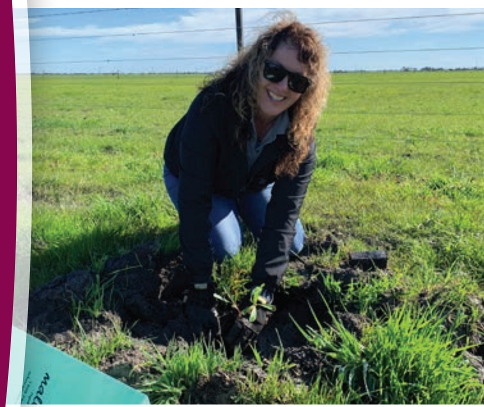
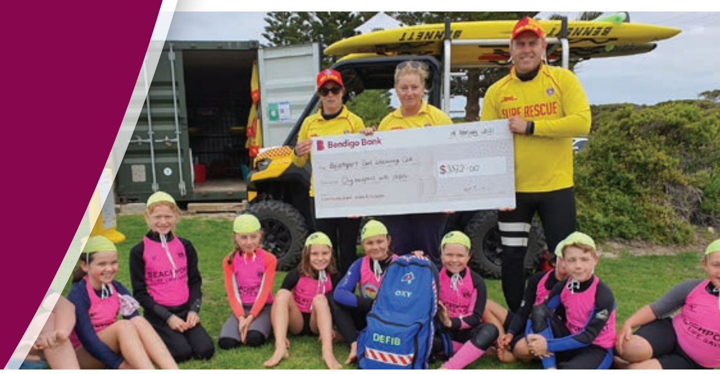
2021

Annual Report





Robe Community Financial Services Limited

ABN 24 101 974 887

Contents

Chairperson's report

For year ending 30 June 2021

On behalf of the Board, I have great pleasure in providing this report covering the year ending 30 June 2021.

I take pride in reaffirming our ongoing commitment to Robe, Kingston, Lucindale and the communities around us. Our Community Bank is here to improve the prospects of each of our customers, and to assist and engage with our communities and our shareholders. We believe in what we do, and you should be very proud of what you have made possible.

I am very happy to announce our Branch Manager Tracey Bainger welcomed a little girl Luna to her family in May. Robbie Chappel, who began with the company in January of last year as a Customer Relationship Officer, has stepped into the Acting Branch Manager role whilst Tracey is away on maternity leave. Robbie's leadership, along with the very experienced Assistant Manager Sharon Hondow, will see the bank continue to advance. We welcomed Jack Sneath to the team as Customer Relationship Officer in February. Having grown up in Robe, Jack has strong connections to our communities. Jack is part of many sporting bodies as a player, coach and committee member. Our staff are committed to our customers and our communities, and by demonstrating the community banking values the staff have been able to establish great relationships. On behalf of the Board and shareholders, I thank all the staff for their efforts during the year.

Although the 2020/21 year has continued to be a challenging year for many, our combined book now stands at just over $123 million. This consists of $51.4 million in lending, $53.7 million in deposits and $17.5 million in off balance sheet products (i.e. Rural Bank products, superannuation, insurances etc.). Our total growth was $20.1 million, which is a very pleasing result. With these results we are happy to report a before tax profit of $110,192, an increase of over 33% on the previous year. The Board of Directors can also announce that we will be paying another dividend of 5 cents to shareholders.

Our branch has had another great year of sponsorship, giving back almost $75,000 to community clubs, projects, events and initiatives such as purchasing 2,500 native trees to help repair the impact the Lucindale bushfires had to the environment back in January. Over the last 17 and a half years since the bank has been operating there has been almost $500,000 reinvested back into our communities. Well done! This has been achieved because members of the community have and continue to support us by using the many services of Bendigo Bank, Australia's better big bank. So, continue to spread the word of what is possible when you support the bank that supports our communities.

There is a substantial amount of work that goes on behind the scenes and I would like to sincerely thank our volunteer Board of Directors. We continue to look at ways of furthering our reach in the district to ensure our branch continues to be successful for many years to come. Your efforts and support in how you always keep looking for the best outcomes in the interests of our branch and our communities, are very much appreciated.

