



2021 Annual Report

Belfast Community Enterprises Limited

ABN 65 161 382 832

Community Bank · Port Fairy & District

Contents

Chairman's report	2
Manager's report	3
Bendigo and Adelaide Bank report	5
Community partnering contributions	6
Directors' report	7
Auditor's independence declaration	12
Financial statements	13
Notes to the financial statements	17
Directors' declaration	36
Independent audit report	37



Our 2021 cover: Branch staff, Kat Wiesner-Ellix, Hollie Ciurleo, Jade Hancey, Tom Flaherty.

Chairman's report

For year ending 30 June 2021

As I write my first report as Chairman I reflect on what a privilege it is to hold such a position. To be in a situation where I can lead Belfast Community Enterprises Limited is an honour indeed. I have stated previously that it is easy to promote something if you truly believe in it, and I certainly believe in the Community Bank Port Fairy & District!

To retiring Chairman and founding member, Ralph Leutton, I express my sincere gratitude to you for your magnificent contribution to our organisation. Your corporate knowledge and the wisdom that you have imparted has left our Bank in a wonderful position and I hope that, while following in your footsteps, I too can have such a positive impact – thank you Ralph. I am grateful that you will remain as a member of our Finance and Risk Committee.

Unfortunately John Rahilly, also a foundation member of the Board, has called time on his service to our Community Bank. Like Ralph, John's involvement goes way back to the beginning and his knowledge has helped shape the Community Bank into what it is today. John has also led the Bank's HR Committee for some time and he passes that baton on to Tom Newton – thanks John for all you have done.

The most valuable resource for any business is its staff. Our Community Bank has experienced its challenges throughout the COVID-19 period, and we have seen significant changes within the branch. Staff will always come and go, that is the nature of any organisation. Julia O'Neil and Fiona Towler have left banking for personal reasons. Andrew Long, after a brief stint as Manager, accepted another role and Amy Harman has accepted a position with Rural Bank. Thanks to each of you for helping us on our journey.

Decisions made by the big corporates saw the closure of the CBA and ANZ banks within the town of Port Fairy. This is simply a case of putting profits ahead of people and a true reflection of the world we live in. But, that is not the Community Bank way! In fact, with new manager Hollie Ciurleo and Home Lending Specialist Jade Hancey joining Kat Wiesner-Ellix and Tom Flaherty, we intend to employ a trainee to build our staff to five so that we can further assist all our customers, old and new, when you come into the branch.

In June this year we celebrated our seventh birthday and the occasion was marked with a get together in the Lecture Hall. With approximately 100 in attendance, stories were shared about the impact of our community contributions within the town and the wider district. When Ralph Leutton presented a cheque to the Port Fairy Surf Lifesaving Club for \$2,400 we reached the \$500,000 milestone! That is the total contribution to over 90 groups across the district in the past seven years – what an outstanding achievement made possible by the support of our shareholders and customers, and for this I say thank you!

Community Bank Port Fairy is now the only Bank in the Moyne Shire. What a visionary Peter Langley was thirteen years ago when, along with his initial Steering Committee, promoted the concept of a Community Bank. Imagine Port Fairy with NO Banks. I thank you Peter for showing the courage to commit to this project as the town and district now benefits from your vision and hard work.

Our relationship with the Bendigo Bank is very strong. As we strive to grow our business we need the Bendigo Bank, as an organisation, to challenge the larger banks so that we can offer our customers competitive banking services and products knowing that they can bank with us at the Community Bank confident that they are being looked after.

Governance is extremely important when you have volunteers running a community business. As an ex-teacher and retired publican I need significant help in this area. I thank Ashley King, in his role of Company Secretary, for ensuring that requirements are met in a timely matter. Thank you to all those that sit on Community & Marketing, HR and Finance & Risk committees, for your enormous contribution. Finally to the Board members for your continued support and service to the Community – your efforts are truly appreciated.



Damian Gleeson
Chairman

Manager's report

For year ending 30 June 2021

Dear Shareholders,

It is with real pleasure that I submit my first annual report to the Board and shareholders for the 2020/21 financial year. I would like to thank all staff that have been a part of the Branch, their commitment and passion to our branch, the Bank and our community is remarkable.

As the new Branch Manager, I have been lucky enough to welcome our new Home Lending Specialist Jade Hancey to the branch. She brings a wealth of knowledge to the team and has slotted in nicely. We can't wait to see what Jade will bring to the team. Kat Wiesner-Ellix and Thomas Flaherty have yet again done a wonderful job all year holding down the fort while the branch underwent major staffing changes and kept the branches momentum running while this was all happening.

I would like to also take this time to thank our going staff Amy Harman, Fiona Towler and Julia O'Neill, for all years of service and what they have provided for the Branch and community over this period of time.

Thank you to our customers, our Board of Directors, and our shareholders for their ongoing support. I would also like to thank our Bendigo Bank representatives, especially our Regional Manager Jason Chuck for his support this year in the day to day running of the business and with our partnership with organisations and community groups.

The 2020/21 financial year will no doubt be remembered by the impact of the COVID-19 pandemic. We are still feeling the repercussions, both locally and globally. It has been a challenging time, but our priority has been to support anyone impacted. As an essential service we are open for business and the Bank is committed to providing a dedicated and consistent response to our customers and the community.

This also has unfortunately in turn prevented us from being able to attend many community events that have had to be cancelled or rescheduled for later in the year. But as a branch we have still been able to support many different causes within the branch.

With the other two major banks in town closing this has given us momentum to gain and build on new and old customer relationships. Over the past couple of months since the announcements we have seen a steady increase in business, personal accounts and home loan refinancing.

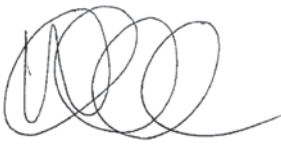
Our profit for the year was \$73,106. This was a great result for a difficult year and after contributions back to the community, and as well as funds put away for future partnerships within the community. We are proud to have contributed \$51,248 back to the community this year and overall \$508,722. We can only imagine how much this benefited our community in supporting and helping it grow.

	June 2020	June 2021
Deposits	\$43.6 million	\$60.6 million
Loans	\$55.8 million	\$57.3 million
Other	\$9 million	\$9.4 million
Total	\$108.5 million	\$127.3 million
Customer numbers	1,465 customers	1,731 customers

Manager's report (continued)

But lastly, our customers, without you we could not achieve what we do. It is because you choose to bank with the Community Bank Port Fairy & District, that our local communities enjoy the benefits. If you only hold a portion of your banking with Community Bank Port Fairy & District, we'd love the opportunity to compare and strengthen the relationship we have with you. The more who choose to support our Community Bank, the more we can give back to our local communities.

We have a very competitive range of personal and business products that will not only benefit you, but also your local community. I look forward to another year of continued success throughout the 2021/22 financial year as we begin to adapt into a new COVID-19 normal enabling us to continue to support and give back to the local communities that we service.



Hollie Ciurleo,
Branch Manager.

Bendigo and Adelaide Bank report

For year ending 30 June 2021

On behalf of Bendigo and Adelaide Bank, thank you! As a shareholder of your local Community Bank company, you are playing an important role in supporting your community.

It has been a tumultuous year for every community across Australia, and across the world. For our business, recognition that banking is an essential service has meant that we've kept the doors open, albeit with conditions that none of us could ever imagine having to work with.

Face masks, perspex screens, signed documents to cross state borders, checking in customers with QR codes and ensuring hand sanitiser stations are filled aren't what you would expect as a bank employee.

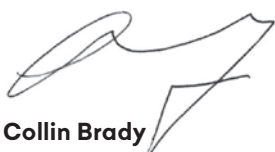
Then there's the fact that while communities have been, and continue to go in and out of lockdown, digital and online banking has become the norm.

So, what does that mean for Bendigo Bank and the Community Bank that you are invested in both as a shareholder, and a customer?

