

Rye & District Community Financial Services Limited

ABN 67 095 766 895

Half-year Financial Report - 31 December 2023

Rye & District Community 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:

Vincent de Paul Cheers
Stephen Bernard Edmund
Helen Mary Murphy
Stephen De Quetteville Robin
Renee Christiana Bowker

Craig Lawrence Dowsing
Oriana Maria Tessari
Josh Oppy (appointed 27 February 2024)
Amber Britt Earles (resigned 15 November 2023)
Barry Leonard Irving OAM (resigned 24 November 2023)

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 \$802,069 (31 December 2022: \$951,431).

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.

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

On 18 December 2023, the company established:

- Southern Peninsula Foundation (the foundation), which is a private ancillary fund and is registered as a charity in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*
- Southern Peninsula Foundation Limited (the trustee company), which is a public company limited by guarantee, and is trustee of the foundation.

The company established the foundation to help address a major social housing crisis on the Southern Mornington Peninsula. At 31 December 2023:

- the company was the sole member of the trustee company, however the structure is in its infancy and may be subject to change in the near future
- no transactions have been recorded in the foundation or trustee company since incorporation on 18 December 2023.

The directors are yet to perform an assessment to conclude whether or not the company has control of the foundation and trustee company in accordance with AASB 10 *Consolidated Financial Statements*. Nevertheless, as there have been no transactions recorded in the foundation or trustee company, should control exist, consolidation would have no impact on the company's financial report for the financial half-year ended 31 December 2023.

Accordingly, the company has continued to prepare its financial statements as a stand-alone entity for the financial half-year ended 31 December 2023. In the preparation of the financial statements for the year ended 30 June 2024, an assessment of control will be performed and, if required, consolidated financial statements will be prepared for the year ended 30 June 2024.

There were no other 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.

Rye & District Community Financial Services Limited
Directors' report
31 December 2023

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



Vincent de Paul Cheers
Chair

8 March 2024



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 Rye & District 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', is positioned above the printed name.

Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated: 8 March 2024

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

Lachlan Tatt
Lead Auditor

Rye & District Community 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	2,765,241	2,908,602
Finance revenue		25,049	-
Total revenue		<u>2,790,290</u>	<u>2,908,602</u>
Employee benefits expense		(1,233,832)	(1,174,231)
Advertising and marketing costs		(5,160)	(5,783)
Occupancy and associated costs		(64,215)	(68,754)
Systems costs		(61,717)	(71,784)
Depreciation and amortisation expense		(67,834)	(60,574)
Finance costs		(2,401)	(12,465)
General administration expenses		(104,359)	(90,389)
Total expenses before community contributions and income tax		<u>(1,539,518)</u>	<u>(1,483,980)</u>
Profit before community contributions and income tax expense		1,250,772	1,424,622
Charitable donations, sponsorships and grants expense		(179,263)	(154,641)
Profit before income tax expense		1,071,509	1,269,981
Income tax expense		(269,440)	(318,550)
Profit after income tax expense for the half-year		802,069	951,431
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year		<u>802,069</u>	<u>951,431</u>
		Cents	Cents
Basic earnings per share		27.36	32.45
Diluted earnings per share		27.36	32.45

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 2023

	31-Dec-23 \$	30-Jun-23 \$
Assets		
Current assets		
Cash and cash equivalents	2,395,135	1,594,904
Trade and other receivables	511,259	557,302
Total current assets	<u>2,906,394</u>	<u>2,152,206</u>
Non-current assets		
Property, plant and equipment	5,681,733	5,729,993
Intangibles	88,692	107,828
Deferred tax assets	99,674	95,575
Total non-current assets	<u>5,870,099</u>	<u>5,933,396</u>
Total assets	<u>8,776,493</u>	<u>8,085,602</u>
Liabilities		
Current liabilities		
Trade and other payables	282,900	247,201
Borrowings	-	48,871
Current tax liabilities	783,663	572,611
Employee benefits	176,378	159,976
Total current liabilities	<u>1,242,941</u>	<u>1,028,659</u>
Non-current liabilities		
Trade and other payables	42,218	42,271
Borrowings	12,683	98,028
Employee benefits	17,629	23,163
Total non-current liabilities	<u>72,530</u>	<u>163,462</u>
Total liabilities	<u>1,315,471</u>	<u>1,192,121</u>
Net assets	<u>7,461,022</u>	<u>6,893,481</u>
Equity		
Issued capital	1,299,400	1,299,400
Reserves	1,404,542	1,404,542
Retained earnings	4,757,080	4,189,539
Total equity	<u>7,461,022</u>	<u>6,893,481</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 2023

