

Annual Report 2022

Robe Community Financial
Services Limited

Community Bank
Robe & Districts

ABN 24 101 974 887



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Chairperson's report

For year ending 30 June 2022

On behalf of the Board, I have the great pleasure in providing this report covering the year ending 30 June 2022.

What a year it has been. With ongoing challenges and uncertainty for many Australians as we began to learn to live the new normal. This meant that our connection to the communities of Robe, Kingston, Lucindale, Beachport, and the districts that surround are ever more important. With customers having the ability to engage with our branch staff and relying on the service and countless products that they offer.

We said goodbye to Lonny Peel, Emma Brooks, Katie Agnew and Sophie Kokiousis who left to pursue other dreams, and Sharon Hondow who retired from the banking industry after many decades. Thank you so very much for all that you brought to the team and the commitment you showed the community. Good luck.

A big welcome to Antony Kokiousis who join the team in February as Customer Relationship Officer, with Megan Keller in March and Karla Hondow in May as Customer Service Officers. You're all already proving to be valuable assets to our team. Tracey Bainger returned as Branch Manager, with Robbie Chappel stepping into the role of Assistant. Robbie did a fantastic job as caretaker for the branch which the Board is very grateful of. Well done. On behalf of the Board and shareholders, I thank all staff for their efforts during the year.

This year we continued to increase our book which now stands at \$129 million. Up \$6 million from last year. We are pleased to report a before tax profit of \$101,397. Whilst this is down from last years record profit, we did reinject back into the community \$113,196 which is a record for Robe Community Financial Services. The Board of Directors can also announce that we will paying another dividend of 5 cents to shareholders.

On that record breaking community contributions, we supported over 30 different community projects and initiatives. Such as Duckaroo Wildlife Park near Beachport in helping create a new safe space for rescued animals. Robe Cricket Club for an upgrade to their pitch which will allow junior cricket to once again be played. Kingston Bowls Club for prize money for their tournament to allow equal cash for the women first place winner. With major funding for Robe Sports & Recreation Associations Master Plan for redevelopment of their sporting grounds. We are forever looking for ideas to help better our communities, if you have any suggestion, please don't hesitate to contact the Board of Directors to discuss.

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 saw Tom Davidson leave and move his family to Tasmania. Good luck down there. A very big welcome to John Williamson (not the Australian country singing superstar) Your input to Board meetings have been invaluable. I thank directors for your effort and commitment throughout the year.



Andrew Brown
Chairperson

Manager's report

For year ending 30 June 2022

First of all, thank you to all of our shareholders, customers, staff and Board members for allowing our Community Bank to round out yet another successful year. Without you all, nothing of what we do would be possible. It has been a challenging year in the branch to say the least, mostly due to an unprecedented amount of staff turnover. The low interest rate environment and some unusual conditions in the housing market have also played their part. Despite all of this, we have been able to earn a healthy profit, had our highest year of sponsorships to date, and grown our overall book of business by \$6.1 million.

I would like to congratulate our staff members on their efforts in working through what was a difficult year. We have lost decades of experience over the past couple of years, and now five of our seven current employees have less than two years' experience in the banking industry. Trying to gel a new team together and upskill everyone to the required level has been a huge challenge, but I think we can say that we are almost there. Jack is now a competent lender, Antony is contributing well with original ideas and a great attitude, Karla and Megan have a sound grasp of our operational requirements and provide our customers with excellent service, and I am sure that once our newest employee Tara is on board, she will follow suit. I know it is only early, but our results so far this year have been outstanding, and it is all thanks to the commitment of the team, keep up the good work and you should all be proud of what we are achieving.

While we didn't see the lending growth that we wanted this year, we still had a strong year in terms of settlements, with 59 loans going through for a total value of over \$9.3 million. In any other year that number of settlements would result in healthy growth for a branch of our size. But with housing prices being at the level that they have been, many investors have been cashing in and selling without borrowing to purchase again, making it difficult to maintain our lending book. On top of that, many of the sales have been to non-local purchasers who we struggle to reach which has always been an issue being a Community Bank based in a tourism hot-spot. Despite these difficulties, our total book of business is as big as it has ever been, sitting at \$128.8 million. This positions us well to be able to make the most of recent, and any upcoming increases to interest rates and therefore profit margins.