What we're seeing is that your Community Bank is still as important, if not more so, than when you first invested as a shareholder. If the pandemic has taught us anything, it has taught us the importance of place, of our local community, our local economy, our community-based organisations, the importance of social connection and the importance of your local Community Enterprise – your Community Bank in providing, leadership, support, and assistance in these difficult times.

As we continue to adapt to this rapidly changing world one thing that continues to be important to us all is supporting each another and our strong sense of community.

Your continued support as a shareholder is essential to the success of your local community. Thank you for continuing to back your Community Bank company and your community.



Collin Brady
Head of Community Development

Community partnering contributions

For year ending 30 June 2021

For year ending 30 June 2021 we proudly contributed \$51,248 in grants, sponsorships and donations to our community which increases our total community partnering contributions in the seven years of business operations to \$508,722. All made possible by our customers.

The Board was pleased to achieve the milestone of \$500,000 invested back into supporting our community and has retained the deposit of \$50,000 in the Community Enterprise Foundation™ Charitable Fund for investment in local infrastructure projects and grants that will provide an ongoing and long term benefit for our community.

It is worthy to note the awarding of our Community Bank's second tertiary studies scholarship. Tess Dempsey from Port Fairy was the successful student this year and she is eligible to receive \$10,000 during her initial two years at Undergraduate bachelor's degree level.

Since opening for business seven years ago the customers of Community Bank Port Fairy & District have supported the following organisations:



Port Fairy Folk Festival	Gourmet Port Fairy	Port Fairy Citizens Band
Port Fairy Winter Weekends Dachshund Dash & "Reflected" event	Macarthur Pony Club	St John's Anglican Church
Port Fairy Sea Scouts	ExLibris - Stories on Sackville St	Port Fairy SES Unit
Port Fairy Consolidated School Council	Ex Libris Writing Competition	Port Fairy Film Society
Port Fairy Probus Club	Port Fairy Community House and U3A	Port Fairy Men's Shed
Child Care Action Group	Port Fairy Petanque Group	Port Fairy Pool Management Group
Community Garden Group	Kirkstall Recreation Reserve	Port Fairy Heritage Boats
St Brigid's Hall Crossley	Port Fairy Angling Club	Macarthur Swimming Pool
Yambuk Progress Group	South West Working Equitation Club	Port Fairy Tourism
Port Fairy Hospital Auxiliary	Warrong All Abilities Equestrian	Koroit Irish Festival
Port Fairy Show Society	Port Fairy Playgroup	Port Fairy Theatre Group
Port Fairy Football Netball Club	Port Fairy Consolidated Parents & Friends	Warrnambool Toy Library
St Patricks Primary School Port Fairy	Port Fairy Tennis Club Inc.	All Abilities Advocacy
Port Fairy Cricket Club	Friends of Moyneyana House	South West Energy Group
Moyneyana Festival Inc.	St John's Strawberry Fete	Port Fairy Historical Society
Port Fairy Bowls Club	Port Fairy Consolidated School Bazaar	Warrnambool Special Development School
Port Fairy Business Assoc.	St Pats Primary School Graduation Awards	Koroit Lions Club
Koroit Business & Tourism Association	Port Fairy Consolidated School Awards	Port Campbell Surf Life Saving Club
Port Fairy Community Race Day	Macarthur Music in the Vines	Port Fairy Adventure Film Festival
Koroit Community Race Day	Port Fairy Jazz Festival	Koroit Football Netball Club
Port Fairy Belfast Lions Art Show	Brophy Family & Youth Services	Nature's Way Eco Sanctuary Group
Koroit FN Club - Tower Hill Challenge	Moyne Health Services	Port Fairy Biggest Morning Tea
Sackville Street Streetscape	Port Fairy Belfast Lions Club	Women on Farms Gatherings
Commonwealth Championship Sheep Dog Trials	Koroit & District Primary School	CWA Victoria - Port Fairy
Port Fairy Surf Life Saving Club	Sungold Field Days	Hawkesdale Macarthur FN Club
Macarthur Men's Shed	Rotary Club of Port Fairy	Moyne Shire - Love Local
Yambuk Hall Committee	Koroit Bowls Club	SES Port Fairy
Fun4Kids Festival	Port Fairy Golf Club	
Port Fairy Marine Rescue Service	Friends of Griffiths Island	

Directors' report

For the financial year ended 30 June 2021

The directors present their report together with the financial statements of the company for the financial year ended 30 June 2021.

Directors

The directors of the company who held office during the financial year and to the date of this report are:

Damian John Gleeson

Chair

Occupation: Business Owner

Qualifications, experience and expertise: Damian was educated at St Patrick's College in Ballarat and then attended the Australia Catholic University where he gained a Bachelor of Education. Damian taught in Portland and Geelong for ten years before entering the Hospitality Industry in 1995. With wife Sue, he has been self-employed since 1997 having owned and operated six Hotels. Damian returned home to Port Fairy in 2004 as licensee as the Star of the West hotel. He served as president of the Port fairy Football Netball Club from 2007 - 2009. Damian is currently a Committee Member of the Port Fairy Cricket Club and held the position of Club President from 2012/13 to 2017/18. Damian strongly supported the Steering Committee to establish the Port Fairy & District Community Bank and was and continues to be an outstanding advocate for the benefits the model brings to our community. He freely gives of his time to assist in numerous community events and activities. Damian was elected as a councillor of the Moyne Shire in October 2020.

Special responsibilities: Board Chair, Member of the Human Resources Committee.

Interest in shares: 10,000 ordinary shares

Nicole Louise Dwyer

Non-executive director

Occupation: Real Estate Agent

Qualifications, experience and expertise: Nicole is an original steering committee member and former Deputy Chairman. She is a licensed real estate agent and local business manager in Port Fairy. Nicole has TAFE qualifications in Marketing and has experience in Event Management. As an extremely active volunteer in many groups locally in particular the Port Fairy Surf Life Saving Club and Port Fairy Football Netball Club, Nicole has received several recognitions for her contribution to our community and personal performances including Life Saving Victoria 'Nipper Program Coordinator' Award for 2018 and Moyne Shire Citizen of the year in 2020.

Special responsibilities: Member of the Community and Marketing Committee

Interest in shares: 2,501 ordinary shares

Peter John Langley

Non-executive director

Occupation: Motelier

Qualifications, experience and expertise: Peter is self employed and owns a motel and holiday rental business. He has had 35 years in the public service in Victoria, and has been past Treasurer of Port Fairy Golf Club for two years and is a founding member of Warrnambool Seahawks/Mermaids Basketball Inc. He has a private pilots license and has coached representative basketball at both junior and senior levels.

Special responsibilities: Member of the Community and Marketing Committee.

Interest in shares: 20,001 ordinary shares

Directors' report (continued)

Directors (continued)

Margaret Donne Leutton

Non-executive director

Occupation: Leisure in Healthy Activities Co-Ord.

Qualifications, experience and expertise: Maggie has extensive experience in many roles undertaken under the auspices of her business, Direction Projects since 1989 which include coordination Woody's Murray to Moyne annual Cycle Relay for five years, Administrator for Port Fairy Tourism Inc. and Port Fairy Business Association. Having an Advanced Diploma in Business Management, contracting in rural, regional and urban areas around the Eastern Seaboard for Corporate and government clients as well as many of the rural industry bodies. Currently, she is involved in the health industry in the areas of aged care, planned activities and further education. Maggie is also currently volunteering for several music festivals, Red Cross fundraising, Red Cross Emergency Services and Servas International which is committed to peace through intercultural communication. Maggie is a current director of DemoDAIRY Foundation Limited.

Special responsibilities: Member of the Human Resources Committee and Community and Marketing Committee.

Interest in shares: 5,001 ordinary shares

Thomas Newton

Non-executive director

Occupation: MaxCare Business Manager

Qualifications, experience and expertise: Tom has attained a Bachelor of Management - Farm Business from the University of Sydney. He has extensive experience working and consulting in agriculture and has been working with Brisbane based Maxum foods for 13 years, the last six of which he has been the Business Manager of MaxCare. He served on the Westvic Dairy Board for 3 years and is a member of the Australia Institute of Company Directors. In 2012 he completed the Leadership Great South Coast Program. Tom was originally from the Stanthorpe area in rural Queensland before moving to Port Fairy 10 years ago. He is married with 2 children.

