

Annual Report 2024

Rye & District Community Financial Services Limited

Community Bank
Southern Peninsula

ABN 67 095 766 895



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Rye & District Community Financial Services Limited proudly acknowledges the Bunurong people of the Kulin Nation and the Aboriginal and Torres Strait Islander peoples as the first peoples of this nation and the traditional custodians of the land where we live, learn and work.

We pay our respects to elders past and present as it is their knowledge and experience that holds the key to the success of future generations.

Chair's report

For year ending 30 June 2024

I report to you once again as Chair of Rye & District Community Financial Services Limited (Community Bank Southern Peninsula) with a pleasing end of year result for FY 2024.

The fundamental purpose of our Company is to inspire a thriving community. We aim to live by this every day by following the Bendigo Bank Community Bank ethos of feeding into, not off, the prosperity of our local community.

Over the past year, Rye & District Community Financial Services Limited proudly joined 24 other community enterprises in our network to gain social enterprise certification. This formal recognition highlights our long-standing commitment to making a positive impact within our community and underscores our dedication as a 'business for good'. It is affirmed by our mission to be a substantial, sustainable community-built business that contributes to community prosperity.

I encourage you to read about the Company's community impact strategy in more detail, on pages 9 - 28. This is the second year we've provided greater insights into our community investment via the special report. It is inspiring and impressive reading, and I hope you enjoy learning more about the way the Company profits are being utilised in our local region.

Financial Performance

After another year of stabilised interest rates, the Company's income has remained buoyant, despite subdued lending activity and declining margins. In the period 1 July 2023 to 30 June 2024, the company recorded a net profit of \$1,040,849. As predicted, this fell short of the record net profit made in FY 2023 (\$1,924,371). The Company has also taken an opportunity to strengthen the balance sheet, via pay-down of loans and building of reserves towards reinvestment into branches. A distribution of \$475,000 was also made to the Community Enterprise Foundation, earmarked for future community development.

Major community investment

We thank our franchise partner Bendigo Bank for their support and guidance. Through this collaboration, our community investment program has been enormously successful. Our Company has once again invested a significant amount of funding into our local region, by way of sponsorships and donations. In the financial year the subject of this report, the Company has returned \$546,778 in direct community funding via way of sponsorship, grants and donations.

We have continued to support the work of significant funding partners including the Mornington Peninsula Foundation (their literacy programs of which we have invested a total of \$300,000 to date has made headlines and garnered significant attention from the State Government) and Southern Peninsula Community Support (over \$40,000 in FY 24), in particular the delivery of their Fresh Food Program and the complex navigation of homelessness outreach and housing security for those most vulnerable in our community.

Dividend

On the basis of a strong financial position and in recognition of the commitment and support of the Company's members, the Board is very pleased to declare a 12.0 cent per share dividend. This fully franked dividend will be paid to all shareholders on 29 November 2024.

Board of Directors

I once again reiterate that the role of directors in stewarding Community Bank companies has become increasingly demanding from a time perspective and in terms of the complexity of compliance and regulatory requirements. I am very thankful for the calibre of the directors that have been appointed to serve our local community. They work with care and genuine concern for the people of our local region.

Chair's report (continued)

I would like to thank retired directors, Barry Irving and Amber Earles who both resigned from the Board in November 2023 (after 19 years and almost a decade of service respectively). Barry's time on the Board saw many changes in both regulatory and local conditions. What remained consistent however, was Barry's love for and pride in his local community. Amber took on a directorship in early 2014. She was always willing to challenge the status quo and brought lively discussion and alternative ways of thinking to the table. We will miss both directors, but their legacy of strengthening Rye & District Community Financial Services Limited, endures.

2024 also saw the Company welcome new director, Josh Oppy. Josh is a local solicitor and brings professional experience, sound judgment and a youthful perspective to board discussions.

Our Staff

Thanks go to Fiona Somjee, Community Company Manager for her dedication to the pursuit of excellence and providing ongoing support, mentoring and encouragement to the Branch Operation Managers and their teams. We also extend our appreciation to all our staff for demonstrating exemplary service every day. Their commitment and professionalism towards our customers is at the core of our business.

