FORM: Half yearly/preliminary final report

Name of *issuer*

Manningham Community Enterprises Limited

ACN or ARBN	Half yearly (tick)	Preliminary final (tick)	Half year/financial year ended ('Current period')
69 101 174 270		✓	**30 June 2021**

For announcement to the market

Extracts from this statement for announcement to the market *(see note 1).*

				$
Revenue *(item 1.1)*	Down	0.32%	to	2,683,068
Profit for the period *(item 1.9)*	Up	7.82%	to	245,559
Profit for the period attributable to members of the parent *(item 1.11)*	Up	7.82%	to	245,559

Dividends	Current period	Previous corresponding period
Franking rate applicable:	100%	100%
Final dividend *(preliminary final report only)(item 10.13-10.14)*		
Amount per *security*	8¢	8¢
Franked amount per *security*	8¢	8¢
Interim dividend *(Half yearly report only) (item 10.11 – 10.12)*		
Amount per *security*	-	-
Franked amount per *security*	-	-

Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

Consolidated income statement *(The figures are not equity accounted)*

(see note 3)

(as per paragraphs 81-85 and 88-94 of AASB 101: Presentation of Financial Statements)

		Current period - $	Previous corresponding period - $
1.1	Revenues *(item 7.1)*	2,683,068	2,691,665
1.2	Expenses, excluding finance costs *(item 7.2)*	(2,318,758)	(2,323,361)
1.3	Finance costs	(39,580)	(68,181)
1.4	Share of net profits (losses) of associates and joint ventures *(item 15.7)*	-	-
1.5	**Profit before income tax**	324,730	300,123
1.6	Income tax expense *(see note 4)*	(79,171)	(72,368)
1.7	Profit (loss) from continuing operations	-	-
1.8	Profit (loss) from discontinued operations *(item 13.3)*	-	-
1.9	**Profit for the period**	245,559	227,755
1.10	Profit (loss) attributable to minority interests	-	-
1.11	**Profit attributable to members of the parent**	245,559	227,755
1.12	Basic earnings per *security (item 9.1)*	11.37¢	10.54¢
1.13	Diluted earnings per *security (item 9.1)*	11.37¢	10.54¢
1.14	Dividends per *security (item 9.1)*	8¢	8¢

Comparison of half-year profits

(Preliminary final statement only)

		Current period - $	Previous corresponding period - $
2.1	Consolidated profit (loss) after tax attributable to members reported for the 1st half year *(item 1.11* in the half yearly statement)	247,344	215,410
2.2	Consolidated profit (loss) after tax attributable to members for the 2nd half year	(1,785)	12,345

Consolidated balance sheet

(See note 5)

(as per paragraphs 68-69 of AASB 101: Financial Statement Presentation)

	Current assets	Current period - $A'000	Previous corresponding period - $A'000
3.1	Cash and cash equivalents	1,537,104	1,122,750
3.2	Trade and other receivables	217,399	199,775
3.3	Inventories	-	-
3.4	Other current assets (current tax asset)	-	31,862
3.5	**Total current assets**	1,754,503	1,354,387
	Non-current assets		
3.6	Available for sale investments	-	-
3.7	Other financial assets	-	-
3.8	Investments in associates	-	-
3.9	Deferred tax assets	88,451	97,216
3.10	Exploration and evaluation expenditure capitalised *(see para. 71 of AASB 1022 – new standard not yet finalised)*	-	-
3.11	Development properties *(mining entities)*	-	-
3.12	Property, plant and equipment (net)	224,176	263,341
3.13	Right-of-use assets	387,949	540,547
3.14	Goodwill	-	-
3.15	Other intangible assets	44,125	70,569
3.16	Other (financial assets)	-	-
3.17	**Total non-current assets**	744,701	971,673
3.18	**Total assets**	2,499,204	2,326,060
	Current liabilities		
3.19	Trade and other payables	447,002	153,483
3.20	Short term borrowings	-	-
3.21	Current tax payable	40,371	-
3.22	Short term provisions	138,029	125,829
3.23	Current portion of long term borrowings	-	-
3.24	Other current liabilities (Lease liabilities)	227,242	210,602
		852,644	489,914
3.25	Liabilities directly associated with non-current assets classified as held for sale *(para 38 of AASB 5)*	-	-
3.26	**Total current liabilities**	852,644	489,914
	Non-current liabilities		

		Current period - $	Previous corresponding period - $
3.27	Provisions – Make-good	60,712	58,125
3.28	Lease liabilities	396,811	629,678
3.29	Long term provisions	7,094	9,307
3.30	Long-term payables	-	29,815
3.31	**Total non-current liabilities**	464,617	726,925
3.32	**Total liabilities**	1,317,261	1,216,839
3.33	**Net assets**	1,181,943	1,109,221
	Equity		
3.34	Share capital	1,138,759	1,138,759
3.35	Other reserves	-	-
3.36	Retained earnings/(accumulated losses)	43,184	(29,538)
	Amounts recognised directly in equity relating to non-current assets classified as held for sale	-	-
3.37	**Parent interest**	-	-
3.38	**Minority interest**	-	-
3.39	**Total equity**	1,181,943	1,109,221

Consolidated statement of changes in equity

(as per paragraphs 96-97 of AASB 101: Presentation of Financial Statements)

		Current period – $	Previous corresponding period – $
	Revenues recognised directly in equity:	-	-
	Expenses recognised directly in equity:	-	-
4.1	**Net income recognised directly in equity**	-	-
4.2	**Profit for the period**	245,559	227,755
4.3	**Total recognised income and expense for the period**	245,559	227,755
	Attributable to:		
4.4	Members of the parent	245,559	227,755
4.5	Minority interest	-	-
	Effect of changes in accounting policy (*as per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors*):		
4.6	Members of the parent entity	-	-
4.7	Minority interest	-	-

Consolidated statement of cash flows
(See note 6)

(as per AASB 107: Cash Flow Statements)

		Current period -$	Previous corresponding period - $
	Cash flows related to operating activities		
5.1	Receipts from customers	2,922,827	2,943,454
5.2	Payments to suppliers and employees	(2,071,100)	(2,379,853)
5.3	Interest and other costs of finance paid	-	(19,623)
5.4	Income taxes paid	1,826	(92,372)
5.5	Other (interest received)	6,493	22,247
5.6	Lease payments (interest component)	(36,993)	(45,729)
5.7	**Net cash used in operating activities**	823,053	428,124
	Cash flows related to investing activities		
5.8	Payments for purchases of property, plant and equipment	-	(34,486)
5.9	Proceeds from sale of property, plant and equipment	-	16,542
5.10	Proceeds from sale of equity investments	-	-
5.11	Loans to other entities	-	-
5.12	Loans repaid by other entities	-	-
5.13	Interest and other items of similar nature received	-	-
5.14	Dividends received	-	-
5.15	Other (provide details if material)	-	-
	Payments for intangible assets	(27,104)	(27,104)
5.16	**Net cash used in investing activities**	(27,104)	(45,048)
	Cash flows related to financing activities		
5.17	Proceeds from issues of securities (shares, options, etc.)	-	-
5.18	Proceeds from borrowings	-	-
5.19	Lease payments (principal component)	(208,758	(188,179)
5.20	Dividends paid	(172,837)	(172,837)
5.21	Other (provide details if material)	-	-
5.22	**Net cash used in financing activities**	(381,595)	(361,016)
	Net increase (decrease) in cash and cash equivalents	414,354	22,060
5.23	Cash at beginning of period (*see Reconciliations of cash*)	1,122,750	1,100,690
5.24	Exchange rate adjustments to item 5.23	-	-
5.25	**Cash at end of period** (*see* Reconciliation of cash)	1,537,104	1,122,750

Reconciliation of cash provided by operating activities to profit or loss

(as per paragraph Aus20.1 of AASB 107: Cash Flow Statements)

		Current period $	Previous corresponding period $
6.1	**Profit** *(item 1.9)*	245,559	227,755
	Adjustments for:		
6.2	Depreciation	184,294	181,029
6.3	Amortisation	26,444	26,444
6.4	Loss on disposal of non-current asset	-	907
6.5	(Increase)/decrease in receivables	(17,624)	22,039
6.6	(Increase)/decrease in deferred tax assets	40,627	(1,855)
6.7	Increase/(decrease) in payables	290,808	(16,773)
6.8	Increase/(decrease) in employee benefits	9,987	3,899
6.9	Increase/(decrease) in provisions	2,587	2,829
6.10	(Increase)/decrease in current tax assets	40,371	(18,150)
6.11	**Net cash from operating activities** *(item 5.7)*	823,053	428,124

Notes to the financial statements

Details of revenues and expenses

(see note 16)

(Where items of income and expense are material, disclose nature and amount below in accordance with paragraphs 86-87 of AASB 101: Presentation of Financial Statements)

		Current period - $A'000	Previous corresponding period - $A'000
	Revenue		
	Services commissions	2,633,594	2,581,933
	Interest	7,665	16,021
	Other revenue	41,809	93,711
7.1	Total Revenue	2,683,068	2,691,665
	Expenses		
	Employee benefits expense	(1,062,077)	(1,206,351)
	Charitable donations, sponsorship, advertising and promotion	(643,656)	(563,727)
	Occupancy and associated costs	(57,506)	(65,303)
	Systems costs	(62,802)	(62,897)
	Depreciation and amortisation expense	(210,738)	(207,473)
	Finance costs	(39,580)	(68,181)
	General administration expenses	(281,979)	(217,610)
7.2	Total Expenses	(2,358,338)	(2,391,542)
	Profit (loss) before tax	324,730	300,123

Ratios		**Current period**	**Previous corresponding period**
	Profit before tax / revenue		
8.1	Consolidated profit (loss) before tax *(item 1.5)* as a percentage of revenue *(item 1.1)*	12.10%	11.15%
	Profit after tax / equity interests		
8.2	Consolidated profit (loss) after tax attributable to members *(item 1.11)* as a percentage of equity (similarly attributable) at the end of the period *(item 3.37)*	20.78%	20.53%

Earnings per *Security*

9.1 *Provide details of basic and fully diluted EPS in accordance with paragraph 70 and Aus 70.1 of AASB 133: Earnings per Share below:*

	Current period	**Previous corresponding period**
Profit/(loss) attributable to the ordinary equity holders of the company used in calculating earnings per share	245,559	227,755
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	2,160,461	2,160,461
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share (if different from basic)	-	-

Dividends

10.1 Date the dividend is payable

10.2 Record date to determine entitlements to the dividend (i.e. on the basis of registrable transfers received up to 5.00 pm if paper based, or by 'End of Day' if a proper ASTC/CHESS transfer)

10.3 If it is a final dividend, has it been declared?

(Preliminary final report only)

10.4 The *dividend or distribution plan*s shown below are in operation.

The last date(s) for receipt of election notices to the *dividend or distribution plan*s

10.5 Any other disclosures in relation to *dividends or distributions*

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Dividends paid or provided for on all *securities*

(as per paragraph Aus126.4 AASB 101: Presentation of Financial Statements)

