



2021 Annual Report

Lockhart & District Financial Services Limited

ABN 14 099 918 680

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Chairperson's report

For year ending 30 June 2021

Director's update

Our Board of Directors has remained unchanged within the last twelve months. We are in the early stages of a Community Company Performance Review, which assists the Board in Effective Community Bank Governance and will be beneficial to our Board with succession planning and role clarity.

Branch/staffing update

In the past 12 months we have seen some significant staffing changes within our branch.

In November we welcomed David Wilkes to our team. He came to us from the Wagga Wagga branch and has spent the last 10 months as our Operations Manager. David has fitted in well and is showing a real passion for our branch and community.

In August Mollie Waters left our branch to take up a position at the Wagga Wagga branch. We wish Mollie all the best. Veronica Lloyd has joined us to replace Mollie. Veronica lives in Lockhart and we wish her success with her new career in the banking sector. I'm sure she'll be an asset to our branch and community in the years ahead.

Our most significant change in the last 12 months comes in two parts. When we employed David to be our Operations Manager it created an opportunity for Clare to move into a Branch Development Manager role. This gave Clare a fantastic opportunity to hone her skills and ability in writing loans and driving business to our branch by being more mobile, and therefore increased our potential customer base which in turn has seen great results over the last twelve months.

In September however, Clare informed us she had been approached and subsequently accepted a position in Bendigo Bank's Rural Bank arm of the organisation. Clare has taken on a role that looks after the Agri side of the business. Since joining our Community Bank Lockhart & District almost 15 years ago, Clare has been instrumental in the success of where our company is today. She has worked tirelessly to find new business which has given us the opportunity to put profits directly back into our community.

I'm sure our existing and previous Directors as well as our shareholders and customers would all join with me to thank Clare for her service to Community Bank Lockhart & District and wish her all the best in her future endeavours.

With the departure of Clare, David has moved to the position of Branch Manager. As a Board we are confident that the succession planning we have been working on within our branch over the last 18 months will see David and his staff continue to service our customers with all their banking needs.

Community Grants Program

Community Bank Lockhart & District continue to work in partnership with our local organisations through our yearly sponsorship to sporting groups and public events, as well as our Community Grants Program.

This past year we have given back over \$60,000 (including pledges) to our community.

We continue to sponsor the Driver Training Program, which is well received by those who have attended and their families. We hope the knowledge gained can be the difference between a close call and disaster for our young drivers.

Dividend payment

Our Board of Directors ratified that a 5% Fully Franked dividend will be paid to shareholders on 3 November 2021.

If anyone would like to enquire on the opportunity to purchase more shares or knows of someone who may be interested in owning some shares in our Community Bank, please contact the branch 02 6920 4244.

In closing, thank you to my family, fellow Board members and Bendigo and Adelaide Bank Limited staff who continue to support and contribute to Community Bank Lockhart & District.



Nick Mathews
Chairperson

Manager's report

For year ending 30 June 2021

It is with much pleasure that I present my first Manager's report for Community Bank Lockhart & District for year ending 30 June 2021.

Our business levels reached a record high \$138.10 million in banking business as at 30 June 2021. This is an increase in new business of \$20.20 million from the previous financial year.

A majority of this growth was seen in our deposit book which grew \$12.2 million. Our consumer lending business grew by \$2.8 million whilst our Rural Bank and Wealth sector grew by \$5.2 million. It is pleasing to see these wonderful growth results after another tough year with decreasing interest rates and COVID-19 economic pressures.

2020/21 was a great year for our Agricultural sector with favourable seasonal conditions and commodity prices has helped see a positive impact on the Rural Bank growth for our branch.

Our branch focus for the year ahead will be to maintain our growth trajectory and align with Bendigo Bank's greater vision of being Australia's bank of choice.

I would like to thank the staff for their continued efforts throughout the past 12 months as we managed the everchanging restrictions around the COVID-19 pandemic and changes to the way our customers address their banking needs. As you, our customers, adjust with our new way of life, we are with you side by side and will continue to provide impeccable customer service in any way we can. 2020 saw Sarah Smyth celebrate 18 years and Clare Hamson celebrate 14 years of continued service with Community Bank Lockhart & District. What an incredible milestone and on behalf of the team as well as our customers and investors we appreciate the years of service you have provided to our community.

