support from the wider community, shareholders and staff has enabled the Company to provide generous returns to both shareholders and the community via dividends, grants, donations and sponsorships.

In the past 21 years the bank has returned over \$3 million via the above which is a great effort by all involved.

My sincere thanks once again to Sue Corcoran (20 years as Chair for the Board) and the Board for their continual support and to the support from Bendigo and Adelaide Bank. I would also thank the staff for their ongoing commitment towards the success of the Community Bank Boorowa.

Banking continues to evolve in this everchanging environment, and no doubt will see more changes in the next few years. However, the staff and Board are committed to continue to provide full banking services to the Boorowa Community and surrounding district as we have for the past 21 years.

Thanking you once again for being a part of Community Bank Boorowa, which you should all be proud of.



Greg Pryor
Manager

Community contributions

Sponsorships & Donations

Boorowa Central School	\$100
Boorowa Gun Club	\$7,000
Boorowa International Women's Day	\$2,500
Boorowa Picnic Races	\$4,149
Boorowa Rovers RLFC	\$500
Boorowa Rugby Union Club	\$700
Boorowa Show Society	\$5,000
United Hospital Auxiliary Boorowa Branch	\$220
St Joseph's School	\$2,700
Binalong Braham RLFC	\$500
Scleroderma Day	\$300
Thomas Eccles Gardens Yass	\$250
Yass Bowling Club	\$1,000
Yass Show	\$200
Total	\$25,119

Grants & Scholarships

Boorowa & District Historical Society Inc	\$2,200
Boorowa Men's Den	\$6,765
Carinya Court Inc	\$12,235
Catholic Parish of St Patricks Boorowa	\$15,962
Frogmore Hall & Recreation Reserve	\$8,127
Rye Park Soldiers Memorial Hall	\$10,000
United Hospital Auxiliary Boorowa Branch	\$9,000
Binalong Mechanics Institute	\$2,945
Yass Early Childhood Centre	\$705
Scholarships	\$15,000
Total	\$82,939



Directors' report

The directors present their report on Boorowa Community Financial Services Limited for the financial year ended 30 June 2022.

Information on directors

The names of each person who has been a director during the year and to date of the report are:

Sue-Anne Corcoran
Michelle Fahey
Christine Coble
Belinda Reid
Tim McGrath
Thomas Corcoran
Phillip Gorham

Directors have been in office since the start of the financial year to the date of the report unless otherwise stated.

Company secretary

Michelle Fahey has been the Company Secretary of Boorowa Community Financial Services Limited since 2004.

Principal activities

The principal activity of Boorowa Community Financial Services Limited during the financial year was providing Community Bank branch services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

No significant changes in the nature of the company's activity occurred during the financial year.

Operating results

The profit/(loss) of the company after providing for income tax amounted to \$77,261 (2021: \$164,333)

Dividends paid or recommended

Dividends paid or declared during or since the end of the financial year are as follows:

- A fully franked dividend of \$0.10 was paid during the year (2021: \$0.20)
- This dividend totaled \$38,731 (2021: \$77,462)

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the company during the year.

Events after the reporting date

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

Directors' report (continued)

Future developments and results

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental issues

The company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Boorowa Community Financial Services Limited.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2022 has been received and can be found on page 8 of the Financial Report.

Information relating to Directors and Company Secretary

Sue-Anne Corcoran	Chairman
Qualifications	- Bachelor of Pharmacy
Experience	- Local business owner
Michelle Fahey	Company Secretary
Qualifications	- Bachelor of Education in Special Education
Experience	- School Principal
Christine Coble	Treasurer
Experience	- School Administration
Belinda Reid	Director
Qualifications	- Bachelor of Law & Bachelor of Management
Tim McGrath	Director
Experience	- Local farmer
Thomas Corcoran	Director
Experience	- Farmer, landholder & contractor
Phillip Gorham	Director
Experience	- Shearer & landholder

Directors' report (continued)

Meetings of directors

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

	Number eligible to attend	Number attended
Sue-Anne Corcoran	10	9
Michelle Fahey	10	8
Christine Coble	10	9
Belinda Reid	10	7
Tim McGrath	10	7
Thomas Corcoran	10	10
Phillip Gorham	10	9

Signed in accordance with a resolution of the Board of directors.