I have mentioned previously the loss of experience that we have endured. Most of that can be attributed to the retirement of ex Assistant Branch Manager, Sharon Hondow, who left us in April this year. I would like to take this opportunity to thank Sharon for her contribution to our Company over the past six years. Sharon had a vast amount of banking experience and was hugely respected, liked and appreciated by us all. Sharon initially intended on retiring at the beginning of 2021, however after news of Tracey's pregnancy she decided to stay on and help the team for another 12 months. She had no obligation to do this, and I personally could not be more thankful that she did! Thanks for everything Sharon, and all the best in your retirement.

Finally, I would like to express my appreciation to Tracey and the Board for giving me the opportunity to lead the branch over the past year. It could probably be argued that I was a little green to be put into the Manager's chair when I was, but with Sharon there to support me, we were able to successfully navigate the branch through a testing year. The experience and skills I gained while being in the Manager's role will now allow me to support Tracey in my current role as Assistant Branch Manager and help me guide our new employees through their development. I truly believe that we have built a great team here in recent years, and now that Tracey is back on board and we have a full roster, I am very excited to see what can be achieved.

Regards,



Robbie Chappel
Assistant Branch Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2022

Community continues to be core to who we are at Bendigo and Adelaide Bank.

With your support, we are enabling community infrastructure to be built, strengthening the arts and culturally diverse communities, improving educational outcomes, and growing healthy places for Australians to live and work. On behalf of the Bank, thank you for continuing to play a vital role in supporting your community.

As we emerge from the pandemic and navigate a shifting economic landscape, the investments our Community Banks make in the future of the communities in which they operate has never been more important.

We are proud that more Australians are choosing to do their banking with Bendigo and Adelaide Bank – and importantly trust us with their financial needs. We are Australia's most trusted bank (Roy Morgan, May 2022), an outcome that you have all contributed to and should feel proud of.

Our purpose has never been more important; we remain committed to continuing to feed into the prosperity of our customers and communities, and not off them.

Your ongoing support as a shareholder is essential to the success of your local community. Together, we will continue to grow sustainably and make a positive impact for generations to come.

Warmest regards,



Justine Minne
Bendigo and Adelaide Bank

Community Bank National Council report

For year ending 30 June 2022

As a shareholder in your local Community Bank, you are part of this incredible social network that is playing an increasingly important role in the Australian economy.

The Community Bank network was a first mover in Australia with its unique social enterprise model. The first Community Bank opened its doors in 1998, and since then, the network has grown to 307 Community Bank branches.

The network represents a diverse cross-section of Australia with 240 social enterprises, 70,000+ shareholders, 1600+ volunteer Directors, 1600+ staff and 905,000 customers located in metro, regional, rural and remote locations across the country. It's not uncommon to visit a country town and see the Community Bank logo affixed to public amenities; at the front of schools, and on the perimeter of sporting clubs – such is the breadth and depth of our investments over the years.

The Community Bank network invests via grants, donations and sponsorships that connect with and care for generations of Australians. Funding programs range from sport, scholarships and school programs, through to community groups, cultural organisations and local councils. The Community Bank influence further extends to facilitating and attracting other partners to help subsidise much needed community projects.

The relationship with the Bank, which has been fashioned out of shared effort, risk and reward, is clearly a philosophy that works. Also supporting the network, is the Community Bank National Council (CBNC), which advocates and influences on behalf of the 240 community enterprises with its partners.

The three strategic pillars of the 2022-23 CBNC strategy are to:

- Develop a community network strategy to ensure the ongoing sustainability of our community enterprises
- Advocate for and champion the uniqueness and value of our social enterprises
- Unite the network to leverage our community presence and amplify our community impact

All Directors and shareholders should feel proud of the network which has collectively delivered enormous impact in our local communities.

We are community builders and investors with a national presence, whilst still retaining grass roots community connections. It's through this unique point of difference, and the commitment of our directors and shareholders, that we are well positioned to embrace the change that is upon us.

Next year our Community Bank network celebrates 25 years, but in many respects, it's only the beginning for our collective of social enterprises.

