

Augusta & Districts Community Financial Services Ltd

ABN 64 110 946 168

Half-year Financial Report - 31 December 2023

**Augusta & Districts Community Financial Services Ltd**  
**Directors' report**  
**31 December 2023**

The directors present their report, together with the financial statements, on the company for the half-year ended 31 December 2023.

**Directors**

The following persons were directors of the company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Jennifer Anne Gherardi  
Cinde Blanche Fisher  
Nicholas Fairbairn Dornan  
Jodie Boyd Lane

Julie Alice Kirby  
Mathew John Cuthbert  
Edward John Coulter  
Donna Adams

**Principal activity**

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

**Review of operations**

The profit for the company after providing for income tax amounted to \$19,780 (31 December 2022: \$74,155).

Operations have continued to perform in line with expectations

The Reserve Bank of Australia (RBA) increased the cash rate by 2.25% during the previous period from 0.85% to 3.10% at 31 December 2022. Since then the cash rate has increased by 1.25% to 4.35% as at 31 December 2023. The increased cash rate has had a direct impact on the revenue received by the company, increasing the net interest margin income received under the revenue share arrangement the company has with Bendigo Bank.

While the cash rate has increased, from 1 July 2023 Bendigo Bank updated the Funds Transfer Pricing (FTP) base rate on certain deposits which has impacted the income earned on these products.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the company during the financial half-year.

**Matters subsequent to the end of the financial half-year**

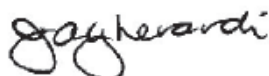
No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

**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 immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors



---

Jennifer Anne Gherardi  
Chair

13 March 2024



Andrew Frewin Stewart  
61 Bull Street Bendigo VIC 3550  
ABN: 65 684 604 390  
afs@afsbendigo.com.au  
(03) 5443 0344

## Lead auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Augusta & Districts Community Financial Services Ltd

We declare that, to the best of our knowledge and belief, for the half-year ended 31 December 2023 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review
- ii. any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart', with a horizontal line extending to the right.

**Andrew Frewin Stewart**  
61 Bull Street, Bendigo Vic 3550  
Dated: 13 March 2024

A handwritten signature in black ink, appearing to read 'Adrian Downing', with a horizontal line extending to the right.

**Adrian Downing**  
Lead Auditor

**Augusta & Districts Community Financial Services Ltd**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2023**

	Note	31-Dec-23 \$	31-Dec-22 \$
Revenue from contracts with customers	3	252,053	240,161
Other revenue		-	47,028
Finance revenue		3	-
Total revenue		<u>252,056</u>	<u>287,189</u>
Employee benefits expense		(142,595)	(108,179)
Advertising and marketing costs		(5,032)	(1,147)
Occupancy and associated costs		(11,787)	(12,401)
Systems costs		(7,203)	(6,484)
Depreciation and amortisation expense		(18,941)	(18,956)
Finance costs		(2,803)	(5,569)
General administration expenses		(37,708)	(30,429)
Total expenses before community contributions and income tax		<u>(226,069)</u>	<u>(183,165)</u>
<b>Profit before community contributions and income tax expense</b>		25,987	104,024
Charitable donations, sponsorships and grants expense		<u>(310)</u>	<u>(5,000)</u>
<b>Profit before income tax expense</b>		25,677	99,024
Income tax expense		<u>(5,897)</u>	<u>(24,869)</u>
<b>Profit after income tax expense for the half-year</b>		19,780	74,155
Other comprehensive income for the half-year, net of tax		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the half-year</b>		<u><u>19,780</u></u>	<u><u>74,155</u></u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		3.18	11.93
Diluted earnings per share		3.18	11.93

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Augusta & Districts Community Financial Services Ltd**  
**Statement of financial position**  
**As at 31 December 2023**

