

Annual Report 2021

Boorowa Community
Financial Services Limited

Community Bank
Boorowa

ABN 76 093 519 094

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Chair's report

For year ending 30 June 2021

It is pleasing to announce another healthy profit in our 20th year of trading. Twenty years ago, when 387,310 shares were purchased to finance our Community Bank venture, nobody dreamt of the possibility of 20 successful years. Today, we still reap the benefits of those initial intrepid investors. We have continued to grow our business despite a pandemic and historically low margins.

Congratulations to our team for the achievements of the last 20 years. A special mention to our three staff members who have been there from the beginning: Greg Pryor, Cath Carmody and Jenny Dwyer. Their dedication and diligence are a major factor in our success. Obviously, their vision has been shared by all the new team members along the way. We currently employ seven people which is also a measure of success.

This year we were able to distribute a 20c fully franked dividend to shareholders. This continues the trend of recent years. We have paid a fully franked dividend every year since 2008.

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

Looking to the future, we will continue to evolve as community banking needs evolve. It is our intention to employ another mobile lender to enable business growth. There may be some revision of trading hours as branch foot traffic declines. All of us are enjoying the flexibility of digital banking but still value that personal relationship with our bank staff.

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

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



Sue Corcoran
Chair

Manager's report

For year ending 30 June 2021

Community Bank Boorowa has again achieved a very good result in our 20th year of full trading, in which there has been continued challenges for the industry .

Business levels have reached a new peak at 30 June 2021 of \$153.6 million in business levels, growing just over \$8 million for the year.

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

My sincere thanks once again to Sue (and her leadership for the past 20 years) and the Board for their continual support and to the support from the Bendigo and Adelaide Bank Limited. I would also thank the staff for their ongoing commitment towards the success of Community Bank Boorowa. A special congratulations to Cath and Jenny on reaching their 20 years of service and commitment to the Community Bank Boorowa and community.

The banking world is changing at a rapid pace, however the Boorowa community should be proud of taking the chance over 20 years ago and getting behind their local Community Bank to achieve the results and returns the community, shareholders and partners have received.

In an everchanging banking world, your continued support is invaluable, and we will strive to continue to grow our business as we have for the past 20 years



Greg Pryor
Manager

Community contributions

Sponsorships and donations

Boorowa Central School	\$100
Boorowa Ex-Services Gym	\$5,702
Boorowa Ex-Services Men's Bowling Club	\$4,000
Boorowa Junior Rugby League	\$500
Boorowa Picnic Races	\$4,500
Boorowa Rugby Club	\$450
Boorowa Show Society	\$5,000
Boorowa Squash Club	\$8,516
Binalong Brahams Rugby League	\$500
Binalong Sculpture on the Green	\$250
International Women's Day	\$2,500
Parkes Palliative Care	\$250
St Josephs School	\$180
Yass Bowling Club	\$1,000
Yass Picnic Races	\$1,000
Yass Show & Shine	\$200
Total	\$34,648



Grants and scholarships

Boorowa & District Historical Society	\$3,080
Boorowa Ex-Services Club	\$8,340
Boorowa Hostel Inc	\$27,000
Boorowa Rotary Club	\$7,159
Binalong Mechanic's Institute	\$7,000
Carinya Court Inc	\$4,980
Yass Early Childhood Centre	\$13,431
Scholarship - Fleur Corcoran	\$5,000
Scholarship - Adam Pearsall	\$5,000
Scholarship - Alby Cavanagh	\$5,000
Scholarship - Mackella Pye	\$5,000
Total	\$90,990

Directors' report

Your directors present their report on the entity BOOROWA COMMUNITY FINANCIAL SERVICES LIMITED for the financial year ended 30 June 2021.

