

# East Malvern Community Financial Services Limited

ABN 27 089 542 174

Half-year Financial Report - 31 December 2024

**East Malvern Community Financial Services Limited**  
**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:

Stuart Martyn  
Philip Williamson  
Michael Arbon

Anne Parsonson  
Melissa Hartmann  
Alistair Macleod

**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 \$456,731 (31 December 2023: \$314,776).

**Significant changes in the state of affairs**

During the year, the company completed a share issue, where the company issued 204,659 ordinary shares at \$4 each. The company incurred \$3,924 of equity raising costs during the share issue. Refer to Note 6 for more information.

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**

A 10 cent dividend for the second quarter was announced in December 2024 and subsequently paid in January 2025. The total value of this dividend was \$97,404.30. Refer to Note 7: Dividends for more information.

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



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Stuart Martyn  
Chair

25 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 East Malvern Community Financial Services Limited

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', with a flourish at the end.

**Andrew Frewin Stewart**  
61 Bull Street, Bendigo Vic 3550  
Dated: 25 February 2025

A handwritten signature in black ink, appearing to read 'Joshua Griffin', with a flourish at the end.

**Joshua Griffin**  
**Lead Auditor**

**East Malvern Community Financial Services Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2024**

|   | <b>Note</b> | <b>31-Dec-24</b><br><b>\$</b> | <b>31-Dec-23</b><br><b>\$</b> |
|---|-------------|-------------------------------|-------------------------------|
| Revenue from contracts with customers                               | 3           | 2,344,736                     | 1,528,113                     |
| Other revenue   |             | 38,820                        | 25,803                        |
| <b>Total revenue</b>  |             | <u>2,383,556</u>              | <u>1,553,916</u>              |
| Employee benefits expense   |             | (1,091,892)                   | (662,559)                     |
| Occupancy expenses  |             | (26,950)                      | (32,457)                      |
| IT expenses   |             | (39,047)                      | (23,602)                      |
| Depreciation and amortisation expense                               |             | (84,262)                      | (62,479)                      |
| Finance costs   |             | (155,172)                     | (87,594)                      |
| Other expenses  |             | (235,164)                     | (159,303)                     |
| <b>Total expenses before community contributions and income tax</b> |             | <u>(1,632,487)</u>            | <u>(1,027,994)</u>            |
| <b>Profit before community contributions and income tax expense</b> |             | 751,069                       | 525,922                       |
| Charitable donations, sponsorships and grants expense               |             | (195,825)                     | (88,768)                      |
| <b>Profit before income tax expense</b>                             |             | 555,244                       | 437,154                       |
| Income tax expense  |             | (98,513)                      | (122,378)                     |
| <b>Profit after income tax expense for the half-year</b>            |             | 456,731                       | 314,776                       |
| Other comprehensive income for the half-year, net of tax            |             | -                             | -                             |
| <b>Total comprehensive income for the half-year</b>                 |             | <u>456,731</u>                | <u>314,776</u>                |
|   |             | <b>Cents</b>                  | <b>Cents</b>                  |
| Basic earnings per share  |             | 46.89                         | 40.91                         |
| Diluted earnings per share  |             | 46.89                         | 40.91                         |