Special responsibilities: Chair of the Human Resources Committee and Member of the Finance and Risk Committee.

Interest in shares: 1,000 ordinary shares

Melissa Anne McDonald

Non-executive director (appointed 5 October 2020)

Occupation: Primary Producer

Qualifications, experience and expertise: Melissa was appointed a director in October 2020. As a director and head of finance of the family owned and run dairy farm as Bessiebelle in South West Victoria she has expertise in farming operations and an understanding of rural communities. She has attained an Advanced diploma of Agriculture, Diploma of Hospitality Management and Certificate IV in Training and Assessment. With expertise in farm management retail, hospitality, education and fundraising, Melissa has many years of valuable experience and knowledge to contribute to supporting our community and positive change when needed. Her current activities and involvement include Program Co-ordinator (Cert IV and Diploma) as RIST agricultural college, School Council President and Macarthur Primary School and Netball Co-ordinator at Hawesdale Macarthur FNC.

Special responsibilities: Deputy Chair, Chair of the Community and Marketing Committee, Member of the Finance and Risk Committee.

Interest in shares: 3,000 ordinary shares

Directors' report (continued)

Directors (continued)

John Julian Rahilly

Non-executive director (resigned 8 August 2021)

Occupation: Retired

Qualifications, experience and expertise: John is a retired pharmacist of 40 years, and former board member of Amcal Pharmaceutical Group. He is also past president, vice-president and captain of Port Fairy Golf Club.

Special responsibilities: Member of the Human Resources Committee.

Interest in shares: 5,000 ordinary shares

Ralph David Leutton

Non-executive director (resigned 11 June 2021)

Occupation: Contract Facilitator/Lobbyist

Qualifications, experience and expertise: Ralph Leutton works in his own right as an independent advocate and facilitator in natural resource management, industry strategic direction and the areas of vocational training and education. Mr. Leutton has held a number of contracts with peak industry and producer groups, working with government to develop or resolve policy areas in natural resource management, industry strategy and human resource availability. During his career, Mr. Leutton has had opportunity to serve on a number of corporate and government oversight boards. These have ranged from large events (Expo 88 and Beef 88); national training (NQC, TVET Aust., Rural Skills Aust., Rural Training Council of Aust., and Agrifood Industry Skills Council); community based boards and committees; as well as in the health services industry.

Special responsibilities: Member of the Finance & Risk Committee.

Interest in shares: 5,001 ordinary shares

Directors were in office for this entire year unless otherwise stated.

No directors have material interest in contracts or proposed contracts with the company.

Company Secretary

The company secretary is Ashley King. Ashley was appointed to the position of secretary on 1 June 2018.

Qualifications, experience and expertise: Ashley has been involved in the finance industry for 40 years. He established and was General Manager of the Southern Financial Group from 1990 to 2013 which provided a range of financial services to customers predominantly from South Western and Western Victoria. In 2013 he assisted the Steering Committee of the Port Fairy & District Community Bank to commence operating and was the Branch Manager from opening in June 2014 until his retirement in March 2018. He also assisted the Board with its business operations during this period.

Principal activity

The principal activity of the company during the financial year was facilitating Community Bank services under management rights of Bendigo and Adelaide Bank Limited (Bendigo Bank).

There have been no significant changes in the nature of these activities during the financial year.

Operating results

The profit of the company for the financial year after provision for income tax was:

Year ended 30 June 2021	Year ended 30 June 2020
\$	\$
73,106	46,317

Directors' report (continued)

Directors' interests

	Fully paid ordinary shares		
	Balance at start of the year	Changes during the year	Balance at end of the year
Damian John Gleeson	10,000	-	10,000
Nicole Louise Dwyer	2,501	-	2,501
Peter John Langley	20,001	-	20,001
Margaret Donne Leutton	5,001	-	5,001
Thomas Newton	1,000	-	1,000
Melissa Anne McDonald	-	3,000	3,000
John Julian Rahilly	5,000	-	5,000
Ralph David Leutton	5,001	-	5,001

Dividends

No dividends were declared or paid for the previous financial year and the directors recommend that no dividend be paid in the current financial year.

Significant changes in the state of affairs

Since January 2020, COVID-19 has developed and spread globally. In response, the Commonwealth and State Government introduced a range of social isolation measures to limit the spread of the virus. Such measures have been revised, as appropriate, based on case numbers and the level of community transmission. Whilst there has been no significant changes on the company's financial performance so far, uncertainty remains on the future impact of COVID-19 to the company's operations.

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

Events since the end of the financial year

There are no matters or circumstances that have arisen since the end of the financial year that have 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 years.

Likely developments

The company will continue its policy of facilitating banking services to the community.

Environmental regulation

The company is not subject to any significant environmental regulation.

Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

Indemnification and insurance of directors and officers

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

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The company has not provided any insurance for an auditor of the company or a related body corporate.

Directors' report (continued)

Directors' meetings

The number of directors' meetings (including meetings of committees of directors) attended by each of the directors of the company during the financial year were:

E - eligible to attend A - number attended

	Board Meetings Attended		Committee Meetings Attended					
	E	A	Finance & Risk		Community & Marketing		Human Resources	
			E	A	E	A	E	A
Damian John Gleeson	6	6	-	-	8	7	2	2
Nicole Louise Dwyer	6	5	-	-	8	6	-	-
Peter John Langley	6	5	-	-	8	7	-	-
Margaret Donne Leutton	6	6	-	-	8	5	-	-
Thomas Newton	6	6	12	9	-	-	-	-
Melissa Anne McDonald	5	5	9	7	5	5	-	-
John Julian Rahilly	6	4	-	-	-	-	2	2
Ralph David Leutton	6	6	12	9	-	-	-	-

Proceedings on behalf of the company

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

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the Corporations Act 2001.

Non audit services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non audit services provided during the year are set out in note 27 to the accounts.

The board of directors has considered the non-audit services provided during the year by the auditor and, in accordance with the advice received from the Finance and Risk Committee, is satisfied that the provision of the non-audit services is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Finance and Risk Committee to ensure they do not impact on the impartiality, integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the company, acting as an advocate for the company or jointly sharing risks and rewards.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 12.

Signed in accordance with a resolution of the directors at Port Fairy, Victoria.



Damian John Gleeson, Chairman

Dated this 29th day of September 2021

Auditor's independence declaration



61 Bull Street
Bendigo VIC 3550
afs@afsbendigo.com.au
03 5443 0344

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Belfast Community Enterprises Limited

As lead auditor for the audit of Belfast Community Enterprises Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 29 September 2021

A handwritten signature in black ink, appearing to read 'Adrian Downing'.