General Information

Directors

The following persons were directors of Boorowa Community Financial Service Limited during the year up to the date of this report:

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

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

Company Secretary

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

Principal activities

The principal activities of the company during the course of the financial year were in providing **Community Bank®** branch services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

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

Dividends Paid or Recommended

Dividends paid or declared for payment during the financial year are as follows:

- | | |
|-----------------------------------|----------|
| - Ordinary fully franked dividend | \$77,462 |
|-----------------------------------|----------|

Events subsequent to the end of the reporting period

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

Indemnifying Officers or Auditor

The company has agreed to indemnify each Officer (Director, Secretary or employee) out of assets of the company to the relevant extent against any liability incurred by that person arising out of the discharge of their duties, except where the liability arises out of conduct involving dishonesty, negligence, breach of duty or the lack of good faith. The company also has Officers Insurance for the benefit of Officers of the company against any liability incurred by the Officer, which includes the Officer's liability for legal costs, in or arising out of the conduct of the business of the company or in or arising out of the discharge of the Officer's duties.

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.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the company or 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 any part of those proceedings.

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

Non-audit Services

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

- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or payable to Laterals Chartered Accounts for non-audit services provided during the year ended 30 June

Taxation services	\$1,200
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Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on page 3 of the Financial Report.

**BOOROWA COMMUNITY FINANCIAL SERVICES LIMITED ABN: 76 093 519 094
DIRECTORS' REPORT**

Information relating to Directors and Company Secretary

Sue-Anne Corcoran	—	Chairman
Qualifications	—	Bachelor of Pharmacy
Experience	—	Local Business Operator for 27 years
Michelle Fahey	—	Company Secretary
Qualifications	—	Bachelor of Education in Special Education
Experience	—	School Principal
Christine Coble	—	Treasurer
Experience	—	School Administration
Belinda Reid	—	Director
Qualifications	—	Bachelor of Law & Bachelor of Management
Experience	—	Small Business Manager/Director
Tim McGrath	—	Director
Experience	—	Local Farmer
Thomas Corcoran	—	Director
Experience	—	Farmer, Landholder & Contractor
Philip Gorham	—	Director
Experience	—	Shearer & Landholder

Meetings of Directors

During the financial year, 11 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Sue-Anne Corcoran	11	10
Michelle Fahey	11	11
Christine Coble	11	7
Belinda Reid	11	8
Tim McGrath	11	5
Thomas Corcoran	11	8
Philip Gorham	11	10

Signed in accordance with a resolution of the Board of Directors at Boorowa on



Sue-Anne Corcoran
Director

Auditor's independence declaration

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF BOOROWA COMMUNITY FINANCIAL SERVICES LIMITED**

In accordance with Section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Boorowa Community Financial Services Limited. As the lead audit partner for the audit of the financial report of Boorowa Community Financial Services Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

Name of Firm Laterals Chartered Accountants


Name of Partner Tim Allen

Date 14 September 2021

Address 35 Montague Street
Goulburn NSW 2580

Financial statements

BOOROWA COMMUNITY FINANCIAL SERVICES LIMITED ABN: 76 093 519 094
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Sales Revenue	2	1,105,823	1,170,838
Other revenue	2	56,518	89,858
Employee benefits expense		(598,298)	(558,530)
Marketing expenses		(9,774)	(10,559)
Occupancy expenses		(16,689)	(22,517)
Administration expenses		(10,613)	(10,316)
Depreciation		(28,855)	(13,941)
Amortisation		(8,945)	(11,284)
IT Expenses		(22,070)	(23,023)
Insurance Costs		(18,463)	(24,217)
Freight & Cartage		(15,556)	(16,820)
Other Expenses		(51,358)	(53,125)
Bad and doubtful debts		-	(25)
Finance costs		-	(3)
Profit before charitable donations & sponsorship		<u>381,720</u>	<u>516,336</u>
Charitable Donations & Sponsorships		<u>(178,101)</u>	<u>(123,050)</u>
Profit before income tax		203,619	393,286
Income tax expense	3	<u>(39,286)</u>	<u>(98,621)</u>
Net profit for the year		<u>164,333</u>	<u>294,665</u>
Total comprehensive income for the year		<u>164,333</u>	<u>294,665</u>
Earnings per share			
From continuing operations:			
Basic earnings per share (cents per share)	7	42.43	76.08

The accompanying notes form part of these financial statements.