		Current period - $	Previous corresponding period - $	Franking rate applicable
	Dividends paid or provided for during the reporting period			
10.6	Current year interim	-	-	-
10.7	Franked dividends	-	-	-
10.8	Previous year final	-	-	-
10.9	Franked dividends	(172,837)	(172,837)	100%
	Dividends proposed and not recognised as a liability			
10.10	Franked dividends	-	-	-

Dividends per *security*
(as per paragraph Aus126.4 of AASB 101: Presentation of Financial Statements)

		Current year	Previous year	Franking rate applicable
	Dividends paid or provided for during the reporting period			
10.11	Current year interim	-	-	-
10.12	Franked dividends – cents per share	8¢	8¢	100%
10.13	Previous year final	-	-	-
10.14	Franked dividends – cents per share	-	-	-
	Dividends proposed and not recognised as a liability			
10.15	Franked dividends – cents per share	-	-	-

Exploration and evaluation expenditure capitalised

To be completed only be issuers with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit

		Current period $	Previous corresponding period $
11.1	Opening balance	-	-
11.2	Expenditure incurred during current period	-	-
11.3	Expenditure written off during current period	-	-
11.4	Acquisitions, disposals, revaluation increments, etc.	-	-
11.5	Expenditure transferred to Development Properties	-	-
11.6	**Closing balance as shown in the consolidated balance sheet** (item 3.10)	-	-

Development properties

(To be completed only by issuers with mining interests if amounts are material)

		Current period $	Previous corresponding period $
12.1	Opening balance	-	-
12.2	Expenditure incurred during current period	-	-
12.3	Expenditure transferred from exploration and evaluation	-	-
12.4	Expenditure written off during current period	-	-
12.5	Acquisitions, disposals, revaluation increments, etc.	-	-
12.6	Expenditure transferred to mine properties	-	-
12.7	**Closing balance as shown in the consolidated balance sheet** (item 3.11)	-	-

Discontinued Operations

(see note 18)

(as per paragraph 33 of AASB 5: Non-current Assets Held for Sale and Discontinued Operations)

		Current period – $	Previous corresponding period – $
13.1	Revenue	-	-
13.2	Expense	-	-
13.3	**Profit (loss) from discontinued operations before income tax**	-	-
13.4	Income tax expense *(as per para 81 (h) of AASB 112)*	-	-
13.5	**Gain (loss) on sale/disposal of discontinued operations**	-	-
13.6	Income tax expense *(as per paragraph 81(h) of*	-	-

AASB 112)		

Movements in Equity

(as per paragraph 97 of AASB 101: Financial Statement Presentation)

		Number issued	Number listed	Paid-up value (cents)	Current period – $	Previous corresponding period – $
14.1	**Preference securities** *(description)*					
14.2	Balance at start of period	-	-	-	-	-
14.3	a) Increases through issues	-	-	-	-	-
14.4	a) Decreases through returns of capital, buybacks etc.	-	-	-	-	-
14.5	Balance at end of period	-	-	-	-	-
14.6	**Ordinary securities** *(ordinary shares fully paid)*					
14.7	Balance at start of period	2,160,461	2,160,461	100	2,160,461	2,160,461
14.8	a) Increases through issues	-	-	-	-	-
14.9	b) Decreases through returns of capital, buybacks etc.	-	-	-	-	-
14.10	Balance at end of period	2,160,461	2,160,461	100	2,160,461	2,160,461
14.11	**Convertible Debt Securities** *(description & conversion factor)*					
14.12	Balance at start of period	-	-	-	-	-
14.13	a) Increases through issues	-	-	-	-	-
14.14	b) Decreases through maturity, converted.	-	-	-	-	-
14.15	Balance at end of period	-	-	-	-	-

		Number issued	Number listed	Paid-up value (cents)	Current period – $	Previous corresponding period – $
14.16	**Options** *(description & conversion factor)*					
14.17	Balance at start of period	-	-	-	-	-
14.18	Issued during period	-	-	-	-	-
14.19	Exercised during period	-	-	-	-	-
14.20	Expired during period	-	-	-	-	-
14.21	Balance at end of period	-	-	-	-	-
14.22	**Debentures** *(description)*					
14.23	Balance at start of period	-	-	-	-	-
14.24	a) Increases through issues	-	-	-	-	-
14.25	b) Decreases through maturity, converted	-	-	-	-	-
14.26	Balance at end of period	-	-	-	-	-
14.27	**Unsecured Notes** *(description)*					
14.28	Balance at start of period	-	-	-	-	-
14.29	a) Increases through issues	-	-	-	-	-
14.30	b) Decreases through maturity, converted	-	-	-	-	-
14.31	Balance at end of period	-	-	-	-	-
14.32	**Total *Securities***	2,160,461	2,160,461	100	2,160,461	2,160,461

		Current period – $	Previous corresponding period – $
	Reserves		
14.33	Balance at start of period	-	-
14.34	Transfers to/from reserves	-	-
14.35	Total for the period	-	-
14.36	Balance at end of period	-	-
14.37	**Total reserves**	-	-
	Retained earnings		
14.38	**Balance at start of period**	(29,538)	207,574
14.39	Changes in accounting policy	-	(292,030)
14.40	Restated balance	-	(84,456)
14.41	Profit for the balance	245,559	227,755
14.42	Total for the period	-	-
14.43	Dividends	(172,837)	(172,837)
14.44	**Balance at end of period**	43,184	(29,538)

Details of aggregate share of profits (losses) of associates and joint venture entities

(equity method)

(as per paragraph Aus 37.1 of AASB 128: Investments in Associates and paragraph Aus 57.3 of AASB 131: Interests in Joint Ventures)

Name of associate or joint venture entity	
Reporting entities percentage holding	

		Current period - $	Previous corresponding period - $
15.1	Profit (loss) before income tax	-	-
15.2	Income tax	-	-
15.3	**Profit (loss) after tax**	-	-
15.4	Impairment losses	-	-
15.5	Reversals of impairment losses	-	-
15.6	Share of non-capital expenditure contracted for (excluding the supply of inventories)	-	-
15.7	**Share of net profit (loss) of associates and joint venture entities**	-	-

Control gained over entities having material effect
(*See note 8*)

16.1	Name of *issuer* (or *group*)	

		$
16.2	Consolidated profit (loss) after tax of the *issuer* (or *group*) since the date in the current period on which control was acquired	-
16.3	Date from which profit (loss) in *item 16.2* has been calculated	-
16.4	Profit (loss) after tax of the *issuer* (or *group*) for the whole of the previous corresponding period	-

Loss of control of entities having material effect
(See note 8)

17.1	Name of *issuer* (or *group*)	
		$
17.2	Consolidated profit (loss) after tax of the entity (or *group*) for the current period to the date of loss of control	-
17.3	Date from which the profit (loss) in *item 17.2* has been calculated	-
17.4	Consolidated profit (loss) after tax of the entity (or *group*) while controlled during the whole of the previous corresponding period	-
17.5	Contribution to consolidated profit (loss) from sale of interest leading to loss of control	-

Material interests in entities which are not controlled entities
The economic entity has an interest (that is material to it) in the following entities.

		Percentage of ownership interest (ordinary securities, units etc) held at end of period or date of disposal		Contribution to profit (loss) *(item 1.9)*	
18.1	**Equity accounted associated entities**	Current period	Previous corresponding period	Current period $	Previous corresponding period $
				Equity accounted	
		-	-	-	-
		-	-	-	-
		-	-	-	-
18.2	**Total**	-	-	-	-
18.3	**Other material interests**			Non equity accounted (i.e. part of *item 1.9*)	
		-	-	-	-
		-	-	-	-
18.4	**Total**	-	-	-	-

Reports for industry and geographical segments

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 114: Segment Reporting. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this statement. However, the following is the personation adopted in the Appendices to AASB 114 and indicates which amount should agree with items included elsewhere in this statement.

		Current period - $	Previous corresponding period - $
	Segments		
	Revenue:		
19.1	External sales	-	-
19.2	Inter-segment sales	-	-
19.3	**Total** (consolidated total equal to *item 1.1*)	**-**	**-**
19.4	Segment result	-	-
19.5	Unallocated expenses	-	-
19.6	**Operating profit** (equal to *item 1.5*)	**-**	**-**
19.7	Interest expense	-	-
19.8	Interest income	-	-
19.9	Share of profits of associates	-	-
19.10	Income tax expense	-	-
19.11	**Net profit** (consolidated total equal to *item 1.9*)	**-**	**-**
	Other information	**-**	**-**
19.12	Segment assets	-	-
19.13	Investments in equity method associates	-	-
19.14	Unallocated assets	-	-
19.15	**Total assets** (equal to *item 3.18*)	**-**	**-**
19.16	Segment liabilities	-	-
19.17	Unallocated liabilities	-	-
19.18	**Total liabilities** (equal to *item 3.32*)	**-**	**-**
19.19	Capital expenditure	-	-
19.20	Depreciation	-	-
19.21	Other non-cash expenses	-	-

NTA Backing

(see note 7)

20.1	Current period	Previous corresponding period
Net tangible asset backing per ordinary *security*	49¢	44¢

Non-cash financing and investing activities
Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

21.1	n/a

International Financial Reporting Standards

Under paragraph 39 of AASB 1: First –time Adoption of Australian Equivalents to International Financial Reporting Standards, an entity's first Australian-equivalents-to-IFRS's financial report shall include reconciliations of its equity and profit or loss under previous GAAP to its equity and profit or loss under Australian equivalents to IFRS's. See IG63 in the appendix to AASB 1 for guidance.

22.1	n/a

Under paragraph 4.2 of AASB 1047: Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards, an entity must disclose any known or reliably estimable information about the impacts on the financial report had it been prepared using the Australian equivalents to IFRSs or if the aforementioned impacts are not known or reliably estimable, a statement to that effect.

22.2	n/a

Comments by *director*s

Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 134: Interim Financial Reporting. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) but may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.

Basis of accounts preparation

If this statement is a half yearly statement, it is a general purpose financial report prepared in accordance with the listing rules and AASB 134: Interim Financial Reporting. It should be read in conjunction with the last annual report and any announcements to the market made by the issuer during the period. This report does not include all notes of the type normally included in an annual financial report.

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible). In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations *(as per paragraphs 16(b), 16(b) and Aus 16.1 of AASB 134: Interim Financial Reporting)*

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

Any other factors which have affected the results in the period, or which are likely to affect results in the future, including those where the effect could not be quantified.

n/a

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

Franking credits currently available are: $222,839

The amount of dividends to be paid is assessed by the board at the conclusion of each financial year. The Board expect that future dividend payments will be fully franked.

Changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows.
(Disclose changes in the half yearly statement in accordance with paragraph16(a) of AASB 134: Interim Financial Reporting. Disclose changes in the preliminary final statement in accordance with paragraphs 28-29 of 108: Accounting Policies, Changes in Accounting Estimates and Errors.)

n/a

An *issuer* shall explain how the transition from previous GAAP to Australian equivalents to IFRS' affected its reported financial position, financial performance and cash flows. *(as per paragraph 38 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards)*

n/a

Revisions in estimates of amounts reported in previous periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year (*as per paragraph 16(d) of AASB 134: Interim Financial Reporting)*

n/a

Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assts since the last annual report *(as per paragraph 16(j) of AASB 134: Interim Financial Reporting)*

n/a

The nature and amount of items affecting assets, liabilities, equity, profit or loss, or cash flows that are unusual because of their nature, size or incidence *(as per paragraph 16(c) of AASB 134: Interim Financial Reporting)*

n/a

Effect of changes in the composition of the entity during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinued operations *(as per paragraph 16(i) of AASB 134: Interim Financial Reporting)*

n/a

Annual meeting
(Preliminary final statement only)

The annual meeting will be held as follows:

Place	Templestowe RSL
Date	18 November 2021
Time	5pm
Approximate date the annual report will be available	15 October 2021

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

   Identify other standards used

2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.

3. This statement does give a true and fair view of the matters disclosed (see note 2).

4. This statement is based on financial statements to which one of the following applies:

   ☑ The financial statements have been audited.

   ☐ The financial statements have been subject to review by a registered auditor (or overseas equivalent).

   ☐ The financial statements are in the process of being audited or subject to review.

   ☐ The financial statements have *not* yet been audited or reviewed.

5. If the accounts have been or are being audited or subject to review details of any qualifications are attached.

6. The *issuer* has a formally constituted audit committee.

Sign here: .... Date: 7 SEPTEMBER 2021
(Director/Company secretary)

Print name: IAN GOLDSMITH

Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show the amount of the change up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section. *Issuers* are encouraged to attach notes or fuller explanations of any significant changes to any of the items in page 1. The area at the end of the announcement section can be used to provide a cross reference to any such attachment.

2. **True and fair view** If this statement does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the *issuer* must attach a note providing additional information and explanations to give a true and fair view.

3. **Consolidated statement of financial performance**

   Item 1.1 The definition of "revenue" is set out in *AASB 118: Revenue*

   Item 1.6 This item refers to the total tax attributable to the amount shown in *item 1.5.* Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (eg. fringe benefits tax).

4. **Income tax** If the amount provided for income tax in this statement differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the issuer must explain in a note the major items responsible for the difference and their amounts. The rate of tax applicable to the franking amount per dividend should be inserted in the heading for the column "Franking rate applicable" for items in *section 9*.

5. **Consolidated statement of financial position**

   Format The format of the consolidated statement of financial position should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 134: Interim Financial Reporting, and AASB 101: Presentation of Financial Statements.* Banking institutions, trusts and financial institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

   Basis of revaluation If there has been a material revaluation of non-current assets (including investments) since the last annual report, the *issuer* must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 116: Property, Plant and Equipment*. If the *issuer* has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required.

6. **Consolidated statement of cash flows** For definitions of "cash" and other terms used in this statement see *AASB 107: Cash Flow Statements*. *Issuer*s should follow the form as closely as possible, but variations are permitted if the *director*s (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 107*.

7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary *securities* (i.e. all liabilities, preference shares, outside equity interests, etc). Mining *issuer*s are *not* required to state a net tangible asset backing per ordinary *security*.

8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the consolidated financial statements. Details must include the contribution for each gain or loss that increased or decreased the *issuer*'s consolidated operating profit (loss) after tax by more than 5% compared to the previous corresponding period.

9. **Equity accounting** If an *issuer* adopts equity accounting, no comparative equity accounting figures are required in the first period following its adoption.

10. **Rounding of figures** This statement anticipates that the information required is given to the nearest $1,000. However, an *issuer* may report exact figures, if the $A'000 headings are amended. If an *issuer* qualifies under *ASIC* Class Order 98/0100 dated 15 July 2004, it may report to the nearest million dollars, or to the nearest $100,000, if the $A'000 headings are amended.

11. **Comparative figures** Comparative figures are to be presented in accordance with *AASB 101: Presentation of Financial Statements* or *AASB 134: Interim Financial Reporting* as appropriate and are the unadjusted figures from the last annual or half year report as appropriate. However, if the previously reported figures are adjusted to achieve greater comparability, in accordance with an accounting standard or other reason, a note explaining the adjustment must be included with this statement. If no adjustment is made despite a lack of comparability, a note explaining the position should be attached.

12. **Additional information** An *issuer* may disclose additional information about any matter, and must do so if the information is material to an understanding of the financial statements. The information may be an expansion of the material contained in this statement, or contained in a note attached to the statement. The requirement under the listing rules for an *issuer* to complete this statement does not prevent the *issuer* issuing statements more frequently. Additional material lodged with the *ASIC* under the *Corporations Act* must also be given to the *Exchange*. For example, a *director*s' report and declaration, if lodged with the *ASIC*, must be given to the *Exchange.*

13. **Accounting Standards** the *Exchange* will accept, for example, the use of International Accounting Standards for *foreign issuer*s. If the standards used do not address a topic, the Australian standard on that topic (if one exists) must be complied with.

14. **Borrowing corporations** This statement may be able to be used by an *issuer* required to comply with the *Corporations Act* as part of its half yearly financial statements if prepared in accordance with Australian Accounting Standards.

15. **Details of expenses** *AASB 101: Presentation of Financial Statements* requires disclosure of expenses according to either their nature or function. For foreign entities, there are similar requirements in other accounting standards accepted by the *Exchange*. *Issuers* must disclose details of expenses using the layout (by nature or function) employed in their accounts.

    The information in *items 7.1 - 7.2* may be provided in an attachment to Appendix 3

    Relevant items *AASB 101: Presentation of Financial Statements* requires the separate disclosure of specific revenues and expenses which are of a size, nature or incidence that disclosure is *relevant,* as defined in *AASB 101,* in explaining the financial performance of the *issuer*. There is an equivalent requirement in *AASB 134: Interim Financial Reporting*. For foreign entities, there are similar requirements in other accounting standards accepted by the *Exchange*.

16. **Dollars** If reporting is not in A$, all references to $A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to "000" must be changed to the reporting value.

17. **Discontinuing operations**

    Entities must either provide a description of any significant activities or events relating to discontinuing operations equivalent to that required by *paragraph 7.5 (g) of AASB 134: Interim Financial Reporting*, or, the details of discontinuing operations they are required to disclose in their accounts in accordance with *AASB 5: Non-current Assets for Sale and Discontinued Operations*

    In any case, the information may be provided as an attachment to this Appendix 3.

Manningham Community Enterprises Limited

ABN: 69 101 174 270

Financial Report

For the year ended

30 June 2021

Manningham Community Enterprises Limited
Directors' Report

The directors present their report together with the financial statements of the company for the financial year ended 30 June 2021.

Directors

The directors of the company who held office during the financial year and to the date of this report are:

Ian Graham Goldsmith
Chairman
Occupation: Chief Executive Officer
Qualifications, experience and expertise: Ian has over 45 years experience in the hospital, aged care, ambulance and health insurance sectors in senior executive positions. He is a Certified Practising Accountant (CPA) and is currently Chief Executive Officer of Edith Bendall Lodge Aged Care in Pascoe Vale. Ian is also the Treasurer of the Rotary Club of Manningham and has been a Rotarian for 22 years and a Board member for 20 years.
Special responsibilities: Member of CEF Committee, Marketing Committee, Governance Committee, Finance Committee, Human Resources Committee and Youth Engagement Committee
Interest in shares: 32,500 ordinary shares

Geoffrey Bruce Roberts
Deputy Chairman
Occupation: Consultant/Investor
Qualifications, experience and expertise: Geoff has had over forty years of experience in the manufacturing, distribution, clothing and footwear industries having worked as a Senior Marketing Executive with the McPherson Group of companies, Director with the Yakka Group and more recently with Oliver Footwear. Whilst in these roles he also sat on many Industry boards. He has significant community involvement with his work with Rotary International. His qualifications include a Graduate Diploma of Business studies and has attended many professional development programs over the years.
Special responsibilities: Chair of Marketing Committee, Member of Finance Committee
Interest in shares: 5,000 ordinary shares

Victoria George Paouros
Company Secretary
Occupation: Analyst - Australian Public Service
Qualifications, experience and expertise: Victoria is currently employed as an Analyst in the Australian Competition and Consumer Commissions Digital Platforms Branch. Victoria has been part of the MCEL team since she participated in the Company's Junior Observer Program in 2009. Since then, she has occupied a number of roles including; Minute Secretary, Company Secretary, Youth Engagement Committee Chair and Director. She holds a number of qualifications, including a Bachelor of Laws (Hons), an Advanced Diploma of Management (HR), a Diploma of Business, a Certificate IV in Training and Education and a Certificate in Governance Practice.
Special responsibilities: Member of Youth Engagement Committee and Governance Committee
Interest in shares: nil share interest held

Raymond Bruce Barrington
Non-executive director
Occupation: Retired
Qualifications, experience and expertise: Raymond has had 10 years banking and finance experience in ES&A and ANZ Bank. He has a wealth of experience in small business having run the family business for 20 years. He has been a Board Member of Mannacare from 2009 to present.
Special responsibilities: Member of Human Resources Committee, Marketing Committee and Premises Committee
Interest in shares: 7,501 ordinary shares

Directors *(continued)*

Colin Roderick Davitt
Non-executive director
Occupation: Director
Qualifications, experience and expertise: Rod brings extensive experience across a range of industries and specific finance experience gained in Australia and Asia with a range of blue chip banking and insurance companies. Rod's skill base includes corporate governance, accounting, business and strategic planning and risk management gained through board roles, formal qualifications and more than 30 years working with leading Australian and international organisations. He holds degrees in Business (Accounting) and Economics, is a Fellow of CPA Australia (FCPA) and a graduate of the Australian Institute of Company Directors (GAICD).
Special responsibilities: Chair of Finance Committee, Member of Governance Committee
Interest in shares: nil share interest held

Simon David Lewis
Non-executive director
Occupation: CEO of Onemda
Qualifications, experience and expertise: As the Chief Executive Officer of Onemda, Simon has developed extensive experience and knowledge in the disability sector for over 20 years through a wide variety of leadership roles in the areas of intellectual disability, mental health, physical impairment and acquired brain injury. He commenced at Onemda in 2000 and his career has had a focus on community development, with many roles focussing on forging partnerships, relationships and opportunities with communities, governments and local enterprise to raise awareness and to enhance the valued status of people with a disability. In 2015, Simon was awarded with the Winston Churchill Fellowship Award which enabled him to undertake a study tour to Canada, USA and Peru. Simon has a Post Graduate Diploma in Leadership Studies (Disability) and has held roles on a range of local and regional committees and advisory groups.
Special responsibilities: Chair of Human Resources Committee
Interest in shares: nil share interest held

