
HENTY COMMUNITY FINANCIAL SERVICES LIMITED

ABN 20 084 864 835



2021 Annual Report

Community Bank
Henty

 **Bendigo Bank**

Notice of Meeting

Henty Community Financial Services Limited
A.B.N. 20 084 864 835

Annual General Meeting

The Annual General Meeting of Shareholders of Henty Community Financial Services Limited will be held Wednesday 17th November 2021 at 7.00pm at the Henty Community Club, 37 South St, Henty.

Ordinary Business

Notice of Meeting

Confirmation of Minutes of A.G.M. 18th November 2020

Proxies

Chairman's Report

Manager's Report

Appointment of Auditor – Richmond Sinnott & Delahunty

Two Directors must retire in rotation at the Annual General Meeting but are eligible for re-election.

They are:

Leigh Eulenstein
Hugh Clancy

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Chairperson's report

For year ending 30 June 2021

Welcome to the report on the operations of Henty Community Financial Services Limited, the Company that controls your Bank, The Community Bank Henty Branch.

The last year has seen an unprecedented set of circumstances that has been a huge upheaval for a lot of us and has had some unusual impacts on our business. We initially braced ourselves for a negative influence on our Business, however, our Business grew at quite an unexpected rate, however, the downturn was yet to come, and the back end of the financial year saw a negative correction in the numbers to finish the year slightly up on where we initially expected.

This has allowed us to continue adding to our reserves and puts us in a good position to ride out the current downturn and also be prepared for the expected challenges ahead.

We have also completed some branch upgrades including new signage to reflect the banks new colour scheme and also improving staff amenities with the construction of a new kitchen/dining area and an additional office.

Our major community contributions include a \$300,000 pledge to the Henty Sportsground Trust for the completion of a new Community Clubrooms facility and we have also supplied six new defibrillators for the community to be placed in Henty Medical Centre, Main Street, Yerong Creek Bowling Club, Henty Community Club, Henty Football Club and Henty Swimming Club at a total value of around \$13,000.

We have also continued our partnership with Henty Lions Club in facilitating an opportunity for a number of local children to attend a Personal Development Camp at Licola in Victoria.

In closing I would like to thank all our Shareholders and Customers for your continued support and also acknowledge the hard work and dedication shown from both the Board and Staff in making this the most important business in our Community and helping make Henty Community a better place to live.



John Ellis
Chairman
HCFS

Manager's report

For year ending 30 June 2021

It is with much pleasure that I present my sixth Manager's report for Henty and District Community Bank for year ending 30 June 2021.

Over the financial year we have seen our portfolio grow to over \$139 million. This is an increase in new business of \$14 million on the previous financial year.

Covid-19 along with low interest rates have all had an impact on our business however, it is therefore pleasing to see such positive growth results.

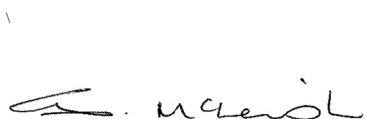
A big thank you to our staff Sharon, Steph, Jacinda and Michelle and our newest member to our team, Tayla for everything you have done this year. It has been one of the more challenging years we have all faced and throughout all the hardship we have continued to be on the front foot to help our customers.

Thank you also to our Holbrook agency and their staff for continuing to offer an alternative banking option to the Holbrook Community.

We farewelled Trent Bullock – Rural Bank, we were lucky enough to have Trent based in Henty and we wish him well for his new career. Clare Hamson has moved into the role of Agribusiness Relationship Manager with Rural Bank and we are fortunate that Clare will still base herself at the Henty Office a couple of days a week. Welcome Clare we are certain that our primary producer customers will continue to be well looked after. Thank you to John Walton and Anthony McGettigan for servicing the needs of our business and rural customers also.

To our local volunteer Board of Directors, thank you, your dedication to the continued success of our local bank and the focus on building strong communities is commendable.

Most importantly, to our Shareholders and customers thank you for your continued support. Because of you we are able to continue to grow and invest back into our local community.



Gaynor Mcleish
Branch Manager– Henty Community Bank Branch

Declaration of Dividend

Dividend paid or declared in the financial year ended 30 June 2020.

A fully franked final dividend of 10 cents per share was declared and paid during the year for the year ended 30 June 2020.

No dividend has been declared or paid for the year ended 30 June 2021 as yet.

Director's report

For year ending 30 June 2021

The Directors present their report, together with the financial statements, on Henty Community Financial Services Ltd for the financial year ended 30 June 2021.

Board of Directors

The following persons were Directors of Henty Community Financial Services Ltd during the whole of the financial year up to the date of this report, unless otherwise stated:

Name and position held	Experience and Expertise
John Ellis Chair Board member since June 1996	Field Marketing Agronomist, Director/Partner of Small Business
Alison Campbell (resigned 17 February 2021) Director/Secretary Board member since April 2011	School Teacher, Current Farming Business Partner/Director
Hugh Clancy Director/Treasurer Board member since June 2009	Qualified Motor Mechanic, Current Farming Business Partner
Helen McRorie (secretary from 17 February 2021) Director/Secretary Board member since June 2009	Legal Experience, Current Farming Business Partner
Leigh Eulenstein Director Board member since Sept 2013	Small Business Owner
Dennis Kane Director Board Member since February 2017	Small Business Owner
Rachelle Roulston Director Board Member since March 2018	Director

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

No Directors have material interests in contracts or proposed contracts with the company.

Director's report 30 June 2021 continued

Directors meetings

Attendances by each director during the year were as follows:

Director	Board Meetings	
	A	B
John Ellis	10	10
Alison Campbell (resigned 17 February 2021)	7	7
Hugh Clancy	10	10
Helen McRorie (secretary from 17 February 2021)	10	10
Leigh Eulenstein	10	9
Dennis Kane	10	10
Rachelle Roulston	10	8

A - The number of meetings eligible to attend

B - The number of meetings attended

- - Not a member of that committee.