Financial statements (continued)

BOOROWA COMMUNITY FINANCIAL SERVICES LIMITED ABN: 76 093 519 094
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	2,512,620	2,430,440
Trade and other receivables	9	105,348	117,045
TOTAL CURRENT ASSETS		<u>2,617,968</u>	<u>2,547,485</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	248,580	277,435
Deferred tax assets	13	26,768	26,264
Intangible assets	11	13,485	7,173
TOTAL NON-CURRENT ASSETS		<u>288,833</u>	<u>310,872</u>
TOTAL ASSETS		<u>2,906,801</u>	<u>2,858,357</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	25,841	35,430
Current tax liabilities	13	(22,522)	13,439
Provisions	14	91,919	88,303
TOTAL CURRENT LIABILITIES		<u>95,238</u>	<u>137,172</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities	13	21,498	22,738
Provisions	14	12,869	9,397
TOTAL NON-CURRENT LIABILITIES		<u>34,367</u>	<u>32,135</u>
TOTAL LIABILITIES		<u>129,605</u>	<u>169,307</u>
NET ASSETS		<u>2,777,196</u>	<u>2,689,050</u>
EQUITY			
Issued capital	15	387,310	387,310
Reserves	18	62,898	61,623
Retained earnings		2,326,988	2,240,117
TOTAL EQUITY		<u>2,777,196</u>	<u>2,689,050</u>

The accompanying notes form part of these financial statements.

Financial statements (continued)

BOOROWA COMMUNITY FINANCIAL SERVICES LIMITED ABN: 76 093 519 094 STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Note	Share Capital		Reserves	Total
		Ordinary	Retained Earnings	Asset Revaluation Reserve	
		\$	\$	\$	\$
Balance at 1 July 2019		387,310	2,022,914	59,498	2,469,722
Comprehensive income					
Profit for the year			294,665		294,665
Adjustment to Reserve due to change in tax rate	18			2,125	2,125
Total comprehensive income for the year		-	294,665	2,125	296,790
Transactions with owners, in their capacity as owners, and other transfers					
Dividends recognised for the year	6		(77,462)		(77,462)
Total transactions with owners and other transfers		-	(77,462)	-	(77,462)
Balance at 30 June 2020		387,310	2,240,117	61,623	2,689,050
Balance at 1 July 2020		387,310	2,240,117	61,623	2,689,050
Comprehensive income					
Profit for the year			164,333		164,333
Adjustment to Reserve due to change in tax rate	18			1,275	1,275
Total comprehensive income for the year		-	164,333	1,275	165,608
Transactions with owners, in their capacity as owners, and other transfers					
Dividends recognised for the year	6		(77,462)		(77,462)
Total transactions with owners and other transfers		-	(77,462)	-	(77,462)
Balance at 30 June 2021		387,310	2,326,988	62,898	2,777,196

The accompanying notes form part of these financial statements.

Financial statements (continued)

BOOROWA COMMUNITY FINANCIAL SERVICES LIMITED ABN: 76 093 519 094
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,159,846	1,183,813
Payments to suppliers and employees		(925,067)	(840,336)
Interest received		15,836	27,651
Finance costs		-	(3)
Income tax paid		(75,716)	(88,506)
Net cash generated by operating activities	16	<u>174,899</u>	<u>282,618</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		-	508,929
Purchase of property, plant and equipment		(15,257)	(97,750)
Net cash (used in)/generated by investing activities		<u>(15,257)</u>	<u>411,179</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(77,462)	(77,462)
Net cash provided by/(used in) financing activities		<u>(77,462)</u>	<u>(77,462)</u>
Net increase/(decrease) in cash held		82,180	616,335
Cash and cash equivalents at beginning of financial year		2,430,440	1,814,105
Cash and cash equivalents at end of financial year	8	<u><u>2,512,620</u></u>	<u><u>2,430,440</u></u>

The accompanying notes form part of these financial statements.

Notes to the financial statements

For the year ended 30 June 2021

This financial report includes the financial statements and notes of Boorowa Community Financial Services Limited.

The financial statements were authorised for issue on 28 September 2021 by the directors of the company.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which: (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the entity in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised, unless the deferred tax asset relating to temporary differences arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Uncertainty over income tax treatment

Where there is uncertainty over an income tax event, the Company assesses the probability that the relevant tax authority will accept the treatment of the uncertain tax event.