Sue-Anne Corcoran
Director

Dated: 27/9/2022

Auditor's independence declaration

Auditor's independence declaration to the directors of Boorowa Community Financial Services Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been:

- no contraventions of the auditor independence requirements as set out in section 307C of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.



Tim Allen

Laterals Chartered Accountants

15 August 2022

35 Montague Street, Goulburn NSW 2580,

Financial statements

Boorowa Community Financial Services Limited

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue	5	1,009,022	1,089,987
Finance income	6	7,339	15,836
Other income	5	-	56,518
Total income		1,016,361	1,162,341
Depreciation and amortisation	11	(30,720)	(37,800)
Employee benefit expenses		(599,686)	(598,298)
Other expenses			
Other expenses		(51,342)	(36,232)
Administrative expenses		(15,057)	(17,813)
Marketing expenses		(6,810)	(9,774)
Occupancy costs		(15,886)	(24,615)
Total Other expenses		(89,095)	(88,434)
User defined expenses			
IT Expenses		(26,938)	(22,070)
Freight & Cartage		(8,911)	(15,556)
Donations		(137,637)	(178,101)
Insurance		(18,537)	(18,463)
Total User defined expenses		(192,023)	(234,190)
Total expenses		(911,524)	(958,722)
Profit (loss) before income taxes		104,837	203,619
Income tax	7	(27,576)	(39,286)
Profit (loss) from continuing operations		77,261	164,333
Profit (loss) for the year		77,261	164,333
Total comprehensive income for the year		77,261	164,333

The accompanying notes form part of these financial statements.

Boorowa Community Financial Services Limited

Statement of financial position

As at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	9	2,574,994	2,512,620
Trade and other receivables	10	104,924	95,775
Other assets	13	10,628	9,573
Total current assets		2,690,546	2,617,968
Non-current assets			
Property, plant and equipment	11	246,364	248,580
Intangible assets	12	24,034	13,485
Deferred tax assets	16	28,515	26,768
Total non-current assets		298,913	288,833
Total assets		2,989,459	2,906,801
Liabilities			
Current liabilities			
Trade and other payables	14	33,614	3,319
Employee benefits	15	104,241	91,919
Total current liabilities		137,855	95,238
Non-current liabilities			
Deferred tax liabilities	16	20,671	21,498
Employee benefits	15	13,780	12,869
Total non-current liabilities		34,451	34,367
Total liabilities		172,306	129,605
Net assets		2,817,153	2,777,196
Equity			
Share capital		387,310	387,310
Retained earnings		2,365,517	2,326,988
Reserves	19	64,326	62,898
Total equity		2,817,153	2,777,196

The accompanying notes form part of these financial statements.

Boorowa Community Financial Services Limited

Statement of changes in equity For the year ended 30 June 2022

2021	Ordinary shares \$	Retained earnings \$	Revaluation surplus \$	Total \$	Total equity \$
Opening balance	387,310	2,240,117	61,623	2,689,050	2,689,050
Profit for the year	-	164,333	-	164,333	164,333
Dividends provided for or paid	-	(77,462)	-	(77,462)	(77,462)
Transfers to/(from)	-	-	1,275	1,275	1,275
Closing balance	387,310	2,326,988	62,898	2,777,196	2,777,196

2022	Ordinary shares \$	Retained earnings \$	Revaluation surplus \$	Total \$	Total equity \$
Opening balance	387,310	2,326,987	62,898	2,777,195	2,777,195
Profit for the year	-	77,261	-	77,261	77,261
Dividends provided for or paid	-	(38,731)	-	(38,731)	(38,731)
Transfers to/(from)	-	-	1,428	1,428	1,428
Closing balance	387,310	2,365,517	64,326	2,817,153	2,817,153

The accompanying notes form part of these financial statements.