Company secretary

Alison Campbell performed the duties of Company Secretary of Henty Community Financial Services Limited from June 2011 until 17 February 2021. Helen McRorie has assumed this duty. Helen has been a board member since June 2009 and has experience in the legal field.

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

Operating Results

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

	30 June 2021 (\$)	30 June 2021 (\$)	Movement
Profit After Tax	66,798	31,126	115%

Director's 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.

Director's report 30 June 2021 continued

Director's Interests

Director	Fully Paid Ordinary Shares		
	Balance at July 1 2020	Changes During the Year	Balance at 30 June 2021
John Ellis	1,000	500	1,500
Alison Campbell (resigned 17 February 2021)	9,000	-	9,000
Hugh Clancy	1,150	-	1,150
Helen McRorie (secretary from 17 February 2021)	100	700	800
Leigh Eulenstein	-	3,500	3,500
Dennis Kane	-	500	500
Rachelle Roulston	-	100	100

Dividends

During the financial year, the following dividends were provided for and paid. The dividends have been provided for in the financial statements.

	Cents per Share	Total Amount
Final fully franked dividend	10.00	26,759
Total Amount	10.00	26,759

Options

No options over issued shares were granted during or since the end of the financial year and there were no options outstanding as at the date of this report.

Significant changes in the state of affairs

During the financial year, the Australian economy was greatly impacted by COVID-19. Bendigo Bank, as franchisor, in the opinion of the directors there were no other 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

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

Likely developments

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

Environmental regulations

The company is not subject to any significant environmental regulation.

Director's report 30 June 2021 continued

Indemnifying Officers or Auditor

The company has indemnified all directors and the managers in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or managers 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.

Proceedings on behalf of 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 (RSD Audit) 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 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 are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the 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 Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set at page 10 of this financial report.

Signed in accordance with a resolution of the Board of Directors at Henty, NSW



John Ellis
Chair

Dated this 30th day of September, 2021

Auditor's Independence Declaration



41A Breen Street
Bendigo, Victoria
PO Box 448, Bendigo, VIC 3552

Telephone: (03) 4435 3550
admin@rsdaudit.com.au
www.rsdaudit.com.au

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors of Henty 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 Henty Community Financial Services Limited. As the lead audit partner for the audit of the financial report 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 *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSD Audit

A handwritten signature in black ink, appearing to read 'Katie Teasdale'.

Kathie Teasdale
Partner
41A Breen Street
Bendigo VIC 3550
Dated: 1 October 2021

Richmond Sinnott & Delahunty, trading as RSD Audit
ABN 60 616 244 309
Liability limited by a scheme approved under Professional Standards Legislation

Financial Statements For year ending 30 June 2021

Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 021

	Note	2021 \$	2020 \$
Revenue			
Revenue from contracts with customers	7	659,094	693,955
Other revenue	8	162,411	39,744
Finance income	9	1,797	2,796
		823,302	736,495
Expenses			
Employee benefits expense	10	(337,061)	(304,942)
Depreciation and amortisation	10	(30,019)	(30,118)
Administration and general costs		(70,522)	(69,598)
IT expenses		(13,212)	(14,072)
Promotion and advertising costs		(20,272)	(9,797)
Commission expense		(17,196)	(13,419)
Other expenses		(40,759)	(63,646)
		(529,041)	(505,592)
Operating profit before charitable donations and sponsorship		294,261	230,903
Charitable donations and sponsorship		(180,000)	(200,000)
Profit before income tax		114,261	30,903
Income tax (expense)/benefit	11	(47,463)	223
Profit for the year after income tax		66,798	31,126
Other comprehensive income		-	-
Total comprehensive income for the year		66,798	31,126
Profit attributable to the ordinary shareholders of the company		66,798	31,126
Total comprehensive income attributable to ordinary shareholders of the company		66,798	31,126
Earnings per share		¢	¢
- basic and diluted earnings per share	29	24.96	11.63

The accompanying notes form part of these financial statements

Financial Statements continued

Statement of Financial Position For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	12	74,596	89,869
Trade and other receivables	13	104,680	111,272
Financial assets	14	355,650	280,580
Current tax asset	18	31,589	-
Other assets	15	7,234	7,898
Total current assets		573,749	489,619
Non-current assets			
Property, plant and equipment	16	151,320	139,652
Intangible assets	17	32,598	46,545
Deferred tax assets	18	-	42,155
Total non-current assets		183,918	228,352
Total assets		757,667	717,971
Liabilities			
Current liabilities			
Trade and other payables	19	29,945	27,041
Current tax liability	18	-	2,371
Borrowings	20	1,236	1,692
Employee benefits	21	80,361	68,365
Total current liabilities		111,541	99,469
Non-current liabilities			
Trade and other payables	19	15,350	30,699
Employee benefits	21	245	2,620
Deferred tax liability	18	5,307	-
Total non-current liabilities		20,902	33,319
Total liabilities		132,443	132,788
Net assets		625,224	585,183
Equity			
Issued capital	22	267,585	267,585
Retained earnings	23	357,637	317,598
Total equity		625,222	585,183

The accompanying notes form part of these financial statements

Financial Statements continued

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

	Note	Issued Capital \$	Retained Earnings \$	Reserves \$	Total Eq- uity \$
Balance at 1 July 2019		267,585	313,231	-	580,816
Comprehensive income for the year					
Profit for the year		-	31,126	-	31,126
Other comprehensive income for the year		-	-	-	-
Transactions with owners in their capacity as owners					
Dividends paid or provided	28	-	(26,759)	-	(26,759)
Balance at 30 June 2020		267,585	317,598	-	585,183
Balance at 1 July 2020		267,585	317,598	-	585,183
Comprehensive income for the year					
Profit for the year		-	66,798	-	66,798
Other comprehensive income for the year		-	-	-	-
Transactions with owners in their capacity as owners					
Dividends paid or provided	28	-	(26,759)	-	(26,759)
Balance at 30 June 2021		267,585	357,637	-	625,222