Bradley Dodemond
Non-executive director
Occupation: Senior Human Resources Business Partner
Qualifications, experience and expertise: Brad has over 9 years experience as a Human Resources professional both in Australia and North America. He currently works as a Senior Human Resources Business Partner for the Victorian Government at the Level Crossing Removal Project (LXRP). He possesses a number of qualifications including a Master of Business Management (MBA), Master of Human Resources Management and a Bachelor of Business (Human Resources). Brad commenced his MCEL journey in January 2018 as part of the Company's inaugural Future Directors Program offered in partnership with La Trobe University.
Special responsibilities: Chair of Youth Engagement Committee, Member of Human Resources Committee and Governance Committee
Interest in shares: nil share interest held

Deirdre Elizabeth Diamante
Non-executive director
Occupation: Self-employed
Qualifications, experience and expertise: Deirdre Diamante is the founder and principal of MIA Consulting Services, a government advisory firm, providing procurement, probity and government advisory services to public and private sector clients. Deirdre serves as Immediate Past Chair for the Victorian Council of the Australian Information Industry Association (AIIA) and is the Director and Co-Founder of the #TechDiversity Foundation and serves on its Board. She is also a Board Advisory to a Digital Services Firm, Advisory Board member to the Swinburne Course Advisory Board for their Master of Entrepreneurship and Innovation, and Board Member of Manningham Community Enterprises Ltd a Bendigo Bank Community Bank. Deirdre is a Councillor for Manningham City Council, elected in 2020.
Special responsibilities: Chair of Governance Committee
Interest in shares: nil share interest held

Directors *(continued)*

Maxwell Chapman
Non-executive director
Occupation: Consultant
Qualifications, experience and expertise: Max has a Bachelor of Commerce, Graduate Diploma of Accounting, CPA.
Retail, Franchising and Retail Property Consultant for 20 years specialising in Large Format Retail. Max has lived in Manningham for over 35 years, initially in Lower Templestowe, and now Donvale. He has been a Committee Member of Doncaster All Abilities Basketball Club for over 14 years and is currently the Treasurer. The Club provides a Basketball Competition for Children and Young Adults with an Intellectual Disability. The Club has over 300 participants ranging from those developing basis skills to those who have been able to represent Victoria and Australian at National International Competitions. Like most in the lockdowns the Children cannot wait to re-commence competition.
Special responsibilities: Member of the Finance Committee
Interest in shares: nil share interest held

Nicholas Furlong
Non-executive director
Occupation: Governance and Risk Analyst - Superannuation
Qualifications, experience and expertise: Nick currently works as a Governance and Risk Analyst in the superannuation industry and has developed robust knowledge of the legislation and prudential frameworks governing Australian financial services, as well as skills relating to business and strategic planning, funds management and investment governance. Nick commenced his journey with MCEL in 2014 as a Board Associate, assisting in the management of MCEL’s Junior Observer Program and later Future Directors Program, whilst also sitting as a member of the Governance and Youth Engagement Committees. In addition to his professional experience, Nick also possesses a double bachelors degree in Business Management and Communications, and was a nominated attendee at the Rotary Youth Leadership Award, an intensive leadership development program for young people aged 18 - 30.
Special responsibilities: Member of Governance Committee and Youth Engagement Committee
Interest in shares: nil share interest held

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

No directors have material interest in contracts or proposed contracts with the company.

Company Secretary

The Company Secretary is Victoria George Paouros. Victoria was appointed to the position on 14 November 2013.

Principal activity

The principal activity of the company during the financial year was facilitating Community Bank services under management rights of Bendigo and Adelaide Bank Limited (Bendigo Bank).

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

Operating results

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

Year ended 30 June 2021 $	Year ended 30 June 2020 $
245,559	227,755

Operating and financial review

Overview of the company

The company is a franchisee of Bendigo Bank providing financial products and services to individuals, businesses and organisations throughout the local area via the Doncaster East and Templestowe Village Community Bank branches. While the branch offers the full suite of Bendigo Bank products and services, margin earnings from loans and deposits are the predominant contributor to company results.

The general nature of the business market for the company remains challenging and issues commented upon for the prior financial years continue to persist. Again, the company endured historically low cash rates set by the Reserve Bank of Australia that resulted in a corresponding decline in interest paid on deposit accounts, continuing the trend of lower than anticipated margins for this product group. Similarly, earnings from loans have made it difficult to achieve anticipated margins notwithstanding a stellar year in terms of business growth (footings). The company continues to actively pursue new customers and product offerings to offset the intense competition from major financial service providers in the marketplace.

Key metrics

Five year summary of performance	Unit	2021	2020	2019	2018	2017
Operating revenue	$	2,683,068	2,691,665	2,683,401	2,527,813	2,371,207
Earnings before interest, tax, depreciation, and amortisation	$	575,048	575,777	418,897	395,490	365,738
Earnings before interest and tax	$	364,310	368,304	349,047	325,956	305,020
Net profit after tax	$	245,559	227,755	251,744	234,579	218,242
Total assets	$	2,499,204	2,326,060	1,722,893	1,677,573	1,417,679
Total liabilities	$	1,317,261	1,216,839	376,560	431,752	255,205
Total equity	$	1,181,943	1,109,221	1,346,333	1,245,821	1,162,474
Net cash flow from operating activities	$	823,053	428,124	290,955	360,491	249,064
Business footings[1]	$m	554	440	412	406	373

Shareholder returns

Profit attributable to owners of the company	$	245,559	227,755	251,744	234,579	218,242
Basic earnings per share	¢	11.37	10.54	11.65	10.86	10.10
Dividends paid	$	172,837	172,837	151,232	151,232	129,628
Dividends per share	¢	8.00	8.00	7.00	7.00	6.00
Net tangible assets per share	¢	49.00	44.00	57.00	51.00	52.00
Price earnings ratio	¢	11.37	10.54	11.65	10.86	10.10
Share price	¢	0.60	0.60	0.65	0.70	0.60

[1] This is a non-IFRS measure of the business domiciled to the company from the franchisor. The footings is the underlying business which generates revenue under the Franchise Agreement. Business footings include loans, deposits, wealth products, and other business.

Returns to shareholders remained at $0.08 per share fully franked and it is expected that dividends in the future years will continue to be fully franked.

Operating and financial review *(continued)*

Financial position

Despite the challenging conditions, the company was still able to improve the operating result, increasing from $300,123 to $324,730 (8%).

Revenue dropped during the period, decreasing from $2.691m to $2.683m but net interest margin returns under the revenue share arrangement have decreased following four official cash rate cuts by the Reserve Bank of Australia.

Tight revenues and margins were somewhat offset by significant growth in business volume and a continued emphasis on cost controls. The company maintained the level of charitable donations to the community in line with the prior year but nevertheless total expenses, including charitable donations, sponsorships, advertising and promotions decreased by $33,204 or 1.4%. This has contributed to an increase in profitability from $227,755 to $245,559 (7.8%).

Containment of costs during a period of continuing lower margins remains a strong focus and the financial position of the company remains strong.

Combined Business Volume across the two branches increased by $113.8m to $554.2m or 25.8%. The lending to deposit ratio became more balanced at 51:49.

The cash and cash equivalents position of the company improved for the reporting year from $1,122,750 for a year end balance of $1,537,104.

The company continues to build a resilient balance sheet with the net assets increasing by $72,722.

The company paid a fully franked dividend of 8 cents per share during the period.

Drivers of business performance

COVID-19 again resulted in mandatory quarantine during portions of the financial year. The impact is difficult to quantify however the company has held operating revenue essentially steady at $2,633,594 compared with $2,581,933. The Cash Flow boost provided in response to COVID-19 again contributed to revenue.

While the continuing impact of COVID-19 and ongoing restrictions to the community and the economy is not expected to significantly impact performance future reporting periods may see lower revenues and an increase in bad debt charges.

The company continues to support the community through a strong focus on its community grants and sponsorships and expects this to continue in future.

Partners such as Onemda, Doncare, EDVOS (Eastern Domestic Violence Service) and numerous local sporting and community organisations have benefited from contributions from the relationship.

Future outlook

The company believes there are opportunities to continue to grow and develop additional revenue through:

1. Acquiring additional customers through greater community based events and a focus on local businesses.
2. Improving the range and number of products and services, such as insurance, for each customer.

The company anticipates market conditions will remain challenging during the upcoming financial year. The company will continue to focus on increasing the number of customers and the uptake of products and services, thereby further improving revenue flow and profitability.

Remuneration report

Remuneration Policy

The Remuneration Policy of Manningham Community Enterprises Limited has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the company's financial results. The board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the company, as well as create goal congruence between Directors, executives and shareholders.

Remuneration report *(continued)*

Key Management Personnel Remuneration Policy

Key management personnel receive a base salary, superannuation and performance incentives.

The performance of key management personnel is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the company's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance results leading to long-term growth in shareholder wealth.

Key management personnel also receive a superannuation guarantee contribution required by the government, which is currently 10.0%, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

The contracts for service between the ccompany and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement key management personnel are paid employee benefit entitlements accrued to date of retirement.

Employment agreements were entered into with key management personnel.

Remuneration Structure

All directors are independent non-executive directors and are paid director fees as disclosed below.

Non-executive Director Remuneration Policy

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive directors and regularly reviews the amount of fees paid, based on market practices, duties and accountability.

The maximum aggregate amount of fees that can be paid to non-executive directors requires approval by shareholders as required by the Corporations Act 2001 and NSX listing rules.

Fees for non-executive directors are not linked to the performance of the Company.

Performance Based Remuneration

The Company does not pay performance based remuneration to any director.

Remuneration including superannuation for the financial year ended 30 June 2021

	$
Non-executive director remuneration	
Ian Graham Goldsmith	10,500
Geoffrey Bruce Roberts	7,167
Victoria George Paouros	7,167
Raymond Bruce Barrington	7,167
Colin Roderick Davitt	7,167
Simon David Lewis	7,167
Bradley Dodemond	7,167
Deirdre Elizabeth Diamante	7,166
Maxwell Chapman	7,166
Nicholas Furlong	7,166
	75,000

Directors' interests

	Fully paid ordinary shares		
	Balance at start of the year	Changes during the year	Balance at end of the year
Ian Graham Goldsmith	32,500	-	32,500
Geoffrey Bruce Roberts	5,000	-	5,000
Victoria George Paouros	-	-	-
Raymond Bruce Barrington	7,501	-	7,501
Colin Roderick Davitt	-	-	-
Simon David Lewis	-	-	-
Bradley Dodemond	-	-	-
Deirdre Elizabeth Diamante	-	-	-
Maxwell Chapman	-	-	-
Nicholas Furlong	-	-	-

Dividends

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

	Cents per share	Total amount $
Final fully franked dividend	8	172,837

Significant changes in the state of affairs

Since January 2020, COVID-19 has developed and spread globally. In response, the Commonwealth and State Government introduced a range of social isolation measures to limit the spread of the virus. Such measures have been revised, as appropriate, based on case numbers and the level of community transmission. Whilst there has been no significant changes on the companies financial performance so far, uncertainty remains on the future impact of COVID-19 to the company's operations.

In the opinion of the directors there were no significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

Events since the end of the financial year

There are no matters or circumstances that have arisen since the end of the financial 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, in future years.

