

# 2021 Annual Report

**Tumbarumba Financial  
Services Limited**

ABN 82 121 010 839

Community Bank · Tumbarumba

# Contents

Chairman's report	2
Managers' report	3
Bendigo and Adelaide Bank report	4
Directors' report	5
Auditor's independence declaration	7
Financial statements	8
Notes to the financial statements	12
Directors' declaration	25
Independent audit report	26

# Chairman's report

For year ending 30 June 2021

On behalf of the Board of Directors I am pleased to provide an update on the progress of Tumbarumba Financial Services Limited. This year Community Bank Tumbarumba faced further challenges with the pandemic continuing and the economic conditions faced.

The net profit after income tax for the 2020/21 financial year was \$32,916. This is a decrease of \$118,105 on the prior year. \$56,772 of this was contributed to government subsidies received in the previous financial year. Community Bank Tumbarumba also contributed \$50,000 to the Community Enterprise Foundation™, which reduced the company's taxable income. This money will be available for grants in the future.

I would like to thank the Board for their commitment and ongoing support, the staff for their dedication and the shareholders for their ongoing commitment. It has been a pleasing result, and we are happy to announce that a fully franked dividend of five cents will be paid to the shareholders in 2022.



**Colin Nagle**  
Chairman

# Managers' report

For year ending 30 June 2021

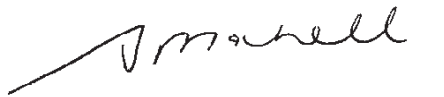
The 2020/21 financial year has seen our best results yet, with \$24.701 million in total growth. \$14.805 million was contributed to lending growth, \$6.202 million to deposit growth and \$4.304 million to rural and wealth. These results wouldn't be possible without a dedicated team who are passionate about helping the community and seeing the business grow. At the end of the financial year the branch had \$133.791 million in total footings.

The past 12 months presented challenges as we managed the everchanging restrictions due to the COVID-19 pandemic. The mobile and branch team settled over \$21 million in lending. This enabled us to expand the team from five to seven employees. Given the challenges faced we are excited to be able to offer new employment opportunities.

I would like to thank the staff for their continued efforts throughout this time. I would also like to thank our Board of Directors and Regional Manager; Tim Koschel for their support throughout the year. Most importantly I would like to thank our customers – your support is invaluable in helping Community Bank Tumbarumba to continue to grow and enabling us to continue to support local projects and initiatives.



**Merissa Richmond**  
Branch Manager



**Samantha Machell**  
Mobile Relationship 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

# Directors' report

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

## DIRECTORS

The names of directors at the date of this report are:

Colin James Nagle	Malcolm Antony Marshall	Daniel Murray Martin
Anthony Owen A'Beckett	Lachlan Ian MacKenzie	Julie Maree Giddings
Lloyd Mildren	Bruce Bertram Alleyn	Patrick Barrett

## PRINCIPAL ACTIVITIES

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

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

## RESULT

The net profit of the company for the financial year after provision for income tax was \$32,916 (2020 profit of \$151,021 ).

## DIRECTOR'S MEETINGS

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

Director	Number Attended	Number eligible to attend	Director	Number Attended	Number eligible to attend
Colin Nagle	8	11	Bruce Alleyn	10	11
Anthony A'Beckett	11	11	Lachlan MacKenzie	10	11
Lloyd Mildren	9	11	Daniel Martin	11	11
Julie Giddings	9	11	Patrick Barrett	6	11
Malcolm Marshall	10	11			