Regards

Andrew Brown
Chairperson

Manager's report

For year ending 30 June 2021

I'd like to start off by thanking our shareholders, customers and local communities for choosing and continuing to support your local Community Bank. Collectively you have created job opportunities for locals, supported the provision of banking services and facilities to our towns and most importantly, you have given a purpose to our profits. $468,000 of sponsorship grants have been distributed to more than 100 not-for-profit community clubs, projects and initiatives since opening our doors in 2003. Your support has allowed our communities to remain strong in testing times and be part of over 300 Community Banks Australia-wide who have collectively returned $250 million in profits.

It is a great feeling to recap on another strong performing year where our communities have ultimately reaped the rewards, with almost $78,000 reinjected back into 42 local community projects and initiatives. The 2020/21 year was our second highest year of community contributions, only to be outdone by the 2018/19 year where we contributed major funds towards the Robe Medical Clinic. We have been able to work closely on new sponsorship projects whilst still maintaining sponsorships for many long-term community groups. I continue to be in awe of the hundreds of volunteers throughout our communities who so generously donate their time to making our region a better place. With many community events cancelled in early 2020 due to COVID-19, it was wonderful to see so many events rescheduled later in the year and new and existing events take place in 2021. Thank you to all the volunteers from our local groups and clubs for their perseverance.

Our book has gone from strength to strength with $20 million of growth, reaching its highest figure yet of $123.6 million. This has almost doubled in the last five years! With deposit rates being so low, lending growth was key in achieving profit, but we were, and still are, facing challenges with continuously low interest rates. The branch surpassed our lending target even though amortisation was at an all-time high on the back of low interest rates.

Property values and sales in regional towns have skyrocketed. With a lot of interstate and city-based investors snapping up sales, it has been difficult, if not almost impossible, to find an opportunity to speak about the power of the Community Bank model with our new property owners. Increasing our new to bank customer base will be a challenge and the focus for the next few years.

In a world where online solutions are available for most industries, our branch in Robe and office locations in Kingston and Lucindale were consistently busy as a majority of our customers valued face-to-face contact. We will continue to maintain our presence in these towns and look for new ways and ideas to further expand and bring tailored banking solutions to our customers.

The 2020/21 financial year was different for various reasons. In September I announced I would be taking maternity leave in April 2021 until February 2022 and handed over the baton to Robbie Chappel who is now managing the branch in my absence. In February we welcomed local Jack Sneath as our Customer Relationship Officer to assist with our lending growth. Jack has been a great addition to the team and his image and involvement within our community is aligned to our Community Bank concept. At November's AGM we officially elected Tom White as a Director and Tom's contribution and background in commercial law has been invaluable.

I have enjoyed working with the team through the challenges faced in the last year and working towards what is now a new normal. Thank you to the Board of Directors, I have again thoroughly enjoyed another year and look forward to working together on some big projects for our towns. A final thanks to our hardworking staff who are the faces of community banking, you are a wonderful team to lead and played an integral part in our recent success.

Kind regards

Tracey Bainger
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

Dividends and sponsorships

Divident payment history			
Financial year	Amount per share	Franking level	Date paid
2019/20	0.05	unfranked	3 December 2020
2018/19	0.05	unfranked	3 December 2019
2017/18	0.1	unfranked	31 March 2019
2016/17	0.05	unfranked	20 November 2017
2012/13	0.05	unfranked	14 February 2014

Allocations of funds to various community projects and initiatives	
Financial year	Value
2020/21	$77,974
2019/20	$56,715
2018/19	$81,039
2017/18	$20,719
2016/17	$18,485

Community Sponsorship Recipents	
Community Group	Contribution
Avenue Tree Group	$1,000
Beachport Golf Club	$10,000
Beachport Surf Lifesaving Club	$3,372
District Council of Robe	$4,400
Health, Harmony & Happiness Festival	$400
Joan 4 Training	$1,650
Kangaroo Inn Area School	$5,000
Kingston Bowling Club	$1,750
Kingston SE Netball club	$250
Kingston SE Small Steps	$4,624
Kingston SE Football Club	$750
Kingston SE Golf Club	$150
Lacepede Bay Sailing Club	$5,000
Lucindale AP&H Society	$750
Lucindale Area School	$2,000
Lucindale Campdraft Association	$500
Lucindale Historical Society	$690
Lucindale Netball Club	$1,040
Lions Club Scholarship - Robe, Kingston & Lucindale	$3,500
Robe Aero Club	$1,500
Robe Auxilliary of Kingston Hospital	$1,500
Robe Bowling Club	$500
Robe Cricket Club	$500
Robe Local History Group	$1,500
Robe Motor Sports Club Inc	$2,500
Robe Netball Club	$6,930
Robe Primary School	$5,000
Robe Tourism Association	$500
Robe Yacht Club	$1,750
Southern Ocean Arts Prize	$5,000
Southern Ports Tennis Association	$1,500
The Longest Day of Golf - Cancer Council	$150
Funds raised from BBQ's	$2,318