The accompanying notes form part of these financial statements

Financial Statements continued

Statement of Cash Flows For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from customers		791,640	814,412
Payments to suppliers and employees		(736,276)	(717,677)
Dividends received		7,784	3,571
Interest paid		-	
Interest received		1,797	3,470
Income tax paid		(33,960)	(35,471)
Net cash flows provided by operating activities	24	30,985	68,305
Cash flows from investing activities			
Proceeds from sale of investments		57,239	-
Purchase of property, plant and equipment		(27,740)	(38,621)
Purchase of investments		(33,649)	(89,552)
Purchase of intangible assets		(15,349)	(15,354)
Net cash flows used in investing activities		(19,499)	(143,527)
Cash flows from financing activities			
Proceeds from borrowings		-	137
Dividends paid		(26,759)	(26,759)
Net cash flows used in financing activities		(26,759)	(26,622)
Net decrease in cash held		(15,274)	(101,844)
Cash and cash equivalents at beginning of financial year		89,869	191,713
Cash and cash equivalents at end of financial year	24a	74,597	89,869

The accompanying notes form part of these financial statements

Notes to the Financial Statements Year ended 30 June 2021

Note 1. Corporate Information

These financial statements and notes represent those of Henty Community Financial Services Limited (the Company) as an individual entity. Henty Community Financial Services Limited is a company limited by shares, incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on 30th September 2021.

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 26.

Note 2. 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 (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). 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.

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

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar, unless otherwise stated.

Note 3. Summary of Significant Accounting Policies

The company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

(a) Economic Dependency

The Company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the Community Bank branch at Henty.

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.

Notes to the Financial Statements Year ended 30 June 2021

Note 3. Summary of Significant Accounting Policies (continued)

(a) Economic Dependency (continued)

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
- 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.

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

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

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.

Notes to the Financial Statements Year ended 30 June 2021

Note 3. Summary of Significant Accounting Policies (continued)

(b) Revenue From Contracts With Customers (continued)

Margin

Margin is arrived at through the following calculation:

Interest paid by customers on loans, less interest paid to customers on deposits
<i>plus</i>
Deposit returns (i.e. interest return applied by BABL on deposits)
<i>minus</i>
Any costs of funds (i.e. interest applied by BABL to fund a loan)

The company is entitled to a share of the margin earned by Bendigo and Adelaide 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 and Adelaide Bank 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 and Adelaide Bank may change the form and amount of financial return that the company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo and Adelaide 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. The effect of the change on the revenue earned by the company is entirely dependent on the change.

Notes to the Financial Statements Year ended 30 June 2021

Note 3. Summary of Significant Accounting Policies (continued)

(c) 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	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.
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

During the financial year, 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 businesses that employ staff and have been affected by the economic downturn associated with COVID-19.

The amounts received or receivable is 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 when the cash flow of the company improves.

Notes to the Financial Statements Year ended 30 June 2021

Note 3. 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 (including non-monetary benefits), annual leave, and sick leave which are expected to be wholly settled within 12 months of the reporting date. They are measured at amounts expected to be paid when the liabilities are settled, plus related on-costs. Expenses for non-accumulating sick leave are recognised 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.

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 estimate future cash outflows.

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

(e) Tax

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.

Notes to the Financial Statements Year ended 30 June 2021

Note 3. Summary of Significant Accounting Policies (continued)

(e) Tax (continued)

Goods and Service 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.
- when receivables and payables are stated with the amount of GST included.

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.

(f) Cash & Cash Equivalents

For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise: cash on hand, deposits held with banks, and short-term, highly liquid investments (mainly money market funds) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(g) Property, Plant & Equipment

Recognition & Measurement

Items of property, plant and equipment are measured at cost or fair value as applicable, which includes capitalised borrowings costs, less accumulated depreciation and any accumulated impairment losses.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent Expenditure

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

Depreciation

Depreciation is calculated to write-off the cost of items of property, plant and equipment less their estimated residual values using 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
Buildings	Straight line	40 years
Plant & equipment	Straight line	4 - 20 years

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

Notes to the Financial Statements Year ended 30 June 2021

Note 3. Summary of Significant Accounting Policies (continued)

(h) Intangible Assets

Intangible assets of the company include the franchise fees paid to Bendigo Bank conveying the right to operate the Community Bank franchise.

Recognition & Measurement

Intangible assets acquired separately are measured on initial recognition at cost.

Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognised in profit or loss as incurred.

Amortisation

Intangible assets are amortised over their useful life and assessed for impairment whenever impairment indicators are present.

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	Franchise term (5 years)

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

(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 debtors and creditors, cash and cash equivalents, leases.

Sub-note (i) and (j) refer to the following acronyms:

Acronym	Meaning
FVTPL	Fair value through profit or loss
FVTOCI	Fair value through other comprehensive income
SPPI	Solely payments of principal and interest
ECL	Expected credit loss
CGU	Cash-generating unit

Recognition & Initial Measurement

Trade receivables are initially recognised when they originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to the acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Notes to the Financial Statements Year ended 30 June 2021

Note 3. Summary of Significant Accounting Policies (continued)

(i) Financial Instruments (continued)

Classification & Subsequent Measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVTOCI - debt investment; FVTOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVTOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial Assets - Business Model Assessment

The company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed.

Financial Assets - Subsequent Measurement, Gains & Losses

For financial assets at amortised cost, these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial Liabilities - Classification, Subsequent Measurement, Gains & Losses

Borrowings and other financial liabilities (including trade payables) are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial Assets

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Where the company enters into transactions where it transfers assets recognised in the statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred asset, the transferred assets are not derecognised.

Notes to the Financial Statements Year ended 30 June 2021

Note 3. Summary of Significant Accounting Policies (continued)

(i) Financial Instruments (continued)

Financial Liabilities

The company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

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.