Likely developments

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

Environmental regulation

The company is not subject to any significant environmental regulation.

Indemnification and insurance of directors and officers

The company has indemnified all directors and the manager in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or manager of the company except where the liability arises out of conduct involving the lack of good faith.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The company has not provided any insurance for an auditor of the company or a related body corporate.

Directors' meetings

The number of directors' meetings (including meetings of committees of directors) attended by each of the directors of the company during the financial year were:

E - eligible to attend *A - number attended*	Board Meetings Attended		Committee Meetings Attended									
			Finance		Human Resources		Marketing & Sponsorship		Governance		Youth Engagement	
	E	A	E	A	E	A	E	A	E	A	E	A
Ian Graham Goldsmith	11	11	5	5	5	5	11	11	4	4	-	-
Geoffrey Bruce Roberts	11	10	5	5	5	5	11	11	-	-	-	-
Victoria George Paouros	11	9	-	-	-	-	-	-	4	4	4	4
Raymond Bruce Barrington	11	10	-	-	5	4	11	7	-	-	-	-
Colin Roderick Davitt	11	11	5	5	-	-	-	-	4	4	-	-
Simon David Lewis	11	10	-	-	5	5	-	-	-	-	-	-
Bradley Dodemond	11	10	-	-	5	5	-	-	4	4	4	4
Deirdre Elizabeth Diamante	11	10	-	-	-	-	-	-	4	4	-	-
Maxwell Chapman	11	11	5	5	-	-	-	-	-	-	-	-
Nicholas Furlong	11	11	-	-	-	-	-	-	4	3	4	4

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001.*

Non audit services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non audit services provided during the year are set out in note 27 to the accounts.

The board of directors has considered the non-audit services provided during the year by the auditor and, in accordance with the advice received from the Finance Committee, is satisfied that the provision of the non-audit services is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Finance Committee to ensure they do not impact on the impartiality, integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants,* as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the company, acting as an advocate for the company or jointly sharing risks and rewards.

Auditor'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 page 10.

Signed in accordance with a resolution of the directors at Doncaster East, Victoria.

Ian Graham Goldsmith, Chairman

Dated this 7th day of September 2021

61 Bull Street
Bendigo VIC 3550

afs@afsbendigo.com.au
03 5443 0344

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Manningham Community Enterprises Limited

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

i) no contraventions of the auditor independence requirements of 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.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 7 September 2021

Joshua Griffin
Lead Auditor

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

	Notes	2021 $	2020 $
Revenue from contracts with customers	8	2,633,594	2,581,933
Other revenue	9	41,809	93,711
Finance income	10	7,665	16,021
Employee benefit expenses	11c)	(1,062,077)	(1,206,351)
Charitable donations, sponsorship, advertising and promotion		(643,656)	(563,727)
Occupancy and associated costs		(57,506)	(65,303)
Systems costs		(62,802)	(62,897)
Depreciation and amortisation expense	11a)	(210,738)	(207,473)
Finance costs	11b)	(39,580)	(68,181)
General administration expenses		(281,979)	(217,610)
Profit before income tax expense		324,730	300,123
Income tax expense	12a)	(79,171)	(72,368)
Profit after income tax expense		245,559	227,755
Total comprehensive income for the year attributable to the ordinary shareholders of the company:		245,559	227,755
Earnings per share		¢	¢
- Basic and diluted earnings per share:	30a)	11.37	10.54

The accompanying notes form part of these financial statements

Manningham Community Enterprises Limited
Statement of Financial Position
as at 30 June 2021

	Notes	2021 $	2020 $
ASSETS			
Current assets			
Cash and cash equivalents	13	1,537,104	1,122,750
Trade and other receivables	14a)	217,399	199,775
Current tax assets	18a)	-	31,862
Total current assets		1,754,503	1,354,387
Non-current assets			
Property, plant and equipment	15a)	224,176	263,341
Right-of-use assets	16a)	387,949	540,547
Intangible assets	17a)	44,125	70,569
Deferred tax asset	18b)	88,451	97,216
Total non-current assets		744,701	971,673
Total assets		2,499,204	2,326,060
LIABILITIES			
Current liabilities			
Trade and other payables	19a)	447,002	153,483
Current tax liabilities	18a)	40,371	-
Lease liabilities	20a)	227,242	210,602
Employee benefits	22a)	138,029	125,829
Total current liabilities		852,644	489,914
Non-current liabilities			
Trade and other payables	19a)	-	29,815
Lease liabilities	20b)	396,811	629,678
Employee benefits	22b)	7,094	9,307
Provisions	21a)	60,712	58,125
Total non-current liabilities		464,617	726,925
Total liabilities		1,317,261	1,216,839
Net assets		1,181,943	1,109,221
EQUITY			
Issued capital	23a)	1,138,759	1,138,759
Retained earnings/(accumulated losses)	24	43,184	(29,538)
Total equity		1,181,943	1,109,221

The accompanying notes form part of these financial statements

Manningham Community Enterprises Limited
Statement of Changes in Equity
for the year ended 30 June 2021

	Notes	Issued capital $	Retained earnings / (accumulated losses) $	Total equity $
Balance at 1 July 2019		1,138,759	(84,456)	1,054,303
Total comprehensive income for the year		-	227,755	227,755
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	29	-	(172,837)	(172,837)
Balance at 30 June 2020		**1,138,759**	**(29,538)**	**1,109,221**
Balance at 1 July 2020		1,138,759	(29,538)	1,109,221
Total comprehensive income for the year		-	245,559	245,559
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	29	-	(172,837)	(172,837)
Balance at 30 June 2021		**1,138,759**	**43,184**	**1,181,943**

The accompanying notes form part of these financial statements

Manningham Community Enterprises Limited
Statement of Cash Flows
for the year ended 30 June 2021

	Notes	2021 $	2020 $
Cash flows from operating activities			
Receipts from customers		2,922,827	2,943,454
Payments to suppliers and employees		(2,042,602)	(2,351,124)
Interest received		6,493	22,247
Interest paid		-	(19,623)
Lease payments (interest component)	11b)	(36,993)	(45,729)
Lease payments not included in the measurement of lease liabilities	11d)	(28,498)	(28,729)
Income taxes received/(paid)		1,826	(92,372)
Net cash provided by operating activities	25	**823,053**	**428,124**
Cash flows from investing activities			
Payments for property, plant and equipment		-	(34,486)
Proceeds from sale of property, plant and equipment		-	16,542
Payments for intangible assets		(27,104)	(27,104)
Net cash used in investing activities		**(27,104)**	**(45,048)**
Cash flows from financing activities			
Lease payments (principle component)		(208,758)	(188,179)
Dividends paid	29	(172,837)	(172,837)
Net cash used in financing activities		**(381,595)**	**(361,016)**
Net cash increase in cash held		**414,354**	**22,060**
Cash and cash equivalents at the beginning of the financial year		1,122,750	1,100,690
Cash and cash equivalents at the end of the financial year	13	**1,537,104**	**1,122,750**

The accompanying notes form part of these financial statements

Note 1 Reporting entity

This is the financial report forManningham Community Enterprises Limited (the company). The company is a for profit entity limited by shares, and incorporated and domiciled in Australia. The registered office and principal place of business is:

Registered Office	Principal Place of Business
900 - 902 Doncaster Road Doncaster East VIC 3109	900 - 902 Doncaster Road Doncaster East VIC 3109
	128 James Street Templestowe VIC 3106

Further information on the nature of the operations and principal activity of the company is provided in the directors' report. Information on the company's related party relationships is provided in Note 28.

Note 2 Basis of preparation and statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001.* The financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The financial statements have been prepared on an accrual and historical cost basis. The financial report is presented in Australian dollars and all values are rounded to the nearest dollar, unless otherwise stated.

These financial statements for the year ended 30 June 2021 were authorised for issue in accordance with a resolution of the directors on 7 September 2021.

Note 3 Changes in accounting policies, standards and interpretations

There are a number of amendments to accounting standards issued by the AASB that became mandatorily effective for accounting periods beginning on or after 1 July 2020, and are therefore relevant for the current financial year. The amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Note 4 Summary of significant accounting policies

The company has consistently applied the following accounting policies to all periods presented in these financial statements.

a) Revenue from contracts with customers

The company has entered into a franchise agreement with Bendigo Bank. The company delivers banking and financial services of Bendigo Bank to its community. The franchise agreement provides for a share of interest, fee, and commission revenue earned by the company. Interest margin share is based on a funds transfer pricing methodology which recognises that income is derived from deposits held, and that loans granted incur a funding cost. Fees are based on the company's current fee schedule and commissions are based on the agreements in place. All margin revenue is recorded as non-interest income when the company's right to receive the payment is established.

The company acts as an agent under the franchise agreement and revenue arises from the rendering of services through its franchise agreement.

Revenue is recognised on an accruals basis, at the fair value of consideration specified in the franchise agreement. Under AASB 15 *Revenue from Contracts with Customers* (AASB 15), revenue recognition for the company's revenue stream is as follows:

Note 4 Summary of significant accounting policies *(continued)*

a) Revenue from contracts with customers *(continued)*

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

All revenue is stated net of the amount of Goods and Services Tax (GST). There was no revenue from contracts with customers recognised over time during the financial year.

Revenue calculation

The franchise agreement provides that three forms of revenue may be earned by the company – margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services.

The revenue earned by the company is dependent on the business that it generates. It may also be affected by other factors, such as economic and local conditions, for example, interest rates.

Margin

Margin is arrived at 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 Bank for a deposit,
- *minus* any costs of funds i.e. interest applied by to fund a loan.

The company is entitled to a share of the margin earned by Bendigo Bank. If this reflects a loss, the company incurs a share of that loss.

Commission

Commission revenue is in the form of commission generated for products and services sold. This commission is recognised at a point in time which reflects when the company has fulfilled its performance obligation.

The company receives trailing commission for products and services sold. Ongoing trailing commission payments are recognised on receipt as there is insufficient detail readily available to estimate the most likely amount of income without a high probability of significant reversal in a subsequent reporting period. The receipt of ongoing trailing commission income is outside the control of the company, and is a significant judgement area.

Fee income

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

Core banking products

Bendigo Bank has identified some products and services as 'core banking products'. It may change the products and services which are identified as core banking products by giving the company at least 30 days notice. Core banking products currently include Bendigo Bank branded home loans, term deposits and at call deposits.

Ability to change financial return

Under the franchise agreement, Bendigo Bank may change the form and amount of financial return the company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo Bank earns revenue.

The change may be to the method of calculation of margin, the amount of margin, commission and fee income or a change of a margin to a commission or vice versa. This may affect the amount of revenue the company receives on a particular product or service.

Note 4 Summary of significant accounting policies *(continued)*

a) Revenue from contracts with customers *(continued)*

Ability to change financial return (continued)

Bendigo Bank must not reduce the margin and commission the company receives on core banking products and services to less than 50% (on an aggregate basis) of Bendigo Bank's margin at that time. For other products and services, there is no restriction on the change Bendigo Bank may make.

b) Other revenue

The company's activities include the generation of income from sources other than the core products under the franchise agreement. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and can be reliably measured.

