

Annual Report 2023

Boorowa Community
Financial Services Limited

Community Bank
Boorowa

ABN 76 093 519 094

Contents

| | |
|----------------------------------------|----|
| Chair's report | 2 |
| Manager's report | 3 |
| Community contributions | 4 |
| Bendigo and Adelaide Bank report | 5 |
| Community Bank National Council report | 6 |
| Directors' report | 7 |
| Auditor's independence declaration | 10 |
| Financial statements | 11 |
| Notes to the financial statements | 15 |
| Directors' declaration | 29 |
| Independent audit report | 30 |

Chair's report

For year ending 30 June 2023

Community Bank Boorowa can announce a very pleasing profit of \$633,000 (before tax) for the year ending 30 June 2023. In our 22nd year of trading, we are still growing our business and giving back to our community.

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.

This year we were able to distribute a 20c fully franked dividend to shareholders. This continues the trend of paying 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.

Looking to the future, we will continue to evolve as community banking needs evolve. 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 2023

Community Bank Boorowa has again achieved a very good result in the past financial year in which the Banking Industry has once again seen many changes after the effects of COVID-19 and rising interest rate market.

Business levels have reached a new peak at 20 June 2023 of \$168.4 million in business levels, while account numbers now exceed 4,681.

Boorowa Community Financial Services Limited achieved an excellent profit before tax of \$633,000.

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 22 years the Community Bank Boorowa 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 Chairperson for the Board) and the Board for their continual support and to the support from the Bendigo and Adelaide Bank. I would also thank the staff for their ongoing commitment towards the success of Community Bank Boorowa.

Banking continues to evolve in this everchanging environment, and no doubt will see more changes in the next few years, particularly with the emergence of on-line banking. 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 22 years.

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



Greg Pryor
Manager

Community contributions

Sponsorships and Donations

| | |
|-----------------------------------------|--------------------|
| Boorowa Business Chamber | \$2,000.00 |
| Boorowa Show Society | \$5,000.00 |
| Boorowa Ex-Services & Citizens Club | \$2,500.00 |
| 2022 Yass Irish & Celtic Music Festival | \$200.00 |
| Boorowa Quick Shear | \$2,190.00 |
| Boorowa RSL Sub-Branch | \$2,000.00 |
| Boorowa District Hospital | \$250.00 |
| St Joseph's Primary School | \$180.00 |
| Boorowa Central School | \$100.00 |
| Ellmore Driving Club | \$200.00 |
| Boorowa Ex-Services Club Bowls Club | \$4,000.00 |
| Boorowa Rovers RLFC | \$500.00 |
| Boorowa Rugby Union | \$400.00 |
| Boorowa Junior Rugby League | \$500.00 |
| Scleroderma Foundation | \$1,200.00 |
| 10 Community Defibrillator maintenance | \$1,910.00 |
| Total | \$23,130.00 |

Grants and Scholarships

| | |
|---------------------------------------------|--------------------|
| Binalong Mechanic's Institute Land Manager | \$7,616.00 |
| Carinya Court Incorporated | \$21,870.00 |
| Boorowa Central School P & C Association | \$2,400.00 |
| Boorowa and District Historical Society Inc | \$1,500.00 |
| St Joseph's Primary School | \$10,000.00 |
| Little Wings Hospital Flight Program | \$7,300.00 |
| Joshua Dean | \$5,000.00 |
| Total | \$55,686.00 |



Bendigo and Adelaide Bank report

For year ending 30 June 2023

Community and customer will always be at the heart of what we do at Bendigo and Adelaide Bank.

Together, we're setting up Community Banking for the future – growing our impact as a leading social impact movement to transform communities across Australia.

As we continue to evolve to meet the needs of our customers, we should feel proud that more Australians are choosing to do their banking with us and trust us with their financial goals. Our position as Australia's most trusted bank (Roy Morgan) reflects the esteem we are held in by our customers, and communities.

This year has been particularly significant for us. After five years apart, we had the opportunity to come together in person and connect through our State Connect program and in Bendigo at our National Conference in September. It has also been a record-breaking year for Community Bank with more than \$32 million invested into local communities nationwide. This is our highest year on record and underscores our ongoing commitment to our customers and communities.

