

Whitsunday Community Enterprises Limited

ABN 39 150 376 435

Half-year Financial Report - 31 December 2023

Whitsunday Community Enterprises 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:

Mark Clifford Henry
Krystine Margaret Halsey
Ross Percy David Hughes
Gus Thomas Walsgott

Caitlyn Maree Fleming
Kim Maree Porter (Appointed 28 November 2023)
Gail Vivian Anderson (Resigned 20 October 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 loss for the company after providing for income tax amounted to \$8,519 (31 December 2022: profit of \$47,505).

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 25 July 2023, the company declared an unfranked dividend of 4 cents per share, representing a total dividend of \$32,001. The dividend was paid on 8 November 2023.

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

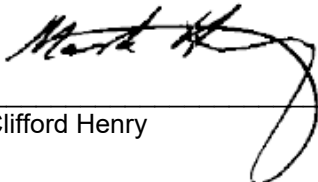
No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

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



Mark Clifford Henry
Chair

1 March 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 Whitsunday Community Enterprises 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: 1 March 2024

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

Lachlan Tatt
Lead Auditor

Whitsunday Community Enterprises 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	3	295,599	291,746
Other revenue		-	13,863
Finance revenue		60	17
Total revenue		<u>295,659</u>	<u>305,626</u>
Employee benefits expense		(183,157)	(142,987)
Advertising and marketing costs		(2,839)	(1,788)
Occupancy and associated costs		(6,649)	(4,789)
Systems costs		(7,712)	(7,508)
Depreciation and amortisation expense		(43,440)	(26,838)
Finance costs		(5,119)	(8,587)
General administration expenses		(38,754)	(41,847)
Impairment of assets		(6,524)	-
Total expenses before community contributions and income tax		<u>(294,194)</u>	<u>(234,344)</u>
Profit before community contributions and income tax expense		1,465	71,282
Charitable donations, sponsorships and grants expense		(12,043)	(7,942)
Profit/(loss) before income tax (expense)/benefit		(10,578)	63,340
Income tax (expense)/benefit		2,059	(15,835)
Profit/(loss) after income tax (expense)/benefit for the half-year		(8,519)	47,505
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year		<u>(8,519)</u>	<u>47,505</u>
		Cents	Cents
Basic earnings per share		(1.06)	5.94
Diluted earnings per share		(1.06)	5.94

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

Whitsunday Community Enterprises Limited
Statement of financial position
As at 31 December 2023

	31-Dec-23 \$	30-Jun-23 \$
Assets		
Current assets		
Cash and cash equivalents	4,135	20,738
Trade and other receivables	33,267	20,774
Total current assets	<u>37,402</u>	<u>41,512</u>
Non-current assets		
Property, plant and equipment	99,809	112,928
Right-of-use assets	96,563	111,548
Intangibles	59,436	82,031
Deferred tax assets	139,242	137,183
Total non-current assets	<u>395,050</u>	<u>443,690</u>
Total assets	<u>432,452</u>	<u>485,202</u>
Liabilities		
Current liabilities		
Trade and other payables	25,524	21,699
Borrowings	3,275	-
Lease liabilities	51,542	42,091
Total current liabilities	<u>80,341</u>	<u>63,790</u>
Non-current liabilities		
Trade and other payables	28,551	28,552
Lease liabilities	123,450	152,438
Provisions	6,688	6,480
Total non-current liabilities	<u>158,689</u>	<u>187,470</u>
Total liabilities	<u>239,030</u>	<u>251,260</u>
Net assets	<u>193,422</u>	<u>233,942</u>
Equity		
Issued capital	768,948	768,948
Accumulated losses	(575,526)	(535,006)
Total equity	<u>193,422</u>	<u>233,942</u>

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

Whitsunday Community Enterprises Limited
Statement of changes in equity
For the half-year ended 31 December 2023

	Note	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022		768,948	(652,149)	116,799
Profit after income tax expense		-	47,505	47,505
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	47,505	47,505
Balance at 31 December 2022		<u>768,948</u>	<u>(604,644)</u>	<u>164,304</u>
Balance at 1 July 2023		768,948	(535,006)	233,942
Profit after income tax expense		-	(8,519)	(8,519)
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	(8,519)	(8,519)
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	4	-	(32,001)	(32,001)
Balance at 31 December 2023		<u>768,948</u>	<u>(575,526)</u>	<u>193,422</u>