As we move into 2025, we once again find ourselves in a positive position to grow and flourish. As I write, Community Bank Rye is in the process of receiving a much-needed "facelift". I hope you get an opportunity to visit the branch and congratulate the staff on their improved surrounds shortly!

I thank all shareholders for your investment and belief in this company. We are excited by what the future holds and the role that Rye & District Community Financial Services Limited (one of the Mornington Peninsula's largest Social Enterprises) continues to play in being a leader for positive change and prosperity in our local Southern Peninsula community.



Vin Cheers
Chair



Business for good

Manager's report

For year ending 30 June 2024

It is with immense pleasure that I submit my report to the shareholders of Rye & District Community Financial Services Limited for the financial year ending 30th June 2024.

The year of 2023/24 has seen continuing challenges in our economy which began back in May 2022 when the RBA commenced an aggressive cycle of tightening the cash rate in an attempt to control inflation. The first half of FY 23/24 saw further interest rate and rent increases coupled with the negative impact of persistently high inflation which has generated a 'painful squeeze' on Australian households. Households are more budget-conscious and seeking value by trading down to cheaper financial products. We have also seen the introduction of government and scheme loans to support eligible first home buyers. These initiatives have proven very popular.

An example of this difficult economic climate can be seen in the decrease in home lending settlements across our 3 branches, with Rye decreasing from 63 in the previous year to 45 (-18), Rosebud decreasing from 37 in the previous year to 33 (-4) and Dromana decreasing from 47 in the previous year to 28 (-19). These statistics reflect the negative impact on lending due to reduced borrowing capacity and serviceability of loans. We also saw several investors sell investment properties and repay both their investment loans and home loans due to the rising cost of finance.

While noting the above challenges to our banking and lending conditions, Community Bank Southern Peninsula has remained resilient and continues to explore all avenues to create opportunities for business growth. Staff are readily available to assist customers with rate reviews, financial hardship support and offer excellent customer service on a day-to-day basis.

Our consolidated footings as of the 30th of June 2024 totalled \$754.6 million (down 4.48%), which included total deposits of \$502.5 million, total lending of \$235.9 million along with \$16.2 million in Financial Planning products under management. These balances represent a \$35.4 million decrease in footings over the fiscal year.

Branch	Total footings 30/6/24	Deposit footings	Lending footings	Financial planning products under management	Total change in footings (by %)
Rye	\$285.8 million	\$186.6 million	\$94.9 million	\$4.3 million	- 15.3%
Rosebud	\$240.6 million	\$160.3 million	\$72.7 million	\$7.6 million	+ 2.86%
Dromana	\$228.2 million	\$144.77 million	\$70.26 million	\$3.62 million	+ 4.38%

Our group holds 24,307 accounts from 15,648 customers, an increase of 1,379 accounts and an increase of 2,729 customers from the previous year which shows an increase in product number per customer of 24.9%. Staff have been exemplary in building relationships to ensure that we are the primary bank for our customers, and this can be seen directly via the upturn in the product number per customer figure. Support for our unique Community Bank brand has come from all sectors of our community, including personal and business.

While we have seen more of our competitors in the area scale back their operations both in terms of physical presence and/or service offerings, we have taken the opportunity to renovate our branches. This commenced with the Rosebud re-fit in 2023. Community Bank Rye is undergoing a renovation in October, presenting a highly functional modern space. We aim to complete the refurbishment master plan with Dromana in 2025. We remain committed to investing in our branches as we are here to stay!

Our Lending Hub based in Rosebud also sets us up for greater success with significant opportunity to leverage lending growth and wider banking solutions. Our team of experienced lenders in the Hub allows for a dedicated focus on lending. We recognise that customers' buying habits are changing and we need to adapt to be sustainable. This allows us to deliver better lending outcomes, customer service levels and meet the changing needs of our customers.

Manager's report (continued)

This structure ensures that all our customers are experiencing excellent customer service with the branch now solely focussing on the 'customer experience'.

