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Clovelly

Community Financial Services Limited

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ABN: 69 097 378 740

Financial Report

For the half-year ended

31 December 2023

# Clovelly Community Financial Services Limited

## Directors' Report

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

### Directors

The names of directors who held office during the half-year and until the date of this report are as below:

Michael Denavi	Keri Spooner
Jonathan Hancock	Mark McCormack
Elissa Raptis	Rory Brennan
Paul Simmons	Jessie Maguire (resigned 16 October 2023)

### Principal activity

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

### Review of operations

Operations have continued to perform in line with expectations. The net profit of the company for the financial period after the provision of income tax was:

Half-year ended 31 December 2023	Half-year ended 31 December 2022
\$ 600,029	\$ 575,801

The Reserve bank of Australia (RBA) increased the cash rate by 2.25% during the previous period from 0.50% 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. These changes were made to ensure the FTP is consistent with Bendigo Bank's interest rate risk management processes.

### Events after the end of the reporting period


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.

### Auditor's independence declaration

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

Signed in accordance with a resolution of the directors on 6 March 2024.

Chair



Michael Denavi



Andrew Frewin Stewart  
61 Bull Street Bendigo VIC 3550  
ABN: 65 684 604 390  
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(03) 5443 0344

## Lead auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Clovelly Community Financial Services Limited

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'.

**Andrew Frewin Stewart**  
61 Bull Street, Bendigo Vic 3550  
Dated: 6 March 2024

A handwritten signature in black ink, appearing to read 'Adrian Downing'.

**Adrian Downing**  
Lead Auditor

# Clovelly Community Financial Services Limited

## Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2023

	31-Dec-23 \$	31-Dec-22 \$
Revenue from contracts with customers	1,450,901	1,414,448
Other revenue	37,435	-
Finance revenue	24,598	306
Employee benefits expense	(497,314)	(431,032)
Advertising and marketing costs	(466)	(14,901)
Occupancy and associated costs	(14,491)	(12,716)
Systems costs	(14,694)	(14,261)
Depreciation and amortisation expense	(34,955)	(35,755)
General administration expenses	(82,710)	(80,779)
<b>Profit before community contributions and income tax expense</b>	<b>868,304</b>	<b>825,310</b>
Charitable donations, sponsorships and grants expense	(62,723)	(53,450)
<b>Profit before income tax</b>	<b>805,581</b>	<b>771,860</b>
Income tax expense	(205,552)	(196,059)
<b>Profit after income tax</b>	<b>600,029</b>	<b>575,801</b>
<b>Total comprehensive income for the half-year attributable to the ordinary shareholders of the company:</b>	<b>600,029</b>	<b>575,801</b>
<b>Earnings per share</b>	<b>¢</b>	<b>¢</b>
- Basic and diluted earnings per share:	95.20	91.36

# Clovelly Community Financial Services Limited

## Statement of Financial Position

For the half-year ended 31 December 2023

	31-Dec-23 \$	30-Jun-23 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	2,532,895	1,568,366
Trade and other receivables	238,207	303,693
<b>Total current assets</b>	<b>2,771,102</b>	<b>1,872,059</b>
<b>Non-current assets</b>		
Property, plant and equipment	1,404,459	1,432,829
Intangible assets	46,105	52,691
Deferred tax assets	28,405	22,339
<b>Total non-current assets</b>	<b>1,478,969</b>	<b>1,507,859</b>
<b>TOTAL ASSETS</b>	<b>4,250,071</b>	<b>3,379,918</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	625,415	154,036
Current tax liabilities	425,156	272,920
Employee benefits	111,596	88,610
Provisions	-	-
<b>Total current liabilities</b>	<b>1,162,167</b>	<b>515,566</b>
<b>Non-current liabilities</b>		
Trade and other payables	28,981	28,981
Employee benefits	8,300	6,607
<b>Total non-current liabilities</b>	<b>37,281</b>	<b>35,588</b>
<b>TOTAL LIABILITIES</b>	<b>1,199,448</b>	<b>551,154</b>
<b>NET ASSETS</b>	<b>3,050,623</b>	<b>2,828,764</b>
<b>EQUITY</b>		
Issued capital	630,284	630,284
Retained earnings	2,420,339	2,198,480
<b>TOTAL EQUITY</b>	<b>3,050,623</b>	<b>2,828,764</b>