Revenue	Revenue recognition policy
Cash flow boost	Cash flow boost income is recognised when the right to the payment is established (e.g. monthly or quarterly in the activity statement).
Other income	All other revenues that did not contain contracts with customers are recognised as goods and services are provided.

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

Cash flow boost

In response to the COVID-19 outbreak, *Boosting Cash Flow for Employers (Coronavirus Economic Response Package) Act 2020* (CFB Act) was enacted. The purpose was to provide temporary cash flow to small and medium sized businesses that employ staff and have been affected by the economic downturn associated with COVID-19.

The amounts received are in relation to amounts withheld as withholding tax reported in the activity statement. This essentially subsidises the company's obligation to remit withholding tax to the Australian Taxation Office. For reporting purposes, the amounts subsidised are recognised as revenue.

The amounts are not assessable for tax purposes and there is no obligation to repay the amounts.

c) Economic dependency - Bendigo Bank

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank.

The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry.

The company operates as a franchise of Bendigo Bank, using the name "Bendigo Bank" and the logo and system of operations of Bendigo Bank. The company manages the Community Bank on behalf of Bendigo Bank, however all transactions with customers conducted through the Community Bank are effectively conducted between the customers and Bendigo Bank.

All deposits are made with Bendigo Bank, and all personal and investment products are products of Bendigo Bank, with the company facilitating the provision of those products. All loans, leases or hire purchase transactions, issues of new credit or debit cards, temporary or bridging finance and any other transaction that involves creating a new debt, or increasing or changing the terms of an existing debt owed to Bendigo Bank, must be approved by Bendigo Bank. All credit transactions are made with Bendigo Bank, and all credit products are products of Bendigo Bank.

The company promotes and sells the products and services, but is not a party to the transaction.

The credit risk (i.e. the risk that a customer will not make repayments) is for the relevant Bendigo Bank entity to bear as long as the company has complied with the appropriate procedures and relevant obligations and has not exercised a discretion in granting or extending credit.

Note 4 Summary of significant accounting policies *(continued)*

c) Economic dependency - Bendigo Bank *(continued)*

Bendigo Bank provides significant assistance in establishing and maintaining the Community Bank franchise operations. It also continues to provide ongoing management and operational support and other assistance and guidance in relation to all aspects of the franchise operation, including advice and assistance in relation to:

- the design, layout and fit out of the Community Bank premises
- training for the branch manager and other employees in banking, management systems and interface protocol
- methods and procedures for the sale of products and provision of services
- security and cash logistic controls
- calculation of company revenue and payment of many operating and administrative expenses
- the formulation and implementation of advertising and promotional programs
- sales techniques and proper customer relations
- providing payroll services.

d) Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for salary and wages where the employee has provided the service but payment has not yet occurred at the reporting date. They are measured at amounts expected to be paid, plus related on-costs. Non-accumulating sick leave is expensed when the leave is taken and measured at the rates paid or payable.

An annual leave liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated. 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 in employee benefits in the statement of financial position.

Defined superannuation contribution plans

The company contributes to a defined contribution plan. Obligations for superannuation contributions to defined contribution plans are expensed as the related service is provided.

Other long-term employee benefits

The company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior reporting periods.

That benefit is discounted to determine its present value. Consideration is given to expected future wage and salary levels plus related on-costs, experience of employee departures, and years of service achieved. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

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

e) Taxes

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current income tax

Current tax assets and liabilities are measured at amounts expected to be recovered from or paid to the taxation authorities. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Note 4 Summary of significant accounting policies *(continued)*

e) Taxes *(continued)*

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for all deductible temporary differences, carried-forward tax losses, and unused tax credits to the extent that it is probable that future taxable profits will be available against which they can be used.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax is measured at the rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

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

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except when the amount of GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue or expense item.

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 taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

f) Cash and cash equivalents

For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise cash on hand and deposits held with banks.

g) Property, plant and equipment

Items of property, plant and equipment are measured at cost or fair value as applicable, less accumulated depreciation. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

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

Depreciation is calculated to write-off the cost of items of property, plant and equipment less their estimated residual values using straight-line and diminishing value method over their estimated useful lives, and is recognised in profit or loss.

The estimated useful lives of property, plant and equipment for the current and comparative periods are as follows:

Asset class	Method	Useful life
Leasehold improvements	Straight-line	4 to 40 years
Plant and equipment	Straight-line and diminishing value	2 to 10 years
Motor vehicles	Diminishing value	3 to 8 years

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

Note 4 Summary of significant accounting policies *(continued)*

h) Intangible assets

Intangible assets of the company relate to the franchise fees paid to Bendigo Bank which conveys the right to operate the Community Bank franchise.

Intangible assets are measured on initial recognition at cost. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

The franchise fees paid by the company are amortised over their useful life and assessed for impairment whenever impairment indicators are present.

The estimated useful life and amortisation method for the current and comparative periods are as follows:

Asset class	Method	Useful life
Franchise establishment fee	Straight-line	Over the franchise term (5 years)
Franchise fee	Straight-line	Over the franchise term (5 years)
Franchise renewal process fee	Straight-line	Over the franchise term (5 years)

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

i) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The company's financial instruments include trade and other debtors and creditors, cash and cash equivalents and lease liabilities.

Trade receivables are initially recognised at the transaction price when they originated. All other financial assets and financial liabilities are initially measured at fair value plus, transaction costs (where applicable) when the company becomes a party to the contractual provisions of the instrument. These assets and liabilities are subsequently measured at amortised cost using the effective interest method.

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the rights are transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and rewards associated with the asset. Financial liabilities are derecognised when its contractual obligations are discharged, cancelled, or expire. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company currently has a legally enforceable right to set off the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

j) Impairment

Non-derivative financial assets

Expected credit losses (ECL) are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received. At each reporting date, the entity recognises the movement in the ECL (if any) as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The company's trade receivables are limited to the monthly profit share distribution from Bendigo Bank, which is received 10 business days post month end. Due to the reliance on Bendigo Bank the company has reviewed credit ratings provided by Standard & Poors, Moody's and Fitch Ratings to determine the level of credit exposure to the company. The company also performed a historical assessment of receivables from Bendigo Bank and found no instances of default. As a result no ECL has been made in relation to trade receivables as at 30 June 2021.

Note 4 Summary of significant accounting policies *(continued)*

j) Impairment *(continued)*

Non-financial assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets that have an indefinite useful life to determine whether there is any indication those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

k) Issued capital

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

l) 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 or 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.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

m) Leases

At inception of a contract, the company assesses whether a contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration and obtain substantially all the economic benefits from the use of that asset.

As a lessee

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the company's incremental borrowing rate.

The company determines its incremental borrowing rate by obtaining interest rates from funding sources and where necessary makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise fixed or variable lease payments that depend on an index or rate and lease payments in a renewal option if the company is reasonably certain to exercise that option. For leases of property the company has elected to separate lease and non-lease components when calculating the lease liability.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the company changes its assessment of whether it will exercise an extension option or if there is a revised in-substance fixed lease payment.

The company assesses at the lease commencement date whether it is reasonably certain to exercise extension options. The company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Where the company is a lessee for the premises to conduct its business, extension options are included in the lease term except when the company is reasonably certain not to exercise the extension option. This is due to the significant disruption of relocating premises and the loss on disposal of leasehold improvements fitted out in the demised leased premises.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Note 4 Summary of significant accounting policies *(continued)*

m) Leases *(continued)*

As a lessee (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Rent concessions

In response to the COVID-19 coronavirus pandemic, many lessors offered lessees various concessions. *AASB 16: Leases* allows lessees not to account for rent concessions as lease re-assessments if they are a direct consequence of COVID-19 and meet certain conditions. Instead these rent concessions are recognised through other revenue and offset against the lease liability.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for leases of short-term leases and low-value assets, including IT equipment. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

A short-term lease is a lease that, at commencement date, has a lease term of 12 months or less.

Note 5 Significant accounting judgements, estimates, and assumptions

In preparing these financial statements, management has made judgements and estimates that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note	Judgement
- Note 20 - leases:	
a) control	a) whether a contract is or contains a lease at inception by assessing whether the company has the right to direct the use of the identified asset and obtain substantially all the economic benefits from the use of that asset;
b) lease term	b) whether the company is reasonably certain to exercise extension options, termination periods, and purchase options;
c) discount rates	c) judgement is required to determine the discount rate, where the discount rate is the company's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. The incremental borrowing rate is determined with reference to factors specific to the company and underlying asset including the amount, the lease term, economic environment and other relevant factors.

Note 5 Significant accounting judgements, estimates, and assumptions *(continued)*

b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 30 June 2021 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note	Assumptions
- Note 18 - recognition of deferred tax assets	availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilised;
- Note 15 - estimation of useful lives of assets	key assumptions on historical experience and the condition of the asset;
- Note 22 - long service leave provision	key assumptions on attrition rate and pay increases though promotion and inflation;
- Note 21 - make-good provision	key assumptions on future cost estimates in restoring the leased premises in accordance with the lease agreement;

Note 6 Financial risk management

The company has exposure to credit, liquidity and market risk arising from financial instruments. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company does not use derivative instruments.

Risk management is carried out directly by the board of directors.

a) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo Bank. The company monitors credit worthiness through review of credit ratings of the bank.

b) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities. The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities. The contractual cash flows amounts are gross and undiscounted.

30 June 2021

Non-derivative financial liability	Carrying amount	Contractual cash flows Not later than 12 months	Between 12 months and five years	Greater than five years
Lease liabilities	624,053	253,323	420,053	-
Trade and other payables	447,002	447,002	-	-
	1,071,055	700,325	420,053	-

Note 6 Financial risk management *(continued)*

b) Liquidity risk *(continued)*

Exposure to liquidity risk (continued)

30 June 2020

Non-derivative financial liability	Carrying amount	Contractual cash flows: Not later than 12 months	Contractual cash flows: Between 12 months and five years	Contractual cash flows: Greater than five years
Lease liabilities	840,280	247,871	679,303	-
Trade and other payables	183,298	153,483	29,815	-
	1,023,578	401,354	709,118	-

c) Market risk

Market risk is the risk that changes in market prices - e.g. foreign exchange rates, interest rates, and equity prices - will affect the company's income or the value of its holdings in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

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

Price risk

The primary goal of the company's investment in equity securities is to hold the investments for the long term for strategic purposes.

Cash flow and fair value interest rate risk

Interest-bearing assets and liabilities are held with Bendigo Bank and subject to movements in market interest.

The company held cash and cash equivalents of $1,537,104 at 30 June 2021 (2020: $1,122,750). The cash and cash equivalents are held with Bendigo Bank, which are rated BBB+ on Standard & Poor's credit ratings.

Note 7 Capital management

The board's policy is to maintain a strong capital base so as to sustain future development of the company. The board of directors monitor the return on capital and the level of distributions to shareholders. Capital is represented by total equity as recorded in the statement of financial position.