Reflecting on the 25 years since we opened our first Community Bank, I'm so grateful to the hard work of many passionate Directors (past and present). Everything we have done and continue to do is focused on our purpose to feed into the prosperity of our customers and communities, not off it.

On behalf of the Bank, thank you for continuing to play an essential role in supporting your community. I look forward to seeing us grow together and make a positive impact for generations to come.



Justine Minne
Bendigo and Adelaide Bank

Community Bank National Council report

For year ending 30 June 2023



As a shareholder in your local Community Bank, you belong to an incredible social enterprise network that to date has reinvested more than \$300 million in our local communities.

And now, as we celebrate our 25th anniversary milestone, we are evolving even further by sharpening our focus on our community enterprises – separate to the banking side of the business. We are uniting our Community Bank companies through a shared vision of being the most influential network of social enterprises in Australia. This means we'll have a bigger and better story to tell about how we collectively deliver impact.

Our future is together because of our extraordinary strength and aligned partnership with each other, and with our partner, Bendigo and Adelaide Bank. Our partnership with the Bank has been fashioned out of shared effort, risk and reward and it continues to serve us well.

And now even with the digital evolution upon us, the foundation of our future still relies on the guiding principles of the Community Bank model. We are community enterprises and the custodians of this incredible model that collaborates with local communities for social good. The objective of our Community Bank network remains the same. Our evolution will be evidenced by the channels that we use to connect with our customers and communities, digital by design and human where it matters.

The Community Bank network was a first mover in Australia with its unique social enterprise model. The first Community Bank opened its doors in 1998, and since then, the network has grown to 307 Community Bank branches. The network represents a diverse cross-section of Australia with 240 social enterprises, 70,000+ shareholders, 1600+ volunteer directors, 1600+ staff and 905,000 customers located in metro, regional, rural and remote locations across the country.

The Community Bank network creates impact through grants, donations and sponsorships that connect with and care for generations of Australians. Network investment ranges from sport, scholarships and school programs, through to community groups, cultural organisations and local councils. We also facilitate and attract partnerships to help support much needed community projects.

The Community Bank National Council (CBNC) is the voice of the Community Bank network. The role of the CBNC is to advocate and influence on behalf of the 240 community enterprises with its partner. It has also been the role of the CBNC to oversee the development of the Community Network Strategy which exists to ensure the ongoing sustainability of this unique collective of social enterprises.

In September this year our Community Bank network celebrates 25 years. It's a tremendous milestone and one which we're hugely proud of achieving. We have never been stronger and we look forward to continuing to serve our shareholders, customers and communities as we embrace our exciting future.

Warm regards

A stylized, handwritten signature in dark grey ink, consisting of several loops and a long horizontal stroke.

Sarah Franklyn
CBNC Chair

Directors' report

The directors present their report on Boorowa Community Financial Services Limited for the financial year ended 30 June 2023.

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

Philip Gorham

Mel Whitechurch - appointed 7 December 2022

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

Sue-Anne Corcoran

| | |
|--------------------------|----------------------|
| Qualifications | Bachelor of Pharmacy |
| Experience | Local business owner |
| Special responsibilities | Chairperson |

Michelle Fahey

| | |
|--------------------------|--------------------------------------------|
| Qualifications | Bachelor of Education in Special Education |
| Experience | School Principal |
| Special responsibilities | Company Secretary |

Christine Coble

| | |
|--------------------------|-----------------------|
| Experience | School administration |
| Special responsibilities | Treasurer |

Belinda Reid

| | |
|--------------------------|------------------------------------------|
| Qualifications | Bachelor of Law & Bachelor of Management |
| Special responsibilities | Vice Chairperson |

Tim McGrath

| | |
|------------|--------------|
| Experience | Local farmer |
|------------|--------------|

Thomas Corcoran

| | |
|------------|---------------------------------|
| Experience | Farmer, landholder & contractor |
|------------|---------------------------------|

Directors' report (continued)

Philip Gorham

| | |
|------------|----------------------|
| Experience | Shearer & landholder |
|------------|----------------------|

Mel Whitechurch

| | |
|----------------|----------------------|
| Qualifications | Bachelor of Business |
| Experience | Local business owner |

Company secretary

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

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 | 6 |
| Belinda Reid | 10 | 9 |
| Tim McGrath | 10 | 6 |
| Thomas Corcoran | 10 | 10 |
| Phillip Gorham | 10 | 10 |
| Mel Whitechurch | 6 | 5 |

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.

