

Lancefield & Romsey Community Financial Services Limited

ABN 44 093 517 714

Half-year Financial Report - 31 December 2024

Lancefield & Romsey 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:

Suzanne Ewart
Beverley Anne Beaumont
John Joseph Roach
Graeme Charles Kelly

Graeme John Bruce
Georgia Morgan
Amanda Marie Mullins (resigned 26 August 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 \$203,721 (31 December 2023: \$325,159).

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

No 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

S.M. Ewart

Suzanne Ewart
Chair

3 February 2025



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 Lancefield & Romsey 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', is positioned above the printed name.

Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated: 3 February 2025

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

Joshua Griffin
Lead Auditor

Lancefield & Romsey Community Financial Services Limited
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	4	1,149,782	1,155,189
Finance revenue		27,350	19,537
Total revenue		<u>1,177,132</u>	<u>1,174,726</u>
Employee benefits expense		(561,407)	(492,733)
Advertising and marketing costs		(16,411)	(14,953)
Occupancy and associated costs		(34,585)	(40,352)
Systems costs		(27,116)	(26,705)
Depreciation and amortisation expense		(64,987)	(43,239)
Finance costs		(4,017)	(4,309)
General administration expenses		(75,002)	(69,986)
Total expenses before community contributions and income tax		<u>(783,525)</u>	<u>(692,277)</u>
Profit before community contributions and income tax expense		393,607	482,449
Charitable donations, sponsorships and grants expense		(120,928)	(53,209)
Profit before income tax expense		272,679	429,240
Income tax expense		(68,958)	(104,081)
Profit after income tax expense for the half-year		203,721	325,159
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year		<u>203,721</u>	<u>325,159</u>
		Cents	Cents
Basic earnings per share		20.16	32.17
Diluted earnings per share		20.16	32.17

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

Lancefield & Romsey Community Financial Services Limited
Statement of financial position
As at 31 December 2024

	31-Dec-24 \$	30-Jun-24 \$
Assets		
Current assets		
Cash and cash equivalents	598,560	263,951
Trade and other receivables	217,794	244,474
Investments	626,001	725,191
Total current assets	<u>1,442,355</u>	<u>1,233,616</u>
Non-current assets		
Property, plant and equipment	1,827,691	1,769,058
Right-of-use assets	99,946	102,178
Intangibles	15,731	28,702
Total non-current assets	<u>1,943,368</u>	<u>1,899,938</u>
Total assets	<u>3,385,723</u>	<u>3,133,554</u>
Liabilities		
Current liabilities		
Trade and other payables	63,628	50,895
Lease liabilities	25,024	24,102
Current tax liabilities	65,666	14,722
Employee benefits	53,332	55,887
Total current liabilities	<u>207,650</u>	<u>145,606</u>
Non-current liabilities		
Lease liabilities	115,865	120,292
Deferred tax liabilities	76,864	84,905
Employee benefits	4,931	6,244
Provisions	7,110	6,925
Total non-current liabilities	<u>204,770</u>	<u>218,366</u>
Total liabilities	<u>412,420</u>	<u>363,972</u>
Net assets	<u>2,973,303</u>	<u>2,769,582</u>
Equity		
Issued capital	667,869	667,869
Retained earnings	2,305,434	2,101,713
Total equity	<u>2,973,303</u>	<u>2,769,582</u>

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

Lancefield & Romsey Community Financial Services Limited
Statement of changes in equity
For the half-year ended 31 December 2024

	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2023	667,869	1,913,689	2,581,558
Profit after income tax expense	-	325,159	325,159
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	325,159	325,159
Balance at 31 December 2023	<u>667,869</u>	<u>2,238,848</u>	<u>2,906,717</u>
Balance at 1 July 2024	667,869	2,101,713	2,769,582
Profit after income tax expense	-	203,721	203,721
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	203,721	203,721
Balance at 31 December 2024	<u>667,869</u>	<u>2,305,434</u>	<u>2,973,303</u>