	<b>31-Dec-23</b>	<b>30-Jun-23</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,691	-
Trade and other receivables	51,285	61,627
<b>Total current assets</b>	<u>52,976</u>	<u>61,627</u>
<b>Non-current assets</b>		
Property, plant and equipment	33,593	37,636
Right-of-use assets	27,961	35,944
Intangibles	22,037	28,487
Deferred tax assets	142,307	148,204
<b>Total non-current assets</b>	<u>225,898</u>	<u>250,271</u>
<b>Total assets</b>	<u>278,874</u>	<u>311,898</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	37,611	43,507
Borrowings	39,813	59,689
Lease liabilities	20,374	19,488
Employee benefits	10,140	8,040
<b>Total current liabilities</b>	<u>107,938</u>	<u>130,724</u>
<b>Non-current liabilities</b>		
Trade and other payables	-	14,873
Borrowings	-	6,306
Lease liabilities	13,194	23,623
Employee benefits	1,405	250
Provisions	23,592	23,157
<b>Total non-current liabilities</b>	<u>38,191</u>	<u>68,209</u>
<b>Total liabilities</b>	<u>146,129</u>	<u>198,933</u>
<b>Net assets</b>	<u>132,745</u>	<u>112,965</u>
<b>Equity</b>		
Issued capital	621,813	621,813
Accumulated losses	(489,068)	(508,848)
<b>Total equity</b>	<u>132,745</u>	<u>112,965</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Augusta & Districts Community Financial Services Ltd**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2023**

	Issued capital \$	Accumulated losses \$	Total equity \$
<b>Balance at 1 July 2022</b>	621,813	(658,770)	(36,957)
Profit after income tax expense	-	74,155	74,155
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	74,155	74,155
<b>Balance at 31 December 2022</b>	<u>621,813</u>	<u>(584,615)</u>	<u>37,198</u>
<b>Balance at 1 July 2023</b>	621,813	(508,848)	112,965
Profit after income tax expense	-	19,780	19,780
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	19,780	19,780
<b>Balance at 31 December 2023</b>	<u>621,813</u>	<u>(489,068)</u>	<u>132,745</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Augusta & Districts Community Financial Services Ltd**  
**Statement of cash flows**  
**For the half-year ended 31 December 2023**

	<b>31-Dec-23</b>	<b>31-Dec-22</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	281,531	294,545
Payments to suppliers and employees (inclusive of GST)	(228,056)	(182,603)
Interest received	3	-
Interest and other finance costs paid	(1,734)	(4,143)
	<u>51,744</u>	<u>107,799</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	-	(2,339)
Payments for intangible assets	(13,521)	(13,521)
	<u>(13,521)</u>	<u>(15,860)</u>
<b>Cash flows from financing activities</b>		
Repayment of principal component of chattel mortgages	(5,634)	(5,677)
Repayment of lease liabilities	(10,350)	(10,350)
	<u>(15,984)</u>	<u>(16,027)</u>
Net increase in cash and cash equivalents	22,239	75,912
Cash and cash equivalents at the beginning of the financial half-year	(48,227)	(225,942)
	<u>(25,988)</u>	<u>(150,030)</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>(25,988)</u></u>	<u><u>(150,030)</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**Augusta & Districts Community Financial Services Ltd**  
**Notes to the financial statements**  
**31 December 2023**

**Note 1. Material accounting policy information**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

**Note 2. Basis of preparation**

*Going concern*

The financial statements for the half-year ended 31 December 2023 have been prepared on the basis that the company is a going concern and it will continue its operations for the foreseeable future.

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report. As disclosed in the financial statements, the company's financial position is as follows:

	31-Dec-23	30-Jun-23	Change	Change
	\$	\$	\$	%
Current assets	52,976	61,627	(8,651)	(14%)
Current liabilities	(107,938)	(130,724)	22,786	(17%)
Working capital/(deficiency)	(54,962)	(69,097)	14,135	
Total assets	278,874	311,898	(33,024)	(11%)
Total liabilities	(146,129)	(198,933)	52,804	(27%)
Net assets	132,745	112,965	19,780	
Accumulated losses	(489,068)	(508,848)	19,780	(4%)
Cash and cash equivalents	1,691	-	1,691	-
Available overdraft and borrowing facilities	72,321	251,774	(179,453)	(71%)
	31-Dec-23	31-Dec-22	Change	Change
	\$	\$	\$	%
Profit before tax	25,677	99,024	(73,347)	(74%)
Profit after tax	19,780	74,155	(54,375)	(73%)
Operating cash inflows	51,744	107,799	(56,055)	(52%)