### **MATTERS SUBSEQUENT TO THE END OF THE REPORTING PERIOD**

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

### **DIRECTORS INTERESTS AND BENEFITS**

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

### **AUDITOR'S INDEPENDENCE DECLARATION**

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

**Dated at Wagga Wagga this 30<sup>th</sup> day of September 2021**

**Signed in accordance with a resolution of the directors:**



**Director**

# Auditor's independence declaration



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

## AUDITORS INDEPENDENCE DECLARATION

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

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

**John L Bush & Campbell**  
Chartered Accountants

**David Rosetta**  
Partner

**Wagga Wagga**  
30 September 2021

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Standards Legislation



# Financial statements

## STATEMENT OF COMPREHENSIVE INCOME

### FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
<b>Revenues from ordinary activities</b>	<b>2</b>	723,230	777,890
Employee Expenses		(418,966)	(341,322)
Advertising and promotion expense		(75,752)	(88,780)
Borrowing Costs		(9,563)	(6,856)
Occupancy and associated costs		(24,236)	(28,302)
Depreciation and amortisation		(34,956)	(30,428)
Systems costs		(20,953)	(21,681)
Administration expenses		(87,050)	(73,749)
<b>Net Profit from ordinary activities before income tax expense</b>		<u>51,754</u>	<u>186,771</u>
<b>Income tax expense relating to ordinary activities</b>	<b>3</b>	(18,838)	(35,750)
<b>Net profit from ordinary activities after related income tax expense</b>		<u>32,916</u>	<u>151,021</u>
<b>Total comprehensive income for the year</b>		<u><u>32,916</u></u>	<u><u>151,021</u></u>
<b>Earnings per share</b>	<b>16</b>	<b>5.3 cents</b>	<b>24.1 cents</b>

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

**STATEMENT OF FINANCIAL POSITION**

**AS AT 30 JUNE 2021**

	Note	2021 \$	2020 \$
<b>CURRENT ASSETS</b>			
Cash	5	193,122	133,801
Receivables	6	93,157	125,692
<b>TOTAL CURRENT ASSETS</b>		<u>286,279</u>	<u>259,493</u>
<b>NON-CURRENT ASSETS</b>			
Deferred Tax Asset	7	79,907	98,745
Property, plant & equipment	8	377,666	343,788
Intangible Assets	9	10,640	24,100
<b>TOTAL NON-CURRENT ASSETS</b>		<u>468,213</u>	<u>466,633</u>
<b>TOTAL ASSETS</b>		<u>754,492</u>	<u>726,126</u>
<b>CURRENT LIABILITIES</b>			
Payables	10	23,204	23,449
Provisions	11	30,615	28,223
Borrowings	12	46,917	32,586
<b>TOTAL CURRENT LIABILITIES</b>		<u>100,736</u>	<u>84,258</u>
<b>NON CURRENT LIABILITIES</b>			
Provisions	11	53,212	36,220
Borrowings	12	81,255	87,942
<b>TOTAL NON CURRENT LIABILITIES</b>		<u>134,467</u>	<u>124,162</u>
<b>TOTAL LIABILITIES</b>		<u>235,203</u>	<u>208,420</u>
<b>NET ASSETS</b>		<u>519,289</u>	<u>517,706</u>
<b>EQUITY</b>			
Issued Capital	13	593,875	593,875
Retained Profits	14	(74,586)	(76,169)
<b>TOTAL EQUITY</b>		<u>519,289</u>	<u>517,706</u>

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

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 30 JUNE 2021**

	<b>Issued Capital</b>	<b>Profits Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Balance as at 1 July 2019</b>	593,875	-	(195,857)	398,018
Profit / (loss) for the year	-	151,021	-	151,021
Dividends Paid	-	(31,333)	-	(31,333)
Transfers	-	(119,688)	119,688	-
<b>Balance as at 30 June 2020</b>	<u>593,875</u>	<u>-</u>	<u>(76,169)</u>	<u>517,706</u>
Profit / (loss) for the year	-	32,916	-	32,916
Dividends Paid	-	(31,333)	-	(31,333)
Transfers	-	(1,583)	1,583	-
<b>Balance as at 30 June 2021</b>	<u>593,875</u>	<u>-</u>	<u>(74,586)</u>	<u>519,289</u>

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

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR TO 30 JUNE 2021**

	Note	2021 \$	2020 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts in the course of operations		755,765	757,187
Cash payments in the course of operations		(617,381)	(575,901)
<b>Net cash used by operating activities</b>	<b>15(ii)</b>	<u>138,384</u>	<u>181,286</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of plant & equipment		-	-
Payments for property, plant & equipment		(55,373)	-
<b>Net cash used in investing activities</b>		<u>(55,373)</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		58,651	-
Dividends paid		(31,333)	(31,333)
Repayment of Loans		(51,008)	(30,468)
<b>Net cash used in financing activities</b>		<u>(23,690)</u>	<u>(61,801)</u>
<b>Net increase / (decrease) in cash held</b>		<u>59,321</u>	<u>119,485</u>
Cash at the beginning of the financial year		133,801	14,316
<b>Cash at the end of the financial year</b>	<b>15(i)</b>	<u><u>193,122</u></u>	<u><u>133,801</u></u>

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

# Notes to the financial statements

For the year ended 30 June 2021

## NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

### (a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001.

### (b) Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS). These financial statements and notes comply with IFRS.

### (c) Historical cost convention

The financial report has been prepared under the historical cost conventions on an accruals basis as modified by the revaluation of financial assets and liabilities at fair value through profit or loss and where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

### (d) Revenue

#### Revenue from contracts with customers

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

#### **Revenue calculation**

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

#### *Margin*

Margin is arrived through the following calculation:

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

## Notes to the financial statements (continued)

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### **(d) Revenue (Continued)**

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

#### *Commission*

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

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

#### *Fee income*

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

### **(e) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable for the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis.