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

**East Malvern Community Financial Services Limited**  
**Statement of financial position**  
**As at 31 December 2024**

|                                | Note | 31-Dec-24<br>\$  | 30-Jun-24<br>\$  |
|--------------------------------|------|------------------|------------------|
| <b>Assets</b>                  |      |                  |                  |
| <b>Current assets</b>          |      |                  |                  |
| Cash and cash equivalents      |      | 148,809          | 96,445           |
| Trade and other receivables    |      | 484,042          | 416,024          |
| Total current assets           |      | <u>632,851</u>   | <u>512,469</u>   |
| <b>Non-current assets</b>      |      |                  |                  |
| Trade and other receivables    |      | 8,337            | 9,623            |
| Financial assets               |      | 271,255          | 297,470          |
| Property, plant and equipment  |      | 2,306,084        | 2,249,898        |
| Right-of-use assets            | 4    | 711,541          | 219,197          |
| Intangibles                    |      | 4,168,399        | 4,190,477        |
| Deferred tax assets            |      | 15,212           | -                |
| Total non-current assets       |      | <u>7,480,828</u> | <u>6,966,665</u> |
| <b>Total assets</b>            |      | <u>8,113,679</u> | <u>7,479,134</u> |
| <b>Liabilities</b>             |      |                  |                  |
| <b>Current liabilities</b>     |      |                  |                  |
| Trade and other payables       |      | 476,200          | 411,520          |
| Borrowings                     |      | 665,520          | 566,189          |
| Lease liabilities              | 5    | 89,071           | 48,728           |
| Current tax liabilities        |      | 247,059          | 226,687          |
| Employee benefits              |      | 94,128           | 93,603           |
| Total current liabilities      |      | <u>1,571,978</u> | <u>1,346,727</u> |
| <b>Non-current liabilities</b> |      |                  |                  |
| Borrowings                     |      | 2,000,401        | 3,128,934        |
| Lease liabilities              | 5    | 629,632          | 151,945          |
| Deferred tax liabilities       |      | -                | 13,909           |
| Employee benefits              |      | 60,848           | 72,676           |
| Provisions                     |      | 28,655           | 39,878           |
| Total non-current liabilities  |      | <u>2,719,536</u> | <u>3,407,342</u> |
| <b>Total liabilities</b>       |      | <u>4,291,514</u> | <u>4,754,069</u> |
| <b>Net assets</b>              |      | <u>3,822,165</u> | <u>2,725,065</u> |
| <b>Equity</b>                  |      |                  |                  |
| Issued capital                 | 6    | 2,330,513        | 1,515,801        |
| Retained earnings              |      | 1,491,652        | 1,209,264        |
| <b>Total equity</b>            |      | <u>3,822,165</u> | <u>2,725,065</u> |

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

**East Malvern Community Financial Services Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2024**

|  | Note | Issued<br>capital<br>\$ | Retained<br>earnings<br>\$ | Total<br>equity<br>\$ |
|--|------|-------------------------|----------------------------|-----------------------|
| <b>Balance at 1 July 2023</b>                                |      | 844,112                 | 673,287                    | 1,517,399             |
| Profit after income tax expense                              |      | -                       | 314,776                    | 314,776               |
| Other comprehensive income, net of tax                       |      | -                       | -                          | -                     |
|  |      | <u>-</u>                | <u>314,776</u>             | <u>314,776</u>        |
| <i>Transactions with owners in their capacity as owners:</i> |      |                         |                            |                       |
| Shares issued during period                                  | 6    | 684,727                 | -                          | 684,727               |
| Costs of issuing shares                                      | 6    | (13,038)                | -                          | (13,038)              |
| Dividends provided for or paid                               | 7    | -                       | (121,428)                  | (121,428)             |
|  |      | <u>-</u>                | <u>(121,428)</u>           | <u>(121,428)</u>      |
| <b>Balance at 31 December 2023</b>                           |      | <u>1,515,801</u>        | <u>866,635</u>             | <u>2,382,436</u>      |
| <br>   |      |                         |                            |                       |
| <b>Balance at 1 July 2024</b>                                |      | 1,515,801               | 1,209,264                  | 2,725,065             |
| Profit after income tax expense                              |      | -                       | 456,731                    | 456,731               |
| Other comprehensive income, net of tax                       |      | -                       | -                          | -                     |
|  |      | <u>-</u>                | <u>456,731</u>             | <u>456,731</u>        |
| <i>Transactions with owners in their capacity as owners:</i> |      |                         |                            |                       |
| Shares issued during period                                  | 6    | 818,636                 | -                          | 818,636               |
| Costs of issuing shares                                      | 6    | (3,924)                 | -                          | (3,924)               |
| Dividends provided for or paid                               | 7    | -                       | (174,343)                  | (174,343)             |
|  |      | <u>-</u>                | <u>(174,343)</u>           | <u>(174,343)</u>      |
|  |      | <u>814,712</u>          | <u>(174,343)</u>           | <u>640,369</u>        |
| <b>Balance at 31 December 2024</b>                           |      | <u>2,330,513</u>        | <u>1,491,652</u>           | <u>3,822,165</u>      |