Operating and financial review

Principal Activities
The principal activities of the company during the financial year were:
- to provide a banking and financial service to Robe and the surrounding districts

Significant Changes to Activities
There were no other significant changes in the nature of the company's principal activities during the financial year.

Operating Results
The profit of the entity amounted to $110,192, after providing for income tax. This represented a 51% increase on the results reported for the year ended 30 June 2020. The increase was largely due to an increase in both revenue and other income.

Financial Position
The net assets of the entity have increased by $93,748 from 30 June 2020 to $430,087 in 2021.
This increase has largely resulted from the following factors:
- improved operating performance of the company; and
- payment of tax liability

The directors believe the entity is in a strong and stable financial position to expand and grow its current operations.

Events after the Reporting Period
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity.

Future Developments, Prospects and Business Strategies
Likely developments in the operations of the company and the expected results of those operations in the future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental Issues
The entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of the State.

Directors' report

Your directors present their report on the entity ROBE COMMUNITY FINANCIAL SERVICES LTD for the financial year ended 30 June 2021.The information in the preceding Operating and Financial Review forms part of this Directors Report for the financial year ended 30 June 2021 and is to be read in conjunction with the following information:

General Information

Directors

The following persons were directors of during or since the end of the financial year up to the date of this report:

Evelyn Ann Schinckel
Annie Marie Matthews
Geoffrey Colin Saunders
Thomas Davidson
Andrew John Brown
An Tran
Michael Anthony Mattei
Samantha Lee Matthews
Thomas Edward White (Appointed 29/07/2020)

Dividends Paid or Recommended

Dividends paid or declared for payment during the financial year are as follows:
- Interim ordinary dividend of $22,280.50 was paid on 3/12/2020

Indemnifying Officers or Auditor
No indemnities have been given, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company. The Directors are covered by a policy to a limit of $5,000,000 covering comprehensive crime and professional indemnity which is paid by the company.

Proceedings on Behalf of the Company
No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

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

Non-audit Services
The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:
- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Auditor's Independence Declaration
The lead auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on page 25 of the Financial Report.

Options
There have been no options granted over unissued shares or interests of any controlled entity within the Company during or since the end of the reporting period.

Auditor's independence declaration

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ABN 68 191 400 792

MURRAY NANKIVELL
Your future...count on us

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF ROBE COMMUNITY FINANCIAL SERVICES LIMITED

I declare that, to the best of my knowledge and beliefs, during the year ended 30 June 2021 there have been:

(i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) No contraventions of any applicable code of professional conduct in relation to the audit.

Mark Stephen Edwards
Chartered Accountant

172 Smith Street
Naracoorte, SA, 5271

Registered Auditor: Mark Edwards
Registered Auditor No. 289565

20 September 2021

Liability limited by a scheme approved under Professional Standards Legislation

Robe Community Financial Services Limited
ABN 24 101 974 887
Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2021

	Notes	2021 $	2020 $
Continuing operations			
Revenue	2	777,783	699,843
Other income	2	42,672	17,520
Employee benefits expense	3	(397,498)	(355,919)
Depreciation and amortisation expense	3	(35,085)	(39,602)
Other expenses		(244,494)	(199,427)
Finance Costs	3	(2,000)	(6,602)
Profit before income tax		141,378	115,813
Tax expense	4	(31,186)	(42,808)
Net Profit from continuing operations		110,192	73,005
Discontinued operations			
Profit/(loss) from discontinued operations after tax		-	-
Net Profit for the year		110,192	73,005

The accompanying notes form part of these financial statements

Robe Community Financial Services Limited
ABN 24 101 974 887
Statement of Financial Position
As at 30 June 2021