We consistently see existing customers acting as our advocates and promoting the benefits of supporting our Community Bank branches. This advocacy is being led particularly by the many not-for-profit groups that we have partnered with since opening. These organisations continue to see the rewards that banking with the Community Bank can offer them. Over the next 12 months we will continue to develop our partnerships with these not-for-profit customers, so that we can all share in the building of a stronger and more financially secure local community. I am confident that we can continue to grow our business to a level that enables us to record consistent month-on-month profits.

The leadership team now consists of myself a Community Company Manager along with our Branch Operation Managers: Vanessa Curtis (Rye), Renae Dunston (Rosebud) and Kristy McRae (Dromana). Rounding out the management group, is our Lending Hub Manager, Laura Nestoriwskyj and our part-time Business Development Manager, Craig Casey. Hollie Wilkin resigned early in 2024, which paved the way for Nat Sevier into the Community Engagement Advisor/Marketing role. I would like to recognise and thank our managers for their excellent support, leadership, and management of their teams. Thank you to all our branch staff - you have shown amazing commitment to our customers and to one another in a changing banking environment.

I would also like to thank and acknowledge the contribution of our Board of Directors who have worked tirelessly in promoting Community Bank Southern Peninsula along with our Regional Support team including our Specialist Business Bankers and Financial Planners. They have supported all operational staff in our efforts to continue to grow the business.

Finally, I would like to thank all our customers and shareholders for your continued support of Community Bank Southern Peninsula. Without your belief in the Community Bank model, we would not have been able to achieve the results we have to date. I congratulate every stakeholder involved in our Company and thank every customer because it is with your continued support that these outstanding community funding contributions are possible. I continue to ask that you be advocates for our branches and encourage your family, friends, and associates to bank with us.

We will continue to strive to be the best Community Bank in the network by providing the highest levels of customer service possible. We will remain resilient and committed to our customers and local community. Please feel free to contact us anytime at Community Bank Southern Peninsula.



Fiona Somjee
Community Company Manager



Fiona Somjee, Community Company Manager and Branch Operations Managers Vanessa Curtis, Renae Dunston, and Kristy McRae.

Bendigo and Adelaide Bank report

For year ending 30 June 2024

This past year has been particularly significant for Bendigo Bank and the Community Bank network. After five years apart, we had the opportunity to come together in person and connect in Bendigo at our National Conference in September.

It was lovely to see so many familiar faces and to meet many directors who haven't attended previously. We feel proud to support such an amazing network.

We are committed to our strategy and the qualities that make Bendigo Bank unique, by staying true to our connection with communities, our regional roots, and our position as Australia's most trusted bank.

As Bendigo Bank adapts to the evolving digital landscape and changing customer expectations, the Community Bank Network is organically evolving in response.

Over the past 12 months, we have seen Community Bank companies seek to enhance their presence within their communities more than ever.

This has been through expanding or consolidating branch sites, collaborating with local, state, and national governments to support community initiatives, or by prioritising social value alongside financial performance through Social Trader accreditation.

The anniversary of the Community Bank model, along with changing environmental factors, provides an opportunity to reset and establish a clear pathway towards the next 25 years.

Bendigo Bank's purpose, to feed into the prosperity of communities, and our willingness to ensure our purpose is relevant to the needs of communities in which we are present, is a key contributor to our commercial success.

When we utilise our combined strengths, exercise our imaginations and have the courage to commit to creating our own opportunities, we will be the partner of choice for customers and communities regardless of location or cause.

Community, regional presence, and trust are the distinctive attributes of Bendigo Bank that we have maintained and plan to uphold in the future.

While Bendigo Bank emphasises commercial success, our foundation remains in community values. Our aim is to generate mutual value by providing solutions to local challenges.

On behalf of Bendigo Bank, thank you for being a shareholder in your local Community Bank. Your contribution helps foster economic growth, creates employment opportunities, and provides essential financial services to the members of your community.

Your dedication and support is making a positive impact on your community.

Justine Minne
Bendigo and Adelaide Bank

Community Bank National Council report

For year ending 30 June 2024



Community Bank network: celebrating 26 years of empowering communities

This year our Community Bank network celebrated 26 years of providing grassroots support to metro, regional, rural and remote communities across Australia. It's a milestone that has been widely applauded by our customers and partners who recognise the significant role we play in the lives of everyday Australians. We're there when it matters – whether that be as second responders in times of natural disaster, crisis and need; or as community builders, providing resources and support; help and hope.