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

**East Malvern Community Financial Services Limited**  
**Statement of cash flows**  
**For the half-year ended 31 December 2024**

|   | Note | 31-Dec-24<br>\$       | 31-Dec-23<br>\$       |
|---|------|-----------------------|-----------------------|
| <b>Cash flows from operating activities</b>                           |      |                       |                       |
| Receipts from customers (inclusive of GST)                            |      | 2,512,477             | 1,515,116             |
| Payments to suppliers and employees (inclusive of GST)                |      | (1,802,889)           | (987,328)             |
| Dividends received  |      | 38,820                | 25,803                |
| Interest and other finance costs paid                                 |      | (140,460)             | (89,870)              |
| Income taxes paid   |      | (107,262)             | -                     |
| Net cash from operating activities                                    |      | <u>500,686</u>        | <u>463,721</u>        |
| <b>Cash flows from investing activities</b>                           |      |                       |                       |
| Purchase of rights to revenue stream                                  |      | -                     | (1,956,579)           |
| Purchase of property, plant and equipment                             |      | (73,130)              | (154,992)             |
| Payments for intangibles  |      | -                     | (6,650)               |
| Proceeds from disposal of investments                                 |      | 26,215                | -                     |
| Net cash used in investing activities                                 |      | <u>(46,915)</u>       | <u>(2,118,221)</u>    |
| <b>Cash flows from financing activities</b>                           |      |                       |                       |
| Proceeds from issue of shares   | 6    | 818,636               | 684,727               |
| Repayment of lease liabilities  |      | (32,029)              | (24,619)              |
| Repayment of borrowings   |      | (1,234,202)           | (256,878)             |
| Interest and other finance costs paid                                 |      | (13,459)              | (2,625)               |
| Share issue transaction costs   | 6    | (3,924)               | (13,038)              |
| Dividends paid  | 7    | (141,429)             | (126,638)             |
| Proceeds from/redraw on borrowings                                    |      | 205,000               | 1,469,195             |
| Net cash from/(used in) financing activities                          |      | <u>(401,407)</u>      | <u>1,730,124</u>      |
| Net increase in cash and cash equivalents                             |      | 52,364                | 75,624                |
| Cash and cash equivalents at the beginning of the financial half-year |      | <u>96,445</u>         | <u>32,032</u>         |
| Cash and cash equivalents at the end of the financial half-year       |      | <u><u>148,809</u></u> | <u><u>107,656</u></u> |

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

**East Malvern Community Financial Services Limited**  
**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 is economically dependent on its franchise agreement with Bendigo Bank to generate revenue. The current agreement is set to expire within 12 months from the date of this half-year financial report, in May 2025. This agreement has two additional five year renewal terms, subject to the conditions of a renewal outlined in the franchise agreement.

The directors have assessed the company's ability to continue as a going concern and have a reasonable expectation that the franchise agreement will be renewed on mutually acceptable terms and conditions prior to the expiration of the current term.

For these reasons, the directors continue to prepare the financial statements on a going concern basis and do not believe this gives rise to any material uncertainty over going concern.

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

|                                       | <b>31-Dec-24</b>        | <b>31-Dec-23</b>        |
|---------------------------------------|-------------------------|-------------------------|
|                                       | \$                      | \$                      |
| Margin income                         | 2,160,235               | 1,409,625               |
| Fee income                            | 81,597                  | 55,066                  |
| Commission income                     | <u>102,904</u>          | <u>63,422</u>           |
| Revenue from contracts with customers | <u><u>2,344,736</u></u> | <u><u>1,528,113</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. Right-of-use assets**

|  | <b>31-Dec-24</b>      | <b>30-Jun-24</b>      |
|--|-----------------------|-----------------------|
|  | \$                    | \$                    |
| <i>Non-current assets</i>                |                       |                       |
| Leased land and buildings - right-of-use | 842,515               | 304,932               |
| Less: Accumulated depreciation           | <u>(130,974)</u>      | <u>(85,735)</u>       |
|  | <u><u>711,541</u></u> | <u><u>219,197</u></u> |

Refer to note 5 for further information.