	Notes	2021 $	2020 $
Assets			
Current Assets			
Cash and cash equivalents	6	334,660	278,571
Trade and other receivables	7	64,155	60,113
Other assets	8	4,394	4,021
Total Current Assets		403,209	342,705
Non-Current Assets			
Property, plant and equipment	9	57,065	45,418
Deferred tax assets	14	10,553	12,963
Intangible assets	10	26,787	38,692
Right-of-use assets	11	38,670	56,547
Total Non-Current Assets		133,075	153,620
Total Assets		536,284	496,325
Liabilities			
Current Liabilities			
Trade and Other Payables	12	21,463	28,378
Borrowings	13	386	710
Current tax liabilities	14	5,088	27,214
Provisions	15	15,572	19,933
Lease Liability	16	18,490	18,489
Total Current Liabilities		60,999	94,724
Non-Current Liabilities			
Provisions	15	21,536	23,500
Lease Liability	16	23,662	41,762
Total Non-Current Liabilities		45,198	65,262
Total Liabilities		106,197	159,986
Net Assets/(Liabilities)		430,087	336,339
Equity			
Share capital	17	427,989	427,989
Retained earnings / (accumulated losses)	18	2,098	(91,650)
Total Equity		430,087	336,339

The accompanying notes form part of these financial statements

Robe Community Financial Services Limited
ABN 24 101 974 887
Statement of Changes in Equity
for the year ended 30 June 2021

	Notes	Ordinary $	Retained Earnings $	Total $
Balance at 1 July 2019		427,989	(142,375)	285,614
Comprehensive income				
Profit for the year		-	73,005	73,005
Total comprehensive income for the year		-	73,005	73,005
Transactions with owners, in their capacity as owners, and other transfers				
Dividends recognised for the year	25	-	(22,280)	(22,280)
Total transactions with owners and other transfers		-	(22,280)	(22,280)
Balance at 30 June 2020		427,989	(91,650)	336,339
Balance at 1 July 2020		427,989	(91,650)	336,339
Adjustment to opening balance due to prior year adjustments			5,836	5,836
Comprehensive income				
Profit for the year		-	110,192	110,192
Total comprehensive income for the year		-	110,192	110,192
Transactions with owners, in their capacity as owners, and other transfers				
Dividends recognised for the year	25	-	(22,280)	(22,280)
Total transactions with owners and other transfers		-	(22,280)	(22,280)
Balance at 30 June 2021		427,989	2,098	430,087

The accompanying notes form part of these financial statements

Robe Community Financial Services Limited
ABN 24 101 974 887
Statement of Cash Flows
For the year ended 30 June 2021

	Notes	2021 $	2020 $
Cash Flows From Operating Activities			
Receipts from customers		796,563	702,635
Payments to suppliers and employees		(646,037)	(563,110)
Interest received		931	1,530
Interest paid		(1)	-
Income Tax Paid		(58,902)	-
Net cash flows from/(used in) operating activities	19a	92,554	141,055
Cash Flows From Investing Activities			
Payments for property, plant and equipment		(14,185)	(2,945)
Net cash flows from/(used in) investing activities		(14,185)	(2,945)
Cash Flows From Financing Activities			
Repayment of borrowings			-
Dividends paid		(22,280)	(22,280)
Net cash flows from/(used in) financing activities		(22,280)	(22,280)
Net increase/(decrease) in cash held		56,089	115,830
Cash and cash equivalents at start of year		278,571	162,741
Cash and cash equivalents at end of year	6	334,660	278,571

The accompanying notes form part of these financial statements

Notes to the financial statements

Robe Community Financial Services Limited
ABN 24 101 974 887
Notes to the Financial Statements
for the year ended 30 June 2021

This financial report includes the financial statements and notes of Robe Community Financial Services Ltd.
The financial statements were authorised for issue on 17/09/2021 by the directors of the company.

1. Summary of significant accounting policies

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) Fair Value of Assets and Liabilities

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

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

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

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

(c) Property, Plant and Equipment

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

Plant and equipment

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

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

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

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

Depreciation

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

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

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	4-37.5%
Plant and equipment	5-50%

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

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

(d) Leases
The Company as lessee
At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Company where the Company is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low- value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:
- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.
Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(e) Financial Instruments
Initial Recognition and Measurement
Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transactions costs, except where the instrument is classified ‘at fair value through profit or loss’, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and Subsequent Measurement
Financial liabilities
Financial instruments are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.
The *effective interest method* is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in
A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in a effective hedging relationships).
- Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship are recognised in profit or loss.
- The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets
Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.
- By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

  The Company initially designates a financial instrument as measured at fair value through profit or loss if:
- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Derecognition
Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities
A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets
A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (i.e. the Company has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment
The Company recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amounts due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses 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, all discounted at the original effective interest rate of the financial instrument.