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

Lancefield & Romsey Community Financial Services Limited
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)	1,285,773	1,338,480
Payments to suppliers and employees (inclusive of GST)	(940,843)	(771,834)
Interest received	32,298	26,973
Income taxes paid	(26,055)	(16,000)
	<u>351,173</u>	<u>577,619</u>
Cash flows from investing activities		
Redemption of/(investment in) term deposits	99,190	(156,543)
Payments for property, plant and equipment	(102,920)	(6,813)
	<u>(3,730)</u>	<u>(163,356)</u>
Cash flows from financing activities		
Interest and other finance costs paid	(3,832)	(4,133)
Repayment of lease liabilities	(9,002)	(8,231)
	<u>(12,834)</u>	<u>(12,364)</u>
Net increase in cash and cash equivalents	334,609	401,899
Cash and cash equivalents at the beginning of the financial half-year	<u>263,951</u>	<u>338,552</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>598,560</u></u>	<u><u>740,451</u></u>

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

Lancefield & Romsey 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. Restatement of comparatives

Classification of term deposits

In the 30 June 2024 financial statements the directors disclosed a change in classification of term deposits to align the accounting policy with the requirements of *AASB 107 Statement of Cash Flows*.

The change in classification had the following impacts on comparative figures:

- Opening and closing cash balances were reduced to exclude term deposits with initial investment periods greater than three months as reported in the Statement of cash flows.
- Investments in and redemptions of term deposits with initial investment periods greater than three months are now classified within investment activities as reported in the Statement of cash flows.

Note 3. 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, on the 10 August 2025, this agreement has two additional 5 year renewal terms, subject to the conditions of a renewal outlined in Clause 3.5 of the Franchise Agreement.

If a new franchise agreement is not secured, this would give rise to material uncertainty regarding the company's ability to continue as a going concern as the company generates its revenue through the franchise agreement. This uncertainty may cast doubt on the on the company's ability to continue as a going concern.

Nevertheless, as the directors have a reasonable expectation that the franchise agreement will be renewed prior to its expiration, the financial statements continue to be prepared on a going concern basis and do not believe this gives rise to any material uncertainty over going concern.

Note 4. Revenue from contracts with customers

	31-Dec-24	31-Dec-23
	\$	\$
Margin income	1,039,282	1,050,516
Fee income	60,981	54,527
Commission income	49,519	50,146
Revenue from contracts with customers	<u>1,149,782</u>	<u>1,155,189</u>

Disaggregation of revenue

All revenue from contracts with customers has been recognised at a point in time during the half-year.

Note 5. Dividends

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

Lancefield & Romsey Community Financial Services Limited
Notes to the financial statements
31 December 2024

Note 6. 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

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
31-Dec-24				
<i>Assets</i>				
Land	-	1,000,000	-	1,000,000
Buildings	-	575,000	-	575,000
Total assets	-	1,575,000	-	1,575,000
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
30-Jun-24				
<i>Assets</i>				
Land	-	1,000,000	-	1,000,000
Buildings	-	575,000	-	575,000
Total assets	-	1,575,000	-	1,575,000

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

The basis of the valuation of land and buildings is fair value. The land and buildings were last revalued on 9 April 2024 based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of land and buildings being valued. The directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition.

Note 7. Contingent assets and liabilities

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

Note 8. 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.

Note 9. Events after the reporting date

No 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.

Lancefield & Romsey 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

S.M. Ewart

Suzanne Ewart
Chair

3 February 2025

Independent auditor's review report to the Directors of Lancefield & Romsey Community Financial Services Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Lancefield & Romsey 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 Lancefield & Romsey 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*.

Emphasis of matter

We draw attention to Note 3 in the half-year financial report, which describes the company's economic dependency on its franchise agreement with Bendigo Bank, which is set to expire within 12 months from the date of this report. As stated in note 3, the directors have a reasonable expectation that the agreement will be renewed before its expiration. Our review conclusion is not modified in respect of this matter.

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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03 5443 0344

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.

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: 3 February 2025

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

Joshua Griffin
Lead Auditor