In the event that it is not probable that the relevant tax authority will accept the treatment, the Company establishes provisions estimated based on either the expected value method or the most likely amount, depending on which is expected to better predict the resolution of the uncertainty.

(b) Fair Value of Assets and Liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable accounting standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

Notes to the financial statements (continued)

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(c) Property, Plant and Equipment

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

Property

Freehold land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less accumulated impairment losses and accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(d) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired term of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	3%
Plant and equipment	10-40%
Motor vehicles	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. Gains shall not be classified as revenue. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(d) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

Notes to the financial statements (continued)

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(e) Employee Benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

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 as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees.

Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Defined contribution superannuation benefits

All employees of the company receive defined contribution superannuation entitlements, for which the company pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

Termination benefits

When applicable, the Company recognises a liability and expense for termination benefits at the earlier of:

- the date when the Company can no longer withdraw the offer for termination benefits; and
- when the Company recognises costs for restructuring pursuant to AASB 137: Provisions, Contingent Liabilities and Contingent Assets and the costs include termination benefits.

In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

(f) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 24 months or less, and bank overdrafts. Bank overdrafts are reported within borrowings in current liabilities on the statement of financial position.

(h) Revenue and Other Income

Revenue arises from the rendering of services through its franchise agreement with the Bendigo and Adelaide Bank Limited. The revenue recognised is measured by reference to the fair value of consideration received or receivable, excluding sales taxes, rebates, and trade discounts.

The entity applies the revenue recognition criteria set out below to each separately identifiable sales transaction in order to reflect the substance of the transaction.

Rendering of services

The entity generates service commissions on a range of products issued by the Bendigo and Adelaide Bank Limited. The revenue includes upfront and trailing commissions, sales fees and margin fees.

Interest, dividend and other income

Interest income is recognised on an accrual basis using the effective interest rate method.

Dividend and other revenue is recognised when the right to the income has been established.

All revenue is stated net of the amount of goods and services tax (GST).

Notes to the financial statements (continued)

(i) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(j) Goods and Services Tax (GST)

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

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 ATO is included with other receivables or payables in the statement of financial position.

(k) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the company retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(l) New and Amended Accounting Policies Adopted by the Company

Initial adoption of AASB 2020-04: Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions

AASB 2020-4 *Amendments to Australian Accounting Standards – Covid-19- Related Rent Concessions* amends AASB 16: *Leases* by providing a practical expedient that permits lessees to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and, if certain conditions are met, account for those rent concessions as if they were not lease modifications.

Initial adoption of AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business

AASB 2018-6: *Amendments to Australian Accounting Standards – Definition of a Business* amends and narrows the definition of a business specified in AASB 3 Business Combinations, simplifying the determination of whether a transaction should be accounted for as a business combination or an asset acquisition. Entities may also perform a calculation and elect to treat certain acquisitions as acquisitions

The adoption of these standards did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(m) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company. Estimates and judgements are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The estimates and judgements that have a significant risk of causing material adjustments to the carrying values of assets and liabilities are as follows:

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and intangible assets. The depreciation and amortisation charge will increase where useful lives are less than previously

Fair value assessment of non-current physical assets

The AASB 13 Fair Value standard requires fair value assessments that may involve both complex and significant judgement and experts. The value of land and buildings may be materially misstated and potential classification and disclosure risks may occur.

Employee benefits provision

Assumptions are required for wage growth and CPI movements. The likelihood of employees reaching unconditional service is estimated. The timing of when employee benefit obligations are to be settled is also estimated.

Income tax

The company is subject to income tax. Significant judgement is required in determining the deferred tax asset. Deferred tax assets are recognised only when it is considered sufficient future profits will be generated. The assumptions made regarding future profits is based on the company's assessment of future cash flows.

Impairment

The company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value in use calculations which incorporate various key assumptions.

Note 2 Revenue and Other Income

The Company has recognised the following amounts relating to revenue in the statement of profit or loss.