The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operation cash flows.

## Notes to the financial statements (continued)

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### **(f) Income tax**

#### Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

#### Deferred tax

Deferred tax is accounted for using the liability method on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax and when the balances relate to taxes levied by the same taxation authority and the Company/consolidated entity intends to settle its tax assets and liabilities on a net basis.

#### Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

## Notes to the financial statements (continued)

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### **(g) Employee entitlements**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

The Company contributes to a defined contribution plan. Contributions to employee superannuation funds are charged against income as incurred.

### **(h) Intangibles**

The cost of the Company's franchise fee has been recorded at cost and is amortised on a straight line basis at a rate of 20% per annum.

### **(i) Cash**

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

### **(j) Comparative figures**

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

### **(k) Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated at the rate equivalent to the available building allowance using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

- Buildings and improvements	40 years
- Plant and equipment	2.5 - 40 years
- Motor vehicles	5 years



## Notes to the financial statements (continued)

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### **(l) Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

There are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### **(m) Payment terms**

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days.

### **(n) Trade receivables and payables**

Receivables are carried at their amounts due. The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts. Liabilities for trade creditors and other amounts are carried at cost that is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

### **(o) Borrowings**

All loans are initially measured at the principal amount. Interest is recognised as an expense as it accrues.

### **(p) Provisions**

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions of other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

### **(q) Contributed equity**

Ordinary shares are recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

### **(r) Earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

## Notes to the financial statements (continued)

### (s) New Accounting standards adopted during the year

There were no new accounting standards that had a material impact on the financial reporting of the Company during the financial year.

### (t) Restatement of Comparative Figures

#### Comparative adjustment - Deferred Tax Asset

During the year it was identified that tax losses from previous years totalling \$426,003 had not been recorded as a deferred tax asset. These tax assets had a net tax benefit of \$117,150. The opening balances have been restated as follows to recognise this asset:

Account	Originally reported	Adjustment	Restated amount
Deferred Tax Assets	23,219	75,526	98,745
<b>Total Assets</b>	<b>624,041</b>	<b>75,526</b>	<b>699,567</b>
Tax Payable	15,065	(41,624)	(26,559)
<b>Total Liabilities</b>	<b>223,485</b>	<b>(41,624)</b>	<b>181,861</b>
<b>Net Assets</b>	<b>400,556</b>	<b>117,150</b>	<b>517,706</b>
<b>Equity</b>			
Net Profit after tax	151,021		151,021
Retained Earnings	(313,007)	117,150	(195,857)
Dividends Paid	(31,333)		(31,333)
Share Capital	593,875		593,875
<b>Total Equity</b>	<b>400,556</b>	<b>117,150</b>	<b>517,706</b>

## Notes to the financial statements (continued)

	2021 \$	2020 \$
<b>NOTE 2 - REVENUE</b>		
<b>Operating activities</b>		
Services Commissions	723,230	721,118
	<u>723,230</u>	<u>721,118</u>
<b>Non-operating activities</b>		
Government Subsidies	-	56,772
	<u>723,230</u>	<u>777,890</u>
<b>NOTE 3 - INCOME TAX EXPENSE</b>		
The prima facie tax or loss from ordinary activities before income tax is reconciled as follows:		
<b>Operating Profit/(Loss)</b>	51,754	186,771
Prima facie tax on loss from ordinary activities at 26% (2020 - 27.5%)	13,456	51,362
Add/(less) tax effect of:		
- Non assessable income	-	(15,612)
- Restatement of deferred tax asset due to change in tax rate	5,382	-
Income tax expense	<u>18,838</u>	<u>35,750</u>
<b>NOTE 4 - PROFIT FROM ORDINARY ACTIVITIES</b>		
Profit from ordinary activities before income tax has been determined after:		
<b>(a) Expenses</b>		
Amortisation of intangibles	13,431	13,431
Depreciation of non-current assets	21,525	16,997
Auditors Remuneration	11,500	10,950
<b>NOTE 5 - CASH ASSETS</b>		
Cash at bank	193,122	133,801
	<u>193,122</u>	<u>133,801</u>
<b>NOTE 6 - RECEIVABLES</b>		
Trade debtors	65,359	66,073
Income Tax Receivable	27,480	26,559
Sundry Debtors	318	33,060
	<u>93,157</u>	<u>125,692</u>
<b>NOTE 7 - DEFERRED TAX ASSET</b>		
Future Tax Benefit	<u>79,907</u>	<u>98,745</u>