Unfortunately, we say our goodbyes to Clare Hamson from the branch as she moves into an exciting new role with Rural Bank as an Agribusiness Relationship Manager. This role will see Clare looking after our primary producer customers with all their Agri lending requirements. What a privilege it has been to work with

her over the past year and I look forward to working together for our local primary producers. We have also said goodbye to Mollie Waters as she also took on a new role in the Wagga Wagga branch to further her career with the bank. Clare and Mollie were great assets to our team as well as our community and as they both start new chapters in life, we wish them both all the success.

I would like to thank our local volunteer Board of Directors, Regional Manager; Tim Koschel and his support staff for their guidance and leadership through the year. I would also like to especially thank John Walton our Rural Bank Agribusiness Manager and Anthony McGettigan our Bendigo Bank Business Banking Manager who are both based in Wagga Wagga. We appreciate your visits to our branch regularly and thank you for servicing the needs of our primary producer and business customers.

Most importantly I would like to thank our loyal customers. Your ongoing banking support is invaluable in helping our branch to continue to grow, enabling our Community Bank to continue to inject funds back into local projects and initiatives and helping create a vibrant and thriving local Lockhart community.



David Wilkes
Branch Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2021

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

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

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

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

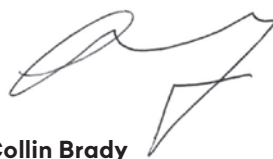
So, what does that mean for Bendigo Bank and the Community Bank that you are invested in both as a shareholder, and a customer?

What we're seeing is that your Community Bank is still as important, if not more so, than when you first invested as a shareholder. If the pandemic has taught us anything, it has taught us the importance of place, of our local community, our local economy, our community-based organisations, the importance

of social connection and the importance of your local Community Enterprise – your Community Bank in providing, leadership, support, and assistance in these difficult times.

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

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



Collin Brady
Head of Community Development

Investing in our community...



100+ drivers
completed driver
training awareness
programme

Thanks to...



1,743 local
customers
at 30 June 2021

\$138.1 million of loans and deposits
at 30 June 2021

2020/21: **\$20.2 million** in growth,
= 17% increase



358 shareholders who have received
\$561,009 in dividends to 30 June 2021
2020/21: **5 cent** fully franked dividend



Directors' report

For the financial year ended 30 June 2021

The Directors present their report together with the accounts of Lockhart & District Financial Services Limited for the year ended 30 June 2021.

Directors

The names of directors who held office during or since the end of the year are:

Kenneth Hogan	Marea Urquhart
Roderick McMicking	Nicholas Mathews
Craig Fletcher	Peter McDonnell
Rachel Westblade	Robyn Pearse
Christy Webb (Resigned 29 July 2020)	

All directors have been in office the full year unless stated above.

Directors' meetings

The number of Directors meetings and number of meetings attended by each of the Directors of the company during the financial year are:

Director	Number Attended	Number eligible to attend	Director	Number Attended	Number eligible to attend
Mr K Hogan	5	12	Mrs M Urquhart	11	12
Mr R McMicking	10	12	Mr N Mathews	11	12
Mr C Fletcher	10	12	Mr P McDonnell	7	12
Mrs R Westblade	11	12	Mrs R Pearse	10	12
Mrs C Webb	0	1			

Principal activities

The principle activities of the company during the course of the financial period were in providing community banking services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

Result

The net profit of the company for the financial year after provision for income tax was \$64,837 (2020 \$80,137).

Short and long term objectives

Our short term objective is to continue to offer community banking services to the Lockhart & district community. Our long term objective is to achieve increased returns for shareholders and further support the community through various sponsorship arrangements.