Warm regards



Sarah Franklyn
CBNC Chair

Dividends and sponsorships

Divident payment history			
Financial year	Amount per share	Franking level	Date paid
2020/21	0.05	franked	15 December 2021
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
2021/22	\$113,196
2020/21	\$77,974
2019/20	\$56,715
2018/19	\$81,039
2017/18	\$20,719
2016/17	\$18,485



Community Sponsorship Recipients
Community Group
Beachport Crayfish Festival
District Council of Robe
Duckaroo Wildlife Sanctuary
Health, Harmony & Happiness Festival
Health, Harmony & Happiness Festival
Kingston Bowling Club
Kingston SE National Trust
Kingston SE AP&H Society
Kingston SE Football Club
Kingston SE Golf Club
Kingston SE Table Tennis Association
KSMH Auxiliary
Lions Club Scholarship Program
Lucindale AP&H Society
Lucindale Campdraft Association
Lucindale Basketball Association
Lucindale Community Economic Development Fund
Lucindale Country Club
Lucindale Football Club
Lucindale Historical Society
Lucindale Working Dog Auction
Robe Christmas Parade
Robe Bowling Club
Robe Cricket Club
Robe Football Club
Robe Golf Club
Robe Motor Sports Club Inc
Robe Sports & Recreation Association
Robe Surf Lifesaving Club
Robe Tennis Club
Robe Tourism Association
Robe Yacht Club
Southern Ports Vehicle & Motor Restorers
Women's Health Advisory Group Kingston/Robe

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 \$75,642 after providing for income tax. Whilst this is a decrease compared to last year, this is mostly due to the increase in Community donations, grants and scholarships by 51%.

Financial Position

The net assets of the entity have increased by \$53,354 from 30 June 2021 to \$483,441 in 2022.

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 2022. The information in the preceding Operating and Financial Review forms part of this Directors Report for the financial year ended 30 June 2022 and is to be read in conjunction with the following information:

General Information

Directors

The names and details of the company's Directors who held office during or since the end of the financial year are:

Andrew John Brown

Chairperson

Anne Marie Matthews

Secretary

Michael Anthony Mattei

Treasurer

Samantha Lee Matthews

Admin Assistant

Geoffrey Colin Saunders

Thomas Davidson

Resigned 28/10/2021

Evelyn Ann Schinckel

An Tran

Thomas Edward White

Directors were in office for this entire year unless otherwise stated

Directors meetings

The number of Directors meetings attended during the year were:

Director	Directors' Meetings	
	Number eligible to attend	Number Attended
Evelyn Ann Schinckel	11	10
Anne Marie Matthews	11	7
Geoffrey Colin Saunders	11	5
Thomas Davidson (Resigned 28/10/2021)	4	0
Andrew John Brown	11	11
An Tran	11	6
Michael Anthony Mattei	11	7
Samantha Lee Matthews	11	11
Thomas Edward White	11	7

Company Secretary

Anne Matthews has been the Company Secretary for five years.

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 15/12/2021

Directors' report (continued)

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 2022 has been received and can be found on page 10 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.

Signed in accordance with a resolution of the Board of Directors at Robe on the 22nd day of September 2022



Andrew Brown, Director

Auditor's independence declaration

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

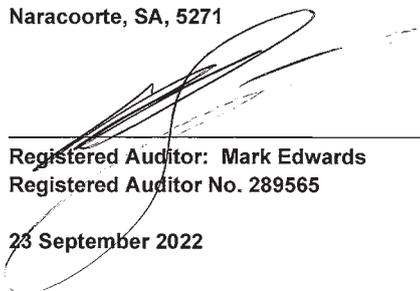
TO THE DIRECTORS OF ROBE COMMUNITY FINANCIAL SERVICES LIMITED

I declare that, to the best of my knowledge and beliefs, during the year ended 30 June 2022 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

23 September 2022

Financial statements

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 2022

	Note	2022 \$	2021 \$
Revenue	2	785,816	820,455
Employee benefits expense	3	(392,225)	(397,498)
Depreciation and amortisation expense	3	(37,478)	(35,085)
Finance Costs	3	(1,354)	(2,000)
Professional fees		(14,900)	(16,660)
Marketing and promotional expense		(6,328)	(8,331)
Other expenses		<u>(118,938)</u>	<u>(144,456)</u>
Profit (Loss) before charitable donations & sponsorships		214,593	216,425
Charitable donations and sponsorship		<u>(113,196)</u>	<u>(75,047)</u>
Profit (Loss) before income tax		101,397	141,378
Income tax (expense)/benefit	4	<u>(25,755)</u>	<u>(31,186)</u>
Profit (Loss) for the year		75,642	110,192
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive Profit (loss) for the year attributable to members		<u><u>75,642</u></u>	<u><u>110,192</u></u>

