

# Rye & District Community Financial Services Limited

ABN 67 095 766 895

Half-year Financial Report - 31 December 2022

**Rye & District Community Financial Services Limited**  
**Directors' report**  
**31 December 2022**

The directors present their report, together with the financial statements, on the company for the half-year ended 31 December 2022.

**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:

Vincent de Paul Cheers  
Stephen Bernard Edmund  
Amber Britt Earles  
Barry Leonard Irving OAM  
Jan Hall

Stephen De Quetteville Robin  
Renee Christiana Bowker  
Craig Lawrence Dowsing  
Gary Michael Cain (resigned 16 November 2022)

**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 \$951,431 (31 December 2021: \$37,118).

The company has seen a significant increase in its revenue during the period. This is a result of the Reserve Bank of Australia (RBA) increasing the cash rate by 2.25% during the period moving from 0.85% to 3.10% as at 31 December 2022. 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.

**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**

Since the end of the half-year, the RBA has increased the cash rate by 0.50% moving from 3.10% at 31 December 2022 to 3.60% as at the date of signing these accounts.

No other matter or circumstance has arisen since 31 December 2022 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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Vincent de Paul Cheers  
Chair

9 March 2023



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 Rye & District Community Financial Services Limited

We declare that, to the best of our knowledge and belief, for the half-year ended 31 December 2022 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: 9 March 2023

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

**Joshua Griffin**  
Lead Auditor

**Rye & District Community Financial Services Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2022**

	Note	31-Dec-22 \$	31-Dec-21 \$
Revenue from contracts with customers	3	2,908,602	1,558,650
Total revenue		<u>2,908,602</u>	<u>1,558,650</u>
Employee benefits expense		(1,174,231)	(1,024,285)
Advertising and marketing costs		(5,783)	(11,559)
Occupancy and associated costs		(68,754)	(72,038)
Systems costs		(71,784)	(81,002)
Depreciation and amortisation expense		(60,574)	(66,838)
Finance costs		(12,465)	(5,967)
General administration expenses		(90,389)	(96,428)
Total expenses		<u>(1,483,980)</u>	<u>(1,358,117)</u>
<b>Profit before community contributions and income tax expense</b>		1,424,622	200,533
Charitable donations and sponsorships expense		<u>(154,641)</u>	<u>(148,407)</u>
<b>Profit before income tax expense</b>		1,269,981	52,126
Income tax expense		<u>(318,550)</u>	<u>(15,008)</u>
<b>Profit after income tax expense for the half-year</b>		951,431	37,118
Other comprehensive income for the half-year, net of tax		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the half-year</b>		<u>951,431</u>	<u>37,118</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		32.45	1.27
Diluted earnings per share		32.45	1.27

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

**Rye & District Community Financial Services Limited**  
**Statement of financial position**  
**As at 31 December 2022**

	31-Dec-22 \$	30-Jun-22 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	641,167	130,571
Trade and other receivables	574,330	354,106
Current tax assets	-	14,115
Total current assets	<u>1,215,497</u>	<u>498,792</u>
<b>Non-current assets</b>		
Property, plant and equipment	5,557,480	5,598,757
Intangibles	126,703	145,891
Deferred tax assets	95,414	91,847
Total non-current assets	<u>5,779,597</u>	<u>5,836,495</u>
<b>Total assets</b>	<u>6,995,094</u>	<u>6,335,287</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	292,156	229,256
Borrowings	172,966	207,528
Current tax liabilities	274,941	-
Employee benefits	147,447	92,815
Total current liabilities	<u>887,510</u>	<u>529,599</u>
<b>Non-current liabilities</b>		
Trade and other payables	84,545	84,545
Borrowings	78,010	587,257
Employee benefits	24,488	62,170
Total non-current liabilities	<u>187,043</u>	<u>733,972</u>
<b>Total liabilities</b>	<u>1,074,553</u>	<u>1,263,571</u>
<b>Net assets</b>	<u>5,920,541</u>	<u>5,071,716</u>
<b>Equity</b>		
Issued capital	1,299,400	1,299,400
Reserves	1,404,542	1,404,542
Retained earnings	3,216,599	2,367,774
<b>Total equity</b>	<u>5,920,541</u>	<u>5,071,716</u>