Operating results

The profit/(loss) of the company after providing for income tax amounted to \$475,647 (2022: \$77,261)

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 \$0.20 was paid during the year (2022: \$0.10)
- This dividend totaled \$77,462 (2022: \$38,731)

Directors' report (continued)

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.

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 2023 has been received and can be found on page 10 of the Financial Report.

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



Sue-Anne Corcoran
Director

Dated: 04.09.2023

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 2023, 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
213-215 Auburn Street
Goulburn NSW 2580

Dated: 23 August 2023



LATERALS

Financial statements

Boorowa Community Financial Services Limited

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

| | Note | 2023 \$ | 2022 \$ |
|-------------------------------------------------|------|--------------------|------------------|
| Revenue | 4 | 1,602,456 | 1,009,022 |
| Finance income | 5 | 55,697 | 7,339 |
| Other income | 4 | 4,785 | - |
| Total income | | 1,662,938 | 1,016,361 |
| Depreciation and amortisation | 10 | (29,243) | (30,720) |
| Employee benefit expenses | | (582,415) | (599,686) |
| Other expenses | | | |
| Other expenses | | (58,391) | (51,342) |
| Administrative expenses | | (15,802) | (15,057) |
| Marketing expenses | | (12,852) | (6,810) |
| Occupancy costs | | (19,973) | (15,886) |
| Total Other expenses | | (107,018) | (89,095) |
| User defined expenses | | | |
| IT Expenses | | (19,366) | (26,938) |
| Freight & Cartage | | (16,540) | (8,911) |
| Donations | | (263,325) | (137,637) |
| Insurance | | (11,224) | (18,537) |
| Total User defined expenses | | (310,455) | (192,023) |
| Total expenses | | (1,029,131) | (911,524) |
| Profit (loss) before income taxes | | 633,807 | 104,837 |
| Income tax | 6 | (158,160) | (27,576) |
| Profit (loss) from continuing operations | | 475,647 | 77,261 |
| Profit (loss) for the year | | 475,647 | 77,261 |
| Total comprehensive income for the year | | 475,647 | 77,261 |

The accompanying notes form part of these financial statements.

Boorowa Community Financial Services Limited

Statement of financial position

As at 30 June 2023

| | Note | 2023 \$ | 2022 \$ |
|--------------------------------------|------|------------|------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 8 | 3,104,271 | 2,574,994 |
| Trade and other receivables | 9 | 150,493 | 104,924 |
| Other assets | 12 | 11,794 | 10,628 |
| Total current assets | | 3,266,558 | 2,690,546 |
| Non-current assets | | | |
| Property, plant and equipment | 10 | 208,889 | 246,364 |
| Intangible assets | 11 | 31,534 | 24,034 |
| Deferred tax assets | 15 | 24,146 | 28,515 |
| Total non-current assets | | 264,569 | 298,913 |
| Total assets | | 3,531,127 | 2,989,459 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 13 | 177,999 | 33,614 |
| Employee benefits | 14 | 100,243 | 104,241 |
| Total current liabilities | | 278,242 | 137,855 |
| Non-current liabilities | | | |
| Deferred tax liabilities | 15 | 20,671 | 20,671 |
| Employee benefits | 14 | 16,876 | 13,780 |
| Total non-current liabilities | | 37,547 | 34,451 |
| Total liabilities | | 315,789 | 172,306 |
| Net assets | | 3,215,338 | 2,817,153 |
| Equity | | | |
| Share capital | | 387,310 | 387,310 |
| Retained earnings | | 2,763,702 | 2,365,517 |
| Reserves | 18 | 64,326 | 64,326 |
| Total equity | | 3,215,338 | 2,817,153 |