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

Whitsunday Community Enterprises 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)		312,665	316,029
Payments to suppliers and employees (inclusive of GST)		(261,877)	(221,921)
Interest received		60	17
Interest and other finance costs paid		(92)	(2,392)
		<u>50,756</u>	<u>91,733</u>
Cash flows from investing activities			
Payments for intangible assets		(12,978)	-
		<u>(12,978)</u>	<u>-</u>
Cash flows from financing activities			
Dividends paid	4	(32,001)	-
Repayment of lease liabilities		(22,380)	(23,714)
		<u>(54,381)</u>	<u>(23,714)</u>
Net increase/(decrease) in cash and cash equivalents		(16,603)	68,019
Cash and cash equivalents at the beginning of the financial half-year		20,738	(134,965)
		<u>4,135</u>	<u>(66,946)</u>

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

Whitsunday Community Enterprises 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. Going concern

The financial statements for the half-year ended 31 December 2023 have been prepared on the basis that the company is a going concern and that the company has sufficient resources to pay its debts as and when they fall due for the foreseeable future.

The directors have reviewed the company's financial position and performance for the financial half-year ended 31 December 2023 and note the following:

	31-Dec-23	30-Jun-23	Change	Change
	\$	\$	\$	%
Current assets	37,402	41,512	(4,110)	(10%)
Current liabilities	(80,341)	(63,790)	(16,551)	26%
Working capital/(deficiency)	(42,939)	(22,278)	(20,661)	
Total assets	432,452	485,202	(52,750)	(11%)
Total liabilities	(239,030)	(251,260)	12,230	(5%)
Net assets/(liabilities)	193,422	233,942	(40,520)	
Accumulated losses	(575,526)	(535,006)	(40,520)	8%
Cash and cash equivalents	4,135	20,738	(16,603)	(80%)
Available overdraft and borrowing facilities	196,725	200,000	(3,275)	(2%)
	31-Dec-23	31-Dec-22	Change	Change
	\$	\$	\$	%
Profit/(loss) before tax	(10,578)	63,340	(73,918)	(117%)
Profit/(loss) after tax	(8,519)	47,505	(56,024)	(118%)
Operating cash inflows/(outflows)	50,756	91,733	(40,977)	(45%)

The company recorded a working capital deficiency at 31 December 2023, with current liabilities of \$77,066 exceeding current assets of \$34,127. The company has met its day to day working capital requirements through a bank overdraft facility. The overdraft has an approved limit of \$200,000 and was drawn to \$3,275 as at 31 December 2023 leaving \$196,725 in available funds which could be drawn upon as required.

The directors have prepared forecasts and projections, which considers reasonable possible changes in trading performance, and shows that the company should be able to operate within the level of its current overdraft facility.

The directors have concluded that the combination of the circumstances above represent a material uncertainty over going concern, which casts doubt over the company's ability to pay its debts as and when they fall due in the foreseeable future.

Whitsunday Community Enterprises Limited
Notes to the financial statements
31 December 2023

Note 2. Going concern (continued)

Nevertheless, after making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, the directors continue to adopt the going concern basis of accounting in preparing the half-year financial report.

Note 3. Revenue from contracts with customers

	31-Dec-23	31-Dec-22
	\$	\$
Margin income	253,616	241,004
Fee income	14,623	14,788
Commission income	<u>27,360</u>	<u>35,954</u>
Revenue from contracts with customers	<u><u>295,599</u></u>	<u><u>291,746</u></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 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
	\$	\$
Unfranked dividend of 4 cents per share (31-Dec-22: nil cents)	<u>32,001</u>	<u>-</u>

Note 5. Contingent assets and liabilities

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

Note 6. Related party transactions

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2023 annual financial report.

Note 7. Events after the reporting date

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.

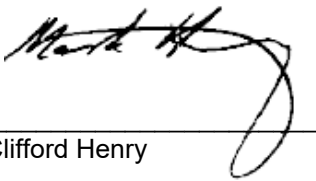
Whitsunday Community Enterprises Limited
Directors' declaration
31 December 2023

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



Mark Clifford Henry
Chair

1 March 2024



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Independent auditor's review report to the Directors of Whitsunday Community Enterprises Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Whitsunday Community Enterprises 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 Whitsunday Community Enterprises 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.



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Material uncertainty related to going concern

Our conclusion is not modified for this matter. We draw attention to Note 2 in the financial report, which indicates that the company reported a net loss of \$8,519 for the half-year ended 31 December 2023, and a net working capital deficiency of \$42,939, where its current liabilities exceeded its current assets. The company meets its day to day working capital requirements through an overdraft facility. The overdraft has an approved limit of \$200,000 and was drawn to \$3,275 as at 31 December 2023. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt over the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

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: 1 March 2024

Lachlan Tatt
Lead Auditor