In the 2022-23 financial year, our Community Bank network gave back more than \$32 million in grants, sponsorships and donations to local community projects and initiatives. Over 26 years, we have returned more than \$324 million to local communities for emergency services; facilities and infrastructure; sport and recreation; education and research; health and wellbeing; art, culture and heritage as well as environment and animal welfare.

As a shareholder in your local Community Bank, you are part of this incredible social enterprise network that is playing an ever-important role in the Australian economy. With close working relationships with local, state and federal government, peak governing bodies, clubs and community organisations, we are integrally connected and in tune with the needs of everyday Australians.

Our Community Bank network is a first mover in Australia with our unique social enterprise model. The first Community Bank opened its doors in 1998, and since then, the network has grown to 305 Community Bank branches. Today we represent a diverse cross-section of Australia with more than 215 community enterprises, 70,000+ shareholders, 1500+ volunteer directors, 1700 staff and 950,000 customers.

Our Community Bank National Council (CBNC) plays a pivotal role in these relationships. The CBNC consists of both elected and appointed members from every state and territory. The role of council is to represent the network with its partners and to engage in strategic planning that delivers positive outcomes for our business and our communities.

The 2024 - 2026 Community Bank National Council Strategic Plan has four key focus areas:

- Impact – a planned, deliberate approach with investments that enhance community prosperity.
- Leadership and advocacy – to ensure the long-term sustainability of our enterprises.
- Network alignment – enabling us to develop and nurture partnerships that align with our defined areas of social impact.
- Commercial prosperity – supporting the commercial success of our enterprises.

It is through this strategic plan, which has a foundation built on connection and collaboration, that we will deliver a strong, and secure future for our directors, shareholders, staff and the communities we serve.

Warm regards

Lauren Bean
General Manager
Community Bank National Council

Community Impact Report 2023/24



Rye & District Community
Financial Services Limited

Introduction to Community Impact Report



I am honoured to present the Rye & District Community Financial Services Limited Community Impact Report for 2023/24. This provides a detailed review of how Community Bank Southern Peninsula has supported our local community over the last 12 months.

The Board continues to centre its community investment/returns around two distinct areas:

- The hugely popular Community Funding tranches in March and September where we encourage a diverse array of community groups and organisations (these range from sporting clubs, arts projects and community events to name but a few) to apply for funding across a range of sectors; and
- Specific and targeted funding into those areas that align with our community impact strategy and the pillars we have identified as being of significance, including educational attainment for our young people, food security and the growing and complex issue of housing security in our local region.

We are very proud of the rich relationships we have continued to build with community partners including Rosebud Secondary College, Southern Peninsula Community Support and the Mornington Peninsula Foundation. These relationships are deeply collaborative and we as a Community Bank company recognise the importance of active listening – to better connect and learn from the stories shared by these partners and to work towards a common goal of improving the prosperity of our local community.

The next few pages demonstrate the breadth and depth of our community funding program. We are justifiably proud of the unique Community Bank model that allows us to support so many initiatives within our region. It would be impossible to sustain this investment into the community without the customers who have decided to make Community Bank Southern Peninsula their bank of choice. We do not take this choice for granted. Thank you!



Vin Cheers
Chair
Rye & District Community Financial Services Limited

About us



The Community Bank Southern Peninsula is community-owned, operating three Peninsula branches in Rye, Rosebud and Dromana, and a dedicated lending hub in Rosebud. We employ 22 local staff to ensure our commitment to creating excellent customer service is front of mind.

Our Company (Rye & District Community Financial Services Limited) is a certified Social Enterprise and holds the franchise agreement with Bendigo Bank, to operate our Community Bank branches.

Community banking is based on a Profit-With-Purpose model, meaning our profits are returned directly to the community that generated them. We reinvest most of our profits back into the community through sponsorship and grants.

Our presence on the Peninsula for over twenty-two years has resulted in the return of close to 10 million dollars to the local community, a significant achievement of which we are immensely proud.