The accompanying notes form part of these financial statements

Financial statements (continued)

Robe Community Financial Services Limited
ABN 24 101 974 887
Statement of Financial Position
As at 30 June 2022

	<u>Notes</u>	2022 \$	2021 \$
Assets			
Current Assets			
Cash and cash equivalents	6	400,028	334,660
Trade and other receivables	7	67,444	64,155
Current tax receivables	14	3,489	-
Other assets	8	4,394	4,394
Total Current Assets		<u>475,355</u>	<u>403,209</u>
Non-Current Assets			
Property, plant and equipment	9	69,873	57,065
Deferred tax assets	14	7,880	10,553
Intangible assets	10	14,882	26,787
Right-of-use assets	11	21,888	38,670
Total Non-Current Assets		<u>114,523</u>	<u>133,075</u>
Total Assets		<u>589,878</u>	<u>536,284</u>
Liabilities			
Current Liabilities			
Trade and Other Payables	12	52,246	21,463
Borrowings	13	782	386
Current tax liabilities	14	-	5,088
Provisions	15	28,921	15,572
Lease Liability	16	20,063	18,490
Total Current Liabilities		<u>102,012</u>	<u>60,999</u>
Non-Current Liabilities			
Provisions	15	-	21,536
Lease Liability	16	4,425	23,662
Total Non-Current Liabilities		<u>4,425</u>	<u>45,198</u>
Total Liabilities		<u>106,437</u>	<u>106,197</u>
Net Assets/(Liabilities)		<u>483,441</u>	<u>430,087</u>
Equity			
Share capital	17	427,989	427,989
Retained earnings / (accumulated losses)	18	55,452	2,098
Total Equity		<u>483,441</u>	<u>430,087</u>

The accompanying notes form part of these financial statements

Financial statements (continued)

Robe Community Financial Services Limited
ABN 24 101 974 887
Statement of Changes in Equity
for the year ended 30 June 2022

	<u>Notes</u>	Ordinary \$	Retained Earnings \$	Total \$
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
Balance at 1 July 2021		427,989	2,098	430,087
Adjustment to opening balance due to prior year adjustments			(8)	(8)
Comprehensive income				
Profit for the year		-	75,642	75,642
Total comprehensive income for the year		-	75,642	75,642
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 2022		427,989	55,452	483,441

The accompanying notes form part of these financial statements

Financial statements (continued)

Robe Community Financial Services Limited
ABN 24 101 974 887
Statement of Cash Flows
For the year ended 30 June 2022

	<u>Notes</u>	2022 \$	2021 \$
Cash Flows From Operating Activities			
Receipts from customers		802,668	796,563
Payments to suppliers and employees		(640,039)	(628,028)
Interest received		950	931
Interest paid		(1)	(1)
Income Tax Paid		(35,314)	(58,902)
Net cash flows from/(used in) operating activities	19a	<u>128,264</u>	<u>110,563</u>
Cash Flows From Investing Activities			
Payments for property, plant and equipment		(20,963)	(14,185)
Net cash flows from/(used in) investing activities		<u>(20,963)</u>	<u>(14,185)</u>
Cash Flows From Financing Activities			
Interest paid		(1,353)	(1,999)
Lease Payments		(18,299)	(16,010)
Repayment of borrowings		-	-
Dividends paid		(22,281)	(22,280)
Net cash flows from/(used in) financing activities		<u>(41,933)</u>	<u>(40,289)</u>
Net increase/(decrease) in cash held		65,368	56,089
Cash and cash equivalents at start of year		334,660	278,571
Cash and cash equivalents at end of year	6	<u><u>400,028</u></u>	<u><u>334,660</u></u>

The accompanying notes form part of these financial statements

Notes to the financial statements

For the year ended 30 June 2022

This financial report includes the financial statements and notes of Robe Community Financial Services Ltd. The financial statements were authorised for issue on 22/09/2022 by the directors of the company.

1. Summary of significant accounting policies

(a) 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.

(b) 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.

Notes to the financial statements (continued)

(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 improvements.