(j) Impairment

Non-derivative Financial Instruments

The company recognises a loss allowance for estimated credit losses (ECL)'s on its trade receivables.

ECL's 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.

In measuring the ECL, a provision matrix for trade receivables is used, taking into consideration various data to get to an ECL, (i.e. diversity of its customer base, appropriate groupings of its historical loss experience etc.).

Recognition of ECL in Financial Statements

At each reporting date, the entity recognises the movement in the loss allowance 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 and Adelaide Bank, which is received 14 days post month end. Due to the reliance on Bendigo and Adelaide 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 and Adelaide Bank and found no instances of default. As a result no impairment loss allowance 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 amount of its non-financial assets (other than investment property, contracts assets, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The company has assessed for impairment indicators and noted no material impacts on the carrying amount of non-financial assets

Notes to the Financial Statements Year ended 30 June 2021

Note 3. Summary of Significant Accounting Policies (continued)

(k) Issued Capital

Ordinary Shares

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) Standards Issued But Not Yet Effective

There are no new standards effective for annual reporting periods beginning after 1 January 2020 that are expected to have a significant impact on the company's financial statements.

(m) Comparative Figures

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

Note 4. Significant Accounting Judgements, Estimates & Assumptions

During preparation of the 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 outcomes and balances may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to these 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 7 - Revenue	Whether revenue is recognised over time or at a point in time

(b) Assumptions & Estimation Uncertainty

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	Assumption
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 16 - Estimation of asset useful lives	Key assumptions on historical experience and the condition of the asset
Note 21 - Long service leave provision	Key assumptions on attrition rate of staff and expected pay increases though promotion and inflation

Notes to the Financial Statements Year ended 30 June 2021

Note 5. Financial Risk Management

The company has exposure to the following risks arising from financial instruments:

- credit risk
- Liquidity risk
- Market risk

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 utilise any 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 has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo and Adelaide Bank.

(b) Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. 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.

(c) 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. There is no exposure to the company in regard to commodity price risk.

Cash Flow & Fair Values Interest Rate Risk

Interest-bearing assets are held with Bendigo and Adelaide 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 \$74,597 at 30 June 2021 (2020: \$89,869). The cash and cash equivalents are held with Bendigo & Adelaide Bank, which are rated BBB on Standard & Poor's credit ratings.

Notes to the Financial Statements Year ended 30 June 2021

Note 6. 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:

- (a) 20% of the profit or funds of the company otherwise available for distribution to shareholders in that 12 month period; and
- (b) 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 7. Revenue From Contracts With Customers

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.

	2021 \$	2020 \$
Revenue		
- Revenue from contracts with customers	659,094	693,955
	659,094	693,955
Disaggregation of Revenue From Contracts With Customers		
- Margin income	376,053	419,584
- Fee income	37,953	41,517
- Commission income	245,088	232,854
	659,094	693,955

All revenue from contracts customers shown above was recognised at a point in time. There was no revenue from contracts with customers recognised over time during the financial year.

Notes to the Financial Statements Year ended 30 June 2021

Note 8. Other Revenue

The company generates other sources of revenue as outlined below.

	2021 \$	2020 \$
Other Revenue		
- Market development fund income	22,500	25,000
- Cash flow boost	16,500	27,500
- FV gain on investments	98,660	(42,757)
- Other Revenue	24,751	30,001
	162,411	39,744

Note 9. Finance Income

The company holds financial instruments measured at amortised cost. Interest income is recognised at the effective interest rate.

Term deposits which can be readily converted to a known amount of cash and subject to an insignificant risk of change may qualify as a cash equivalent.

	2021 \$	2020 \$
Finance Income		
<i>At amortised cost:</i>		
- Interest from term deposits	1,797	2,796
	1,797	2,796

Note 10. Expenses

Profit before income tax from continuing operations includes the following specific expenses:

(a) Employee Benefits Expense

	2021 \$	2020 \$
Employee Benefits Expense		
- Wages & salaries	290,903	251,305
- Superannuation costs	25,327	26,653
- Other expenses related to employees	20,831	26,984
	337,061	304,942

Notes to the Financial Statements Year ended 30 June 2021

Note 10. Expenses (continued)

Profit before income tax from continuing operations includes the following specific expenses:

(b) Depreciation & Amortisation Expense

	2021 \$	2020 \$
Depreciation of Non-current Assets		
- buildings	4,747	4,971
- plant and equipment	11,326	11,163
	16,073	16,134
Amortisation of Intangible Assets		
- franchise fees	13,946	13,984
	13,946	13,984
Total depreciation & amortisation expense	30,019	30,118

The non-current tangible and intangible assets listed above are depreciated and amortised in accordance with the company's accounting policy (see Note 3(g) and 3(h) for details).

(c) Community Investments & Sponsorship

The overarching philosophy of the Community Bank model, is to support the local community in which the company operates. This is achieved by circulating the flow of financial capital into the local economy through community contributions (such as donations and grants).

	Note	2021 \$	2020 \$
Community Investments & Sponsorship		-	-
- Direct sponsorship and grant payments		20,272	9,797
- Contribution to the Community Enterprise Foundation™	10(e)	180,000	200,000
		200,272	209,797

The funds contributed are held by the Community Enterprise Foundation (CEF) and are available for distribution as grants to eligible applicants for a specific purpose in consultation with the directors.

When the company pays a contribution in to the CEF, the company loses control over the funds at that point. While the directors are involved in the payment of grants, the funds are not refundable to the company.

Notes to the Financial Statements Year ended 30 June 2021

Note 10. Expenses (continued)

(d) Community Enterprise Foundation™ Contributions

During the financial year the company contributed funds to the CEF, the philanthropic arm of the Bendigo Bank. These contributions paid in form part of community investments and sponsorship expenditure included in profit or loss.