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

**Rye & District Community Financial Services Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2022**

	Note	Issued capital \$	Revaluation reserve	Retained earnings \$	Total equity \$
<b>Balance at 1 July 2021</b>		<u>1,299,400</u>	<u>1,306,515</u>	<u>2,184,881</u>	<u>4,790,796</u>
Profit after income tax expense		-	-	37,118	37,118
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		<u>-</u>	<u>-</u>	<u>37,118</u>	<u>37,118</u>
<i>Transactions with owners in their capacity as owners:</i>					
Dividends provided for	4	<u>-</u>	<u>-</u>	<u>(117,264)</u>	<u>(117,264)</u>
<b>Balance at 31 December 2021</b>		<u><u>1,299,400</u></u>	<u><u>1,306,515</u></u>	<u><u>2,104,735</u></u>	<u><u>4,710,650</u></u>
<b>Balance at 1 July 2022</b>		<u>1,299,400</u>	<u>1,404,542</u>	<u>2,367,774</u>	<u>5,071,716</u>
Profit after income tax expense		-	-	951,431	951,431
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		<u>-</u>	<u>-</u>	<u>951,431</u>	<u>951,431</u>
<i>Transactions with owners in their capacity as owners:</i>					
Dividends provided for	4	<u>-</u>	<u>-</u>	<u>(102,606)</u>	<u>(102,606)</u>
<b>Balance at 31 December 2022</b>		<u><u>1,299,400</u></u>	<u><u>1,404,542</u></u>	<u><u>3,216,599</u></u>	<u><u>5,920,541</u></u>

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

**Rye & District Community Financial Services Limited**  
**Statement of cash flows**  
**For the half-year ended 31 December 2022**

	Note	31-Dec-22 \$	31-Dec-21 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		2,971,880	1,712,916
Payments to suppliers and employees (inclusive of GST)		(1,769,233)	(1,577,594)
Interest and other finance costs paid		(12,465)	(5,967)
Income taxes paid		(33,061)	(15,802)
		<u>1,157,121</u>	<u>113,553</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(110)	(31,227)
		<u>(110)</u>	<u>(31,227)</u>
<b>Cash flows from financing activities</b>			
Dividends paid	4	(102,606)	(117,264)
Repayment of borrowings		(543,809)	(31,289)
		<u>(646,415)</u>	<u>(148,553)</u>
Net increase/(decrease) in cash and cash equivalents		510,596	(66,227)
Cash and cash equivalents at the beginning of the financial half-year		130,571	145,974
		<u>641,167</u>	<u>79,747</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>641,167</u></u>	<u><u>79,747</u></u>

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

**Rye & District Community Financial Services Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 1. Significant accounting policies**

*Statement of compliance*

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 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'.

*Accounting policies*

The principal 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**

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 2022 and any public announcements made by the company during the period.

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

	31-Dec-22 \$	31-Dec-21 \$
Margin income	2,640,702	1,316,526
Fee income	128,325	121,069
Commission income	139,575	121,055
Revenue from contracts with customers	<u>2,908,602</u>	<u>1,558,650</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**

The following dividends were provided for and paid to shareholders during the financial half-year as presented in the Statement of changes in equity and Statement of cash flows.

	31-Dec-22 \$	31-Dec-21 \$
Fully franked dividend of 3.5 cents cents per share (31-Dec-21: 4 cents)	<u>102,606</u>	<u>117,264</u>

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

**Note 5. Fair value measurement**

Some of the company's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors determine the appropriate valuation techniques and inputs for fair value measurements.



**Rye & District Community Financial Services Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 5. Fair value measurement (continued)**

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: Quoted market price at the close of business at the end of the reporting period.

Level 2: Inputs are based on a valuation performed by a third party qualified valuer using quoted prices for similar assets in an active market.

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>31-Dec-22</b>				
<i>Assets</i>				
Land and buildings	-	5,475,000	-	5,475,000
Total assets	-	5,475,000	-	5,475,000
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>30-Jun-22</b>				
<i>Assets</i>				
Land and buildings	-	5,475,000	-	5,475,000
Total assets	-	5,475,000	-	5,475,000

There were no transfers between levels during the financial half-year.

**Note 6. Contingent assets and liabilities**

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

**Note 7. Related party transactions**

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

**Note 8. Events after the reporting date**

Since the end of the half-year, the RBA has increased the cash rate by 0.50% moving from 3.10% at 31 December 2022 to 3.60% as at the date of signing these accounts.

No other matter or circumstance has arisen since 31 December 2022 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.

**Rye & District Community Financial Services Limited**  
**Directors' declaration**  
**31 December 2022**

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 2022 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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Vincent de Paul Cheers  
Chair

9 March 2023



Andrew Frewin Stewart  
61 Bull Street Bendigo VIC 3550  
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(03) 5443 0344

# Independent auditor's review report to the Directors of Rye & District Community Financial Services Limited

## Report on the half-year financial report

### Conclusion

We have reviewed the half-year financial report of Rye & District Community Financial Services Limited (the company), which comprises the statement of financial position as at 31 December 2022, 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, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Rye & District Community Financial Services Limited does not comply with the *Corporations Act 2001* including:

- a. giving a true and fair view of the company's financial position at 31 December 2022 and of its performance for the half-year ended on that date
- b. complying with 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 of the half-year financial report that 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 half-year financial report that gives a true and fair view and 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 we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying 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: 9 March 2023



**Joshua Griffin**  
Lead Auditor