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 2023

| 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 |

| 2023 | Ordinary shares \$ | Retained earnings \$ | Revaluation surplus \$ | Total \$ | Total equity \$ |
|-----------------------------------|--------------------------|----------------------------|------------------------------|------------------|--------------------|
| Opening balance | 387,310 | 2,365,517 | 64,326 | 2,817,153 | 2,817,153 |
| Profit for the year | - | 475,647 | - | 475,647 | 475,647 |
| Dividends provided for or paid | - | (77,462) | - | (77,462) | (77,462) |
| Closing balance | 387,310 | 2,763,702 | 64,326 | 3,215,338 | 3,215,338 |

The accompanying notes form part of these financial statements.

Boorowa Community Financial Services Limited

Statement of cash flows

For the year ended 30 June 2023

| | 2023 | 2022 |
|-------------------------------------------------------------|------------------|------------------|
| | \$ | \$ |
| Cash flows from operating activities: | | |
| Receipts from customers | 1,556,652 | 999,872 |
| Payments to suppliers and employees | (989,103) | (859,647) |
| Interest received | 55,697 | 7,339 |
| Income taxes paid | (22,025) | (7,405) |
| Net cash flows from/(used in) operating activities | 601,221 | 140,159 |
| Cash flows from investing activities: | | |
| Proceeds from sale of plant and equipment | 20,775 | - |
| Payment for intangible asset | (15,257) | - |
| Purchase of property, plant and equipment | - | (39,054) |
| Net cash provided by/(used in) investing activities | 5,518 | (39,054) |
| Cash flows from financing activities: | | |
| Dividends paid | (77,462) | (38,731) |
| Net increase/(decrease) in cash and cash equivalents | 529,277 | 62,374 |
| Cash and cash equivalents at beginning of year | 2,574,994 | 2,512,620 |
| Cash and cash equivalents at end of financial year | 3,104,271 | 2,574,994 |

The accompanying notes form part of these financial statements.

Notes to the financial statements

Boorowa Community Financial Services Limited

Notes to the financial statements
For the year ended 30 June 2023

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. 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.

Notes to the financial statements (continued)

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.

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.

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.

Notes to the financial statements (continued)

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 2023, 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.

3. 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 2, 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)

4. 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

| | 2023 | 2022 |
|--------------------------------------------------------|------------------|------------------|
| | \$ | \$ |
| Revenue from contracts with customers (AASB 15) | | |
| Provision of services | | |
| Subsidiary Product/ Service Income | 62,243 | 88,199 |
| Margin Share | 1,477,261 | 888,433 |
| Fee Income | 62,952 | 32,390 |
| Total Provision of services | 1,602,456 | 1,009,022 |

c. Other income

| | 2023 | 2022 |
|-------------------------------------------|-------|------|
| | \$ | \$ |
| Net gain on disposal of plant & equipment | 4,785 | - |

5. Finance income and expenses

| | 2023 | 2022 |
|------------------------|---------------|--------------|
| | \$ | \$ |
| Finance income | | |
| Interest income | | |
| Other interest income | 55,697 | 7,339 |
| | 55,697 | 7,339 |

Notes to the financial statements (continued)

6. 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:

| | 2023 \$ | 2022 \$ |
|---------------------------------|------------|------------|
| Current tax expense | | |
| Local income tax current period | 158,160 | 27,576 |
| | 158,160 | 27,576 |

c. Reconciliation of income tax to accounting profit:

| | 2023 \$ | 2022 \$ |
|-------------------------------------------------------------------------------------|------------|------------|
| Profit for the year | 633,807 | 104,837 |
| Prima facie tax payable on profit from ordinary activities before income tax at 25% | 158,452 | 26,209 |
| Add tax effect of: | | |
| Non-deductible expenses | - | 3,308 |
| Less tax effect of: | | |
| Other deductible expenses | 292 | 264 |
| Income not included in assessable income | - | 531 |
| Over provision for income tax in prior year | - | 1,146 |
| Total Less tax effect of: | 292 | 1,941 |
| Total Title | 158,160 | 27,576 |
| Income tax expense | 158,160 | 27,576 |
| Weighted average effective tax rate (%) | 25 | 26 |

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.