Adrian Downing
Lead Auditor

Financial statements

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2021

	Notes	2021 \$	2020 \$
Revenue from contracts with customers	8	722,358	715,466
Other revenue	9	47,103	66,293
Finance income	10	5,911	8,771
Employee benefit expenses	11c)	(421,853)	(414,935)
Charitable donations, sponsorship, advertising and promotion		(69,413)	(132,768)
Occupancy and associated costs		(10,320)	(11,709)
Systems costs		(34,900)	(33,894)
Depreciation and amortisation expense	11a)	(59,044)	(59,824)
Finance costs	11b)	(24,492)	(25,274)
General administration expenses		(60,801)	(58,052)
Profit before income tax expense		94,549	54,074
Income tax expense	12a)	(21,443)	(7,757)
Profit after income tax expense		73,106	46,317
Total comprehensive income for the year attributable to the ordinary shareholders of the company:		73,106	46,317
Earnings per share		¢	¢
- Basic and diluted earnings per share:	30a)	7.80	4.94

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Financial Position as at 30 June 2021

	Notes	2021 \$	2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	13a)	844,960	767,294
Trade and other receivables	14	68,151	58,825
Total current assets		913,111	826,119
Non-current assets			
Property, plant and equipment	15a)	161,728	169,373
Right-of-use assets	16a)	378,715	408,035
Intangible assets	17a)	82,706	103,083
Deferred tax asset	18b)	32,565	35,908
Total non-current assets		655,714	716,399
Total assets		1,568,825	1,542,518
LIABILITIES			
Current liabilities			
Trade and other payables	19a)	55,272	56,288
Current tax liabilities	18a)	7,545	2,829
Lease liabilities	20a)	16,719	18,033
Employee benefits	22a)	15,860	30,225
Total current liabilities		95,396	107,375
Non-current liabilities			
Trade and other payables	19b)	14,502	29,004
Lease liabilities	20b)	468,097	488,299
Employee benefits	22b)	3,008	3,753
Provisions	21a)	13,483	12,854
Total non-current liabilities		499,090	533,910
Total liabilities		594,486	641,285
Net assets		974,339	901,233
EQUITY			
Issued capital	23a)	898,316	898,316
Retained earnings	24	76,023	2,917
Total equity		974,339	901,233

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Changes in Equity for the year ended 30 June 2021

	Notes	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2019		898,316	(5,893)	892,423
Total comprehensive income for the year		-	46,317	46,317
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	29a)	-	(37,507)	(37,507)
Balance at 30 June 2020		898,316	2,917	901,233
Balance at 1 July 2020		898,316	2,917	901,233
Total comprehensive income for the year		-	73,106	73,106
Balance at 30 June 2021		898,316	76,023	974,339

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Cash Flows for the year ended 30 June 2021

	Notes	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from customers		828,656	849,563
Payments to suppliers and employees		(666,856)	(686,356)
Interest received		5,911	11,745
Lease payments (interest component)	11b)	(23,863)	(24,674)
Lease payments not included in the measurement of lease liabilities	11d)	(16,397)	(15,037)
Income taxes paid		(13,384)	(17,490)
Net cash provided by operating activities	25	114,067	117,751
Cash flows from investing activities			
Payments for property, plant and equipment		(1,701)	-
Payments for intangible assets		(13,184)	(13,184)
Net cash used in investing activities		(14,885)	(13,184)
Cash flows from financing activities			
Lease payments (principal component)		(21,516)	(16,002)
Dividends paid	29a)	-	(37,507)
Net cash used in financing activities		(21,516)	(53,509)
Net cash increase in cash held		77,666	51,058
Cash and cash equivalents at the beginning of the financial year		767,294	716,236
Cash and cash equivalents at the end of the financial year	13a)	844,960	767,294

The accompanying notes form part of these financial statements.

Notes to the financial statements

For the year ended 30 June 2021

Note 1 Reporting entity

This is the financial report for Belfast Community Enterprises Limited (the company). The company is a for profit entity limited by shares, and incorporated and domiciled in Australia. The registered office and principal place of business is:

Registered Office

32a Bank Street
Port Fairy VIC 3284

Principal Place of Business

32a Bank Street
Port Fairy VIC 3284

Further information on the nature of the operations and principal activity of the company is provided in the directors' report. Information on the company's related party relationships is provided in Note 28.

Note 2 Basis of preparation and statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The financial statements have been prepared on an accrual and historical cost basis. The financial report is presented in Australian dollars and all values are rounded to the nearest dollar, unless otherwise stated.

These financial statements for the year ended 30 June 2021 were authorised for issue in accordance with a resolution of the directors on 29 September 2021.

Note 3 Changes in accounting policies, standards and interpretations

There are a number of amendments to accounting standards issued by the AASB that became mandatorily effective for accounting periods beginning on or after 1 July 2020, and are therefore relevant for the current financial year. The amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Note 4 Summary of significant accounting policies

The company has consistently applied the following accounting policies to all periods presented in these financial statements.

a) Revenue from contracts with customers

The company has entered into a franchise agreement with Bendigo Bank. The company delivers banking and financial services of Bendigo Bank to its community. The franchise agreement provides for a share of interest, fee, and commission revenue earned by the company. Interest margin share is based on a funds transfer pricing methodology which recognises that income is derived from deposits held, and that loans granted incur a funding cost. Fees are based on the company's current fee schedule and commissions are based on the agreements in place. All margin revenue is recorded as non-interest income when the company's right to receive the payment is established.

The company acts as an agent under the franchise agreement and revenue arises from the rendering of services through its franchise agreement.

Revenue is recognised on an accruals basis, at the fair value of consideration specified in the franchise agreement. Under AASB 15 Revenue from Contracts with Customers (AASB 15), revenue recognition for the company's revenue stream is as follows:

Revenue stream	Includes	Performance obligation	Timing of recognition
Franchise agreement profit share	Margin, commission, and fee income	When the company satisfies its obligation to arrange for the services to be provided to the customer by the supplier (Bendigo Bank as franchisor).	On completion of the provision of the relevant service. Revenue is accrued monthly and paid within 10 business days after the end of each month.

Notes to the financial statements (continued)

Note 4 Summary of significant accounting policies (continued)

a) Revenue from contracts with customers (continued)

All revenue is stated net of the amount of Goods and Services Tax (GST). There was no revenue from contracts with customers recognised over time during the financial year.

Revenue calculation

The franchise agreement provides that three forms of revenue may be earned by the company – margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services.

The revenue earned by the company is dependent on the business that it generates. It may also be affected by other factors, such as economic and local conditions, for example, interest rates.

Margin

Margin is arrived at through the following calculation:

- Interest paid by customers on loans less interest paid to customers on deposits
- plus any deposit returns i.e. interest return applied by Bendigo Bank for a deposit,
- minus any costs of funds i.e. interest applied by to fund a loan.

The company is entitled to a share of the margin earned by Bendigo Bank. If this reflects a loss, the company incurs a share of that loss.

Commission

Commission revenue is in the form of commission generated for products and services sold. This commission is recognised at a point in time which reflects when the company has fulfilled its performance obligation.

The company receives trailing commission for products and services sold. Ongoing trailing commission payments are recognised on receipt as there is insufficient detail readily available to estimate the most likely amount of income without a high probability of significant reversal in a subsequent reporting period. The receipt of ongoing trailing commission income is outside the control of the company, and is a significant judgement area.

Fee income

Fee income is a share of what is commonly referred to as 'bank fees and charges' charged to customers by Bendigo Bank Group entities including fees for loan applications and account transactions.

Core banking products

Bendigo Bank has identified some products and services as 'core banking products'. It may change the products and services which are identified as core banking products by giving the company at least 30 days notice. Core banking products currently include Bendigo Bank branded home loans, term deposits and at call deposits.

Ability to change financial return

Under the franchise agreement, Bendigo Bank may change the form and amount of financial return the company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo Bank earns revenue.

The change may be to the method of calculation of margin, the amount of margin, commission and fee income or a change of a margin to a commission or vice versa. This may affect the amount of revenue the company receives on a particular product or service.

Bendigo Bank must not reduce the margin and commission the company receives on core banking products and services to less than 50% (on an aggregate basis) of Bendigo Bank's margin at that time. For other products and services, there is no restriction on the change Bendigo Bank may make.

b) Other revenue

The company's activities include the generation of income from sources other than the core products under the franchise agreement. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and can be reliably measured.

Revenue stream	Revenue recognition policy
Discretionary financial contributions (also "Market Development Fund" or "MDF" income)	MDF income is recognised when the right to receive the payment is established. MDF income is discretionary and provided and receivable at month-end and paid within 14 days after month-end.

Notes to the financial statements (continued)

Note 4 Summary of significant accounting policies (continued)

b) Other revenue (continued)

Revenue stream	Revenue recognition policy
Cash flow boost	Cash flow boost income is recognised when the right to the payment is established (e.g. monthly or quarterly in the activity statement).
Other income	All other revenues that did not contain contracts with customers are recognised as goods and services are provided.

All revenue is stated net of the amount of Goods and Services Tax (GST).