	Note	2021 \$	2020 \$
Disaggregation of CEF Funds		-	-
Opening balance		837,663	657,229
Contributions paid	10(d)	180,000	200,000
Grants paid out		(10,518)	(17,750)
Interest received		5,488	8,182
Management fees incurred		(8,999)	(9,999)
Balance available for distribution		1,003,633	837,663

Note 11. Income Tax Expense

Income tax expense comprises current and deferred tax. Attributable current and deferred tax expense is recognised in the other comprehensive income or directly in equity as appropriate.

(a) The Components of Tax Expense

	2021 \$	2020 \$
Current tax expense		19,717
Deferred tax expense	45,163	(18,272)
Recoupment of prior year tax losses	-	-
Under / (over) provision of prior years	2,300	(1,668)
	47,463	(223)

Notes to the Financial Statements Year ended 30 June 2021

Note 11. Income Tax Expense (continued)

(b) Prima Facie Tax Payable

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

	2021 \$	2020 \$
Prima facie tax on profit before income tax at 26% (2020: 27.5%)	29,708	8,498
Add Tax Effect Of:		
- Franking credit gross up	867	421
- Cashflow boost	(4,290)	-
- Other permanent differences	8	-
- Under / (over) provision of prior years	2,300	(1,668)
- Change in company tax rates	(140)	-
- Temporary differences	(27,593)	-
- Movement in deferred tax	45,303	(7,474)
- Adjustment to account for tax loss	1,300	-
Income tax attributable to the entity	47,463	(223)
The applicable weighted average effective tax rate is:	41.54%	-0.72%

Note 12. Cash & Cash Equivalents

	2021 \$	2020 \$
Cash at bank and on hand	64,536	79,869
Short-term bank deposits	10,060	10,000
	74,596	89,869

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

Note 13. Trade & Other Receivables

	2021 \$	2020 \$
Current		
Trade receivables	70,690	83,772
Other receivables	33,990	27,500
	104,680	111,272

Trade and other receivables are initially measured at the transaction price. Trade and other receivables are due for settlement usually no more than 30 days from the date of recognition.

The Company's main debtor relates to the Bendigo & Adelaide Bank monthly profit share distribution, which is deposited within a reasonable timeframe each month. There are no items that require the application of the lifetime expected credit loss model.

Notes to the Financial Statements Year ended 30 June 2021

Note 14. Financial Assets

	2021 \$	2020 \$
At Amortised Cost		
Term deposits	60,000	117,239
At FVTPL		
Listed investments	295,650	163,341
	355,650	280,580

Term deposits classified as financial assets include only those with a maturity period greater than three months. Where maturity periods are less than three months, these investments are recorded as cash and cash equivalents.

Note 15. Other Assets

	2021 \$	2020 \$
Prepayments	7,234	7,898
	7,234	7,898

Other assets represent items that will provide the entity with future economic benefits controlled by the entity as a result of past transactions or other past events.

Note 16. Property, Plant & Equipment

(a) Carrying Amounts

	2021 \$			2020 \$		
	At Cost / Valuation	Accumulated Depreciation	Written Down Value	At Cost / Valuation	Accumulated Depreciation	Written Down Value
Land - at cost	4,800	-	4,800	4,800	-	4,800
Buildings	193,832	78,687	115,145	166,090	73,939	92,151
Plant & equipment	153,217	121,842	31,375	153,217	110,516	42,701
	351,849	200,529	151,320	324,107	184,455	139,652

Notes to the Financial Statements Year ended 30 June 2021

Note 16. Property, Plant & Equipment (continued)

(b) Movements in Carrying Amounts

2021	Buildings \$	Plant & Equipment \$
Opening carrying value	92,152	42,701
Additions	27,740	-
Disposals	-	-
Depreciation expense	(4,747)	(11,326)
Closing carrying value	115,145	31,375

2020	Buildings \$	Plant & Equipment \$
Opening carrying value	89,233	23,132
Additions	7,890	30,732
Disposals	-	-
Depreciation expense	(4,971)	(11,163)
Closing carrying value	92,152	42,701

(c) Capital Expenditure Commitments

The entity does not have any capital expenditure commitments as at 30 June 2021 (2020: None).

(d) 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.

Notes to the Financial Statements Year ended 30 June 2021

Note 17. Intangible Assets

(a) Carrying Amounts

	2021 \$			2020 \$		
	At Cost / Valuation	Accumulated Amortisation	Written Down Value	At Cost / Valuation	Accumulated Amortisation	Written Down Value
Franchise fee	69,769	37,171	32,598	69,769	23,224	46,545
	69,769	37,171	32,598	69,769	23,224	46,545

(b) Movements in Carrying Amounts

2021	Franchise Fee
Opening carrying value	46,545
Additions	-
Disposals	-
Amortisation expense	(13,947)
Closing carrying value	32,598

2020	Franchise Fee
Opening carrying value	60,529
Additions	-
Disposals	-
Amortisation expense	(13,984)
Closing carrying value	46,545

Note 18. Tax Assets & Liabilities

(a) Current Tax

	2021 \$	2020 \$
Income tax payable/(refundable)	(31,589)	2,371

Notes to the Financial Statements Year ended 30 June 2021

Note 18. Tax Assets & Liabilities (continued)

(b) Deferred Tax

	30 June 2020 \$	Recognised in P & L \$	Recognised in Equity \$	30 June 2021 \$
Deferred Tax Assets				
- Expense accruals	638	394	-	1,032
- Financial assets carried at FVTPL	5,816	(5,816)	-	-
- Unused tax losses	-	1,250	-	1,250
- Property, plant & equipment	18,519	(18,519)	-	-
- Employee provisions	19,521	630	-	20,151
Total deferred tax assets	44,494	(22,060)	-	22,434
Deferred Tax Liabilities				
- Accrued income	(167)	165	-	(2)
- Financial assets carried at FVTPL	-	(19,385)	-	(19,385)
- Prepayments	(2,172)	363	-	(1,809)
- Property, plant & equipment	-	(6,545)	-	(6,545)
Total deferred tax liabilities	(2,339)	(25,402)	-	(27,741)
Net deferred tax assets/(liabilities)	42,155	(47,462)	-	(5,307)