In accordance with the franchise agreement, in any 12 month period the funds distributed to shareholders shall not exceed the distribution limit.

The distribution limit is the greater of:

(a) 20% of the profit or funds of the company otherwise available for distribution to shareholders in that 12 month period; and

(b) subject to the availability of distributable profits, the relevant rate of return multiplied by the average level of share capital of the company over that 12 month period where the relevant rate of return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2021 can be seen in the statement of profit or loss and other comprehensive Income.

There were no changes in the company's approach to capital management during the year.

Note 8 Revenue from contracts with customers

	2021 $	2020 $
- Margin income	2,226,481	2,221,293
- Fee income	115,624	129,917
- Commission income	291,489	230,723
	2,633,594	2,581,933

Note 9 Other revenue

	2021 $	2020 $
- Market development fund income	-	20,000
- Cash flow boost	37,500	62,500
- Rent concessions	4,309	10,885
- Other income	-	326
	41,809	93,711

Note 10 Finance income

	2021 $	2020 $
- Term deposits	7,665	16,021

Finance income is recognised when earned using the effective interest rate method.

Note 11 Expenses

a) Depreciation and amortisation expense	2021 $	2020 $
Depreciation of non-current assets:		
- Leasehold improvements	16,986	18,486
- Plant and equipment	6,191	6,703
- Motor vehicles	15,988	15,431
	39,165	40,620
Depreciation of right-of-use assets		
- Leased land and buildings	145,129	140,409
Amortisation of intangible assets:		
- Franchise fee	4,407	4,407
- Franchise renewal process fee	22,037	22,037
	26,444	26,444
Total depreciation and amortisation expense	210,738	207,473

Note 11 Expenses (continued)

b) Finance costs

	2021 $	2020 $
- Lease interest expense	36,993	45,729
- Unwinding of make-good provision	2,587	2,829
- Other	-	19,623
	39,580	68,181

c) Employee benefit expenses

	2021 $	2020 $
- Wages and salaries	894,726	955,025
- Non-cash benefits	15,000	14,960
- Contributions to defined contribution plans	87,258	125,606
- Expenses related to long service leave	2,526	(17,011)
- Other expenses	62,567	127,771
	1,062,077	1,206,351

d) Recognition exemption

The company pays for the right to use information technology equipment. The underlying assets have been assessed as low value and exempted from recognition under AASB 16 accounting. Expenses relating to low-value exempt leases are included in system costs expenses.

	2021 $	2020 $
- Expenses relating to low-value leases	28,498	28,729

Note 12 Income tax expense

a) Amounts recognised in profit or loss

	2021 $	2020 $
Current tax expense/(credit)		
- Current tax	70,407	42,360
- Movement in deferred tax	5,226	(86,370)
- Adjustment to deferred tax on AASB 16 retrospective application	-	110,769
- Adjustment to deferred tax to reflect reduction in tax rate in future periods	3,538	5,609
	79,171	72,368

b) *Prima facie* income tax reconciliation

	2021 $	2020 $
- Operating profit before taxation	324,730	300,123
- Prima facie tax on profit from ordinary activities at 26% (2020: 27.5%)	84,430	82,534
Tax effect of:		
- Non-deductible expenses	954	1,413
- Temporary differences	(5,227)	(24,399)
- Other assessable income	(9,750)	(17,188)
- Movement in deferred tax	5,226	(86,370)
- Leases initial recognition	-	110,769
- Adjustment to deferred tax to reflect reduction in tax rate in future periods	3,538	5,609
	79,171	72,368

Note 13 Cash and cash equivalents

	2021 $	2020 $
- Cash at bank and on hand	369,229	104,875
- Term deposits	1,167,875	1,017,875
	1,537,104	1,122,750

Note 14 Trade and other receivables

a) Current assets

	2021 $	2020 $
- Trade receivables	209,664	193,724
- Prepayments	5,921	5,409
- Other receivables and accruals	1,814	642
	217,399	199,775

Note 15 Property, plant and equipment

a) Carrying amounts

	2021 $	2020 $
Leasehold improvements		
- At cost	404,200	404,200
- Less: accumulated depreciation	(232,301)	(215,315)
	171,899	188,885
Plant and equipment		
- At cost	174,539	174,539
- Less: accumulated depreciation	(154,296)	(148,105)
	20,243	26,434
Motor vehicles		
- At cost	79,942	79,942
- Less: accumulated depreciation	(47,908)	(31,920)
	32,034	48,022
Total written down amount	224,176	263,341

b) Reconciliation of carrying amounts

Leasehold improvements		
- Carrying amount at beginning	188,885	207,371
- Depreciation	(16,986)	(18,486)
	171,899	188,885
Plant and equipment		
- Carrying amount at beginning	26,434	33,137
- Depreciation	(6,191)	(6,703)
	20,243	26,434

Note 15 Property, plant and equipment *(continued)*

b) Reconciliation of carrying amounts *(continued)*

	2021 $	2020 $
Motor vehicles		
- Carrying amount at beginning	48,022	46,415
- Additions	-	34,486
- Disposals	-	(17,448)
- Depreciation	(15,988)	(15,431)
	32,034	48,022
Total written down amount	224,176	263,341

c) Changes in estimates

During the financial year, the company assessed estimates used for property, plant and equipment including useful lives, residual values, and depreciation methods. There were no changes in estimates for the current reporting period.

Note 16 Right-of-use assets

a) Carrying amounts

	2021 $	2020 $
Leased land and buildings		
- At cost	2,232,527	2,239,996
- Less: accumulated depreciation	(1,844,578)	(1,699,449)
Total written down amount	387,949	540,547

b) Reconciliation of carrying amounts

	2021 $	2020 $
Leased land and buildings		
- Carrying amount at beginning	540,547	-
- Initial recognition on transition	-	2,195,481
- Accumulated depreciation on adoption	-	(1,559,040)
- Remeasurement adjustments	(7,469)	44,515
- Depreciation	(145,129)	(140,409)
Carrying amount at end	387,949	540,547

Note 17 Intangible assets

a) Carrying amounts

	2021 $	2020 $
Franchise fee		
- At cost	123,174	123,174
- Less: accumulated amortisation	(115,818)	(111,411)
	7,356	11,763
Franchise renewal process fee		
- At cost	271,444	271,444
- Less: accumulated amortisation	(234,675)	(212,638)
	36,769	58,806
Total written down amount	44,125	70,569

Note 17 Intangible assets *(continued)*

b) Reconciliation of carrying amounts

	2021 $	2020 $
Franchise fee		
- Carrying amount at beginning	11,763	16,170
- Amortisation	(4,407)	(4,407)
	7,356	11,763
Franchise renewal process fee		
- Carrying amount at beginning	58,806	80,843
- Amortisation	(22,037)	(22,037)
	36,769	58,806
Total written down amount	44,125	70,569

c) Changes in estimates

During the financial year, the company assessed estimates used for intangible assets including useful lives, residual values, and amortisation methods. There were no changes in estimates for the current reporting period.

Note 18 Tax assets and liabilities

a) Current tax

	2021 $	2020 $
- Income tax payable/(refundable)	40,371	(31,862)

b) Deferred tax

	2021 $	2020 $
Deferred tax assets		
- expense accruals	1,025	1,040
- employee provisions	36,281	35,675
- make-good provision	15,178	15,113
- lease liability	156,013	218,473
Total deferred tax assets	208,497	270,301
Deferred tax liabilities		
- income accruals	454	167
- property, plant and equipment	22,605	32,376
- right-of-use assets	96,987	140,542
Total deferred tax liabilities	120,046	173,085
Net deferred tax assets (liabilities)	88,451	97,216
- Movement in deferred tax charged to Statement of Profit or Loss and Other Comprehensive Income	8,765	(23,214)
- Movement in deferred tax charged to Statement of Changes in Equity	-	110,770

Note 19 Trade creditors and other payables

Where the company is liable to settle an amount within 12 months of reporting date, the liability is classified as current. All other obligations are classified as non-current.

a) Current liabilities	2021 $	2020 $
- Trade creditors	364,027	35,732
- Other creditors and accruals	82,975	117,751
	447,002	153,483

Increase in trade creditors due to $324,210 donation made to the Community Enterprise Foundation recognised in the current financial year, to be paid next financial year.

b) Non-current liabilities		
- Other creditors and accruals	-	29,815

Note 20 Lease liabilities

Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate on the adoption date. The discount rate used on recognition was 5.00%.

The company has applied judgement in estimating the remaining lease term including the effects of any extension options reasonably expected to be exercised, applying hindsight where appropriate.

The company's lease portfolio includes:

- Templestowe Village Branch: The lease agreement commenced in October 2009. A 5 year renewal option was exercised in March 2020. As such, the lease term end date used in the calculation of the lease liability is March 2025.
- Doncaster East Branch: The lease agreement commenced in October 2006. A 5 year renewal option was exercised in March 2018. As such, the lease term end date used in the calculation of the lease liability is March 2023.

a) Current lease liabilities	2021 $	2020 $
- Property lease liabilities	253,323	247,871
- Unexpired interest	(26,081)	(37,269)
	227,242	210,602
b) Non-current lease liabilities		
- Property lease liabilities	420,053	679,303
- Unexpired interest	(23,242)	(49,625)
	396,811	629,678
c) Reconciliation of lease liabilities		
- Balance at the beginning	840,280	-
- Initial recognition on AASB 16 transition	-	983,944
- Remeasurement adjustments	(7,469)	44,515
- Lease interest expense	36,993	45,729
- Lease payments - total cash outflow	(245,751)	(233,908)
	624,053	840,280

Note 20 Lease liabilities *(continued)*

d) Maturity analysis	2021 $	2020 $
- Not later than 12 months	253,323	247,871
- Between 12 months and 5 years	420,053	679,303
Total undiscounted lease payments	673,376	927,174
- Unexpired interest	(49,323)	(86,894)
Present value of lease liabilities	624,053	840,280

Note 21 Provisions

a) Non-current liabilities	2021 $	2020 $
- Make-good on leased premises	60,712	58,125

In accordance with the branch lease agreements, the company must restore the leased premises to their original condition before the expiry of the lease term. The company has estimated the provision based on experience and consideration of the expected future costs to remove all fittings and the ATM as well as cost to remedy any damages caused during the removal process. The leases are due to expire per below at which time it is expected the face-value costs to restore the premises will fall due.

Lease	Lease term expiry date per AASB 16	Total provision
Templestowe	March 2025	$35,000
Doncaster	March 2023	$35,000

Note 22 Employee benefits

a) Current liabilities	2021 $	2020 $
- Provision for annual leave	69,005	57,617
- Provision for long service leave	69,024	68,212
	138,029	125,829
b) Non-current liabilities		
- Provision for long service leave	7,094	9,307

c) Key judgement and assumptions

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

Note 23 Issued capital

a) Issued capital	2021 Number	2021 $	2020 Number	2020 $
- Ordinary shares - fully paid	1,185,461	1,185,461	1,185,461	1,185,461
- Bonus shares - fully paid	975,000	-	975,000	-
- Less: equity raising costs - Doncaster East	-	(22,075)	-	(22,075)
- Less: equity raising costs - Templestowe Village	-	(24,627)	-	(24,627)
	2,160,461	1,138,759	2,160,461	1,138,759

Note 23 Issued capital *(continued)*

b) Rights attached to issued capital

Ordinary shares

Voting rights

Subject to some limited exceptions, each member has the right to vote at a general meeting.