The Company uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach
- the simplified approach
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

General approach
Under the general approach, at each reporting period, the Company assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the Company measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- there is no significant increase in credit risk since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach
The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of AASB 15: *Revenue from Contracts with Customers* and which do not contain a significant financing component; and
- lease receivables.

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

Purchased or originated credit-impaired approach
For a financial asset that is considered credit-impaired (not on acquisition or origination), the Company measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.
Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (e.g. default or past due event);
- a lender granting to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- high probability that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach
If a financial asset is determined to have low credit risk at the initial reporting date, the Company assumes that the credit risk has not increased significantly since initial recognition and accordingly it can continue to recognise a loss allowance of 12-month expected credit loss.
In order to make such a determination that the financial asset has low credit risk, the Company applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.
A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term;
- adverse changes in economic and business conditions in the longer term may, but not necessarily will, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a risk of default lower than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements
At each reporting date, the Company 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 carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.
Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

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

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.
Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

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

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

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

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

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

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

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

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

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

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

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

(i) Cash and Cash Equivalents
Cash and cash equivalents include cash on hand, deposits available on demand with banks and bank overdrafts. Bank overdrafts are reported within borrowings in current liabilities on the statement of financial position.

(j) Borrowing Costs
Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.
All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(k) Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).
Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.
Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(l) Comparative Figures
When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.
Where the company retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(m) Critical Accounting Estimates and Judgements
The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

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

2. Revenue and Other Income
The Company has recognised the following amounts relating to revenue in the statement of profit or loss.

	2021 $	2020 $
Continued Operations		
Other sources of revenue	777,783	699,843
	777,783	699,843
(a) Other sources of revenue		
- Total interest received	931	1,530
- Sales revenue	776,852	698,313
Total other sources of revenue	777,783	699,843
(b) Other Income		
- Other income	18,520	-
- Cash Flow Boost	24,152	17,520
Total other income	42,672	17,520

The Company applies the practical expedient in AASB 15.121 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

The Company received the ATO Cashflow Boost which has been recognised in the income allocated to 'Other sources of revenue'. For the purposes of taxation, this ATO Cashflow Boost is treated as non-assessable income.

3. Expenses

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

	2021 $	2020 $
Employee benefits expense		
- wages and salaries	369,131	299,959
- superannuation costs	33,399	27,991
- workers' compensation costs	1,294	1,192
- other costs	(6,326)	26,777
	397,498	355,919
Depreciation of non-current assets:		
- plant and equipment	3,639	7,849
- buildings	2,968	2,884
- right-of-use asset	16,573	16,964
Amortisation of non-current assets:		
- intangibles	11,905	11,905
	35,085	39,602
Finance Costs:		
- Interest paid	2,000	6,602

4. Income Tax Expense	2021 $	2020 $
The prima facie tax on profit/(loss) before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on profit/(loss) before income tax at 26% (2020 - 27.5%)	36,758	31,849
Add/less tax effect of		
- Non-assessable income	(6,280)	(4,818)
- Adjustment to prior year tax expense	-	15,777
- Reduction in opening deferred taxes resulting from reduction in tax rate	708	-
Income tax expense/(benefit)	31,186	42,808
Tax Expense - Current year	30,478	27,031
Add/less tax effect of:		
- Non-deductible expenses	(1,702)	11,944
- Recoupment of prior year tax losses not previously brought to account	-	(3,760)
- Future income tax benefit not brought to account	-	
- Adjustment of prior year tax losses	-	-
Current income tax expense	28,776	35,215
Origination and reversal of temporary differences		
Deferred income tax expense	10,553	12,963
Income tax expense/(benefit) attributable to entity	39,329	48,178

5. Net profit/(loss) on disposal of non-current assets	**2021**	**2020**
	$	**$**
Profit/(loss) on disposal of non-current assets	-	-
	-	-