Boorowa Community Financial Services Limited

Statement of cash flows
For the year ended 30 June 2022

	2022	2021
	\$	\$
Cash flows from operating activities:		
Receipts from customers	999,872	1,159,847
Payments to suppliers and employees	(859,647)	(925,067)
Interest received	7,339	15,836
Income taxes paid	(7,405)	(75,716)
Net cash flows from/(used in) operating activities	140,159	174,900
Cash flows from investing activities:		
Purchase of property, plant and equipment	(39,054)	(15,258)
Cash flows from financing activities:		
Dividends paid	(38,731)	(77,462)
Net increase/(decrease) in cash and cash equivalents	62,374	82,180
Cash and cash equivalents at beginning of year	2,512,620	2,430,440
Cash and cash equivalents at end of financial year	2,574,994	2,512,620

The accompanying notes form part of these financial statements.

Notes to the financial statements

For the year ended 30 June 2022

1. Basis of preparation

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2. Transition to simplified disclosure

In the previous period, the company prepared general purpose financial statements.

In adopting this standard, the company has applied AASB 1 *First Time Adoption of Australian Accounting Standards*.

There has been no effect of the transition to the change in accounting policies to Australian Accounting Standards – Simplified Disclosures.

3. Summary of significant accounting policies

a. Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

b. Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

Cash flows in the Statement of cash flows are included net of GST.

c. Impairment of non-financial assets

At the end of each reporting period the company determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

d. Financial instruments

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

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

i. Financial assets

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

Classification

On initial recognition, the company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - debt investments (FVOCI - debt)

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

Amortised cost

The company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

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

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments).

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI.

Notes to the financial statements (continued)

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

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

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

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

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

Trade receivables and contract assets

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

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

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

Other financial assets measured at amortised cost

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

ii. Financial liabilities

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

The financial liabilities of the company comprise trade payables, bank and other loans and lease liabilities.

e. Adoption of new and revised accounting standards

The company has adopted all standards which became effective for the first time at 30 June 2022, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the company.

f. New accounting standards and interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The company has decided not to early adopt these Standards.

4. Critical accounting estimates and judgements

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

a. Key estimates - impairment of property, plant and equipment

As described in Note 3, the company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

b. Key estimates - revenue recognition - long term contracts

The company undertakes long term contracts which span a number of reporting periods. Recognition of revenue in relation to these contracts involves estimation of future costs of completing the contract and the expected outcome of the contract. The assumptions are based on the information available to management at the reporting date, however future changes or additional information may mean the expected revenue recognition pattern has to be amended.

c. Key estimates - property held at fair value

The land upon which the branch is located was revalued during the 2006 financial year.

The carrying amount of land is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from this asset. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset employment and subsequent disposal.

d. Key judgments - taxes

Deferred tax assets

Determining income tax provisions involves judgment on the tax treatment of certain transactions. Deferred tax is recognised on tax losses not yet used and on temporary differences where it is probable that there will be taxable revenue against which these can be offset. Management has made judgments as to the probability of future taxable revenues being generated against which tax losses will be available for offset based on budgets, current and future expected economic conditions.

Notes to the financial statements (continued)

5. Revenue and other income

a. Accounting policy

i. Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the company expects to receive in exchange for those goods or services.

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

ii. Other income

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

b. Revenue from continuing operations

	2022	2021
	\$	\$
Revenue from contracts with customers (AASB 15)		
Provision of services		
Subsidiary Product/ Service Income	88,199	64,086
Market Development	-	11,250
Margin Share	888,433	947,642
Fee Income	32,390	67,009
Total Provision of services	1,009,022	1,089,987
	1,009,022	1,089,987
	1,009,022	1,089,987

c. Other income

	2022	2021
	\$	\$
Other income		
ATO Cash Flow Boost	-	56,518
	-	56,518

6. Finance income and expenses

	2022	2021
	\$	\$
Finance income		
Interest income		
Other interest income	7,339	15,836
	7,339	15,836

Notes to the financial statements (continued)

7. Income tax expense

a. Accounting policy

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

b. The major components of tax expense/(income) comprise:

	2022	2021
	\$	\$
Current tax expense		
Local income tax current period	27,576	39,286
	27,576	39,286

c. Reconciliation of income tax to accounting profit:

	2022	2021
	\$	\$
Profit for the year	104,837	203,619
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2021: 26%)	26,209	52,941
Add tax effect of:		
Other assessable income	-	93
Non-deductible expenses	3,308	1,843
Total Add tax effect of:	3,308	1,936
Less tax effect of:		
ATO cash flow boost	-	14,695
Other deductible expenses	264	427
Income not included in assessable income	531	-
Over provision for income tax in prior year	1,146	469
Total Less tax effect of:	1,941	15,591
Total Title	27,576	39,286
Income tax expense	27,576	39,286
Weighted average effective tax rate (%)	26	19

The increase in the weighted average effective tax rate for 2022 is a result of the receipt of tax-free Government grants providing support through the COVID lockdown periods, along with increases in the provisions for Employee Entitlements.