Movement in the company's deferred tax balances for the year ended 30 June 2020:

	30 June 2019 \$	Recognised in P & L \$	Recognised in Equity \$	30 June 2020 \$
Deferred Tax Assets				
- Expense accruals	483	155	-	638
- Financial Assets carried at FVTPL	-	5,816	-	5,816
- Property, plant & equipment	17,241	1,278	-	18,519
- Employee provisions	14,471	5,050	-	19,521
Total deferred tax assets	32,195	12,299	-	44,494
Deferred Tax Liabilities				
- Prepayments	(2,184)	12	-	(2,172)
- Accrued income	-	(167)	-	(167)
- Financial Assets carried at FVTPL	(5,943)	5,943	-	-
Total deferred tax liabilities	(8,127)	5,788	-	(2,339)
Net deferred tax assets/(liabilities)	24,068	18,087	-	42,155

Notes to the Financial Statements Year ended 30 June 2021

Note 19. Trade & Other Payables

	2021	2020
	\$	\$
Current		
Trade creditors	14,596	11,692
Other creditors and accruals	15,349	15,349
	29,945	27,041
Non-Current		
Trade creditors	-	-
Other creditors and accruals	15,350	30,699
	15,350	30,699

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Note 20. Borrowings

	2021	2020
	\$	\$
Current		
Unsecured Liabilities		
Credit Card	1,236	1,692
	1,236	1,692
Total borrowings	1,236	1,692

Credit Card

The company has an credit card facility of \$5,000 which is subject to normal commercial terms and conditions.

Notes to the Financial Statements Year ended 30 June 2021

Note 21. Employee Benefits

	2021 \$	2020 \$
Current		
Provision for annual leave	26,766	25,774
Provision for long service leave	53,595	42,590
	80,361	68,365
Non-Current		
Provision for long service leave	245	2,620
	245	2,620

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

Employee Attrition Rates

The company uses historical employee attrition rates in determining the probability of an employee, at a given date, achieving continuous employment eligible for entitlement in accordance with long service leave legislation.

Note 22. Issued Capital

(a) Issued Capital

	2021		2020	
	Number	\$	Number	\$
Ordinary shares - fully paid	267,585	267,585	267,585	267,585
Less: equity raising costs	-	-	-	-
	267,585	267,585	267,585	267,585

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

(b) Movements in share capital

	2021 \$	2020 \$
Fully paid ordinary shares:		
At the beginning of the reporting period	267,585	267,585
Shares issued during the year	-	-
At the end of the reporting period	267,585	267,585

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At the shareholders' meetings each shareholder is entitled to one vote when a poll is called, or on a show of hands. The company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the company's residual assets.

Notes to the Financial Statements Year ended 30 June 2021

Note 23. Retained Earnings

	Note	2021 \$	2020 \$
Balance at the beginning of the reporting period		317,598	313,231
Profit for the year after income tax		66,798	31,126
Dividends paid	28	(26,759)	(26,759)
Balance at the end of the reporting period		357,637	317,598

Note 24. Cash Flow Information

(a) Cash and cash equivalents balances as shown in the Statement of Financial Position can be reconciled to that shown in the Statement of Cash Flows as follows:

	2021 \$	2020 \$
Cash and cash equivalents (Note 12)	74,596	89,869
As per the Statement of Cash Flows	74,596	89,869

(b) Reconciliation of cash flow from operations with profit/loss after income tax

	2021 \$	2020 \$
Profit for the year after income tax	66,798	31,126
Non-cash flows in profit		
- Depreciation	16,073	30,118
- Amortisation	13,946	-
- Bad debts	-	126
- Fair Value Increases	(98,660)	42,757
- Net (profit) / loss on disposal of property, plant & equipment	-	5,000
Changes in assets and liabilities		
- (Increase) / decrease in trade and other receivables	6,592	(29,077)
- (Increase) / decrease in prepayments and other assets	664	43
- (Increase) / decrease in deferred tax asset	47,462	(18,087)
- Increase / (decrease) in trade and other payables	2,448	3,541
- Increase / (decrease) in current tax liability	(33,960)	(15,607)
- Increase / (decrease) in provisions	9,621	18,365
Net cash flows from operating activities	30,984	68,305

Notes to the Financial Statements Year ended 30 June 2021

Note 25. 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			
Trade and other receivables	13	104,680	111,272
Cash and cash equivalents	12	74,596	89,869
Term deposits	14	60,000	117,239
		239,276	318,380
Financial Liabilities			
Trade and other payables	19	45,295	57,740
Borrowings	20	1,236	1,692
		46,530	59,432

Note 26. Related Parties

(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. The only key management personnel identified for the company are the Board of Directors, the members of which are listed in the Directors' report.

(b) Key Management Personnel Compensation

No Director of the company receives remuneration for services as a company director or committee member. These positions are held on a voluntary basis.

(c) 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.

(d) Transactions With Key Management Personnel & Related Parties

During the year, the company purchased goods and services under normal terms and conditions, from related parties as follows:

Name of Related Party	Description of Goods or Services Provided	Value \$
Hugh Clancy	Bookkeeping	4,886

Notes to the Financial Statements Year ended 30 June 2021

Note 26. Related Parties (continued)

(e) Key Management Personnel Shareholdings

The number of ordinary shares in the company held by each key management personnel during the financial year has been disclosed in the Director's Report.

(f) Other Key Management Transactions

There has been no other transactions key management or related parties other than those described above.

Note 27. Auditor's Remuneration

The appointed auditor of Henty Community Financial Services Ltd for the year ended 30 June 2021 is RSD Audit. Amounts paid or due and payable to the auditor are outlined below.

