

Break O'Day Community Financial Services Ltd

ABN 63 614 142 853

Half-year Financial Report - 31 December 2024

Break O'Day Community Financial Services Ltd

Directors' report

31 December 2024

The directors present their report, together with the financial statements, on the company for the half-year ended 31 December 2024.

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:

Stephen John Walley
David Edward Llewellyn AM
Sandra Maree Lohrey
Garry Colin Pannan

Elise Hayley Frost
Kevin Reilly (appointed 27 August 2024)
John Brakey (resigned 31 August 2024)
Roger William Harrison Harlow (resigned 30 July 2024)

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 \$27,601 (31 December 2023: \$14,105).

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

On 26 February 2025, the company declared an unfranked dividend of 3 cents per share to shareholders (\$22,826). On 31 March 2025, the dividend will be paid to shareholders.


No other matter or circumstance has arisen since 31 December 2024 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



Stephen John Walley
Chair

24 February 2025



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 Break O'Day Community Financial Services Ltd

We declare that, to the best of our knowledge and belief, for the half-year ended 31 December 2024 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: 24 February 2025

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

Lachlan Tatt
Lead Auditor

Break O'Day Community Financial Services Ltd
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024

	Note	31-Dec-24 \$	31-Dec-23 \$
Revenue from contracts with customers	3	258,586	259,570
Other revenue		16,342	16,784
Finance revenue		2,042	2,034
Total revenue		<u>276,970</u>	<u>278,388</u>
Employee benefits expense		(130,810)	(145,692)
Advertising and marketing costs		(2,537)	(7,657)
Occupancy and associated costs		(11,518)	(6,981)
Depreciation and amortisation expense		(29,418)	(35,443)
Finance costs		(6,440)	(6,034)
General administration expenses		(43,130)	(53,939)
Total expenses before community contributions and income tax		<u>(223,853)</u>	<u>(255,746)</u>
Profit before community contributions and income tax expense		53,117	22,642
Charitable donations, sponsorships and grants expense		<u>(16,175)</u>	<u>(3,664)</u>
Profit before income tax expense		36,942	18,978
Income tax expense		<u>(9,341)</u>	<u>(4,873)</u>
Profit after income tax expense for the half-year		27,601	14,105
Other comprehensive income for the half-year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the half-year		<u><u>27,601</u></u>	<u><u>14,105</u></u>
		Cents	Cents
Basic earnings per share		3.63	1.85
Diluted earnings per share		3.63	1.85

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

Break O'Day Community Financial Services Ltd
Statement of financial position
As at 31 December 2024

	31-Dec-24 \$	30-Jun-24 \$
Assets		
Current assets		
Cash and cash equivalents	347,695	329,481
Trade and other receivables	66,353	46,546
Total current assets	<u>414,048</u>	<u>376,027</u>
Non-current assets		
Investment properties	6,787	6,807
Property, plant and equipment	127,399	139,463
Right-of-use assets	165,292	175,993
Intangibles	40,895	47,527
Deferred tax assets	54,878	64,219
Total non-current assets	<u>395,251</u>	<u>434,009</u>
Total assets	<u>809,299</u>	<u>810,036</u>
Liabilities		
Current liabilities		
Trade and other payables	45,424	52,099
Borrowings	4,966	4,811
Lease liabilities	29,858	29,853
Employee benefits	3,882	13,732
Total current liabilities	<u>84,130</u>	<u>100,495</u>
Non-current liabilities		
Trade and other payables	29,663	29,663
Borrowings	30,574	33,099
Lease liabilities	177,977	188,549
Employee benefits	6,553	5,505
Provisions	3,513	3,437
Total non-current liabilities	<u>248,280</u>	<u>260,253</u>
Total liabilities	<u>332,410</u>	<u>360,748</u>
Net assets	<u>476,889</u>	<u>449,288</u>
Equity		
Issued capital	724,372	724,372
Accumulated losses	<u>(247,483)</u>	<u>(275,084)</u>
Total equity	<u>476,889</u>	<u>449,288</u>