Key Performance Indicators

Key performance indicators used by the company to monitor performance include:

- Monthly financial accounts, budgets and forecasts
- Monthly revenue analysis
- Monthly reports from Bendigo and Adelaide Bank Limited

Directors' report (continued)

Matters subsequent to the end of the reporting period

There are no matters or circumstances that have arisen since the end of the reporting period that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

Directors interests and benefits

Since the end of the previous financial year no Director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors shown in the accounts) because of a contract made by the company with the Director or with a firm of which the director is a member, or with a company in which the Director has a substantial interest.

Auditor's Independence Declaration

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

Dated at Wagga Wagga this 15th day of September 2021

Signed in accordance with a resolution of the directors:

A handwritten signature in black ink, appearing to read 'N Mathews', with a stylized flourish at the end.

Nick Mathews
Director

Auditor's independence declaration



■ PARTNERS:	
P.J. King	CA
A.P. Powell	CA
D.R. Uden	CA
R.K. Nicoll	CA
M.A. Smith	CA
D.T. Rosetta	CA

AUDITORS INDEPENDENCE DECLARATION

As lead auditor for the audit of Lockhart & District Financial Services Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been:

- (a) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (b) No contraventions of any applicable code of professional conduct in relation to the audit.

John L Bush & Campbell

JOHN L BUSH & CAMPBELL
Chartered Accountants

DR

David Rosetta
Partner

Wagga Wagga
15 September 2021

WAGGA WAGGA
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approved under Professional
Standards Legislation

Financial statements

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

	Notes	2021 \$	2020 \$
Revenues from ordinary activities	2	702,112	724,644
Employee expenses		(354,037)	(299,067)
Administration expenses		(157,648)	(155,676)
Depreciation and amortisation		(22,498)	(23,031)
Sponsorship expense		(79,569)	(154,871)
Net Profit from ordinary activities before income tax expense		88,360	91,999
Income tax expense relating to ordinary activities	3	(23,523)	(11,862)
Net profit from ordinary activities after related income tax expense		64,837	80,137
Total change in equity other than those resulting from transactions with owners as owners		64,837	80,137
Earnings per share	22	11.78 cents	14.57 cents

The Statement of Comprehensive Income is to be read in conjunction with the notes to and forming part of the accounts.

Financial statements (continued)

Statement of Financial Position as at ended 30 June 2021

	Notes	2021 \$	2020 \$
CURRENT ASSETS			
Cash	5	508,097	487,875
Receivables	6	63,657	83,353
Other Financial Assets	7	8,728	7,602
Tax Assets	13	6,787	7,989
TOTAL CURRENT ASSETS		587,269	586,819
NON-CURRENT ASSETS			
Other Financial Assets	7	17,629	30,852
Tax Assets	8	-	15,154
Property, plant & equipment	9	169,069	133,813
TOTAL NON-CURRENT ASSETS		186,698	179,819
TOTAL ASSETS		773,967	766,638
CURRENT LIABILITIES			
Borrowings	10	16,908	15,572
Payables	11	31,297	36,989
Provisions	12	35,514	27,262
Tax Liabilities	13	-	-
TOTAL CURRENT LIABILITIES		83,719	79,823
NON CURRENT LIABILITIES			
Borrowings	10	-	15,351
Tax Liabilities	8	2,040	-
Provisions	12	-	20,594
TOTAL NON CURRENT LIABILITIES		2,040	35,945
TOTAL LIABILITIES		85,759	115,768
NET ASSETS		688,208	650,870
EQUITY			
Contributed Equity	14	550,009	550,009
Retained Profits	15	138,199	100,861
TOTAL EQUITY		688,208	650,870

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the accounts.

Financial statements (continued)

Statement of Cash Flows for the year ended 30 June 2021

	Notes	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		719,117	695,296
Cash payments in the course of operations		(608,336)	(614,844)
Cash receipts from interest and dividends		2,691	5,408
Net cash used by operating activities	16(ii)	113,472	85,860
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(51,736)	-
Net cash used in investing activities		(51,736)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts/(repayment) from borrowings		(14,015)	(15,780)
Payment of dividends		(27,500)	(27,500)
Net cash used in financing activities		(41,515)	(43,280)
Net increase / (decrease) in cash held		20,221	42,580
Cash at the beginning of the financial year		487,875	445,294
Cash at the end of the financial year	16(i)	508,097	487,875

The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the accounts.