Notes to the financial statements (continued)

7. Auditor's remuneration

| | 2023 | 2022 |
|-----------------------------------------------------------------------------------------|-------|-------|
| | \$ | \$ |
| Remuneration of the auditor of the company, Laterals Chartered Accountants, for: | | |
| Auditing or reviewing the financial statements | 6,100 | 6,180 |
| Taxation services | 1,200 | 1,200 |
| | 7,300 | 7,380 |

8. 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

| | 2023 | 2022 |
|--------------|-----------|-----------|
| | \$ | \$ |
| Cash at bank | 3,104,271 | 2,574,994 |

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:

| | 2023 | 2022 |
|----------------------------------------|-----------|-----------|
| | \$ | \$ |
| Cash and cash equivalents | | |
| Cheque Account | 358,988 | 266,056 |
| Card Account | 1,893 | - |
| Term Deposit | 2,640,607 | 2,208,845 |
| Term Deposit No 2 | 102,783 | 100,093 |
| Total Cash and cash equivalents | 3,104,271 | 2,574,994 |

9. Trade and other receivables

| Current | 2023 | 2022 |
|-------------------|---------|---------|
| | \$ | \$ |
| Trade receivables | 150,493 | 104,924 |
| | 150,493 | 104,924 |

Notes to the financial statements (continued)

10. 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

Buildings are measured using the cost model. The land was revalued in 2006. 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.

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:

| 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.

Notes to the financial statements (continued)

b. Property, plant and equipment details

| Summary | 2023 | 2022 |
|---------------------|---------|---------|
| | \$ | \$ |
| Land | 135,980 | 135,980 |
| Buildings | 24,771 | 27,773 |
| Plant and equipment | 7,124 | 8,024 |
| Motor vehicles | 41,014 | 74,587 |
| | 208,889 | 246,364 |

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 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 |
| Balance at 1 July 2022 | 135,980 | 27,773 | 8,024 | 74,587 | 246,364 |
| Disposals | - | - | - | (15,990) | (15,990) |
| Depreciation expense | - | (3,002) | (900) | (17,583) | (21,485) |
| Balance at 30 June 2023 | 135,980 | 24,771 | 7,124 | 41,014 | 208,889 |

11. 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 | 2023 | 2022 |
|----------------|--------|--------|
| | \$ | \$ |
| Franchise fees | 31,534 | 24,034 |

Notes to the financial statements (continued)

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 | 2023 | 2022 |
|-------------------------------------|-------------|-------------|
| | \$ | \$ |
| Balance at beginning of year | 24,034 | 13,485 |
| Additions | 15,257 | 15,257 |
| Amortisation charge | (7,757) | (4,706) |
| Closing balance | 31,534 | 24,034 |

12. Other assets

| Current | 2023 | 2022 |
|---------------------|-------------|-------------|
| | \$ | \$ |
| Other assets | | |
| Prepayments | 11,794 | 10,628 |

13. Trade and other payables

| Current | 2023 | 2022 |
|-------------------|-------------|-------------|
| | \$ | \$ |
| Trade payables | 9,340 | 8,934 |
| GST payable | 29,542 | 18,498 |
| Employee benefits | 7,297 | 6,129 |
| Provision for tax | 131,820 | 53 |
| | 177,999 | 33,614 |

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.