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.

Notes to the financial statements (continued)

(e) Financial Instruments

Initial Recognition and Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the company becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and Subsequent Measurement

(i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(ii) *Financial Liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the statement of comprehensive income unless they are designated as hedges.

The company does not hold any derivative instruments.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Financial Guarantees

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 15: Revenue. Where the company gives guarantees in exchange for a fee, revenue is recognised under AASB 15. The company has not issued any financial guarantees.

Notes to the financial statements (continued)

(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.

Notes to the financial statements (continued)

(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.

Notes to the financial statements (continued)

2. Revenue and Other Income

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

	2022 \$	2021 \$
Continued Operations		
Other sources of revenue	<u>771,005</u>	<u>777,783</u>
	<u>771,005</u>	<u>777,783</u>
(a) Other sources of revenue		
- Total interest received	950	931
- Sales revenue	<u>771,005</u>	<u>776,852</u>
Total other sources of revenue	<u>771,955</u>	<u>777,783</u>
(b) Other Income		
- Other income	13,861	18,520
- Cash Flow Boost	-	<u>24,152</u>
Total other income	<u>13,861</u>	<u>42,672</u>

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 in 2021 financial year, which was recognised in the income allocated to 'Other income'. 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:

	2022 \$	2021 \$
Employee benefits expense		
- wages and salaries	365,183	369,131
- superannuation costs	33,511	33,399
- workers' compensation costs	1,718	1,294
- other costs	<u>(8,187)</u>	<u>(6,326)</u>
	<u>392,225</u>	<u>397,498</u>
Depreciation of non-current assets:		
- plant and equipment	4,756	3,639
- buildings	3,400	2,968
- right-of-use asset	17,417	16,573
Amortisation of non-current assets:		
- intangibles	<u>11,905</u>	<u>11,905</u>
	<u>37,478</u>	<u>35,085</u>
Finance Costs:		
- Interest paid	<u>1,354</u>	<u>2,000</u>

Notes to the financial statements (continued)

4. Income Tax Expense	2022	2021
	\$	\$
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 25% (2021 - 26%)	25,349	36,758
Add/less tax effect of		
- Non-assessable income	-	(6,280)
- Adjustment to prior year tax expense	-	-
- Reduction in opening deferred taxes resulting from reduction in tax rate	406	708
Income tax expense/(benefit)	<u>25,755</u>	<u>31,186</u>
Tax Expense - Current year	25,349	30,478
Add/less tax effect of:		
- Non-deductible expenses	(2,267)	(1,702)
- Recoupment of prior year tax losses not previously brought to account	-	-
- Future income tax benefit not brought to account	-	-
- Adjustment of prior year tax losses	-	-
<i>Current income tax expense</i>	<u>23,082</u>	<u>28,776</u>
Origination and reversal of temporary differences		
<i>Deferred income tax expense</i>	<u>7,880</u>	<u>10,553</u>
Income tax expense/(benefit) attributable to entity	<u>30,962</u>	<u>39,329</u>

Notes to the financial statements (continued)

5. Net profit/(loss) on disposal of non-current assets	2022	2021
	\$	\$
Profit/(loss) on disposal of non-current assets	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
6. Cash and Cash Equivalents	2022	2021
	\$	\$
Cash at bank and on hand	400,028	334,660
	<u>400,028</u>	<u>334,660</u>
	<u>400,028</u>	<u>334,660</u>
7. Trade and other receivables	2022	2021
	\$	\$
Trade Debtors	67,444	64,155
	<u>67,444</u>	<u>64,155</u>
	<u>67,444</u>	<u>64,155</u>
8. Other assets	2022	2021
	\$	\$
Prepaid Expense	4,394	4,394
	<u>4,394</u>	<u>4,394</u>
	<u>4,394</u>	<u>4,394</u>
9. Property, Plant and Equipment	2022	2021
	\$	\$
<i>Plant and equipment</i>		
At cost	82,026	61,063
Less accumulated depreciation	(58,129)	(55,999)
	<u>23,897</u>	<u>5,064</u>
<i>Leasehold Improvements</i>		
At cost	81,195	81,195
Less accumulated depreciation	(53,434)	(50,035)
	<u>27,761</u>	<u>31,160</u>
<i>Motor Vehicle</i>		
At cost	32,263	32,263
Less accumulated depreciation	(14,048)	(11,422)
	<u>18,215</u>	<u>20,841</u>
	<u>18,215</u>	<u>20,841</u>
Total written down amount	<u>69,873</u>	<u>57,065</u>
	<u>69,873</u>	<u>57,065</u>