Financial statements (continued)

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

	Issued capital \$	Retained earnings \$	Total equity \$
Balance as at 1 July 2019	550,009	48,224	598,233
Profit for period	-	80,137	80,137
Dividend paid	-	(27,500)	(27,500)
Balance as at June 30 2020	550,009	100,861	650,870
Profit for period	-	64,837	64,837
Dividend paid	-	(27,500)	(27,500)
Balance as at June 30 2021	550,009	138,198	688,208

The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the accounts.

Notes to the financial statements

For the year ended 30 June 2021

Note 1 - Statement of significant accounting policies

The significant policies that have been adopted in the presentation of these financial statements are:

(a) Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with the Accounting Standards, other pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial report has been prepared on the basis of historical costs and does not take into account changing money values nor current valuations of the non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

(b) Income Tax

The Company adopts the liability method of tax effect accounting whereby the income tax expense is based on profit from ordinary activities adjusted for any permanent differences.

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income are brought to account as either a provision for deferred income tax or as a deferred tax asset.

Deferred tax assets are not brought to account unless it is probable that the benefit will be realised.

(c) Property, Plant and Equipment

Freehold land and buildings are brought to account on the cost basis.

Plant and equipment are measured on the cost basis.

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight line basis over their useful lives to the economic entity.

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

Class of fixed asset	Depreciation rate
Buildings	2.5%
Plant and equipment	20-40%

(d) Intangibles

Franchise Fees

The Company has entered into a five year franchise agreement with Bendigo and Adelaide Bank Limited for an initial 5 year term.

(e) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Contributions are made by the Company entity to employee superannuation funds and are charged as expenses when incurred.

(f) Comparative Figures

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

Notes to the financial statements (continued)

Note 1 - Statement of significant accounting policies (continued)

(g) Revenue

Revenue from contracts with customers

The Company recognises revenue as the amount of the transaction price that is allocated to the performance obligation, excluding any amounts of variable consideration, when the performance obligation has been satisfied. All revenue is stated net of the amount of goods and services tax (GST).

Revenue calculation

The Company provides banking services under a franchise agreement. Bendigo and Adelaide Bank Limited decides the form of revenue the company earns on different types of products and services. The franchise agreement provides that three forms of revenue may be earned by the company – margin, commission and fee income. The revenue earned by the company is dependent on the business that it generates. It may also be affected by other factors, such as economic and local conditions, for example, interest rates.

Margin

Margin is arrived through the following calculation:

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

For those products and services on which margin is paid, the company is entitled to a share of the margin earned by Bendigo and Adelaide Bank Limited (i.e. income adjusted for Bendigo and Adelaide Bank Limited's interest expense and interest income return). However, if this reflects a loss, the company incurs a share of that loss. Products and services on which margin is paid include variable rate deposits and variable rate home loans.

Commission

Commission is a fee paid for products and services sold. It may be paid on the initial sale or on an ongoing basis. Commission is payable on the sale of an insurance product such as home and contents. Examples of products and services on which ongoing commissions are paid include leasing and other products.

The Company has considered the treatment of trail commissions in accordance with AASB 15. It was concluded that there is no way to determine, with high probability, the present value of on-going commissions. For these reasons on-going trail commission is recognised when calculated and remitted to the Company.

Fee income

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

(h) New Accounting standards adopted during the year

There were no new accounting standards adopted during the year that had a material impact on the financial statements of the company.

	2021 \$	2020 \$
Operating activities		
Fees	38,307	41,405
Gross margin	453,198	460,971
Commissions	178,214	139,203
Market development	22,500	25,000
	692,219	666,579

Note 2 - Revenue

Notes to the financial statements (continued)

	2021 \$	2020 \$
Note 2 - Revenue (continued)		
Non-operating activities		
Interest	2,691	5,408
Other Income	7,202	3,793
ATO Cashflow Boost	-	48,864
	702,112	724,644

Note 3 - Income tax expense

The prima facie tax on profit ordinary activities before income tax is reconciled as follows:

