

Penola & District Financial Services Limited

ABN 76 165 281 854

Half-year Financial Report - 31 December 2023

**Penola & District Financial Services Limited**  
**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:

Shane McPherson  
Kirsty Anne Balnaves  
Sophie Jane Angus  
Mark Edwards

Lachlan Hamilton Heysen  
Amanda Skene Harrold  
Anna Copping

**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 \$15,696 (31 December 2022: \$41,302).

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 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 other 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



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Shane McPherson  
Chair

20 February 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 Penola & District 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', is positioned above the printed name.

**Andrew Frewin Stewart**  
61 Bull Street, Bendigo Vic 3550  
Dated: 20 February 2024

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

**Lachlan Tatt**  
Lead Auditor

**Penola & District Financial Services Limited**  
**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	2	207,627	217,650
Other revenue		-	16,272
Total revenue		<u>207,627</u>	<u>233,922</u>
Employee benefits expense		(108,144)	(93,638)
Advertising and marketing costs		(3,487)	(3,407)
Occupancy and associated costs		(5,507)	(10,443)
Systems costs		(7,152)	(7,144)
Depreciation and amortisation expense		(22,367)	(22,191)
Finance costs		(5,637)	(5,917)
General administration expenses		(25,514)	(31,488)
Total expenses before community contributions and income tax expense		<u>(177,808)</u>	<u>(174,228)</u>
<b>Profit before community contributions and income tax expense</b>		29,819	59,694
Charitable donations, sponsorships and grants expense		(9,920)	(4,623)
<b>Profit before income tax expense</b>		19,899	55,071
Income tax expense		(4,203)	(13,769)
<b>Profit after income tax expense for the half-year</b>		15,696	41,302
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive income for the half-year</b>		<u>15,696</u>	<u>41,302</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		1.87	4.91
Diluted earnings per share		1.87	4.91

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

**Penola & District Financial Services Limited**  
**Statement of financial position**  
**As at 31 December 2023**

	31-Dec-23 \$	30-Jun-23 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	177,489	151,754
Trade and other receivables	39,316	33,614
Total current assets	<u>216,805</u>	<u>185,368</u>
<b>Non-current assets</b>		
Property, plant and equipment	110,769	118,525
Right-of-use assets	165,180	171,986
Intangibles	6,591	13,183
Deferred tax assets	134,606	138,809
Total non-current assets	<u>417,146</u>	<u>442,503</u>
<b>Total assets</b>	<u>633,951</u>	<u>627,871</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	21,014	25,260
Lease liabilities	24,257	13,359
Employee benefits	10,586	9,130
Total current liabilities	<u>55,857</u>	<u>47,749</u>
<b>Non-current liabilities</b>		
Lease liabilities	207,006	224,965
Employee benefits	4,005	3,915
Provisions	4,299	4,154
Total non-current liabilities	<u>215,310</u>	<u>233,034</u>
<b>Total liabilities</b>	<u>271,167</u>	<u>280,783</u>
<b>Net assets</b>	<u>362,784</u>	<u>347,088</u>
<b>Equity</b>		
Issued capital	829,469	829,469
Accumulated losses	(466,685)	(482,381)
<b>Total equity</b>	<u>362,784</u>	<u>347,088</u>

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

**Penola & District Financial Services Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2023**

	<b>Issued capital \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
<b>Balance at 1 July 2022</b>	829,469	(566,269)	263,200
Profit after income tax expense	-	41,302	41,302
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	41,302	41,302
<b>Balance at 31 December 2022</b>	<u>829,469</u>	<u>(524,967)</u>	<u>304,502</u>
<b>Balance at 1 July 2023</b>	829,469	(482,381)	347,088
Profit after income tax expense	-	15,696	15,696
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	15,696	15,696
<b>Balance at 31 December 2023</b>	<u>829,469</u>	<u>(466,685)</u>	<u>362,784</u>

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

**Penola & District Financial Services Limited**  
**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)	225,389	233,098
Payments to suppliers and employees (inclusive of GST)	(187,441)	(135,932)
Interest and other finance costs paid	-	(22)
	<u>37,948</u>	<u>97,144</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	-	(2,190)
Payments for intangible assets	-	(13,184)
	<u>-</u>	<u>(15,374)</u>
Net cash used in investing activities	-	(15,374)
<b>Cash flows from financing activities</b>		
Repayment of lease liabilities	(12,213)	(11,857)
	<u>(12,213)</u>	<u>(11,857)</u>
Net cash used in financing activities	(12,213)	(11,857)
Net increase in cash and cash equivalents	25,735	69,913
Cash and cash equivalents at the beginning of the financial half-year	151,754	31,459
	<u>177,489</u>	<u>101,372</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>177,489</u></u>	<u><u>101,372</u></u>

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

**Penola & District Financial Services Limited**  
**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. Revenue from contracts with customers**

	<b>31-Dec-23</b>	<b>31-Dec-22</b>
	\$	\$
Margin income	119,229	137,199
Fee income	8,760	7,985
Commission income	79,638	72,466
	<u>207,627</u>	<u>217,650</u>
Revenue from contracts with customers	<u>207,627</u>	<u>217,650</u>

*Disaggregation of revenue*

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

**Note 3. Dividends**

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

**Note 4. Contingent assets and liabilities**

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

**Note 5. Related party transactions**

There was no transactions with related parties during the current and previous financial half-year that require disclosure in the interim financial report.

**Note 6. 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.



**Penola & District Financial Services Limited**  
**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



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Shane McPherson  
Chair

20 February 2024



Andrew Frewin Stewart  
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# Independent auditor's review report to the Directors of Penola & District Financial Services Limited

## Report on the half-year financial report

### Conclusion

We have reviewed the half-year financial report of Penola & District 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 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 Penola & District 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*.

### 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: 20 February 2024



**Lachlan Tatt**  
Lead Auditor