8. Auditor's remuneration

	2022	2021
	\$	\$
Remuneration of the auditor of the company, Laterals Chartered Accountants, for:		
Auditing or reviewing the financial statements	6,180	6,000
Taxation services	1,200	1,200
	7,380	7,200

Notes to the financial statements (continued)

9. Cash and cash equivalents

a. Accounting policy

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

b. Cash and cash equivalent details

	2022	2021
	\$	\$
Cash at bank	2,574,994	2,512,620

c. Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of cash flows is reconciled to items in the Statement of financial position as follows:

	2022	2021
	\$	\$
Cash and cash equivalents	2,574,994	2,512,620

10. Trade and other receivables

Current	2022	2021
	\$	\$
Trade receivables	104,924	95,775
	104,924	95,775

11. Property, plant and equipment

a. Accounting policy

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

i. Land and buildings

Land and buildings are measured using the cost model.

ii. Plant and equipment

Plant and equipment are measured using the cost model.

iii. Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the asset's useful life to the company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The estimated useful lives used for each class of depreciable asset are shown below:

Notes to the financial statements (continued)

Fixed asset class	Depreciation rate
Land	0%
Buildings	3%
Plant and equipment	10-40%
Motor vehicles	25%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

b. Property, plant and equipment details

Summary	2022 \$	2021 \$
Land	135,980	135,980
Buildings	27,773	30,753
Plant and equipment	8,024	8,934
Motor vehicles	74,587	72,913
	246,364	248,580

Movements in carrying amounts

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

Description	Freehold land	Buildings	Plant and equipment	Motor vehicles	Formula
Balance at 1 July 2020	135,980	34,209	10,029	97,217	277,435
Depreciation expense	-	(3,456)	(1,095)	(24,304)	(28,855)
Balance at 30 June 2021	135,980	30,753	8,934	72,913	248,580
Balance at 1 July 2021	135,980	30,753	8,934	72,913	248,580
Additions	-	-	-	23,799	23,799
Depreciation expense	-	(2,980)	(910)	(22,125)	(26,015)
Balance at 30 June 2022	135,980	27,773	8,024	74,587	246,364

Notes to the financial statements (continued)

12. Intangible assets

a. Accounting policy

i. Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

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

b. Intangible asset details

Summary	2022	2021
	\$	\$
Franchise fees	24,034	13,485

Franchise fees have been initially recorded at cost and amortised on a straight line basis at a rate of 20% per annum. The current amortisation charges for intangible assets are included under depreciation and amortisation in the Statement of financial position.

Movement in carrying amounts	2022	2021
	\$	\$
Balance at beginning of year	13,484	7,713
Additions	15,257	15,257
Amortisation charge	(4,706)	(8,945)
Closing balance	24,034	13,484

13. Other assets

Current	2022	2021
	\$	\$
Other assets		
Prepayments	10,628	9,573

14. Trade and other payables

Current	2022	2021
	\$	\$
Trade payables	8,934	10,979
GST payable	18,498	7,843
Employee benefits	6,129	5,761
Provision for tax	53	(21,264)
	33,614	3,319

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Notes to the financial statements (continued)

15. Employee benefits

a. Accounting policy

Provision is made for the company's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

b. Employee benefit details

Current	2022 \$	2021 \$
Long service leave	64,103	59,197
Annual leave	40,138	32,722
	104,241	91,919
Non-current	2022 \$	2021 \$
Long service leave	13,780	12,869

16. Tax assets and liabilities

a. Accounting policy

Current tax is the amount of income taxes payable in respect of the taxable profit for the year and is measured at the amount expected to be paid to the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax assets are measured at the amounts expected to be recovered from the relevant taxation authority.

b. Tax assets and liabilities details

2022	Opening balance \$	Charged to income \$	Charged directly to equity \$	Changes in tax rate \$	Exchange difference \$	Closing balance \$
Deferred tax assets						
Other deferred tax assets	26,768	-	-	1,747	-	28,515