## Notes to the financial statements (continued)

	2021 \$	2020 \$
<b>NOTE 8 - PROPERTY, PLANT AND EQUIPMENT</b>		
Plant and equipment - at cost	61,738	61,738
Less: accumulated depreciation	<u>(50,652)</u>	<u>(49,669)</u>
	11,086	12,069
Land & Buildings - at cost	450,414	450,414
Less: accumulated depreciation	<u>(143,116)</u>	<u>(131,340)</u>
	307,298	319,074
Motor vehicles - at cost	79,919	24,546
Less: accumulated depreciation	<u>(20,637)</u>	<u>(11,901)</u>
	59,282	12,645
Total written down amount	<u>377,666</u>	<u>343,788</u>
<b>i) Movements in carrying amounts</b>		
<b>Plant and equipment</b>		
Balance at the beginning of the year	12,069	13,076
Additions	-	-
Depreciation	<u>(983)</u>	<u>(1,007)</u>
Carrying amount at the end of the year	<u>11,086</u>	<u>12,069</u>
<b>Leasehold Improvements</b>		
Balance at the beginning of the year	319,074	330,850
Additions	-	-
Depreciation	<u>(11,776)</u>	<u>(11,776)</u>
Carrying amount at the end of the year	<u>307,298</u>	<u>319,074</u>
<b>Motor Vehicles</b>		
Balance at the beginning of the year	12,645	16,859
Additions	55,373	-
Disposal	-	-
Depreciation	<u>(8,736)</u>	<u>(4,214)</u>
Carrying amount at the end of the year	<u>59,282</u>	<u>12,645</u>
<b>NOTE 9 - INTANGIBLE ASSETS</b>		
Franchise fee - at cost	67,153	67,153
Less: accumulated amortisation	<u>(56,513)</u>	<u>(43,053)</u>
Total written down amount	<u>10,640</u>	<u>24,100</u>

## Notes to the financial statements (continued)

	2021 \$	2020 \$
<b>NOTE 10 - TRADE AND OTHER PAYABLES</b>		
Trade creditors	7,750	5,449
Income tax payable	-	-
Other creditors & accruals	15,454	18,000
	<u>23,204</u>	<u>23,449</u>
<b>NOTE 11 - PROVISIONS</b>		
<b>Current</b>		
Annual leave	30,615	28,223
<b>Total Current</b>	<u>30,615</u>	<u>28,223</u>
<b>Non Current</b>		
Long service leave	53,212	36,220
<b>Total Non Current</b>	<u>53,212</u>	<u>36,220</u>
<b>Total Provisions</b>	<u>83,827</u>	<u>64,443</u>
<b>NOTE 12 - Borrowings</b>		
<b>Current</b>		
Loan - Bendigo and Adelaide Bank Ltd (Franchise Fee)	-	13,614
Loan - Bendigo and Adelaide Bank Ltd (Property Loan)	35,124	18,684
Equipment Finance	11,496	-
Bendigo Bank Credit Card	297	288
<b>Total Current</b>	<u>46,917</u>	<u>32,586</u>
<b>Non Current</b>		
Equipment Finance	37,737	-
Loan - Bendigo and Adelaide Bank Ltd (Property Loan)	43,518	87,942
<b>Total Non Current</b>	<u>81,255</u>	<u>87,942</u>
<b>Total Borrowings</b>	<u>128,172</u>	<u>120,528</u>
<b>NOTE 13 - CONTRIBUTED EQUITY</b>		
626,650 Ordinary shares paid at \$1	626,650	626,650
Less: equity raising expenses	(32,775)	(32,775)
	<u>593,875</u>	<u>593,875</u>
<b>NOTE 14 - ACCUMULATED LOSSES</b>		
Opening balance	(76,169)	(195,857)
Net profit from activities after income tax	32,916	151,021
Dividends Paid	(31,333)	(31,333)
	<u>(74,586)</u>	<u>(76,169)</u>