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

Break O'Day Community Financial Services Ltd
Statement of changes in equity
For the half-year ended 31 December 2024

	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	<u>724,372</u>	<u>(324,707)</u>	<u>399,665</u>
Profit after income tax expense	-	14,105	14,105
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	<u>-</u>	<u>14,105</u>	<u>14,105</u>
Balance at 31 December 2023	<u><u>724,372</u></u>	<u><u>(310,602)</u></u>	<u><u>413,770</u></u>
Balance at 1 July 2024	<u>724,372</u>	<u>(275,084)</u>	<u>449,288</u>
Profit after income tax expense	-	27,601	27,601
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	<u>-</u>	<u>27,601</u>	<u>27,601</u>
Balance at 31 December 2024	<u><u>724,372</u></u>	<u><u>(247,483)</u></u>	<u><u>476,889</u></u>

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

Break O'Day Community Financial Services Ltd
Statement of cash flows
For the half-year ended 31 December 2024

	31-Dec-24	31-Dec-23
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	287,759	326,266
Payments to suppliers and employees (inclusive of GST)	(252,527)	(227,921)
Interest received	2,427	1,705
Interest and other finance costs paid	(1,847)	(844)
	<u>35,812</u>	<u>99,206</u>
Cash flows from investing activities		
Payments for property, plant and equipment	-	(3,735)
	<u>-</u>	<u>(3,735)</u>
Cash flows from financing activities		
Repayment of borrowings	(2,360)	(2,807)
Interest and other finance costs paid	(4,661)	(5,117)
Repayment of lease liabilities	(10,577)	(10,111)
	<u>(17,598)</u>	<u>(18,035)</u>
Net increase in cash and cash equivalents	18,214	77,436
Cash and cash equivalents at the beginning of the financial half-year	<u>329,481</u>	<u>202,004</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>347,695</u></u>	<u><u>279,440</u></u>

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

Break O'Day Community Financial Services Ltd

Notes to the financial statements

31 December 2024

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 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 2024 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. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of revenue under the franchise agreement. The franchise agreement expires in February 2028.

The directors have a reasonable expectation that a new franchise agreement will be signed prior to the expiry date.

Note 3. Revenue from contracts with customers

	31-Dec-24	31-Dec-23
	\$	\$
Margin income	215,808	229,230
Fee income	13,304	13,588
Commission income	29,474	16,752
Revenue from contracts with customers	<u>258,586</u>	<u>259,570</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

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

Dividends declared but not recognised at 31 December 2024

Since 31 December 2024, the board of directors has declared to pay an unfranked dividend of 3 cents per share, to be paid on 31 March 2025. The financial impact of the dividend, amounting to \$22,826, has not been recognised in the financial statements for the financial half-year ended 31 December 2024, and will be recognised in the subsequent financial statements.

Note 5. Contingent assets and liabilities

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

Note 6. Related party transactions

There were no related party transactions during the half-year ended 31 December 2024. The nature of relationships with related parties remains consistent with those disclosed in the company's financial report for the year ended 30 June 2024, and there have been no significant changes in related party relationships or arrangements since year-end.

Break O'Day Community Financial Services Ltd
Notes to the financial statements
31 December 2024

Note 7. Events after the reporting date

On 26 February 2025, the company declared an unfranked dividend of 3 cents per share to shareholders (\$22,826). On 31 March 2025, the dividend will be paid to shareholders.

No other matter or circumstance has arisen since 31 December 2024 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.

Break O'Day Community Financial Services Ltd
Directors' declaration
31 December 2024

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 2024 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



Stephen John Walley
Chair

24 February 2025



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
afs@afsbendigo.com.au
03 5443 0344

Independent auditor's review report to the Directors of Break O'Day Community Financial Services Ltd

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Break O'Day Community Financial Services Ltd (the company), which comprises the statement of financial position as at 31 December 2024, 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 Break O'Day Community Financial Services Ltd does not present fairly, in all material respects, the company's financial position at 31 December 2024, 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 2024 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: 24 February 2025



Lachlan Tatt
Lead Auditor