

Bright Community Financial Services Limited

ABN 93 117 798 553

Half-year Financial Report - 31 December 2024

Bright Community Financial Services Limited

Directors' report

31 December 2024

The directors present their report, together with the financial statements, on the company for the half-year ended 31 December 2024.

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:

Kim Kristalyn Murrells
Graham Wayne Gales
Julie Rose Blood
Helen Fay Hofbauer
Lenore Harris

Britt Howard
Monique Hoedemaker (*Appointed 15 October 2024*)
Marthijs Heuperman (*Appointed 15 October 2024*)
Rosalind Anne Holland (*Resigned 27 November 2024*)

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 \$22,209 (31 December 2023: \$39,445).

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

Refurbishments of the Bright branch commenced on 20 February 2025 and were completed on 24 February 2025 with the branch being closed for that period. The financial impact of the branch refurbishment was an increase to property, plant and equipment and trade and other payables of \$139,448.

At the 2024 AGM shareholders approved a selective share buyback, allowing shareholders the option to participate. The offer period for shareholder participation commenced on 27 January 2025 and closed on 28 February 2025. As of the date of the signing of this report management expect a total of \$57,866 to be paid back to shareholders in the selective share buyback. The financial implication of this is a decrease of \$57,866 to share capital and cash and cash equivalents.

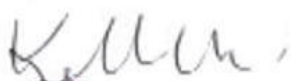
No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

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



Kim Kristalyn Murrells
Chairman

7 March 2025



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 Bright Community Financial Services Limited

We declare that, to the best of our knowledge and belief, for the half-year ended 31 December 2024 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', is positioned above the printed name.

Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated: 7 March 2025

A handwritten signature in black ink, appearing to read 'Lachlan Tatt', is positioned above the printed name.

Lachlan Tatt
Lead Auditor

Bright Community Financial Services Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024

	Note	31-Dec-24 \$	31-Dec-23 \$
Revenue from contracts with customers	4	555,911	566,052
Finance revenue		10,909	15,551
Total revenue		<u>566,820</u>	<u>581,603</u>
Employee benefits expense		(312,243)	(266,332)
Advertising and marketing costs		(42,994)	(47,542)
Occupancy and associated costs		(5,156)	(9,885)
Systems costs		(11,848)	(8,637)
Depreciation and amortisation expense		(28,413)	(35,182)
Finance costs		(5,511)	(6,261)
General administration expenses		(85,125)	(78,021)
Total expenses before community contributions and income tax		<u>(491,290)</u>	<u>(451,860)</u>
Profit before community contributions and income tax expense		75,530	129,743
Charitable donations, sponsorships and grants expense		<u>(45,918)</u>	<u>(85,191)</u>
Profit before income tax expense		29,612	44,552
Income tax expense		<u>(7,403)</u>	<u>(5,107)</u>
Profit after income tax expense for the half-year		22,209	39,445
Other comprehensive income for the half-year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the half-year		<u><u>22,209</u></u>	<u><u>39,445</u></u>
		Cents	Cents
Basic earnings per share		3.20	5.68
Diluted earnings per share		3.20	5.68

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

Bright Community Financial Services Limited
Statement of financial position
As at 31 December 2024

	31-Dec-24	30-Jun-24
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	128,332	97,968
Trade and other receivables	125,648	106,107
Investments	822,078	926,909
Current tax assets	107,678	77,091
Total current assets	<u>1,183,736</u>	<u>1,208,075</u>
Non-current assets		
Property, plant and equipment	7,624	10,307
Right-of-use assets	263,109	269,645
Intangibles	22,711	29,201
Deferred tax assets	24,004	26,994
Total non-current assets	<u>317,448</u>	<u>336,147</u>
Total assets	<u>1,501,184</u>	<u>1,544,222</u>
Liabilities		
Current liabilities		
Trade and other payables	154,007	122,452
Borrowings	12,767	5,544
Lease liabilities	45,894	42,355
Employee benefits	66,052	66,767
Total current liabilities	<u>278,720</u>	<u>237,118</u>
Non-current liabilities		
Trade and other payables	-	15,244
Borrowings	-	9,971
Lease liabilities	235,022	243,878
Employee benefits	10,001	13,676
Provisions	17,685	17,377
Total non-current liabilities	<u>262,708</u>	<u>300,146</u>
Total liabilities	<u>541,428</u>	<u>537,264</u>
Net assets	<u>959,756</u>	<u>1,006,958</u>
Equity		
Issued capital	670,347	670,347
Retained earnings	<u>289,409</u>	<u>336,611</u>
Total equity	<u>959,756</u>	<u>1,006,958</u>

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

Bright Community Financial Services Limited
Statement of changes in equity
For the half-year ended 31 December 2024

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2023		670,347	322,951	993,298
Profit after income tax expense		-	39,445	39,445
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	39,445	39,445
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	5	-	(62,470)	(62,470)
Balance at 31 December 2023		<u>670,347</u>	<u>299,926</u>	<u>970,273</u>
Balance at 1 July 2024		670,347	336,611	1,006,958
Profit after income tax expense		-	22,209	22,209
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	22,209	22,209
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	5	-	(69,411)	(69,411)
Balance at 31 December 2024		<u>670,347</u>	<u>289,409</u>	<u>959,756</u>

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

Bright Community Financial Services Limited
Statement of cash flows
For the half-year ended 31 December 2024