	Note	2021 \$	2020 \$
Other sources of revenue	2a	1,105,823	1,170,838
Other income	2b	56,518	89,858
(a) Other sources of revenue			
— Interest received		15,836	27,651
— Sales revenue		1,089,987	1,143,187
Total other sources of revenues		1,105,823	1,170,838
(b) Other income			
— Gain on disposal of property, plant and equipment		-	2,641
— Gain on disposal of non-current assets		-	43,735
— ATO Cash Flow Boost		56,518	43,482
Total other income		56,518	89,858

Notes to the financial statements (continued)

Note 3 Tax Expense

	Note	2021 \$	2020 \$
(a) The components of tax (expense) income comprise:			
Current tax		39,755	86,059
Deferred tax	13	(469)	2,920
Recoupment of prior year tax losses			9,642
		<u>39,286</u>	<u>98,621</u>
(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:			
Prima facie tax payable on profit from ordinary activities before income tax at 26% (2020: 27.5%)		52,941	108,153
		<u>52,941</u>	<u>108,153</u>
Add:			
Tax effect of:			
— movement in prepayments and accruals		(13,186)	(22,094)
Current income tax attributable to entity		<u>39,755</u>	<u>86,059</u>
The weighted average effective tax rates are as follows:		19.3%	25.1%
The decrease in the weighted average effective tax rate for 2021 is a result of accelerated tax allowances on plant and equipment compared to 2020.			

Note 4 Key Management Personnel & Related Party Disclosures

(a) Key management personnel

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

(b) Other related parties

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

(c) Transactions with key management personnel and related parties

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

(d) Key management personnel shareholdings

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

	2021	2020
Sue-Anne Corcoran	5,000	5,000
Michelle Fahey (jointly held with spouse)	500	500
Christine Coble (jointly held with spouse)	600	600
Belinda Reid	100	100
Tim McGrath	500	500
Thomas Corcoran	500	500
Phillip Gorham	5,000	5,000
	<u>12,200</u>	<u>12,200</u>

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

(e) Other key management transactions

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

Note 5 Auditor's Remuneration

	2021 \$	2020 \$
Remuneration of the auditor for:		
— auditing or reviewing the financial statements	6,000	6,200
— taxation services	1,200	1,200
	<u>7,200</u>	<u>7,400</u>

Note 6 Dividends

	2021 \$	2020 \$
Interim and/or final fully franked ordinary dividend of 0.20 cents per share (2020: 0.20 cents per share) franked at the tax rate of 26% (2020: 27.5%)	77,462	77,462
	<u>77,462</u>	<u>77,462</u>

A provision is made for the amount of any dividends declared, authorised and no longer payable at the discretion of the entity on or before the end of the financial year, but not distributed at balance date.

Notes to the financial statements (continued)

Note 7 Earnings per Share

	2021	2020
Basic earnings per share (cents)	42.43	76.08
Earnings used to calculate basic EPS	\$ 164,333	\$ 294,665
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	387,310	387,310

Note 8 Cash and Cash Equivalents

	Note	2021	2020
Cash at bank and on hand		\$ 232,367	\$ 250,679
Short-term bank deposits		2,280,253	2,179,761
		<u>2,512,620</u>	<u>2,430,440</u>

Note 9 Trade and Other Receivables

	Note	2021	2020
CURRENT		\$	\$
Trade receivables		95,775	109,115
Other receivables		9,573	7,930
Total current trade and other receivables		<u>105,348</u>	<u>117,045</u>

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less any provision for doubtful debts. Trade and other receivables are due for settlement usually no more than 30 days from the date of recognition.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts, which are known to be uncollectable, are written off. A provision for doubtful debts is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the assets carrying amount and the present value of estimated cash flows, discounted at the effective interest rate. The amount of the provision is recognised on profit or loss.

Credit risk

The main source of credit risk relates to a concentration of trade receivables owing by Bendigo and Adelaide Bank Limited, which is the source of the majority of the company's income.