## Notes to the financial statements (continued)

	2021 \$	2020 \$
<b>NOTE 15 - CASH FLOW INFORMATION</b>		
<b>(i). Reconciliation of Cash</b>		
For the purpose of the statement of Cash Flows, cash includes cash on hand and at bank. Cash at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the statement of financial		
Cash at bank (Note 5)	193,122	133,801
Total Cash	<u>193,122</u>	<u>133,801</u>
<b>(ii). Reconciliation of Operating Profit to Net Cash Used in Operating Activities:</b>		
Profit / (loss) for Year:	<u>32,916</u>	<u>151,021</u>
<b>Non cash flows recored in ordinary activities</b>		
Amortisation	13,431	13,431
Depreciation	<u>21,525</u>	<u>16,997</u>
<b>Net cash provided / (used) in operating activities before changes in assets and liabilities during the year</b>		
(Increase) / decrease in receivables	32,535	(20,703)
(Increase)/ Decrease in Future Tax Benefit	18,838	(5,874)
Increase / (decrease) in payables	(245)	9,597
Increase / (decrease) in provisions	19,384	16,817
<b>Net Cash Used in Operating Activities</b>	<u>138,384</u>	<u>181,286</u>
<b>NOTE 16 - EARNINGS PER SHARE</b>		
(a) Profit / ( Loss) attributable to ordinary equity holders	<u>32,916</u>	<u>151,021</u>
(b) Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	626,650	626,650
<b>NOTE 17 - DIVIDENDS</b>		
Dividends paid for the year were at 5c per share (2020 -5c per share)		

### NOTE 18 – FINANCIAL INSTRUMENTS

#### **Financial Risk Management**

The Company's activities expose it to a limited variety of financial risks: market risk (including currency risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity. The entity does not use derivative instruments.

Risk management is carried out directly by the Board of Directors.

#### **(i) Market risk**

The Company has no exposure to any transactions denominated in a currency other than Australian dollars.

#### **(ii) Price risk**

The Company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. The Company is not exposed to commodity price risk.

#### **(iii) Credit risk**

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

#### **(iv) Liquidity risk**

Prudent liquidity management implies maintaining sufficient cash and marketable securities and the availability of funding from credit facilities. The Company believes that its sound relationship with Bendigo Bank Limited mitigates this risk significantly.

#### **(v) Cash flow and fair value interest rate risk**

Interest-bearing assets are held with Bendigo Bank Limited and subject to movements in market interest. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest-rate risk. The Company believes that its sound relationship with Bendigo Bank Limited mitigates this risk significantly.

## Notes to the financial statements (continued)

### NOTE 18– FINANCIAL INSTRUMENTS (CONTINUED)

Financial	Floating		Fixed interest rate maturing in						Non interest bearing		Weighted average Effective Interest rate	
			1 year or less		Over 1 to 5 years		Over 5 years					
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
<b>Financial assets</b>												
Cash assets	193,122	133,801	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	93,157	125,692	N/A	N/A
<b>Financial liabilities</b>												
Payables	-	-	-	-	-	-	-	-	23,204	23,449	N/A	N/A
Borrowings	78,939	106,626	49,233	-	-	-	-	-	-	18,684	4.8	4.8



### **NOTE 19– RELATED PARTY TRANSACTIONS**

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

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

Colin James Nagle	Julie Maree Giddings
Lachlan Ian MacKenzie	Daniel Murray Martin
Anthony Owen A’Beckett	Malcolm Antony Marshall
Bruce Bertram Alleyn	Lloyd Mildren
Patrick Barrett	

### **NOTE 20 – COMPANY DETAILS**

The registered office of the company is:  
Tumbarumba Financial Services Limited  
27 The Parade  
Tumbarumba NSW 2653

### **NOTE 21 - EVENTS OCCURRING AFTER THE BALANCE DATE**

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

### **NOTE 22 - CONTINGENT LIABILITIES**

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

### **NOTE 23 - SEGMENT REPORTING**

The economic entity operates in the service sector where it facilitates Community Bank services pursuant to a franchise agreement with Bendigo Bank Limited. The economic entity operates in one geographic area being Tumbarumba and surrounding districts of New South Wales.

# Directors' declaration

The directors of the company declare that:

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

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



**Director**

**Dated at Wagga Wagga this 30<sup>th</sup> day of September 2021**

# Independent audit report



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

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

### TUMBARUMBA FINANCIAL SERVICES LIMITED

#### Opinion

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

In our opinion, the financial report of Tumbarumba Financial Services Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2021 and of their performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Regime and the *Corporations Regulations 2001*.

#### Basis for Opinion

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

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

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

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

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

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

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### **Directors' Responsibility for the Financial Report**

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

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

### **Auditor's Responsibility**

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

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

**JOHN L BUSH & CAMPBELL**  
Chartered Accountants

**David Rosetta**  
Partner

**Wagga Wagga**  
30 September 2021

**Community Bank · Tumbarumba**

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(BNPAR21054) (09/21)