Tax expense at 26% (2020 - 27.5%)	22,974	25,300
Add/(less) tax effect of:		
- Restatement of deferred tax asset due to change in tax rate	549	-
- Permanent Difference	-	(13,438)
	23,523	11,862

Note 4 - Profit from ordinary activities

Profit from ordinary activities before income tax has been determined after:

(a) Expenses		
Amortisation of intangibles	13,223	13,222
Auditors remuneration - auditing accounts	7,750	7,250
Auditors remuneration - other services	13,450	10,900
Depreciation of non-current assets	10,344	9,809

Note 5 - Cash assets

Cash at bank	508,097	487,875
	508,097	487,875

Note 6 - Receivables

Trade debtors (Bendigo Receivable)	63,657	55,195
Other receivables	-	28,158
	63,657	83,353

Notes to the financial statements (continued)

	2021 \$	2020 \$
Note 7 - Other financial assets		
Current		
Prepayments	8,728	7,602
	8,728	7,602
Non-current		
Current franchise fee	66,111	66,111
Less: accumulated amortisation	(48,482)	(35,259)
	17,629	30,852

Note 8 - Deferred tax assets & liabilities

Deferred Tax Assets/(Liability)	(2,040)	15,154
	(2,040)	15,154

Note 9 - Property, plant and equipment

Land - at cost	27,258	27,258
Buildings - at cost	154,863	154,863
Less: accumulated depreciation	(72,887)	(69,029)
	81,976	85,834
Plant and equipment - at cost	200,449	176,208
Less: accumulated depreciation	(140,614)	(155,487)
	59,835	20,721
Total	169,069	133,813

(b) Movement in Carrying Amounts

	Freehold Land \$	Buildings \$	Plant & Equipment \$	Total \$
Balance at the beginning of year	27,258	85,834	20,721	133,813
Additions	-	-	51,736	51,736
Disposal			(6,136)	(6,136)
Depreciation	-	(3,858)	(6,486)	(10,344)
Balance at the end of year	27,258	81,976	59,835	169,069

Notes to the financial statements (continued)

	2021 \$	2020 \$
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Note 10 - Borrowings

Current		
Bendigo Bank - Credit Card	1,557	221
Bendigo Bank - Franchise Fee Loan	15,351	15,351
	16,908	15,572
Non-Current		
Bendigo Bank - Franchise Fee Loan	-	15,351
	-	15,351

Note 11 – Payables

Trade Creditors	28,288	18,413
ATO Payable	3,009	18,577
	31,297	36,989

Note 12 - Provisions

Current		
Employee Entitlements	35,514	27,262
Non-Current		
Employee Entitlements	-	20,594

Note 13 - Tax liabilities

Provisions for Income Tax Payable/(Receivable)	(6,787)	(7,989)
	(6,787)	(7,989)

Note 14 - Contributed equity

550,009 fully paid ordinary shares	550,009	550,009
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Note 15 - Retained profits

Retained profits at the beginning of the financial year	100,861	48,224
Net profit / (loss) from ordinary activities	64,837	80,137
Dividend paid	(27,500)	(27,500)
Retained profits at the end of the financial year	138,199	100,861

Notes to the financial statements (continued)

Note 16 - Cash flow information

(i). Reconciliation of Cash

For the purpose of the statement of Cash Flows, cash includes cash on hand and at bank. Cash at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the statement of financial position as follows:

	2021 \$	2020 \$
Cash at bank	508,097	487,875

(ii). Reconciliation of Operating Profit to Net Cash Used in Operating Activities:

Profit / (loss) for Year:	64,837	80,137
Non cash flows recored in ordinary activities		
Amortisation	13,223	13,222
Depreciation	10,344	9,809
Profit on sale of asset	6,136	-
Net cash provided / (used) in operating activities before changes in assets and liabilities during the year		
(Increase) / decrease in other assets	(1,126)	(3,133)
(Increase) / decrease in receivables	19,696	(23,940)
(Increase) / decrease in tax assets	17,194	(1,100)
Increase / (decrease) in payables	(5,692)	12,057
Increase / (decrease) in tax liabilities	1,202	(4,873)
Increase / (decrease) in provisions	(12,342)	3,681
Net Cash Used in Operating Activities	113,472	85,860

Note 17 – Segment reporting

The economic entity operates predominately in one business and geographical segment being the provision of finance services.