6. Cash and Cash Equivalents	**2021**	**2020**
	$	**$**
Cash at bank and on hand	334,660	278,571

7. Trade and other receivables	**2021**	**2020**
	$	**$**
Trade Debtors	64,155	60,113
	64,155	60,113

8. Other assets	**2021**	**2020**
	$	**$**
Prepaid Expense	4,394	4,021
	4,394	4,021

9. Property, Plant and Equipment	**2021**	**2020**
	$	**$**
Plant and equipment		
At cost	61,063	57,100
Less accumulated depreciation	(55,999)	(55,496)
	5,064	1,604
Leasehold Improvements		
At cost	81,195	70,972
Less accumulated depreciation	(50,035)	(51,004)
	31,160	19,968
Motor Vehicle		
At cost	32,263	32,263
Less accumulated depreciation	(11,422)	(8,417)
	20,841	23,846
Total written down amount	57,065	45,418

10. Intangible Assets	2021	2020
	$	$
Franchise Fee		
At cost	26,787	38,692
	26,787	38,692

11. Right of Use Assets	2021	2020
(i) AASB 16 related amounts recognised in the balance sheet	$	$
Leased Building	82,865	84,821
Accumulated Depreciation	(44,195)	(28,274)
Total Right of Use Asset	38,670	56,547
Movement in carrying amounts		
Lease Building		
Carrying amount at beginning of year	56,548	73,512
Adjustment based on lease payments change	-1305	
Depreciation expense	(16,573)	(16,964)
Net carrying amount	38,670	56,548

(ii) AASB 16 related amounts recognised in the statement of profit or loss

Depreciation charge related to right-of-use assets	16,573	16,964
Interest expense on lease liabilities	1,999	2,696
Short-term leases expense	-	-
Low value asset leases expense	2,602	-
Total cash outflows for leases	20,611	17,836

12. Trade and Other Payables	2021 $	2020 $
CURRENT		
Trade creditors	3,010	2,110
GST & payroll	18,453	17,657
PAYG Instalments	-	8,000
Other creditors and accruals	-	611
	21,463	28,378
(a) Financial Liabilities at amortised cost classified as trade and other payables		
- Total Current	21,463	28,378
- Total Non-Current	-	-
	21,463	28,378
Financial Liabilities as trade and other payables	21,463	28,378

13. Borrowings	2021 $	2020 $
Current		
Borrowings	386	710
	386	710
Non-Current		
Borrowings	-	-
	-	-
Total borrowings	386	710

14. Tax

CURRENT		
Income tax payable	5,088	27,214
	5,088	27,214

	Opening Balance	Charged to Income	Charged directly to Equity	Changes in Tax Rates	Exchange Differences	Closing Balance
Deferred tax assets						
Deferred tax assets	20,555	- 7,592				12,963
Balance as at 30 June 2020	20,555	(7,592)	-	-	-	12,963
Deferred tax assets						
Deferred tax assets	12,963	- 1,702	-	708		10,553
Balance as at 30 June 2021	12,963	(1,702)	-	(708)	-	10,553

15. Provisions	2021	2020
	$	$
Current		
Employee benefits	15,572	19,933
	15,572	19,933
Non-Current		
Employee benefits	21,536	23,500
	21,536	23,500
	37,108	43,433

Provision for Employee Benefits

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

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

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

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

16. Lease Liabilities		
CURRENT		
Leased Building	18,490	18,489
	18,490	18,489
NON-CURRENT		
Leased Building	23,662	41,762
	23,662	41,762

17. Share Capital	2021	2020
445,610 Ordinary Shares fully paid of $1 each	445,610	445,610
Prospectus Fees	(17,621)	(17,621)
	427,989	427,989

18. Retained Earnings / (Accumulated Losses)	2021	2020
	$	$
Balance at the beginning of the financial year	(91,650)	(142,375)
Adjustment to opening balance from prior year adjustments	5,836	
Profit/(loss) after income tax	110,192	73,005
Dividends	(22,280)	(22,280)
Balance at the end of the financial year	2,098	(91,650)

19. Statement of Cash Flows

(a) *Reconciliation of profit / (loss) after tax to net cash provided from/(used in) operating activities*