14. 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

Notes to the financial statements (continued)

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 | 2023 | 2022 |
|--------------------|---------|---------|
| | \$ | \$ |
| Long service leave | 70,476 | 64,103 |
| Annual leave | 29,767 | 40,138 |
| | 100,243 | 104,241 |
| Non-current | 2023 | 2022 |
| | \$ | \$ |
| Long service leave | 16,876 | 13,780 |

15. 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

| | Opening balance | Charged to income | Charged directly to equity | Changes in tax rate | Exchange difference | Closing balance |
|--------------------------|-----------------|-------------------|----------------------------|---------------------|---------------------|-----------------|
| 2023 | \$ | \$ | \$ | \$ | \$ | \$ |
| Deferred tax assets | 28,515 | (4,369) | - | - | - | 24,146 |
| | Opening balance | Charged to income | Charged directly to equity | Changes in tax rate | Exchange difference | Closing balance |
| 2023 | \$ | \$ | \$ | \$ | \$ | \$ |
| Deferred tax liabilities | 20,671 | - | - | - | - | 20,671 |

Notes to the financial statements (continued)

16. Financial risk management

| Financial assets | 2023 | 2022 |
|-------------------------------|-----------|-----------|
| | \$ | \$ |
| Held at amortised cost | | |
| Cash and cash equivalents | 3,104,271 | 2,574,994 |
| Trade and other receivables | 150,493 | 104,924 |
| | 3,254,764 | 2,679,918 |

17. Dividends

a. Dividends declared or paid

| | 2023 cents per share | 2022 cents per share | 2023 \$ | 2022 \$ |
|--------------------------------------------------------|----------------------------|----------------------------|------------|------------|
| The following dividends were declared and paid: | | | | |
| Final franked ordinary dividends | 20 | 10 | 77,462 | 38,731 |

Franked dividends declared or paid during the year were franked at the tax rate of 25%.

b. Franking credits account

| | 2023 | 2022 |
|------------------------------------------------------------------------------------|---------|---------|
| | \$ | \$ |
| The franking credits available for subsequent financial years at a tax rate of 25% | 930,627 | 934,423 |

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.

18. Reserves

| | 2023 | 2022 |
|---------------------|--------|--------|
| | \$ | \$ |
| Revaluation surplus | 64,326 | 64,326 |

a. Revaluation surplus

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

Notes to the financial statements (continued)

19. Contingencies

In the opinion of the Directors, the company did not have any contingencies at 2023 (2022: None).

20. 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:

| | 2023 | 2022 |
|--------------------------------------------|--------|--------|
| 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 |
| Mel Whitechurch | 500 | - |
| | 12,200 | 12,200 |

There was no movement in key management personnel shareholdings during the year. Each share held 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)

21. Cash flow information

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

| | 2023 | 2022 |
|----------------------------------------------------|----------------|----------------|
| | \$ | \$ |
| Profit for the year | 475,647 | 77,261 |
| Add / (less) non-cash items: | | |
| (Profit) / loss on sale of assets | (4,785) | - |
| Depreciation and amortisation | 29,243 | 30,720 |
| Changes in assets and liabilities: | | |
| (increase) / decrease in receivables | (45,569) | (9,149) |
| (increase) / decrease in other assets | (1,166) | (1,055) |
| (increase) / decrease in deferred tax assets | 4,369 | (1,747) |
| increase / (decrease) in payables | 144,385 | 30,295 |
| increase / (decrease) in employee benefits | (902) | 13,233 |
| increase / (decrease) in deferred tax liabilities | - | (827) |
| increase / (decrease) in asset revaluation reserve | - | 1,428 |
| Cash flows from operations | 601,222 | 140,159 |

22. 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.

23. 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

Boorowa Community Financial Services Limited

Directors' declaration

30 June 2023

The directors of the company declare that:

The financial statements and notes for the year ended 30 June 2023 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 2023 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: 04.09.2023

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 2023, 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 is in accordance with the *Corporations Act 2001*, including:

1. giving a true and fair view of the company's financial position as at 30 June 2023 and of its financial performance for the year ended; and
2. complying with Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the 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

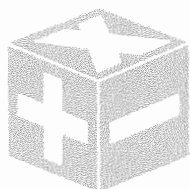
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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

Laterals Chartered Accountants

213-215 Auburn Street
Goulburn NSW 2580



LATERALS

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Web: bendigobank.com.au/boorowa

Franchisee: Boorowa Community Financial Services Limited
ABN: 76 093 519 094
32 Marsden Street, Boorowa NSW 2586
Phone: 02 6385 3277
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 /communitybankboorowa