Note 18 – Related party transactions

There were no related party transactions between the company and directors during the year.

The names of the Directors who have held office during the financial year are:

Kenneth John Hogan	Marea Katherine Urquhart
Roderick Neil Fergusson McMicking	Nicholas William Mathews
Craig Anthony Fletcher	Peter Andrew McDonnell
Rachel Jacinta Westblade	Robyn Maree Pearse
Christy Ann Webb	

Notes to the financial statements (continued)

Note 19 – Company details

The registered office of the company is:

Lockhart & District Financial Services Limited
98 Green Street
LOCKHART NSW 2656

Note 20 – Financial instruments

Financial Risk Management

The Company's activities expose it to a variety of financial risks including credit, interest rate and liquidity risks. The Company does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risks. Further, due to the nature of the Company's investments and other financial instruments it is not exposed to significant price risks.

Fair Values

The carrying amounts and estimated fair values of financial assets and financial liabilities held at balance date are the same.

Market Risk – Sensitivity Analysis

The Company's financial assets which are subject to interest rate risk comprise cash on hand, at bank and on call, and term deposits which are generally short term and are held to maturity. Therefore the Company does not consider that a change in risk variable (interest) would have a significant effect on profit or equity.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provision for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The Company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the entity.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash or credit facilities to meet the operating requirements of the Company. This is managed through committed undrawn facilities and prudent cash flow management.

The exposure to interest rate risk, which is the risk that financial instruments will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of consolidated financial assets and financial liabilities, is as follows:

	Weighted Av Interest rate		Floating Interest rate		Non-interest bearing		Total	
	2021 %	2020 %	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Financial Assets								
Cash at bank	0.13	0.70	508,097	487,875			508,097	487,875
Receivable Assets					63,657	83,353	63,657	83,353
Total Financial Assets			508,097	487,875	63,657	83,353	571,754	571,228
Financial Liabilities								
Borrowings & Payables	-	-	-	-	83,719	67,912	83,719	67,912
Total Financial Liabilities			-	-	83,719	67,912	83,719	67,912

Notes to the financial statements (continued)

Note 21 – Dividends

Dividends paid for the year were at 5c per share (2020 5c per share).

Note 22 – Earnings per share

	2021 \$	2020 \$
Net Profit used in calculation of EPS	64,837	80,137
Number of ordinary shares used in calculation of EPS	550,009	550,009

Directors' declaration

The directors of the company declare that:

1. The financial statements and notes, are in accordance with the Corporations Act 2001:
 - a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - b) give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the company and economic entity;
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Nick Mathews
Director

Dated this 15th day of September 2021

Independent audit report



■ PARTNERS:

P.J. King	CA
A.P. Powell	CA
D.R. Uden	CA
R.K. Nicoll	CA
M.A. Smith	CA
D.T. Rosetta	CA

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

LOCKHART AND DISTRICT FINANCIAL SERVICES LIMITED

Opinion

We have audited the accompanying financial report of Lockhart and District Financial Services Limited, which comprises the statement of financial position as at 30 June 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration.

In our opinion, the financial report of Lockhart and District 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 their performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Regime and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

Information Other than the Financial Report and Auditor's Report Thereon

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.

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Report

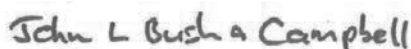
The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine is necessary to enable the preparation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

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

Auditor's Responsibility

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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.



JOHN L BUSH & CAMPBELL
Chartered Accountants



David Rosetta
Partner

Wagga Wagga
15 September 2021



Community Bank - Lockhart & District

98 Green Street, Lockhart NSW 2656

Phone: 02 6920 4244 Fax: 02 6920 4233

Email: lockhartmailbox@bendigobank.com.au

Web: bendigobank.com.au/lockhart



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Lockhart & District Financial Services Limited

ABN: 14 099 918 680

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Phone: 02 6920 4244 Fax: 02 6920 4233

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