Discretionary financial contributions

In addition to margin, commission and fee income, and separate from the franchise agreement, Bendigo Bank has also made MDF payments to the company.

The amount has been based on the volume of business attributed to a branch. The purpose of the discretionary payments is to assist with local market development activities, including community sponsorships and grants. It is for the board to decide how to use the MDF.

The payments from Bendigo Bank are discretionary and may change the amount or stop making them at any time. The company retains control over the funds, the funds are not refundable to Bendigo Bank.

Cash flow boost

In response to the COVID-19 outbreak, Boosting Cash Flow for Employers (Coronavirus Economic Response Package) Act 2020 (CFB Act) was enacted. The purpose was to provide temporary cash flow to small and medium sized businesses that employ staff and have been affected by the economic downturn associated with COVID-19.

The amounts received are in relation to amounts withheld as withholding tax reported in the activity statement. This essentially subsidises the company's obligation to remit withholding tax to the Australian Taxation Office. For reporting purposes, the amounts subsidised are recognised as revenue.

The amounts are not assessable for tax purposes and there is no obligation to repay the amounts.

c) Economic dependency - Bendigo Bank

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank.

The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry.

The company operates as a franchise of Bendigo Bank, using the name "Bendigo Bank" and the logo and system of operations of Bendigo Bank. The company manages the Community Bank on behalf of Bendigo Bank, however all transactions with customers conducted through the Community Bank are effectively conducted between the customers and Bendigo Bank.

All deposits are made with Bendigo Bank, and all personal and investment products are products of Bendigo Bank, with the company facilitating the provision of those products. All loans, leases or hire purchase transactions, issues of new credit or debit cards, temporary or bridging finance and any other transaction that involves creating a new debt, or increasing or changing the terms of an existing debt owed to Bendigo Bank, must be approved by Bendigo Bank. All credit transactions are made with Bendigo Bank, and all credit products are products of Bendigo Bank.

The company promotes and sells the products and services, but is not a party to the transaction.

The credit risk (i.e. the risk that a customer will not make repayments) is for the relevant Bendigo Bank entity to bear as long as the company has complied with the appropriate procedures and relevant obligations and has not exercised a discretion in granting or extending credit.

Bendigo Bank provides significant assistance in establishing and maintaining the Community Bank franchise operations. It also continues to provide ongoing management and operational support and other assistance and guidance in relation to all aspects of the franchise operation, including advice and assistance in relation to:

- the design, layout and fit out of the Community Bank premises
- training for the branch manager and other employees in banking, management systems and interface protocol
- methods and procedures for the sale of products and provision of services
- security and cash logistic controls
- calculation of company revenue and payment of many operating and administrative expenses
- the formulation and implementation of advertising and promotional programs
- sales techniques and proper customer relations
- providing payroll services.

Notes to the financial statements (continued)

Note 4 Summary of significant accounting policies (continued)

d) Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for salary and wages where the employee has provided the service but payment has not yet occurred at the reporting date. They are measured at amounts expected to be paid, plus related on-costs. Non-accumulating sick leave is expensed when the leave is taken and measured at the rates paid or payable.

An annual leave liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated. The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The company's obligations for employees' annual leave and long service leave entitlements are recognised in employee benefits in the statement of financial position.

Defined superannuation contribution plans

The company contributes to a defined contribution plan. Obligations for superannuation contributions to defined contribution plans are expensed as the related service is provided.

Other long-term employee benefits

The company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior reporting periods.

That benefit is discounted to determine its present value. Consideration is given to expected future wage and salary levels plus related on-costs, experience of employee departures, and years of service achieved. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Remeasurements are recognised in profit or loss in the period in which they arise.

e) Taxes

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current income tax

Current tax assets and liabilities are measured at amounts expected to be recovered from or paid to the taxation authorities. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for all deductible temporary differences, carried-forward tax losses, and unused tax credits to the extent that it is probable that future taxable profits will be available against which they can be used.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax is measured at the rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax and when the balances relate to taxes levied by the same taxation authority and the entity intends to settle its tax assets and liabilities on a net basis.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except when the amount of GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue or expense item.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Notes to the financial statements (continued)

Note 4 Summary of significant accounting policies (continued)

f) Cash and cash equivalents

For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise cash on hand and deposits held with banks.

g) Property, plant and equipment

Items of property, plant and equipment are measured at cost or fair value as applicable, less accumulated depreciation. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

Depreciation is calculated to write-off the cost of items of property, plant and equipment less their estimated residual values using straight-line and diminishing value method over their estimated useful lives, and is recognised in profit or loss.

The estimated useful lives of property, plant and equipment for the current and comparative periods are as follows:

Asset class	Method	Useful life
Leasehold improvements	Straight-line and diminishing value	6.5 to 40 years
Plant and equipment	Straight-line and diminishing value	1 to 40 years

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

h) Intangible assets

Intangible assets of the company relate to the franchise fees paid to Bendigo Bank which conveys the right to operate the Community Bank franchise. The company has also acquired a customer list from Bendigo Bank.

Intangible assets are measured on initial recognition at cost. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

The franchise fees paid by the company and domiciled customer accounts acquired are amortised over their useful life and assessed for impairment whenever impairment indicators are present. Domiciled customer accounts acquired are recognised at cost at the date of acquisition and are assessed as having indefinite useful life. They are tested for impairment at each reporting period and whenever impairment indicators are present. The indefinite useful life is also reassessed annually.

The estimated useful life and amortisation method for the current and comparative periods are as follows:

Asset class	Method	Useful life
Franchise fee	Straight-line	Over the franchise term (5 years)
Franchise renewal process fee	Straight-line	Over the franchise term (5 years)
Domiciled customer accounts	Straight-line	8 years

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

i) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The company's financial instruments include trade and other debtors, creditors, cash and cash equivalents and lease liabilities.

Trade receivables are initially recognised at the transaction price when they originated. All other financial assets and financial liabilities are initially measured at fair value plus, transaction costs (where applicable) when the company becomes a party to the contractual provisions of the instrument. These assets and liabilities are subsequently measured at amortised cost using the effective interest method.

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the rights are transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and rewards associated with the asset. Financial liabilities are derecognised when its contractual obligations are discharged, cancelled, or expire. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company currently has a legally enforceable right to set off the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the financial statements (continued)

Note 4 Summary of significant accounting policies (continued)

j) Impairment

Non-derivative financial assets

Expected credit losses (ECL) are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received. At each reporting date, the entity recognises the movement in the ECL (if any) as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The company's trade receivables are limited to the monthly profit share distribution from Bendigo Bank, which is received 10 business days post month end. Due to the reliance on Bendigo Bank the company has reviewed credit ratings provided by Standard & Poors, Moody's and Fitch Ratings to determine the level of credit exposure to the company. The company also performed a historical assessment of receivables from Bendigo Bank and found no instances of default. As a result no ECL has been made in relation to trade receivables as at 30 June 2021.

Non-financial assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets that have an indefinite useful life to determine whether there is any indication those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

k) Issued capital

Ordinary shares are recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

l) Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

m) Leases

At inception of a contract, the company assesses whether a contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration and obtain substantially all the economic benefits from the use of that asset.

As a lessee

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the company's incremental borrowing rate.

The company determines its incremental borrowing rate by obtaining interest rates from funding sources and where necessary makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise fixed or variable lease payments that depend on an index or rate and lease payments in a renewal option if the company is reasonably certain to exercise that option. For leases of property the company has elected not to separate lease and non-lease components when calculating the lease liability.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the company changes its assessment of whether it will exercise an extension option or if there is a revised in-substance fixed lease payment.

The company assesses at the lease commencement date whether it is reasonably certain to exercise extension options. The company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Where the company is a lessee for the premises to conduct its business, extension options are included in the lease term except when the company is reasonably certain not to exercise the extension option. This is due to the significant disruption of relocating premises and the loss on disposal of leasehold improvements fitted out in the demised leased premises.