The following table details the company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled, within the terms and conditions agreed between the company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

	Gross amount	Not past due	Past due but not impaired			Past due and impaired
	\$	\$	>30 days	31-60 days	>60 days	\$
			\$	\$	\$	
2020						
Trade receivables	109,115	109,115				
Other receivables	7,930	7,930				
Total	<u>117,045</u>	<u>117,045</u>	-	-	-	-
2021						
Trade receivables	95,775	95,775				
Other receivables	9,573	9,573				
Total	<u>105,348</u>	<u>105,348</u>	-	-	-	-

Note 10 Property, Plant and Equipment

	2021	2020
LAND AND BUILDINGS	\$	\$
Freehold land at 2006 valuation	135,980	135,980
Total land	<u>135,980</u>	<u>135,980</u>
Buildings at cost	157,611	157,611
Accumulated depreciation	(126,858)	(123,402)
Total buildings	<u>30,753</u>	<u>34,209</u>
Total land and buildings	<u>166,733</u>	<u>170,189</u>

Notes to the financial statements (continued)

Note 10 Property, Plant and Equipment (continued)

	2021 \$	2020 \$
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	103,420	103,420
Accumulated depreciation	(94,486)	(93,391)
	<u>8,934</u>	<u>10,029</u>
Motor Vehicles		
Motor Vehicles at Cost	97,750	97,750
Accumulated Depreciation	(24,837)	(533)
	<u>72,913</u>	<u>97,217</u>
Total plant and equipment	<u>81,847</u>	<u>107,246</u>
Total property, plant and equipment	<u>248,580</u>	<u>277,435</u>

Land and buildings

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

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

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

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(a) Movements in Carrying Amounts

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

	Freehold Land \$	Buildings \$	Plant and Equipment - Owned \$	Motor vehicles \$	Total \$
Balance at 1 July 2019	573,900	38,258	11,385	32,635	656,178
Additions				97,750	97,750
Disposals	(437,920)			(24,631)	(462,551)
Revaluation and impairment					-
Depreciation expense		(4,049)	(1,356)	(8,537)	(13,942)
Balance at 30 June 2020	<u>135,980</u>	<u>34,209</u>	<u>10,029</u>	<u>97,217</u>	<u>277,435</u>
Balance at 1 July 2020	135,980	34,209	10,029	97,217	277,435
Additions					-
Disposals					-
Depreciation expense		(3,456)	(1,095)	(24,304)	(28,855)
Balance at 30 June 2021	<u>135,980</u>	<u>30,753</u>	<u>8,934</u>	<u>72,913</u>	<u>248,580</u>

Notes to the financial statements (continued)

Note 11 Intangible Assets

	2021	2020
	\$	\$
Franchise Fees	71,741	56,484
Accumulated Amortisation	(58,256)	(49,311)
Net carrying amount	<u>13,485</u>	<u>7,173</u>

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

Movements in Carrying Amounts

Year ended 30 June 2020

Balance at the beginning of year	18,457
Additions	
Amortisation charge	<u>(11,284)</u>
Closing value at 30 June 2020	<u>7,173</u>

Year ended 30 June 2021

Balance at the beginning of year	7,173
Additions	15,257
Amortisation charge	<u>(8,945)</u>
Closing value at 30 June 2021	<u>13,484</u>

Note 12 Trade and Other Payables

	2021	2020
	\$	\$
CURRENT		
Trade payables	10,979	6,771
Sundry payables and accrued expenses	14,862	28,659
	<u>25,841</u>	<u>35,430</u>

Note 13 Tax

	2021	2020
	\$	\$
CURRENT		
Opening Balance	13,439	15,886
Income tax paid	(39,755)	(88,506)
Current tax	3,794	86,059
Under / (over) provision prior years	-	-
	<u>(22,522)</u>	<u>13,439</u>
DEFERRED TAX ASSET / LIABILITY		
Deferred tax relates to the following:		
Deferred tax assets comprise:		
Accruals	(477)	(603)
Employee provisions	27,245	26,867
	<u>26,768</u>	<u>26,264</u>
Deferred tax liabilities comprise:		
Revaluation of Property	21,498	22,738
	<u>21,498</u>	<u>22,738</u>
Net deferred tax asset / liability	<u>5,270</u>	<u>3,526</u>

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/assets are measured at the amounts expected to be paid to/recovered from the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred income tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Notes to the financial statements (continued)

Note 14 Provisions

	2021	2020
CURRENT		
Employee Benefits		
Opening balance at beginning of year	88,303	81,776
Additional provisions raised during year (net of amounts used)	3,616	6,527
Balance at end of the year	<u>91,919</u>	<u>88,303</u>
NON-CURRENT		
Employee Benefits		
Opening balance at beginning of year	9,397	13,296
Additional provisions raised during year (net of amounts used)	3,472	(3,899)
Balance at end of the year	<u>12,869</u>	<u>9,397</u>
Analysis of Total Provisions		
	2021	2020
	\$	\$
Current	91,919	88,303
Non-current	12,869	9,397
	<u>104,788</u>	<u>97,700</u>

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1(e).