Vision

To be the bank of choice on the Southern Peninsula

Purpose

To feed into the prosperity of our local Southern Peninsula Community, and not off it

Mission

To focus on building and improving the prospects of our customers, community partners and shareholders, whilst offering an exceptional Community Bank experience.

Support Categories



Emergency and community support



Sport and recreation



Environment and animal welfare



Arts, culture and heritage



Health and wellbeing



Facilities and infrastructure



Education and research

Community Engagement Liaison

Since April 2024, I have been in the position of Community Engagement Liaison at Community Bank Southern Peninsula, a role that I am deeply committed to and proud of.

At Community Bank Southern Peninsula, the role of a Community Engagement Liaison is not just a title, but a unique commitment to making a tangible difference in our community. I work directly with our three branches to identify and implement initiatives that not only support our community groups, local clubs, and volunteers, but also significantly expand our network and foster partnerships that maximise our community impact.

The role also involves delivering marketing and advertising, social media, and events whilst supporting and leveraging our community partnerships and sharing our stories and the stories of local community organisations.

My vision in this role is to create a stronger and more connected community whilst building brand awareness and storytelling with existing and potential customers about the benefits of banking with us and the impact on our local community.

In my short time, there have been some significant highlights. The Community Awards evening held in May was a standout and my first introduction to community funding and its impact on those receiving funding. A group that stood out for me was the Dromana Community Garden. I had met with Marion and Lynn at the garden before they received funding to view their tiny shed, which they wanted to update with a purpose-built pavilion. Within months of receiving their funding, the pavilion project was in full force with assistance from local volunteers and the Dromana Rotary. The pavilion is finished and home to several local groups, and I see the direct positive impact this has on the community.

One of the most rewarding aspects of my role is the opportunity to be in the community and meet wonderful people. Every day, I get to interact and learn more about clubs, community groups, their passions and plans, and most importantly, the people who, in most cases, are volunteers. Our community would be nothing without these selfless people who put others first. They are our community's backbone.

One of our recent initiatives, the Happy Birthday cake and coffee cards, is a testament to our commitment to our customers. Each month, we offer a coffee & cake card valued at \$15 as a birthday gift to express our appreciation to you, our valued customer. Customers can drop by one of our three branches to collect their cards if it is your birthday that month. This initiative not only shows our appreciation but also supports three of our local cafes, further strengthening our community ties.