	2021	2020
	\$	\$
Audit & Review Services		
Audit and review of financial statements (RSD Audit)	5,250	5,200
	5,250	5,200
Total auditor's remuneration	5,250	5,200

Note 28. Dividends

The following dividends were provided for and paid to shareholders during the reporting period as presented in the statement of changes in equity and statement of cash flows.

	2021		2020	
	Number	\$	Number	\$
Fully franked dividend	267,585	26,759	267,585	26,759
Dividends provided for and paid during the year	267,585	26,759	267,585	26,759

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

Notes to the Financial Statements Year ended 30 June 2021

Note 29. 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	66,798	31,126
	Number	Number
Weighted average number of ordinary shares	267,585	267,585
	¢	¢
Basic and diluted earnings per share	24.96	11.63

Note 30. Events After the Reporting Period

There have been no significant events after the end of the financial year that would have a material impact on the financial statements or the company's state of affairs.

Note 31. Commitments & Contingencies

Details about any capital commitments are detailed in Note 16(b).

The company has no other commitments requiring disclosure.

There were no contingent liabilities or assets at the date of this report that would have an impact on the financial statements.

Note 32. Company Details

The registered office and principal place of business is 8 Sladen Street, Henty, NSW 2658

Notes to the Financial Statements Year ended 30 June 2021

Note 33. Fair Value Measurements

The company may measure 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 value 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.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. 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 (i.e. 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 company measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- listed investments

The company does not subsequently measure any liabilities at fair value on a non-recurring basis.

(a) Fair Value Hierarchy

AASB 13: *Fair value measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level	Measurement Details
Level 1	Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Measurements based on unobservable inputs for the asset or liability.

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. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Notes to the Financial Statements Year ended 30 June 2021

Note 33. Fair Value Measurements (continued)

The following tables provide the fair values of the company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

30 June 2021				
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring Fair Value Measurements				
Financial Assets				
Listed investments	295,650	-	-	295,650
	295,650	-	-	295,650

30 June 2020				
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring Fair Value Measurements				
Financial Assets				
Listed investments	163,341	-	-	163,341
	163,341	-	-	163,341

There were no transfers between levels for assets measured at fair value on a recurring basis during the reporting period (2020: no transfers).

Notes to the Financial Statements Year ended 30 June 2021

Note 33. Fair Value Measurements (continued)

(b) Valuation Techniques

The company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the company are consistent with one or more of the following valuation approaches:

Approach	Valuation Details
Market Approach	Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
Income Approach	Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value
Cost Approach	Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Director's Declaration

for the year ending 30 June 2021

In accordance with a resolution of the Directors of Henty Community Financial Services Ltd, 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.



John Ellis
Chair

Dated this 30th day of September, 2021

Independent Audit Report



41A Breen Street
Bendigo, Victoria
PO Box 448, Bendigo, VIC 3552

Telephone: (03) 4435 3550
admin@rsdaudit.com.au
www.rsdaudit.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HENTY COMMUNITY FINANCIAL SERVICES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Henty 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, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the accompanying financial report of Henty 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 performance for the year then ended; 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. Those standards require that we comply with relevant ethical requirements related to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Independent Audit Report continued

Director's responsibility 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 Responsibility for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. 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 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 Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control.

We 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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We 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.

Independent Audit Report continued

Auditor's Responsibility (continued)

We 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 obtain sufficient appropriate audit evidence regarding the financial information of the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the 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.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. 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.

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 material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RSD Audit

Chartered Accountants



KATHIE TEASDALE

Partner

Bendigo

Dated: 1 October 2021

Management Representation Letter



Private and Confidential
Kathie Teasdale

RSD Audit
Level 2
41A Breen Street
BENDIGO VIC 3550

Dear Kathie,

Management Representation - Henty Community Financial Services Limited

This representation letter is provided in connection with your audit of the financial report of Henty Community Financial Services Limited for the year ended 30 June 2021 for the purpose of expressing an opinion as to whether the financial report, in all material respects, gives a true and fair view in accordance with Note 1 of the Financial Statements, Australian Accounting Standards and the *Corporations Act 2001*.

We acknowledge our responsibility for ensuring that the year-end financial report is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the entity's financial position as at 30 June 2021, and of its performance for the period ended on that date; and
- ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

We confirm that to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Report

1. We have considered the users of the financial report and concluded that the preparation of General Purpose Financial Statements is appropriate.
2. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter for the preparation of the financial report in accordance with Note 1 of the Financial Statements; in particular, the financial report gives a true and fair view in accordance therewith.
3. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
4. The financial report discloses all significant accounting policies used in the preparation of the financial report. We considered the substance of the underlying transactions as well as their legal form in selecting the appropriate accounting policies and related disclosures for the financial report.
5. All transactions have been recorded in the accounting records and are reflected in the financial report.
6. Related party relationships and transactions have been appropriately accounted for and disclosed.
7. No events have occurred subsequent to the balance sheet date through to the date of this letter that would require adjustment to, or disclosure in, the financial report.
8. The following have been recorded and/or disclosed properly in the full-year financial report:
 - related party transactions and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements and guarantees (written or oral)
 - share options, warrants, conversions or other requirements
 - arrangements involving restrictions on cash balances, compensating balances and line-of-credit or similar arrangements
 - agreements to repurchase assets previously sold
 - material liabilities or contingent liabilities or assets including those arising under derivative financial instruments
 - unasserted claims or assessments that our lawyers have advised us are probable of assertion
 - losses arising from the fulfilment of, or an inability to fulfil, any sale commitments or as a result of purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of prevailing market prices.

Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL/ Australian Credit Licence
237879.