Notes to the financial statements (continued)

10. Intangible Assets	2022	2021
	\$	\$
<i>Franchise Fee</i>		
At cost	14,882	26,787
	<u>14,882</u>	<u>26,787</u>
11. Right of Use Assets	2022	2021
(i) AASB 16 related amounts recognised in the balance sheet	\$	\$
Leased Building	83,500	82,865
Accumulated Depreciation	(61,612)	(44,195)
Total Right of Use Asset	<u>21,888</u>	<u>38,670</u>
Movement in carrying amounts		
Lease Building		
Carrying amount at beginning of year	38,670	56,548
Adjustment based on lease payments change	635	(1,305)
Depreciation expense	(17,417)	(16,573)
Net carrying amount	<u>21,888</u>	<u>38,670</u>
(ii) AASB 16 related amounts recognised in the statement of profit or loss		
Depreciation charge related to right-of-use assets	17,417	16,573
Interest expense on lease liabilities	1,353	1,999
Short-term leases expense	-	-
Low value asset leases expense	3,000	2,602
Total cash outflows for leases	22,652	20,611

Notes to the financial statements (continued)

12. Trade and Other Payables

	2022 \$	2021 \$
Current		
Trade creditors	32,404	3,010
GST & payroll	19,842	18,453
	<u>52,246</u>	<u>21,463</u>
 (a) Financial Liabilities at amortised cost classified as trade and other payables		
- Total Current	52,246	21,463
- Total Non-Current	-	-
	<u>52,246</u>	<u>21,463</u>
 Financial Liabilities as trade and other payables	<u>52,246</u>	<u>21,463</u>

13. Borrowings

	2022 \$	2021 \$
Current		
Borrowings	782	386
	<u>782</u>	<u>386</u>
Non-Current		
Borrowings	-	-
	<u>-</u>	<u>-</u>
 Total borrowings	782	386

14. Tax

Current		
Income tax payable/(receivable)	(3,489)	5,088
	<u>(3,489)</u>	<u>5,088</u>

	Opening Balance	Charged to Income	Charged directly to Equity	Changes in Tax Rates	Exchange Differences	Closing Balance
Deferred tax assets						
Deferred tax assets	12,963	(1,702)		(708)		10,553
Balance as at 30 June 2021	<u>12,963</u>	<u>(1,702)</u>	-	<u>(708)</u>	-	<u>10,553</u>
 Deferred tax assets						
Deferred tax assets	10,553	(2,267)		(406)		7,880
Balance as at 30 June 2022	<u>10,553</u>	<u>(2,267)</u>	-	<u>(406)</u>	-	<u>7,880</u>

Notes to the financial statements (continued)

15. Provisions	2022	2021
	\$	\$
Current		
Employee benefits	28,921	15,572
	<u>28,921</u>	<u>15,572</u>
Non-Current		
Employee benefits	-	21,536
	<u>-</u>	<u>21,536</u>
	<u>28,921</u>	<u>37,108</u>
16. Lease Liabilities		
Current		
Leased Building	20,063	18,490
	<u>20,063</u>	<u>18,490</u>
Non-Current		
Leased Building	4,425	23,662
	<u>4,425</u>	<u>23,662</u>
	<u>24,488</u>	<u>42,152</u>
17. Share Capital	2022	2021
445,610 Ordinary Shares fully paid of \$1 each	445,610	445,610
Prospectus Fees	(17,621)	(17,621)
	<u>427,989</u>	<u>427,989</u>
18. Retained Earnings / (Accumulated Losses)	2022	2021
	\$	\$
Balance at the beginning of the financial year	2,098	(91,650)
Adjustment to opening balance from prior year adjustments	(8)	5,836
Profit/(loss) after income tax	75,642	110,192
Dividends	(22,280)	(22,280)
Balance at the end of the financial year	<u>55,452</u>	<u>2,098</u>

Notes to the financial statements (continued)