# Clovelly Community Financial Services Limited

## Statement of Changes in Equity

For the half-year ended 31 December 2023

	Note	Issued capital \$	Reserves \$	Retained earnings \$	Total equity \$
<b>Balance at 1 July 2022</b>		630,284	-	1,215,406	1,845,690
Total comprehensive income for the half-year		-	-	575,801	575,801
<b>Transactions with owners in their capacity as owners:</b>					
Dividends provided for or paid	6	-	-	(88,240)	(88,240)
<b>Balance at 31 December 2022</b>		<b>630,284</b>	<b>-</b>	<b>1,702,967</b>	<b>2,333,251</b>
<b>Balance at 1 July 2023</b>		630,284	-	2,198,480	2,828,764
Total comprehensive income for the half-year		-	-	600,029	600,029
<b>Transactions with owners in their capacity as owners:</b>					
Dividends provided for or paid	6	-	-	(378,170)	(378,170)
<b>Balance at 31 December 2023</b>		<b>630,284</b>	<b>-</b>	<b>2,420,339</b>	<b>3,050,623</b>

# Clovelly Community Financial Services Limited

## Statement of Cash Flows

For the half-year ended 31 December 2023

	Note	31-Dec-23 \$	31-Dec-22 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		1,716,499	1,414,955
Payments to suppliers and employees (inclusive of GST)		(717,187)	(622,034)
Interest received		24,599	306
Income taxes paid		(59,382)	(17,664)
<b>Net cash provided by operating activities</b>		<b>964,529</b>	<b>775,563</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		-	(1,264)
<b>Net cash used in investing activities</b>		<b>-</b>	<b>(1,264)</b>
<b>Net cash increase in cash held</b>		<b>964,529</b>	<b>774,299</b>
Cash and cash equivalents at the beginning of the financial year		1,568,366	410,502
<b>Cash and cash equivalents at the end of the half-year</b>		<b>2,532,895</b>	<b>1,184,801</b>

# Clovelly Community Financial Services Limited

## Notes to the Financial Statements

For the half-year ended 31 December 2023

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### **Note 1. Summary of significant accounting policies**

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#### **Statement of Compliance**

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, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

#### **Basis of preparation**

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.

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.

#### **Accounting policies**

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

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### **Note 2. Events subsequent to reporting date**

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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.

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### **Note 3. Contingent assets and liabilities**

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There were no contingent assets or liabilities at the date of this report that would materially affect the financial statements at the reporting date.

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### **Note 4. Related parties**

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There were no transactions with related parties during the current and previous financial half-year.



# Clovelly Community Financial Services Limited

## Notes to the Financial Statements

For the half-year ended 31 December 2023

	31-Dec-23	31-Dec-22
<b>Note 5. Revenue from contracts with customers</b>	<b>\$</b>	<b>\$</b>
Margin income	1,348,558	1,315,054
Fee income	45,261	41,765
Commission income	57,082	57,629
Revenue from contracts with customers	<u>1,450,901</u>	<u>1,414,448</u>

### *Disaggregation of revenue*

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

# Clovelly Community Financial Services Limited

## Notes to the Financial Statements

For the half-year ended 31 December 2023

		31-Dec-23		31-Dec-22	
Note 6.	Dividends	Cents	\$	Cents	\$
a) Dividends provided for during the period					
	Fully franked dividend	60	378,170	14	88,240

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

# Clovelly Community Financial Services Limited

## Directors' Declaration

In the opinion of the directors of Clovelly **Community Financial Serivces Limited** ("the company"):

1. The financial statements and notes there to are in accordance with the Corporations Act 2001 including:
  - a. giving a true and fair view of the financial position of the entity as at 31 December 2023 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date;
  - b. complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001* ; and
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Chair



Michael Denavi

Dated this        6        day of        March        2024



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# Independent auditor's review report to the Directors of Clovelly Community Financial Services Limited

## Report on the half-year financial report

### Conclusion

We have reviewed the half-year financial report of Clovelly Community Financial Services Limited (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 Clovelly Community Financial Services Limited 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.

### 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.

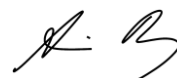
## Auditor's responsibility for the review of the financial report

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: 6 March 2024



**Adrian Downing**  
Lead Auditor