The Bendigo Centre, Bendigo VIC 3550 Phone 1300 BENDIGO (1300 236 344) Fax 03 5485 7000

Management Representation Letter continued

Other Financial Representations

9. We have no plans or intentions that may affect materially the carrying values, or classification, of assets and liabilities.
10. The entity has complied with all aspects of contractual agreements that would have a material effect on the financial report in the event of non-compliance.
11. We consider the measurement methods, including related assumptions, used to determine fair values relating to assets and liabilities to be appropriate based on the nature and purpose of the asset/liability. We have considered the requirements of Accounting Standard AASB 136 *Impairment of Assets*, when assessing the impairment of financial and non-financial assets and in ensuring that no assets are stated more than their recoverable amount.
12. The estimated useful lives of Non-Financial Assets have been reviewed, and depreciation rates adjusted where necessary.
13. The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets that have not been disclosed nor has any asset been pledged as collateral.
14. We have considered the requirements of AASB 13 *Fair Value Measurement* relating to the fair value of property, plant and equipment. These assets have been valued on the basis that the highest and best use of the asset is obtained from its current use, taking into consideration what is physically possible, legally permissible and financially feasible.
15. We believe the effects of any uncorrected misstatements as summarised by us at Attachment A are immaterial, both individually and in the aggregate, to the financial report taken as a whole.
16. We have determined whether contracts and arrangements are within the scope of AASB 15 *Revenue*, applying the relevant measurement and recognition requirements for each transaction.
17. We have applied AASB 16 *Leases*. We have assessed whether our contracts are leases or contain an imbedded lease.
18. We have provided you with all information related to the impact of the COVID-19 pandemic on operating results, financial conditions and cash flows. This includes details of all government financial assistance received, information on rent holidays or concessions granted to lessees or received as a lessee. We have advised you of information on all procedures and controls arising as a result of the pandemic. We have notified you of all new programs that have been or will be implemented or that will permanently cease as a result of the pandemic. We have assessed significant ongoing COVID-19 impacts and have provided you with our most current mitigation plans and forecasts. We have considered the impact of COVID-19 and confirm the going concern basis is appropriate. All impacts from COVID-19 are properly reflected in the financial report.

Other Information Representations

19. We have provided you with:
 - access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters
 - minutes of all meetings of directors and finance, risk and audit committees
 - additional information that you have requested from us for the purpose of the audit
 - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence
20. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error and to facilitate the preparation of a reliable financial report.
21. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Fraud

22. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
23. We have disclosed to you all information in relation to fraud, or suspected fraud, that we are aware of and that affects the entity and involves:
 - management
 - employees who have significant roles in internal control
 - others where the fraud could have a material effect on the financial report
24. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial report communicated by employees, former employees, contractors, regulators or others.

Laws, Regulations and Litigations

Management Representation Letter continued

25. We have disclosed to you all known instances of non-compliance, or suspected non-compliance, with laws and regulations whose effects should be considered when preparing the financial report. There have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.
26. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial report; and accounted for and disclosed.

Going Concern

27. We have assessed Henty Community Financial Services Limited's ability to continue as a going concern and believe there are reasonable grounds to believe that the entity will be able to pay its debts as and when they fall due.

We understand that your examination was made in accordance with Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the financial report of the entity taken as a whole, and that your tests of the financial records and other auditing procedures were limited to those which you considered necessary for that purpose.



Name John Ellis
Position Chairman

Dated this 1st day of October 2021

Management Representation Letter continued

Attachment A - Schedule of Unadjusted Audit Differences

Details	Assets	Liabilities	Equity	Revenue	Expenses
To reduce the wages payables and wages & salaries expense and increase prepaid wages					
Accounts Payable (accrued wages)		1,129			
Prepaid Wages	5,909				
Wages & Salaries Expense					(7,038)
To accrue for audit fee at year end (increase audit expense and accounts Payable)					
Audit Fees expense					3,800
Accounts Payable		(3,800)			
Total Differences	5,909	(2,671)			(3,238)

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Proxy Form

Henty Community Financial Services Limited

(Mark boxes with an X as shown)

A.B.N. 20 084 864 835

I/We
(Print Name)

.....
(Signature)

being a registered shareholder of
Henty Community Financial Services Limited
hereby appoint:

The Chairperson of the meeting

OR

.....
Name of Proxy

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Notice of nomination of person for election as Director

1. Nomination

I, _____ (full name), of
_____ (address)

State that I am a shareholder of Henty Community Financial Services Limited, and nominate the following person to stand for election as a Director of Henty Community Financial Services Limited at the Annual General Meeting on 29 November 2017.

I, _____ (full name), of
_____ (address)
_____ (signature of shareholder) ___/___/___
_____ (date)

2. Consent

I, _____ (full name), of
_____ (address)

accept the nomination to stand for election as a Director of Henty Community Financial Services Limited and confirm the following information is correct and consent to its disclosure as set out below. I also agree to comply with the procedures for a Victorian National Police Records Check.

2.1 Information to be provided to Australian Securities and Investments Commission if elected

Given and family name: (as set out above) _____
All former given and family names: _____
Date and place of birth: _____
Residential Address: _____

2.2 Information that may be included in Henty Community Financial Services Limited Notice of Meeting

Skills and experience: _____


Qualifications: _____
_____ (signature of nominee) ___/___/___
_____ (date)

This notice must be lodged at the Registered Office of Henty Community Financial Services Limited at 8 Sladen Street, Henty NSW 2658 no later than 15 business days before the Annual General Meeting, and no earlier than 60 business days before the Annual General Meeting.

The Annual General Meeting is to be held on 18 November 2020.

NOTE: A person nominated for election to the Board **must** undergo a Victoria Police "National Police Records Check" before being eligible for appointment or election to the Board.

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Community Bank Henty
8 Sladen Street, Henty, NSW 2658
Phone: (02) 6929 3683 Fax: (02) 6929 3687

Franchisee: Henty Community Financial Services Limited
8 Sladen Street, Henty, NSW 2658
Phone: (02) 6929 3683 Fax: (02) 6929 3687
ABN 20 084 864 835

www.bendigobank.com.au Bendigo Bank Limited, Fountain Court, Bendigo, VIC 3550
ABN 11 068 049 178 AFSL 237879
(Studio Zube Oct 2021)