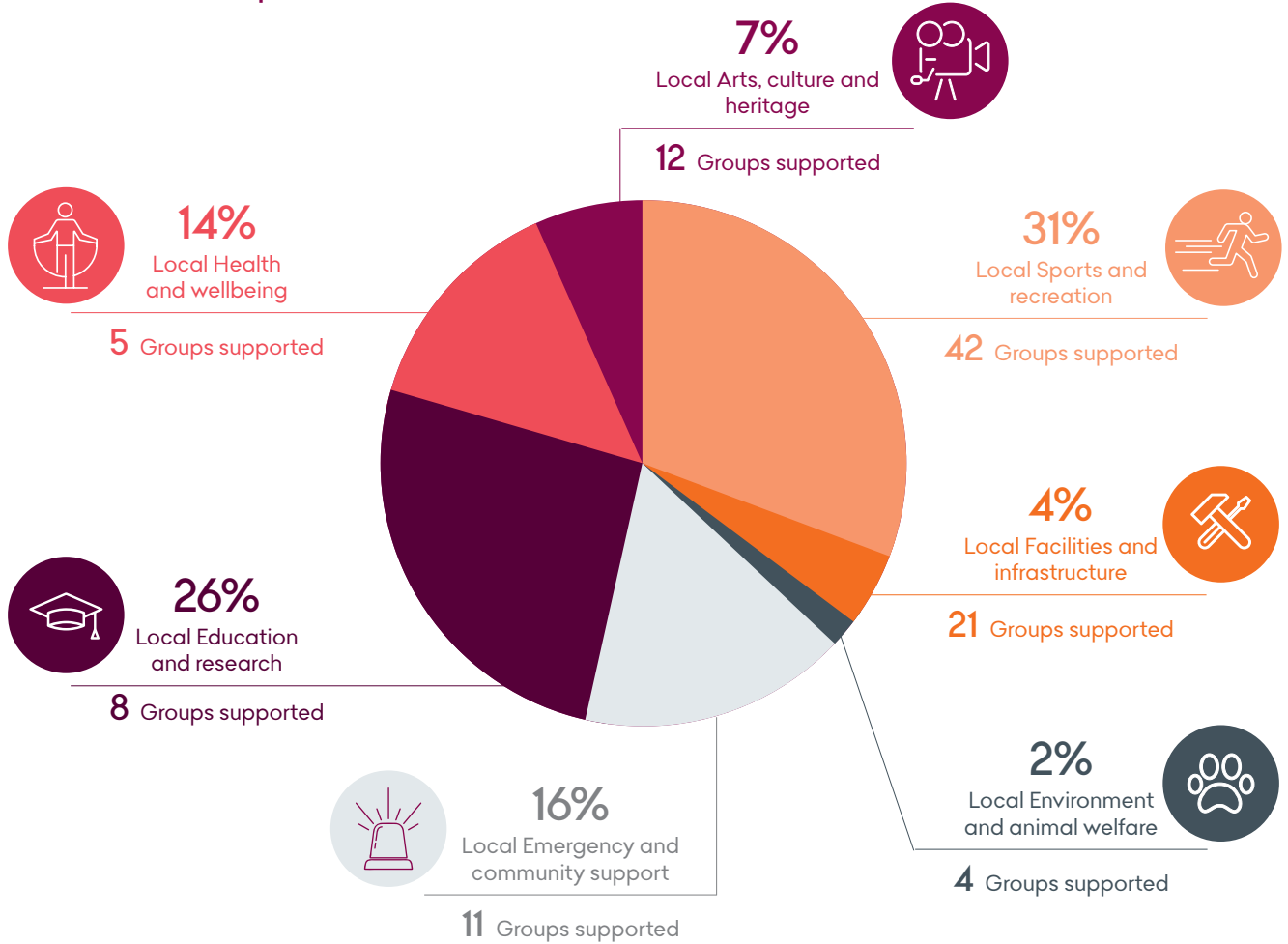
We deeply appreciate your support and hope you find our Community Impact Report insightful and inspiring. Your continued support and advocacy are crucial to our success. Please keep sharing our story; the more customers we have, the more we can do for our community. Together, we can make a real difference



Natalie Sevier
Community Engagement Liaison
Community Bank Southern Peninsula

The numbers 2023/24

Contribution Split



23

Years of providing community service



\$9.5 million

Contributions to the community to date



\$547,000

Contributions to the community



103

Local organisations supported



1

Local Bus



22

Local staff



4

Local branches: (including a dedicated lending HUB)



12,308

Local customers: Dromana: 3308, Rosebud: 4070, Rye: 4660



451

Local shareholders



8

Volunteer Local Directors



Emergency and community support

We continue to forge deep links with community stakeholders around local emergency and community support groups. These are not just volunteers but integral members of our community who provide unwavering services and support.

The **State Emergency Services Sorrento** is operated by forty-two highly trained volunteers. Their commitment and diverse backgrounds, including tradies, professionals, retirees, students, ex-teachers, and nurses, reflect the rich tapestry of our community. These are volunteers that choose to be involved and everyone here feels valued and integral to our community.

As a volunteer group the commitment is to be on call 24/7 and for the Road rescue Crew to respond within 8 minutes is a testament to their reliability and dedication, inspiring to us all.

They have a school education program explaining who the SES are and how to prevent accidents. Margaret, an ex-nurse and nurse-educator who runs the school's program, says most kids need to learn what the people in bright orange overalls do, and this is an excellent opportunity to provide preventative emergency education, which could save lives. Engagement with Community Groups educates them on how to protect themselves and their property prior to events so they become more resilient and recover sooner.

"The SES relies on grants, donations, and its own fundraising efforts. This year, we donated \$5000, which assists with ongoing operating costs.