Notes to the financial statements (continued)

2022	Opening balance \$	Charged to income \$	Charged directly to equity \$	Changes in tax rate \$	Exchange difference \$	Closing balance \$
Deferred tax liabilities						
Other deferred tax liabilities	21,498	-	-	(827)	-	20,671

17. Financial risk management

Financial assets	2022 \$	2021 \$
Held at amortised cost		
Cash and cash equivalents	2,574,994	2,512,620
Trade and other receivables	104,924	95,775
	2,679,918	2,608,395

18. Dividends

a. Dividends declared or paid

	2022 cents per share	2021 cents per share	2022 \$	2021 \$
The following dividends were declared and paid:				
Final franked ordinary dividends	10	20	38,731	77,462

Franked dividends declared or paid during the year were franked at the tax rate of 25% (2021: 26%).

b. Franking credits account

	2022 \$	2021 \$
The franking credits available for subsequent financial years at a tax rate of 25%	934,423	939,928

The above available balance is based on the dividend franking account at year-end.

The ability to use the franking credits is dependent upon the company's future ability to declare dividends.

Notes to the financial statements (continued)

19. Reserves

	2022	2021
	\$	\$
Revaluation surplus	64,326	62,898

a. Revaluation surplus

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

20. Contingencies

In the opinion of the Directors, the company did not have any contingencies at 2022 (2021: None).

21. Related parties

a. The company's main related parties are as follows:

Key management personnel

Key management personnel includes any person having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any Director (whether executive or otherwise) of that company.

Other related parties

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

Transactions with key management personnel and related parties

No key management personnel or related party has entered into any contracts with the company. No Director fees have been paid as the positions are held on a voluntary basis.

b. Key management personnel shareholdings

The number of ordinary shares in Boorowa Community Financial Services Limited held by each key management personnel of the company during the financial year is as follows:

	2022	2021
Sue-Anne Corcoran	5,000	5,000
Michelle Fahey (jointly held with spouse)	500	500
Christine Coble (jointly held with spouse)	600	600
Belinda Reid	100	100
Tim McGrath	500	500
Thomas Corcoran	500	500
Phillip Gorham	5,000	5,000
	12,200	12,200

There was no movement in key management personnel shareholdings during the year. Each share held has a paid up value of \$1 and is fully paid.

c. Other key management transactions

There have been no other transactions involving equity instruments other than those described above.

Notes to the financial statements (continued)

22. Cash flow information

Reconciliation of net income to net cash provided by operating activities:

	2022	2021
	\$	\$
Profit for the year	77,261	164,333
Add / (less) non-cash items:		
Depreciation and amortisation	30,720	37,800
Changes in assets and liabilities:		
(increase) / decrease in receivables	(9,149)	13,340
(increase) / decrease in other assets	(1,055)	(1,643)
(increase) / decrease in deferred tax assets	(1,747)	(504)
increase / (decrease) in payables	30,295	(45,549)
increase / (decrease) in employee benefits	13,233	7,088
increase / (decrease) in deferred tax liabilities	(827)	(1,240)
increase / (decrease) in asset revaluation reserve	1,428	1,275
Cash flows from operations	140,159	174,900

23. Events occurring after the reporting date

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

24. Statutory information

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

Boorowa Community Financial Services Limited
32 Marsden Street
Boorowa NSW Australia
2586

Directors' declaration

The directors of the company declare that:

The financial statements and notes for the year ended 30 June 2022 are in accordance with the *Corporations Act 2001* and:

- comply with Australian Accounting Standards - Simplified Disclosures; and
- give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the company.

In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable with the continuing support of creditors.

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



Sue-Anne Corcoran

Director

Dated: 27 / 9 / 2022

Independent audit report

Independent audit report to the members of Boorowa Community Financial Services Limited

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a simplified disclosure financial report of Boorowa Community Financial Services Limited (the company), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements and the .

In our opinion, the accompanying financial report of the company for the year ended 30 June 2022 is prepared, in all material respects, in accordance with the Australian Accounting Standards - Simplified Disclosures.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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



Tim Allen

Director

30-9-22.

Laterals Chartered Accountants

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