19. Statement of Cash Flows

	2022 \$	2021 \$
<i>(a) Reconciliation of profit / (loss) after tax to net cash provided from/(used in) operating activities</i>		
Profit / (loss) after income tax	<u>75,642</u>	<u>110,192</u>
	75,642	110,192
Interest relating to financing activities	1,353	1,999
Non cash items		
- Depreciation	25,573	23,180
- Amortisation	11,905	11,905
Changes in assets and liabilities		
- (Increase) decrease in receivables	(3,289)	(4,042)
- (Increase) decrease in prepayments	-	(373)
- (Increase) decrease in deferred taxes payable	2,673	2,410
- Increase (decrease) in trade payables and accruals	30,783	(6,915)
- Increase (decrease) in borrowings	396	(324)
- Increase (decrease) in income taxes payable	(8,577)	(22,126)
- Increase (decrease) in provisions	(8,187)	(6,325)
- Increase (decrease) in retained earnings - prior year adjustments	(8)	982
Net cashflows from/(used in) operating activities	<u>128,264</u>	<u>110,563</u>

20. Auditors' Remuneration

	2022 \$	2021 \$
Amounts received or due and receivable		
- Audit or review of the financial report of the Company	5,300	7,280
	<u>5,300</u>	<u>7,280</u>

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.

Notes to the financial statements (continued)

25. Dividends paid or provided for on ordinary shares	2022	2021
	\$	\$
(a) Dividends proposed and recognised as a liability		
Unfranked dividends - nil cents per share (2021: nil cents)	-	-
(b) Dividends paid during the year		
(i) Current year interim		
Franked dividends - 5 cents per share (2021: nil cents per share)	22,280	-
Unfranked dividends - nil cents per share (2021: 5 cents per share)	-	22,280
(ii) Previous year final		
Unfranked dividends - nil cents per share (2021: nil cents per share)	-	-
(c) Dividends proposed and not recognised as a liability		
Unfranked dividends - nil cents per share (2021: nil cents per share)		
Franked dividends - 5 cents per share (2021: 5 cents per share)	22,280	22,280
(d) Franking credit balance		
The amount of franking credits available for the subsequent financial year are:		
- Franking account balance as at the end of the financial year	83,135	58,902
- Franking credits that will arise from the payment of income tax payable as at the end of the financial year	- 3,489	5,089
- Franking debits that will arise from the payment of dividends as at the end of the financial year		
- Franking credits that will arise from the payment of dividends recognised as receivables at the reporting date		
- Franking credits that the entity may be prevented from distributing in the subsequent year		
	<u>79,646</u>	<u>63,991</u>
The tax rate at which dividends have been franked is 25% (2021: 26%). Dividends proposed will be franked at a rate of 25% (2021: 25%).		
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.	16.97	24.73
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).	16.97	24.73
The following reflects the income and share data used in the basic and diluted earnings per share computations:		
Profit/(loss) after income tax expense	<u>75,642</u>	<u>110,192</u>
Weighted average number of ordinary shares for basic and diluted earnings per share	<u>445,610</u>	<u>445,610</u>

Notes to the financial statements (continued)

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:

	2022	2021
	\$	\$
Financial Assets		
Financial assets at amortised cost		
- cash and cash equivalents	400,028	334,660
- trade and other receivables	67,444	64,155
Total Financial Assets	<u>467,472</u>	<u>398,815</u>
Financial Liabilities		
Financial liabilities at amortised cost		
- contingent consideration		
- trade and other payables	52,246	21,463
- borrowings	782	386
Total Financial Liabilities	<u>53,028</u>	<u>21,849</u>

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

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 3 to 23, 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 2022 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.



Andrew Brown

Dated this 22nd day of September 2022

Independent audit report

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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 2022, 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 2022 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.

INDEPENDENT AUDITOR'S REPORT

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.

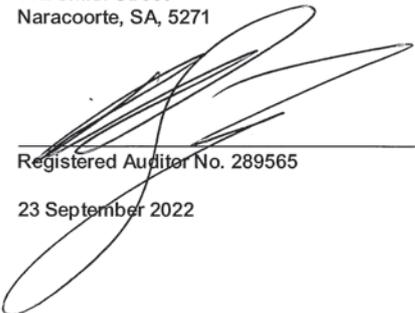
INDEPENDENT AUDITOR'S REPORT

- 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

23 September 2022

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