**East Malvern Community Financial Services Limited**  
**Notes to the financial statements**  
**31 December 2024**

**Note 5. Lease liabilities**

|                                | 31-Dec-24<br>\$ | 30-Jun-24<br>\$ |
|--------------------------------|-----------------|-----------------|
| <i>Current liabilities</i>     |                 |                 |
| Lease liability                | <u>89,071</u>   | <u>48,728</u>   |
| <i>Non-current liabilities</i> |                 |                 |
| Lease liability                | <u>629,632</u>  | <u>151,945</u>  |

The company has signed a new lease during the period for the Wantirna branch. The new lease agreement commenced on 1 November 2024 and is for a period of 5 years, with 2 x 5 year extension options available which the company is reasonably certain to exercise.

**Note 6. Issued capital**

|  | 31-Dec-24<br>Shares | 30-Jun-24<br>Shares | 31-Dec-24<br>\$  | 30-Jun-24<br>\$  |
|--|---------------------|---------------------|------------------|------------------|
| Ordinary shares - fully paid at \$1 per share    | 394,300             | 394,300             | 394,300          | 394,300          |
| Ordinary shares - 1:3 rights at \$2.50 per share | 184,882             | 184,882             | 462,205          | 462,205          |
| Ordinary shares - fully paid at \$3.60 per share | 190,202             | 190,202             | 684,727          | 684,727          |
| Ordinary shares - fully paid at \$4 per share    | 204,659             | -                   | 818,636          | -                |
| Less: Equity raising costs                       | <u>-</u>            | <u>-</u>            | <u>(29,355)</u>  | <u>(25,431)</u>  |
|  | <u>974,043</u>      | <u>769,384</u>      | <u>2,330,513</u> | <u>1,515,801</u> |

During the half year, the company completed a share issue, where the company issued 204,659 ordinary shares at \$4 each. The company incurred \$3,924 of equity raising costs during the share issue.

**Note 7. Dividends**

*Dividends provided for during the half-year*

The following dividends were provided for during the half-year as presented in the Statement of changes in equity.

|  | 31-Dec-24<br>\$ | 31-Dec-23<br>\$ |
|--|-----------------|-----------------|
| Fully franked dividend of nil cents per share payable on 579,182 shares (31-Dec-23: 9 cents) | -               | 52,184          |
| Fully franked dividend of 10 cents per share payable on 769,384 shares (31-Dec-23: 9 cents)  | 76,938          | 69,244          |
| Fully franked dividend of 10 cents per share payable on 974,043 shares (31-Dec-23: nil)      | <u>97,404</u>   | <u>-</u>        |
|  | <u>174,342</u>  | <u>121,428</u>  |

*Dividends paid during the half-year*

The following dividends were paid to shareholders during the half-year as presented in the Statement of cash flows.

|                                   | 31-Dec-24<br>\$ | 31-Dec-23<br>\$ |
|-----------------------------------|-----------------|-----------------|
| Payment of current year dividends | 74,163          | 46,602          |
| Payment of prior year(s) dividend | <u>67,265</u>   | <u>80,036</u>   |
|                                   | <u>141,428</u>  | <u>126,638</u>  |

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

**East Malvern Community Financial Services Limited**  
**Notes to the financial statements**  
**31 December 2024**

**Note 8. Contingent assets and liabilities**

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

**Note 9. Related party transactions**

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2024 annual financial report.

**Note 10. Events after the reporting date**

A 10 cent dividend for the second quarter was announced in December 2024 and subsequently paid in January 2025. The total value of this dividend was \$97,404.30. Refer to Note 7: Dividends for more information.

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.

**East Malvern Community Financial Services Limited**  
**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



---

Stuart Martyn  
Chair

25 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 East Malvern Community Financial Services Limited

## Report on the half-year financial report

### Conclusion

We have reviewed the half-year financial report of East Malvern Community Financial Services Limited (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 East Malvern Community Financial Services Limited 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.



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

## 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.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart', is positioned above the name and contact information.

**Andrew Frewin Stewart**  
61 Bull Street, Bendigo Vic 3550  
Dated: 25 February 2025

A handwritten signature in black ink, appearing to read 'Joshua Griffin', is positioned above the name and title.

**Joshua Griffin**  
Lead Auditor