	2021 $	2020 $
Profit / (loss) after income tax	110,192	73,005
Adjustment to retained earnings from prior year adjustments	5,836	(10,576)
	116,028	62,429
Interest relating to financing activities		-
Non cash items		
- Depreciation	23,180	27,697
- Amortisation		-
- (Profit)/Loss on disposal of non-current assets		-
Changes in assets and liabilities		
- (Increase) decrease in receivables	(4,042)	4,530
- (Increase) decrease in prepayments	(373)	(352)
- (Increase) decrease in Franchise Fees	11,905	11,905
- (Increase) decrease in property plant & equipment	(4,069)	8,976
- (Increase) decrease in right of use asset	1,304	22,780
- (Increase) decrease in deferred taxes payable	2,410	7,593
- Increase (decrease) in trade payables and accruals	(6,915)	(22,596)
- Increase (decrease) in borrowings	(22,126)	143
- Increase (decrease) in income taxes payable	(324)	27,214
- Increase (decrease) in provisions	(6,325)	26,776
- Increase (decrease) in lease liability	(18,099)	(36,040)
Net cashflows from/(used in) operating activities	92,554	141,055

20. Auditors' Remuneration

	2021 $	2020 $
Amounts received or due and receivable		
- Audit or review of the financial report of the Company	7,280	6,880
	7,280	6,880

21. Director and Related Party Disclosures

No director or related entity has entered into a material contract with the Company. No director's fees have been paid as the positions are held on a voluntary basis.

22. Events after the reporting period

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

23. Contingent liabilities and assets

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

24. Corporate Information

Robe Community Financial Services Ltd is a company limited by shares incorporated in Australia.

The registered office and principal place of business is: 9 Victoria Street, ROBE, South Australia, 5276.

25. Dividends paid or provided for on ordinary shares	**2021** **$**	**2020** **$**
(a) Dividends proposed and recognised as a liability		
Unfranked dividends - nil cents per share (2020: nil cents)	-	-
(b) Dividends paid during the year		
(i) Current year interim		
Unfranked dividends - 5 cents per share (2020: 5 cents per share)	22,280	22,280
(ii) Previous year final		
Unfranked dividends - nil cents per share (2020: nil cents per share)	-	-
(c) Dividends proposed and not recognised as a liability		
Unfranked dividends - 5 cents per share (2020: 5 cents per share)	22,280	22,280

26. Earnings per share	**¢**	**¢**
Basic earnings per share amounts are calculated by dividing profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the year.	24.73	16.38
Diluted earnings per share amounts are calculated by dividing profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of any dilutive options or preference shares).	24.73	16.38
The following reflects the income and share data used in the basic and diluted earnings per share computations:		
Profit/(loss) after income tax expense	110,192	73,005
Weighted average number of ordinary shares for basic and diluted earnings per share	445,610	445,610

27. Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable and leases.

The totals for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:

	2021 $	2020 $
Financial Assets		
Financial assets at amortised cost		
- cash and cash equivalents	334,660	278,571
- trade and other receivables	64,155	60,113
Total Financial Assets	398,815	338,684
Financial Liabilities		
Financial liabilities at amortised cost		
- contingent consideration		
- trade and other payables	21,463	28,378
- borrowings	386	60,961
Total Financial Liabilities	21,849	89,339

Financial Risk Management Policies

The Board of Directors monitor the company's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls.

Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk, and market risk consisting of interest rate risk, foreign currency risk and other price risk (commodity and equity price risk). There have been no substantive changes in the types of risks the company is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the entity.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the FOC has otherwise assessed as being financially sound.

(b) Liquidity risk

Liquidity risk arises from the possibility that the entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The entity manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities
- obtaining funding from a variety of sources
- maintaining a reputable credit profile
- managing credit risk related to financial assets
- only investing surplus cash with major financial institutions
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets

(c) Market Risk

Inherent rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

Directors' declaration

Robe Community Financial Services Limited
ABN 24 101 974 887
Directors' Declaration

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

1 the financial statements and notes, as set out on pages 9 to 28, are in accordance with the Corporations Act 2001 and:

(a) comply with Accounting Standards applicable to the entity, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and

(b) give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the company;

2 In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

3 the directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer.

AJBrown

Andrew Brown

Dated this 17th day of September 2021

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INDEPENDENT AUDITOR'S REPORT

To the Members of Robe Community Financial Services Limited
Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Robe Community Financial Services Ltd ('the Company') which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Robe Community Financial Services Ltd, is in accordance with the Corporations Act 2001, including:

(a) giving a true and fair view of the company's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

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

Those charged with governance are responsible for the other information. The other information comprises the information included in the Annual Report for the respective year, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
In preparing the financial report, the directors are responsible for assessing the 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 have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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.

Mark Stephen Edwards
Chartered Accountant
172 Smith Street
Naracoorte, SA, 5271

Registered Auditor No. 289565

20 September 2021

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