Notes to the financial statements (continued)

Note 4 Summary of significant accounting policies (continued)

m) Leases (continued)

As a lessee (continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for leases of short-term leases and low-value assets, including IT equipment. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

A short-term lease is a lease that, at commencement date, has a lease term of 12 months or less.

Note 5 Significant accounting judgements, estimates, and assumptions

In preparing these financial statements, management has made judgements and estimates that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note	Judgement
- Note 20 - leases:	
a) control	a) whether a contract is or contains a lease at inception by assessing whether the company has the right to direct the use of the identified asset and obtain substantially all the economic benefits from the use of that asset;
b) lease term	b) whether the company is reasonably certain to exercise extension options, termination periods, and purchase options;
c) discount rates	c) judgement is required to determine the discount rate, where the discount rate is the company's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. The incremental borrowing rate is determined with reference to factors specific to the company and underlying asset including the amount, the lease term, economic environment and other relevant factors.

b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 30 June 2021 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note	Assumptions
- Note 18 - recognition of deferred tax assets	availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilised;
- Note 15 - estimation of useful lives of assets	key assumptions on historical experience and the condition of the asset;
- Note 22 - long service leave provision	key assumptions on attrition rate and pay increases though promotion and inflation;
- Note 21 - make-good provision	key assumptions on future cost estimates in restoring the leased premises in accordance with the lease agreement;

Notes to the financial statements (continued)

Note 6 Financial risk management

The company has exposure to credit, liquidity and market risk arising from financial instruments. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company does not use derivative instruments.

Risk management is carried out directly by the board of directors.

a) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo Bank. The company monitors credit worthiness through review of credit ratings of the bank.

b) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities. The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The following are the remaining contractual maturities of financial liabilities. The contractual cash flows amounts are gross and undiscounted.

30 June 2021	Contractual cash flows			
	Carrying amount	Not later than 12 months	Between 12 months and five years	Greater than five years
Non-derivative financial liability				
Lease liabilities	484,816	39,671	185,953	439,584
Trade and other payables	69,774	55,272	14,502	-
	554,590	94,943	200,455	439,584

30 June 2020	Contractual cash flows			
	Carrying amount	Not later than 12 months	Between 12 months and five years	Greater than five years
Non-derivative financial liability				
Lease liabilities	506,332	41,896	180,538	488,153
Trade and other payables	85,292	56,288	29,004	-
	591,624	98,184	209,542	488,153

c) Market risk

Market risk

Market risk is the risk that changes in market prices - e.g. foreign exchange rates, interest rates, and equity prices - will affect the company's income or the value of its holdings in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The company has no exposure to any transactions denominated in a currency other than Australian dollars.

Price risk

The company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. The company is not exposed to commodity price risk.

Cash flow and fair value interest rate risk

Interest-bearing assets are held with Bendigo Bank and subject to movements in market interest. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest-rate risk.

The company held cash and cash equivalents of \$844,960 at 30 June 2021 (2020: \$767,294). The cash and cash equivalents are held with Bendigo Bank, which are rated BBB on Standard & Poor's credit ratings.

Notes to the financial statements (continued)

Note 7 Capital management

The board's policy is to maintain a strong capital base so as to sustain future development of the company. The board of directors monitor the return on capital and the level of distributions to shareholders. Capital is represented by total equity as recorded in the statement of financial position.

In accordance with the franchise agreement, in any 12 month period the funds distributed to shareholders shall not exceed the distribution limit.

The distribution limit is the greater of:

- 20% of the profit or funds of the company otherwise available for distribution to shareholders in that 12 month period; and
- subject to the availability of distributable profits, the relevant rate of return multiplied by the average level of share capital of the company over that 12 month period where the relevant rate of return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2021 can be seen in the statement of profit or loss and other comprehensive Income.

There were no changes in the company's approach to capital management during the year.

Note 8 Revenue from contracts with customers

	2021 \$	2020 \$
- Margin income	580,466	569,231
- Fee income	45,437	44,215
- Commission income	96,455	102,020
	722,358	715,466

Note 9 Other revenue

	2021 \$	2020 \$
- Market development fund income	22,500	25,000
- Cash flow boost	24,603	41,005
- Other income	-	288
	47,103	66,293

Note 10 Finance income

	2021 \$	2020 \$
- Term deposits	5,911	8,771

Finance income is recognised when earned using the effective interest rate method.

Note 11 Expenses

	2021 \$	2020 \$
a) Depreciation and amortisation expense		
<i>Depreciation of non-current assets:</i>		
- Leasehold improvements	7,350	7,898
- Plant and equipment	1,997	2,230
	9,347	10,128

Notes to the financial statements (continued)

Note 11 Expenses (continued)

	2021 \$	2020 \$
a) Depreciation and amortisation expense (continued)		
<i>Depreciation of right-of-use assets</i>		
- Leased land and buildings	29,320	29,320
<i>Amortisation of intangible assets:</i>		
- Franchise fee	2,198	2,197
- Franchise renewal process fee	10,986	10,987
- Domiciled customer accounts	7,193	7,192
	20,377	20,376
Total depreciation and amortisation expense	59,044	59,824
b) Finance costs		
- Lease interest expense	23,863	24,674
- Unwinding of make-good provision	629	600
	24,492	25,274

Finance costs are recognised as expenses when incurred using the effective interest rate.

c) Employee benefit expenses

Wages and salaries	360,418	306,670
Contributions to defined contribution plans	35,380	27,476
Expenses related to long service leave	(745)	2,869
Other expenses	26,800	77,920
	421,853	414,935

d) Recognition exemption

The company pays for the right to use information technology equipment. The underlying assets have been assessed as low value and exempted from recognition under AASB 16 accounting. Expenses relating to low-value exempt leases are included in system costs expenses.

	2021 \$	2020 \$
Expenses relating to low-value leases	16,397	15,037

Note 12 Income tax expense

	2021 \$	2020 \$
a) Amounts recognised in profit or loss		
<i>Current tax expense/(credit)</i>		
- Current tax	18,099	14,886
- Movement in deferred tax	2,041	(35,940)
- Adjustment to deferred tax on AASB 16 retrospective application	-	26,739
- Adjustment to deferred tax to reflect reduction in tax rate in future periods	1,303	2,072
	21,443	7,757

Notes to the financial statements (continued)

Note 12 Income tax expense (continued)

	2021 \$	2020 \$
b) Prima facie income tax reconciliation		
Operating profit before taxation	94,549	54,074
Prima facie tax on loss from ordinary activities at 26% (2020: 27.5%)	24,583	14,870
Tax effect of:		
- Non-deductible expenses	1,954	2,090
- Temporary differences	(2,041)	9,202
- Other assessable income	(6,397)	(11,276)
- Movement in deferred tax	2,041	(35,940)
- Leases initial recognition	-	26,739
- Adjustment to deferred tax to reflect reduction of tax rate in future periods	1,303	2,072
	21,443	7,757

Note 13 Cash and cash equivalents

	2021 \$	2020 \$
a) Cash and cash equivalents		
- Cash at bank and on hand	34,960	32,294
- Term deposits	810,000	735,000
	844,960	767,294

Note 14 Trade and other receivables

	2021 \$	2020 \$
Current assets		
Trade receivables	48,857	43,784
Prepayments	7,256	6,965
Other receivables and accruals	12,038	8,076
	68,151	58,825

Note 15 Property, plant and equipment

	2021 \$	2020 \$
a) Carrying amounts		
<i>Leasehold improvements</i>		
At cost	213,795	213,795
Less: accumulated depreciation	(66,386)	(59,036)
	147,409	154,759
<i>Plant and equipment</i>		
At cost	34,339	32,637
Less: accumulated depreciation	(20,020)	(18,023)
	14,319	14,614
Total written down amount	161,728	169,373

Notes to the financial statements (continued)

Note 15 Property, plant and equipment (continued)

	2021 \$	2020 \$
b) Reconciliation of carrying amounts		
<i>Leasehold improvements</i>		
Carrying amount at beginning	154,759	162,657
Depreciation	(7,350)	(7,898)
	147,409	154,759
<i>Plant and equipment</i>		
Carrying amount at beginning	14,614	16,844
Additions	1,702	-
Depreciation	(1,997)	(2,230)
	14,319	14,614
Total written down amount	161,728	169,373

c) Changes in estimates

During the financial year, the company assessed estimates used for property, plant and equipment including useful lives, residual values, and depreciation methods. There were no changes in estimates for the current reporting period.