	Note	31-Dec-24 \$	31-Dec-23 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		607,627	636,505
Payments to suppliers and employees (inclusive of GST)		(566,021)	(544,466)
Interest received		1,811	22,494
Interest and other finance costs paid		(249)	(731)
Income taxes paid		(57,230)	(13,465)
		<u>(14,062)</u>	<u>100,337</u>
Net cash from/(used in) operating activities			
Cash flows from investing activities			
Redemption of/(investment in) term deposits		104,831	(113,849)
Payments for intangible assets		(13,857)	(13,857)
		<u>90,974</u>	<u>(127,706)</u>
Net cash from/(used in) investing activities			
Cash flows from financing activities			
Repayment of borrowings		(2,748)	(2,996)
Interest and other finance costs paid		(4,955)	(5,233)
Dividends paid	5	(20,823)	-
Repayment of lease liabilities		(18,022)	(16,708)
		<u>(46,548)</u>	<u>(24,937)</u>
Net cash used in financing activities			
Net increase/(decrease) in cash and cash equivalents		30,364	(52,306)
Cash and cash equivalents at the beginning of the financial half-year		<u>97,968</u>	<u>312,738</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>128,332</u></u>	<u><u>260,432</u></u>

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

Bright Community Financial Services Limited

Notes to the financial statements

31 December 2024

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 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 2024 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. Change to comparative figures

Classification of term deposits

In the 30 June 2024 financial statements the directors disclosed a change in classification of term deposits to align the accounting policy with the requirements of AASB 107 *Statement of Cash Flows*.

The change in classification had the following impacts on comparative figures:

- Opening and closing cash balances were reduced to exclude term deposits with initial investment periods greater than three months as reported in the Statement of cash flows.
- Investments in and redemptions of term deposits with initial investment periods greater than three months are now classified within investment activities as reported in the Statement of cash flows.

Classification of expenditure

In preparing the Statement of profit or loss and other comprehensive income, for the comparative period presented for the half-year ended 31 December 2023, the company reclassified \$32,050 of expenses from general administration costs to advertising and marketing costs to provide more relevant financial information to users.

Note 3. Economic dependency

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 revenue under the franchise agreement. The franchise agreement expires in October 2026.

The directors have a reasonable expectation that a new franchise agreement will be signed prior to the expiry date.

Note 4. Revenue from contracts with customers

	31-Dec-24	31-Dec-23
	\$	\$
Margin income	477,617	498,868
Fee income	31,532	26,833
Commission income	46,762	40,351
Revenue from contracts with customers	<u>555,911</u>	<u>566,052</u>

Disaggregation of revenue

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

Note 5. Dividends

Dividends provided for during the half-year

The following dividends were declared but not paid during the financial half-year as presented in the Statement of changes in equity.

Bright Community Financial Services Limited
Notes to the financial statements
31 December 2024

Note 5. Dividends (continued)

	31-Dec-24 \$	31-Dec-23 \$
Fully franked dividend of 10 cents per share (31-Dec-23: 9 cents)	<u>69,411</u>	<u>62,470</u>

Dividends paid during the half-year

The following dividends were declared in the previous financial year and paid to shareholders during the half-year as presented in the Statement of cash flows.

	31-Dec-24 \$	31-Dec-23 \$
Fully franked dividend of 3 cents per share (31-Dec-23: nil cents)	<u>20,823</u>	<u>-</u>

The tax rate at which dividends have been franked is 25%.

Note 6. Contingent assets and liabilities

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

Note 7. Commitments

As of 29 November 2024 the company has entered into a contractual commitment for the acquisition of property, plant and equipment for a refurbishment for the Bright branch amounting to \$139,448. The refurbishment commenced and was completed subsequent to 31 December 2024. No liability has been recognised in the financial statements for this commitment as the work had not yet commenced as at 31 December 2024. The refurbishment was capitalised on 10 February 2025 and is now being depreciated over its useful life.

Note 8. Related party transactions

The company has related party transactions that include payments to organisations affiliated with certain directors. These related party transactions are consistent with those disclosed in the company's financial report for the year ended 30 June 2024. There have been no significant changes to the nature or amount of these related party transactions during the half-year ended 31 December 2024.

Note 9. Events after the reporting date

Refurbishments of the Bright branch commenced on 20 February 2025 and were completed on 24 February 2025 with the branch being closed for that period. The financial impact of the branch refurbishment was an increase to property, plant and equipment and trade and other payables of \$139,448.

At the 2024 AGM shareholders approved a selective share buyback, allowing shareholders the option to participate. The offer period for shareholder participation commenced on 27 January 2025 and closed on 28 February 2025. As of the date of the signing of this report management expect a total of \$57,866 to be paid back to shareholders in the selective share buyback. The financial implication of this is a decrease of \$57,866 to share capital and cash and cash equivalents.

No other matter or circumstance has arisen since 31 December 2024 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.

Bright Community Financial Services Limited
Directors' declaration
31 December 2024

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 2024 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



Kim Kristalyn Murrells
Chairman

7 March 2025



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 Bright Community Financial Services Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Bright Community Financial Services Limited (the company), which comprises the statement of financial position as at 31 December 2024, 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 material 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 Bright Community Financial Services Limited does not present fairly, in all material respects, the company's financial position at 31 December 2024, 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.

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.



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

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 2024 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.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated: 7 March 2025

A handwritten signature in black ink, appearing to read 'Lachlan Tatt'.

Lachlan Tatt
Lead Auditor