Note 15 Issued Capital

	2021	2020
	\$	\$
387,310 (2020: 387,310) fully paid ordinary shares	<u>387,310</u>	<u>387,310</u>
	<u>387,310</u>	<u>387,310</u>

The Company has authorised share capital amounting to 387,310 ordinary shares.

(a) Ordinary Shares

	2021	2020
	No.	No.
At the beginning of the reporting period:	387,310	387,310
Shares issued during year	-	-
Shares bought back during year	-	-
At the end of the reporting period	<u>387,310</u>	<u>387,310</u>

Ordinary shareholders participate in dividends and the proceeds on winding-up of the entity in proportion to the number of shares held.

At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(b) 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 dividends 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.

(i) 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 Franchisee over that 12 month period; and

(ii) 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 can be seen in the Statement of Profit or Loss and Comprehensive Income.

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

Notes to the financial statements (continued)

Note 16 Cash Flow Information

	2021	2020
	\$	\$
Reconciliation of Cash Flows from Operating Activities with Profit after Income Tax		
Profit after income tax	164,333	294,664
Non-cash flows in profit		
Amortisation	8,945	11,284
Depreciation	28,855	13,941
Net (gain)/loss on disposal of property, plant and Share of associates' net profit	-	(46,376)
Changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	13,341	(2,832)
(Increase)/decrease in provisions	(6,710)	3,045
(Increase)/decrease in prepayments	(1,644)	(688)
Increase/(decrease) in trade payables and accruals	4,208	(536)
Increase/(decrease) in income taxes payable	(35,960)	(2,446)
(Increase)/decrease in deferred taxes receivable	(1,744)	10,437
Increase/(decrease) in asset revaluation reserve	1,275	2,125
Net cash generated by operating activities	<u>174,899</u>	<u>282,618</u>

Note 17 Events After the Reporting Period

There have been no events after the end of the financial year that would materially affect the financial statements.

Note 18 Reserves

	2021	2020
	\$	\$
Asset Revaluation Reserve		
Balance at beginning of the reporting period	61,623	59,498
Adjustment to deferred tax liability due to change in tax rate	<u>1,275</u>	<u>2,125</u>
Balance at the end of the reporting period	<u>62,898</u>	<u>61,623</u>

The reserves represent undistributable gains recognised on the revaluation of non-current assets.

Note 19 Company Details

The registered office of the company is:
Boorowa Community Financial Services Limited
32 Marsden street, Boorowa NSW 2586

The principal place of business is:
Boorowa Community Financial Services Limited
32 Marsden street, Boorowa NSW 2586

Directors' declaration

In accordance with a resolution of the directors of Boorowa Community Financial Services Limited, the directors of the company declare that:

1. the financial statements and notes, as set out on pages 4 to 18, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards applicable to the entity, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the company;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

Director



Sue-Anne Corcoran

Dated this

28th

day of

September

2021

Independent audit report

BOOROWA COMMUNITY FINANCIAL SERVICES LIMITED ABN: 76 093 519 094 INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOOROWA COMMUNITY FINANCIAL SERVICES LIMITED

Report on the Financial Report

Opinion

We have audited the financial report of Boorowa Community Financial Services Limited (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of Boorowa Community Financial Services 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 then ended; and
- ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and

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* (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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the directors are responsible for assessing the ability of the company 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 to 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. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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.

**BOOROWA COMMUNITY FINANCIAL SERVICES LIMITED ABN: 76 093 519 094
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BOOROWA COMMUNITY FINANCIAL SERVICES LIMITED**

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Auditor's name and signature: Tim Allen CA



Name of firm: Laterals Chartered Accountants

Address: 35 Montague Street
Goulburn NSW 2580

Dated this 21 day of September 2021

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 /communitybankboorowa

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 **Bendigo Bank**