On a show of hands or a poll, each member attending the meeting (whether they are attending the meeting in person or by attorney, corporate representative or proxy) has one vote, regardless of the number of shares held. However, where a person attends a meeting in person and is entitled to vote in more than one capacity (for example, the person is a member and has also been appointed as proxy for another member) that person may only exercise one vote on a show of hands. On a poll, that person may exercise one vote as a member and one vote for each other member that person represents as duly appointed attorney, corporate representative or proxy.

The purpose of giving each member only one vote, regardless of the number of shares held, is to reflect the nature of the company as a community based company, by providing that all members of the community who have contributed to the establishment and ongoing operation of the Community Bank branch have the same ability to influence the operation of the company.

Dividends

Generally, dividends are payable to members in proportion to the amount of the share capital paid up on the shares held by them, subject to any special rights and restrictions for the time being attaching to shares. The franchise agreement with Bendigo Bank contains a limit on the level of profits or funds that may be distributed to shareholders. There is also a restriction on the payment of dividends to certain shareholders if they have a prohibited shareholding interest (see below).

Transfer

Generally, ordinary shares are freely transferable. However, the directors have a discretion to refuse to register a transfer of shares.

Subject to the foregoing, shareholders may transfer shares by a proper transfer effected in accordance with the company's constitution and the *Corporations Act 2001*.

Prohibited shareholding interest

A person must not have a prohibited shareholding interest in the company.

In summary, a person has a prohibited shareholding interest if any of the following applies:

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 346. As at the date of this report, the company had 345 shareholders (2020: 345 shareholders).

As with voting rights, the purpose of this prohibited shareholding provision is to reflect the community-based nature of the company.

Where a person has a prohibited shareholding interest, the voting and dividend rights attaching to the shares in which the person (and his or her associates) have a prohibited shareholding interest, are suspended.

Note 23 Issued capital *(continued)*

b) Rights attached to issued capital *(continued)*

Prohibited shareholding interest (continued)

The board has the power to request information from a person who has (or is suspected by the board of having) a legal or beneficial interest in any shares in the company or any voting power in the company, for the purpose of determining whether a person has a prohibited shareholding interest. If the board becomes aware that a member has a prohibited shareholding interest, it must serve a notice requiring the member (or the member's associate) to dispose of the number of shares the board considers necessary to remedy the breach. If a person fails to comply with such a notice within a specified period (that must be between three and six months), the board is authorised to sell the specified shares on behalf of that person. The holder will be entitled to the consideration from the sale of the shares, less any expenses incurred by the board in selling or otherwise dealing with those shares.

In the constitution, members acknowledge and recognise that the exercise of the powers given to the board may cause considerable disadvantage to individual members, but that such a result may be necessary to enforce the prohibition.

Note 24 Retained earnings (accumulated losses)

	2021 $	2020 $
- Balance at beginning of reporting period	(29,538)	207,574
- Adjustment for transition to AASB 16	-	(292,030)
- Net profit after tax from ordinary activities	245,559	227,755
- Dividends provided for or paid	(172,837)	(172,837)
Balance at end of reporting period	43,184	(29,538)

Note 25 Reconciliation of cash flows from operating activities

	2021 $	2020 $
- Net profit after tax from ordinary activities	245,559	227,755
Adjustments for:		
- Depreciation	184,294	181,029
- Amortisation	26,444	26,444
- (Profit)/loss on disposal of non-current assets	-	907
Changes in assets and liabilities:		
- (Increase)/decrease in trade and other receivables	(17,624)	22,039
- (Increase)/decrease in other assets	40,627	(1,855)
- Increase/(decrease) in trade and other payables	290,808	(16,773)
- Increase/(decrease) in employee benefits	9,987	3,899
- Increase/(decrease) in provisions	2,587	2,829
- Increase/(decrease) in tax liabilities	40,371	(18,150)
Net cash flows provided by operating activities	823,053	428,124

Note 26 Financial instruments

The following shows the carrying amounts for all financial instruments at amortised costs. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	2021 $	2020 $
Financial assets			
- Cash and cash equivalents	13	369,229	104,875
- Term deposits	13	1,167,875	1,017,875
- Trade and other receivables	14	217,399	199,775
		1,754,503	1,322,525
Financial liabilities			
- Trade and other payables	19	447,002	183,298
- Lease liabilities	20	624,053	840,280
		1,071,055	1,023,578

Note 27 Auditor's remuneration

Amount received or due and receivable by the auditor of the company for the financial year.

	2021 $	2020 $
Audit and review services		
- Audit and review of financial statements	6,500	6,400
Non audit services		
- Taxation advice and tax compliance services	1,300	4,160
- General advisory services	3,690	4,730
- Share registry services	5,126	3,783
Total auditor's remuneration	16,616	19,073

Note 28 Related parties

a) Details of key management personnel

The directors of the company during the financial year were:

Ian Graham Goldsmith
Geoffrey Bruce Roberts
Victoria George Paouros
Raymond Bruce Barrington
Colin Roderick Davitt
Simon David Lewis
Bradley Dodemond
Deirdre Elizabeth Diamante
Maxwell Chapman
Nicholas Furlong

Note 28 Related parties *(continued)*

b) Key management personnel compensation

Key management personnel compensation comprised the following.	2021 $	2020 $
- Short-term employee benefits	75,000	75,000

Compensation of the company's key management personnel includes salaries and contributions to a post-employment defined contribution plan.

c) Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties	2021 $	2020 $
- Victoria George Paouros provided company secretarial services to the company. The total benefit received was:	4,026	9,839

Note 29 Dividends provided for or paid

a) Dividends provided for and paid during the period

The following dividends were provided for and paid to shareholders during the reporting period as presented in the Statement of Changes in Equity and Statement of Cash Flows.

	30 June 2021		30 June 2020	
	Cents	$	Cents	$
- Fully franked dividend	8.00	172,837	8.00	172,837

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

b) Franking account balance

	2021 $	2020 $
Franking credits available for subsequent reporting periods		
Franking account balance at the beginning of the financial year	245,020	218,207
Franking transactions during the financial year:		
- Franking credits (debits) arising from income taxes paid (refunded)	54,777	99,589
- Franking credits from the payment of income tax following lodgement of annual income tax	(56,603)	(7,217)
- Franking debits from the payment of franked distributions	(60,726)	(65,559)
Franking account balance at the end of the financial year	182,468	245,020
Franking transactions that will arise subsequent to the financial year end:		
- Franking credits (debits) that will arise from payment (refund) of income tax	40,371	(31,862)
Franking credits available for future reporting periods	222,839	213,158

The ability to utilise franking credits is dependent upon the company's ability to declare dividends. The tax rate at which future dividends will be franked is 25%.

Note 30 Earnings per share

a) Basic and diluted earnings per share

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	2021 $	2020 $
- Profit attributable to ordinary shareholders	245,559	227,755
	Number	Number
- Weighted-average number of ordinary shares	2,160,461	2,160,461
	Cents	Cents
- Basic and diluted earnings per share	11.37	10.54

Note 31 Commitments

The company has no other commitments contracted for which would be provided for in future reporting periods.

Note 32 Contingencies

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

Note 33 Subsequent events

There have been no significant events occurring after the reporting period which may affect either the company's operations or the results of those operations or the company's state of affairs.

Manningham Community Enterprises Limited
Directors' Declaration

In accordance with a resolution of the directors of Manningham Community Enterprises Limited, we state that:

In the opinion of the directors:

(a) the financial statements and notes of the company are in accordance with the *Corporations Act 2001* , including:

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

  (ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

(c) the audited remuneration disclosures set out in the remuneration report section of the directors' report comply with Accounting Standard AASB 124 *Related Party Disclosures* and the *Corporations Regulations 2001* .

This declaration is made in accordance with a resolution of the board of directors.

Ian Goldsmith

Ian Graham Goldsmith, Chairman

Dated this 7th day of September 2021

Partners in success
Chartered Accountants

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Independent auditor's report to the Directors of Manningham Community Enterprises Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Manningham Community Enterprises Limited's (the company), which comprises:

- Statement of financial position as at 30 June 2021
- Statement of profit or loss and other comprehensive income
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements, including a summary of significant accounting policies
- The directors' declaration of the company.

In our opinion, the accompanying financial report of Manningham Community Enterprises Limited, is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the company's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. 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 (including Independence Standards)* (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the matter
Revenue Share Model The company is a franchise of Bendigo Bank. The franchise agreement provides for a share of interest, fee, and commission revenue earned by the company. Interest margin share is based on a funds transfer pricing methodology which recognises that income is derived from deposits held, and that loans granted incur a funding cost. Fees are based on the company's current fee schedule and commissions are based on the agreements in place. All margin revenue is recorded as non-interest income when the company's right to receive the payment is established. The company receives the Revenue Share from Bendigo Bank via a monthly profit share statement. Our key audit matter was focused on the following areas of risk: ▪ Revenue is recognised appropriately and in line with AASB 15 Revenue from Contracts with Customers. ▪ Reliance on third party auditor EY to review the revenue share model.	In responding to the identified key audit matter, we completed the following audit procedures: ▪ We have obtained the monthly profit share statements from the entire year and analytically assess the existence, accuracy and completeness of revenue. ▪ EY complete a Community Bank Revenue Share Arrangements report on factual findings bi-annually, which we review and determine that the scope and testing procedures were sufficient to enable reliance on the monthly profit share reports specifically relating to revenue. **Key observation** We are satisfied that the revenue share model has been sufficiently reviewed by an external auditor and the reliance can be placed on the monthly profit share reports. The company's accounting policy relating to the revenue share model is detailed at note 4 a) to the financial statements.

There are no other key audit matters to disclose for the 30 June 2021 audit.

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Other Information

The company usually prepares an annual report that will include the financial statements, directors' report and declaration and our independence declaration and audit report (the financial report). The annual report may also include "other information" on the entity's operations and financial results and financial position as set out in the financial report, typically in a Chairman's report and Manager's report, and reports covering governance and shareholder matters.

The directors are responsible for the other information. The annual report is expected to be made available to us after the date of this auditor's report.

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

Our responsibility is to read the other information identified above when it becomes available 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 we identify that a material inconsistency appears to exist when we read the annual report (or become aware that the other information appears to be materially misstated), we will discuss the matter with the directors and where we believe that a material misstatement of the other information exists, we will request management to correct the other information.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that it 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 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 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. Misstatement can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

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

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

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

AFS
Partners in success
Chartered Accountants

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Report on the Remuneration Report

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Manningham Community Enterprises Limited for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 7 September 2021

Joshua Griffin
Lead Auditor