The company meets its day to day working capital requirements through an overdraft facility. The overdraft has an approved limit of \$100,000 (\$300,000 at 30 June 2023) and was drawn to \$27,679 as at 31 December 2023.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current overdraft facility.

The current economic environment has improved with the RBA increasing the cash rate by 0.25% during the period, positively effecting revenue from margin income. The company reported a net profit of \$19,780 for the half-year, however the company was reliant on the overdraft facility, current liabilities exceeded current assets by \$54,962 and the accumulated losses were \$489,068. Based on this the directors have concluded that whilst the financial position of the company is improving, there is still uncertainty in future financial results that creates some doubt upon the companies ability to continue as a going concern.



**Augusta & Districts Community Financial Services Ltd**  
**Notes to the financial statements**  
**31 December 2023**

**Note 2. Basis of preparation (continued)**

Nevertheless, after making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the half-year financial statements.

**Note 3. Revenue from contracts with customers**

	<b>31-Dec-23</b>	<b>31-Dec-22</b>
	<b>\$</b>	<b>\$</b>
Margin income	227,441	213,711
Fee income	14,010	15,152
Commission income	<u>10,602</u>	<u>11,298</u>
Revenue from contracts with customers	<u><u>252,053</u></u>	<u><u>240,161</u></u>

*Disaggregation of revenue*

All revenue from contracts with customers has been recognised at a point in time during the half-year.

**Note 4. Dividends**

There were no dividends paid, recommended or declared during the current or previous financial half-year.

**Note 5. Contingent assets and liabilities**

There were no contingent assets or liabilities at the date of this report.

**Note 6. Related party transactions**

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2023 annual financial report.

**Note 7. Events after the reporting date**

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

**Augusta & Districts Community Financial Services Ltd**  
**Directors' declaration**  
**31 December 2023**

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



---

Jennifer Anne Gherardi  
Chair

13 March 2024



Andrew Frewin Stewart  
61 Bull Street Bendigo VIC 3550  
ABN: 65 684 604 390  
afs@afsbendigo.com.au  
(03) 5443 0344

# Independent auditor's review report to the Directors of Augusta & Districts Community Financial Services Ltd

## Report on the half-year financial report

### Conclusion

We have reviewed the half-year financial report of Augusta & Districts Community Financial Services Ltd (the company), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying half-year financial report of Augusta & Districts Community Financial Services Ltd does not present fairly, in all material respects, the company's financial position at 31 December 2023, and of its financial performance and its cash flows for the half-year ended on that date, in accordance with the *Corporations Act 2001* and Accounting Standard *AASB 134: Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

## Material uncertainty related to going concern

Our opinion is not modified for this matter. We draw attention to Note 2 in the financial report, which indicates that the company reported a net profit of \$19,780 for the half-year ended 31 December 2023, however the company had a net working capital deficiency of \$54,692, where its current liabilities exceeded its current assets. The company meets its day to day working capital requirements through an overdraft facility. The overdraft has an approved limit of \$100,000 and was drawn to \$27,679 as at 31 December 2023. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt over the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

## Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the of the half-year financial report that is free from material misstatement, whether due to fraud error.

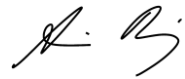
## Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the half-year financial report does not present fairly, in all material respects in accordance with the *Corporations Act 2001* including giving a true and fair view of the company's financial position as at 31 December 2023 and its performance for the half-year ended on that date, in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**Andrew Frewin Stewart**  
61 Bull Street, Bendigo VIC 3550  
Dated: 13 March 2024



**Adrian Downing**  
Lead Auditor