Note 16 Right-of-use assets

	2021 \$	2020 \$
a) Carrying amounts		
<i>Leased land and buildings</i>		
At cost	586,398	586,398
Less: accumulated depreciation	(207,683)	(178,363)
Total written down amount	378,715	408,035
b) Reconciliation of carrying amounts		
<i>Leased land and buildings</i>		
Carrying amount at beginning	408,035	-
Initial recognition on transition	-	586,398
Accumulated depreciation on adoption	-	(149,043)
Depreciation	(29,320)	(29,320)
Total written down amount	378,715	408,035

Note 17 Intangible assets

	2021 \$	2020 \$
a) Carrying amounts		
<i>Franchise fee</i>		
At cost	20,987	20,987
Less: accumulated amortisation	(14,395)	(12,197)

Notes to the financial statements (continued)

Note 17 Intangible assets (continued)

	2021 \$	2020 \$
a) Carrying amounts (continued)		
<i>Franchise renewal process fee</i>		
At cost	54,932	54,932
Less: accumulated amortisation	(21,973)	(10,987)
	32,959	43,945
<i>Domiciled customer accounts</i>		
At cost	57,540	57,540
Less: accumulated amortisation	(14,385)	(7,192)
	43,155	50,348
Total written down amount	82,706	103,083
b) Reconciliation of carrying amounts		
<i>Franchise fee</i>		
Carrying amount at beginning	8,790	10,987
Amortisation	(2,198)	(2,197)
	6,592	8,790
<i>Franchise renewal process fee</i>		
Carrying amount at beginning	43,945	54,932
Amortisation	(10,986)	(10,987)
	32,959	43,945
<i>Domiciled customer accounts</i>		
Carrying amount at beginning	50,348	57,540
Amortisation	(7,193)	(7,192)
	43,155	50,348
Total written down amount	82,706	103,083

c) Changes in estimates

During the financial year, the company assessed estimates used for intangible assets including useful lives, residual values, and amortisation methods. There were no changes in estimates for the current reporting period.

Note 18 Tax assets and liabilities

	2021 \$	2020 \$
a) Current tax		
Income tax payable	7,545	2,829
b) Deferred tax		
<i>Deferred tax assets</i>		
- employee provisions	4,717	8,834
- make-good provision	3,371	3,342
- lease liability	121,204	131,646
Total deferred tax assets	129,292	143,822

Notes to the financial statements (continued)

Note 18 Tax assets and liabilities (continued)

	2021 \$	2020 \$
b) Deferred tax (continued)		
<i>Deferred tax liabilities</i>		
- deductible prepayments	1,814	1,811
- property, plant and equipment	234	14
- right-of-use assets	94,679	106,089
Total deferred tax liabilities	96,727	107,914
Net deferred tax assets (liabilities)	32,565	35,908
Movement in deferred tax charged to Statement of Profit or Loss and Other Comprehensive Income	3,343	7,130
Movement in deferred tax charged to Statement of Changes in Equity	-	26,739

Note 19 Trade creditors and other payables

Where the company is liable to settle an amount within 12 months of reporting date, the liability is classified as current. All other obligations are classified as non-current.

	2021 \$	2020 \$
a) Current liabilities		
Trade creditors	4,400	474
Other creditors and accruals	50,872	55,814
	55,272	56,288
b) Non-current liabilities		
Other creditors and accruals	14,502	29,004

Note 20 Lease liabilities

Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate on the adoption date. The discount rate used on recognition was 4.79%.

The company has applied judgement in estimating the remaining lease term including the effects of any extension options reasonably expected to be exercised, applying hindsight where appropriate.

The company's lease portfolio includes:

- Port Fairy Branch
The lease agreement commenced in June 2014. A 5 year renewal option was exercised in May 2019. The company has 2 x 5 year renewal options available which for AASB 16: Leases purposes they are reasonably certain to exercise. As such, the lease term end date used in the calculation of the lease liability is May 2034.

	2021 \$	2020 \$
a) Current lease liabilities		
Property lease liabilities	39,671	41,896
Unexpired interest	(22,952)	(23,863)
	16,719	18,033
b) Non-current lease liabilities		
Property lease liabilities	625,537	668,691
Unexpired interest	(157,440)	(180,392)
	468,097	488,299

Notes to the financial statements (continued)

Note 20 Lease liabilities (continued)

	2021 \$	2020 \$
c) Reconciliation of lease liabilities		
Balance at the beginning	506,332	-
Initial recognition on AASB 16 transition	-	522,334
Lease interest expense	23,863	24,674
Lease payments - total cash outflow	(45,379)	(40,676)
	484,816	506,332
d) Maturity analysis		
- Not later than 12 months	39,671	41,896
- Between 12 months and 5 years	185,953	180,538
- Greater than 5 years	439,584	488,153
Total undiscounted lease payments	665,208	710,587
Unexpired interest	(180,392)	(204,255)
Present value of lease liabilities	484,816	506,332

Note 21 Provisions

	2021 \$	2020 \$
a) Non-current liabilities		
Make-good on leased premises	13,483	12,854

In accordance with the branch lease agreement, the company must restore the leased premises to the original condition before the expiry of the lease term. The company has estimated the provision at \$25,000 based on experience and consideration of the expected future costs to remove all fittings and the ATM as well as cost to remedy any damages caused during the removal process. The lease is due to expire on 31 May 2034 at which time it is expected the face-value costs to restore the premises will fall due.

Note 22 Employee benefits

	2021 \$	2020 \$
a) Current liabilities		
Provision for annual leave	15,860	30,225
b) Non-current liabilities		
Provision for long service leave	3,008	3,753

c) Key judgement and assumptions

The company applies a benchmark probability rate from across the Community Bank network to factor in estimating the probability of an employee, at a given date, achieving continuous employment eligible for entitlement in accordance with legislation.

Notes to the financial statements (continued)

Note 23 Issued capital

a) Issued capital

	2021		2020	
	Number	\$	Number	\$
Ordinary shares - fully paid	937,667	937,667	937,667	937,667
Less: equity raising costs	-	(39,351)	-	(39,351)
	937,667	898,316	937,667	898,316

b) Rights attached to issued capital

Ordinary shares

Voting rights

Subject to some limited exceptions, each member has the right to vote at a general meeting.

On a show of hands or a poll, each member attending the meeting (whether they are attending the meeting in person or by attorney, corporate representative or proxy) has one vote, regardless of the number of shares held. However, where a person attends a meeting in person and is entitled to vote in more than one capacity (for example, the person is a member and has also been appointed as proxy for another member) that person may only exercise one vote on a show of hands. On a poll, that person may exercise one vote as a member and one vote for each other member that person represents as duly appointed attorney, corporate representative or proxy.

The purpose of giving each member only one vote, regardless of the number of shares held, is to reflect the nature of the company as a community based company, by providing that all members of the community who have contributed to the establishment and ongoing operation of the Community Bank branch have the same ability to influence the operation of the company.

Dividends

Generally, dividends are payable to members in proportion to the amount of the share capital paid up on the shares held by them, subject to any special rights and restrictions for the time being attaching to shares. The franchise agreement with Bendigo Bank contains a limit on the level of profits or funds that may be distributed to shareholders. There is also a restriction on the payment of dividends to certain shareholders if they have a prohibited shareholding interest (see below).

Transfer

Generally, ordinary shares are freely transferable. However, the directors have a discretion to refuse to register a transfer of shares.

Subject to the foregoing, shareholders may transfer shares by a proper transfer effected in accordance with the company's constitution and the Corporations Act 2001.

Prohibited shareholding interest

A person must not have a prohibited shareholding interest in the company.