	Note	Issued capital \$	Revaluation reserve	Retained earnings \$	Total equity \$
Balance at 1 July 2022		<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 or paid	3	<u>-</u>	<u>-</u>	<u>(102,606)</u>	<u>(102,606)</u>
Balance at 31 December 2022		<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>
Balance at 1 July 2023		<u>1,299,400</u>	<u>1,404,542</u>	<u>4,189,539</u>	<u>6,893,481</u>
Profit after income tax expense		-	-	802,069	802,069
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		<u>-</u>	<u>-</u>	<u>802,069</u>	<u>802,069</u>
<i>Transactions with owners in their capacity as owners:</i>					
Dividends provided for or paid	3	<u>-</u>	<u>-</u>	<u>(234,528)</u>	<u>(234,528)</u>
Balance at 31 December 2023		<u><u>1,299,400</u></u>	<u><u>1,404,542</u></u>	<u><u>4,757,080</u></u>	<u><u>7,461,022</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 2023

	Note	31-Dec-23 \$	31-Dec-22 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,128,286	2,971,880
Payments to suppliers and employees (inclusive of GST)		(1,895,648)	(1,769,233)
Interest received		1,664	-
Interest and other finance costs paid		(2,401)	(12,465)
Income taxes paid		(62,487)	(33,061)
		<u>1,169,414</u>	<u>1,157,121</u>
Net cash from operating activities			
Cash flows from investing activities			
Payments for property, plant and equipment		(439)	(110)
		<u>(439)</u>	<u>(110)</u>
Net cash used in investing activities			
Cash flows from financing activities			
Dividends paid	3	(234,528)	(102,606)
Repayment of borrowings		(134,216)	(543,809)
		<u>(368,744)</u>	<u>(646,415)</u>
Net cash used in financing activities			
Net increase in cash and cash equivalents		800,231	510,596
Cash and cash equivalents at the beginning of the financial half-year		1,594,904	130,571
		<u>2,395,135</u>	<u>641,167</u>
Cash and cash equivalents at the end of the financial half-year		<u>2,395,135</u>	<u>641,167</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 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

	31-Dec-23	31-Dec-22
	\$	\$
Margin income	2,497,841	2,640,702
Fee income	129,272	128,325
Commission income	<u>138,128</u>	<u>139,575</u>
Revenue from contracts with customers	<u><u>2,765,241</u></u>	<u><u>2,908,602</u></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

The following dividends were declared 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-23	31-Dec-22
	\$	\$
Fully franked dividend of 8 cents per share (31-Dec-22: 3.5 cents)	<u><u>234,528</u></u>	<u><u>102,606</u></u>

The tax rate at which dividend have been franked is 25%

Note 4. 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.

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

31-Dec-23	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<i>Assets</i>				
Land and buildings	-	5,475,000	-	5,475,000
Total assets	<u>-</u>	<u>5,475,000</u>	<u>-</u>	<u>5,475,000</u>

Rye & District Community Financial Services Limited
Notes to the financial statements
31 December 2023

Note 4. Fair value measurement (continued)

30-Jun-23	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<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 5. Contingent assets and liabilities

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

Note 6. Related party transactions

Key management personal compensation for the half-year was \$36,202 (31 December 2022: \$39,593).

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

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.

Rye & District Community 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



Vincent de Paul Cheers
Chair

8 March 2024



Andrew Frewin Stewart
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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 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 Rye & District 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: 8 March 2024



Lachlan Tatt
Lead Auditor