In summary, a person has a prohibited shareholding interest if any of the following applies:

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 248. As at the date of this report, the company had 272 shareholders (2019: 277 shareholders).

As with voting rights, the purpose of this prohibited shareholding provision is to reflect the community-based nature of the company.

Where a person has a prohibited shareholding interest, the voting and dividend rights attaching to the shares in which the person (and his or her associates) have a prohibited shareholding interest, are suspended.

The board has the power to request information from a person who has (or is suspected by the board of having) a legal or beneficial interest in any shares in the company or any voting power in the company, for the purpose of determining whether a person has a prohibited shareholding interest. If the board becomes aware that a member has a prohibited shareholding interest, it must serve a notice requiring the member (or the member's associate) to dispose of the number of shares the board considers necessary to remedy the breach. If a person fails to comply with such a notice within a specified period (that must be between three and six months), the board is authorised to sell the specified shares on behalf of that person. The holder will be entitled to the consideration from the sale of the shares, less any expenses incurred by the board in selling or otherwise dealing with those shares.

Notes to the financial statements (continued)

Note 23 Issued capital (continued)

b) Rights attached to issued capital (continued)

Prohibited shareholding interest (continued)

In the constitution, members acknowledge and recognise that the exercise of the powers given to the board may cause considerable disadvantage to individual members, but that such a result may be necessary to enforce the prohibition.

Note 24 Retained earnings

	Note	2021 \$	2020 \$
Balance at beginning of reporting period		2,917	64,600
Adjustment for transition to AASB 16		-	(70,493)
Net profit after tax from ordinary activities		73,106	46,317
Dividends provided for or paid	29a)	-	(37,507)
Balance at end of reporting period		76,023	2,917

Note 25 Reconciliation of cash flows from operating activities

	2021 \$	2020 \$
Net profit after tax from ordinary activities	73,106	46,317
Adjustments for:		
- Depreciation	38,667	39,448
- Amortisation	20,377	20,376
Changes in assets and liabilities:		
- (Increase)/decrease in trade and other receivables	(9,326)	(3,697)
- (Increase)/decrease in other assets	3,343	(7,130)
- Increase/(decrease) in trade and other payables	(2,335)	4,858
- Increase/(decrease) in employee benefits	(15,110)	19,583
- Increase/(decrease) in provisions	629	600
- Increase/(decrease) in tax liabilities	4,716	(2,604)
Net cash flows provided by operating activities	114,067	117,751

Note 26 Financial instruments

The following shows the carrying amounts for all financial instruments at amortised costs. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	2021 \$	2020 \$
Financial assets			
Cash and cash equivalents	13	34,960	32,294
Term deposits	13	810,000	735,000
Trade and other receivables	14	60,895	51,860
		905,855	819,154
Financial liabilities			
Trade and other payables	19	69,774	474
Lease liabilities	20	484,816	506,332
		554,590	506,806

Notes to the financial statements (continued)

Note 27 Auditor's remuneration

Amount received or due and receivable by the auditor of the company for the financial year.

	2021 \$	2020 \$
<i>Audit and review services</i>		
- Audit and review of financial statements	5,000	4,800
<i>Non audit services</i>		
- General advisory services	2,690	2,210
- Share registry services	2,300	2,443
Total auditor's remuneration	9,990	9,453

Note 28 Related parties

a) Details of key management personnel

The directors of the company during the financial year were:

Damian John Gleeson	Ralph David Leutton	Nicole Louise Dwyer
Peter John Langley	John Julian Rahilly	Margaret Donne Leutton
Thomas Newton	Damian John Gleeson	Melissa Anne McDonald

b) Key management personnel compensation

No director of the company receives remuneration for services as a company director or committee member. There are no executives within the company whose remuneration is required to be disclosed.

c) Related party transactions

No director or related entity has entered into a material contract with the company.

Note 29 Dividends provided for or paid

a) Dividends provided for and paid during the period

The following dividends were provided for and paid to shareholders during the reporting period as presented in the Statement of Changes in Equity and the Statement of Cash Flows.

	30 June 2021		30 June 2020	
	Cents	\$	Cents	\$
Fully franked dividend	-	-	4.00	37,507

The tax rate at which dividends have been franked is 26% (2020: 27.5%).

b) Franking account balance

	2021 \$	2020 \$
Franking credits available for subsequent reporting periods		
Franking account balance at the beginning of the financial year	40,871	37,607
Franking transactions during the financial year:		
- Franking credits arising from income taxes paid	16,980	16,115
- Franking credits from the payment of income tax following lodgement of annual income tax return	2,830	1,376
- Franking debits from the payment of franked distributions	-	(14,227)
Franking account balance at the end of the financial year	60,681	40,871
Franking transactions that will arise subsequent to the financial year end:		
- Franking credits that will arise from payment of income tax	7,545	2,829
Franking credits available for future reporting periods	68,226	43,700

Notes to the financial statements (continued)

Note 30 Earnings per share

a) Basic and diluted earnings per share

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	2021 \$	2020 \$
Profit attributable to ordinary shareholders	73,106	46,317
	Number	Number
Weighted-average number of ordinary shares	937,667	937,667
	Cents	Cents
Basic and diluted earnings per share	7.80	4.94

Note 31 Commitments

The company has no other commitments contracted for which would be provided for in future reporting periods.

Note 32 Contingencies

There were no contingent liabilities or contingent assets at the date of this report to affect the financial statements.

Note 33 Subsequent events

There have been no significant events occurring after the reporting period which may affect either the company's operations or the results of those operations or the company's state of affairs.

Directors' declaration

In accordance with a resolution of the directors of Belfast Community Enterprises Limited, we state that:

In the opinion of the directors:

- (a) the financial statements and notes of the company are in accordance with the Corporations Act 2001, including:
- (i) giving a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the board of directors.



Damian John Gleeson, Chairman

Dated this 29th day of September 2021

Independent audit report



61 Bull Street
Bendigo VIC 3550
afs@afsbendigo.com.au
03 5443 0344

Independent auditor's report to the Directors of Belfast Community Enterprises Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Belfast Community Enterprises Limited's (the company), which comprises:

- Statement of financial position as at 30 June 2021
- Statement of profit or loss and other comprehensive income
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements, including a summary of significant accounting policies
- The directors' declaration of the company.

In our opinion, the accompanying financial report of Belfast Community Enterprises Limited, is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (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 audit opinion.





61 Bull Street
Bendigo VIC 3550
afs@afsbendigo.com.au
03 5443 0344

Other Information

The company usually prepares an annual report that will include the financial statements, directors' report and declaration and our independence declaration and audit report (the financial report). The annual report may also include "other information" on the entity's operations and financial results and financial position as set out in the financial report, typically in a Chairman's report and Manager's report, and reports covering governance and shareholder matters.

The directors are responsible for the other information. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and accordingly we will not express any form of assurance conclusion thereon.

Our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If we identify that a material inconsistency appears to exist when we read the annual report (or become aware that the other information appears to be materially misstated), we will discuss the matter with the directors and where we believe that a material misstatement of the other information exists, we will request management to correct the other information.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that it gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the Audit of the Financial Report

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



61 Bull Street
Bendigo VIC 3550

afs@afsbendigo.com.au
03 5443 0344

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 29 September 2021

A handwritten signature in black ink, appearing to read 'Adrian Downing'.

Adrian Downing
Lead Auditor

Community Bank · Port Fairy & District

Shop 4/32A Bank Street, Port Fairy VIC 3284

Phone: 03 5568 1200 Fax: 03 5568 1500

Email: portfairymailbox@bendigoadelaide.com.au

Web: bendigobank.com.au/port-fairy



[/communitybankportfairydistrict](https://www.facebook.com/communitybankportfairydistrict)

Franchisee:

Belfast Community Enterprises Limited

ABN: 65 161 382 832

PO Box 164, Port Fairy VIC 3284

Phone: 03 5568 1200 Fax: 03 5568 1500

(BNPAR21035) (09/21)

This Annual Report has been printed on 100% Recycled Paper