The SES Sorrento Unit has attended to 570 calls since January 2024 and of those 27 were to respond to Road Rescue. Community Funding is used to purchase and maintain equipment so that the members can efficiently, effectively and safely attend to the community needs. This is an integral part of our vision of safer communities together."

Margaret Davis, Deputy Controller Community Engagement/Events Sorrento Unit Victoria State Emergency Service





Emergency and community support



The **Main Ridge Fire Brigade & CFA**, a small rural Brigade in Main Ridge, is staffed by around 18 active volunteers. They respond to various emergencies, including fires, accidents, fallen branches, cats in trees, and more. Their services, which extend to neighbouring areas such as Red Hill, Flinders, Boneo, and Dromana, are invaluable to our community, making us all feel grateful and appreciative.

Last year, the Brigade applied for funding to purchase an industrial washing machine and dryer, which is crucial equipment that helps keep our volunteers safe. We were happy to get involved and support this vital community service.

This year, the Mornington Peninsula has experienced a significant increase in the need for emergency food relief. Our supported emergency food programs and other emergency groups are operating at full capacity. Once again, these organisations are relying on the dedication of our volunteers to meet this growing need, emphasising the urgency of the situation.

“On any given night over 1,000 people are homeless with 16% of them rough sleeping, this figure is double the national average. It means the Peninsula is the 4th largest rough sleeping community in Victoria, the majority of rough sleepers are on the Southern Peninsula.”

Jeremy Maxwell, CEO, SPCS



Fresh Food is a cornerstone of **Southern Peninsula Community Support's** food program. The SPCS Fresh Food Walk Up program had over 2,400 attendances and provided over \$130k of food while a further 3,000 or so of Fresh Food bags were distributed through their main centre's Emergency Relief program. Overall, \$591,846 of food, (total aid provided \$1,113,399) was given to over 1,800 individuals and their families last year.

Our \$25,000 donation contributes to running their Fresh Food Program. We will continue to support their emergency food relief program so they can continue helping those most vulnerable.



Emergency and community support

“The support of the Community Bank is vital to the running of our fresh food programs and crucial to creating the best possible food options for our clients. If you are struggling, then being healthy isn’t just a matter of buying the right food or picking the right ingredients for a more balanced meal, it’s often about having access to enough food in the first place.

We are enormously grateful to the staff, board, and of course, the customers of the Community Bank Southern Peninsula for having our back over such a long time.”

Jeremy Maxwell, CEO, SPCS



Dromana Community House is a little neighbourhood house with a big heart. This has been our first year supporting their Grab & Go Meal Food Program with a donation of \$10,000.

Their volunteers work six days a week collecting, assembling, cooking and distributing at the Dromana Community House. They provide wholesome home-cooked meals to over 50 people weekly and offer pantry items and staples to those less fortunate. Their volunteers will also deliver and check in on people if they have not seen them.

This year their tiny kitchen with one stove cooked 4,761 mains, 2297, desserts and 1,861 garlic rolls. Week one they started with 6 people in line and now they are assisting between 50 and 70 people and their families, weekly.



Vinnies Kitchen in Rosebud provides hot meals 5 days a week, plus food hampers and feeds up to 60 people daily, double last year. Vinnies Kitchen Rosebud, an independent-run group supported by 55-plus volunteers, are experiencing a higher demand because of the increased numbers of people sleeping rough on the Peninsula foreshore. Their dedication and hard work inspire and motivate us to continue supporting them.



Sports are at the core of our communities; an entire community benefits from sports participation. From players to families to volunteers, sport brings people together. This forms new friendships and builds a sense of belonging and community.

Community sport has evolved into a wonderfully inclusive platform, offering opportunities for involvement at all levels, ages, and genders. This inclusivity is a testament to our community's diverse and welcoming nature. If you, or your children participate in sport on the Southern Peninsula, your club was probably sponsored by Community Bank Southern Peninsula.

This year we supported 42 local clubs through sponsorship amounting to \$161, 500. We also provided equipment, marquees, lucky door prizes and marketing assistance.

Rosebud Football Club & Vinnies Kitchen Collaboration

Fiona and her leadership team had a fabulous day at this year's Rosebud Football & Netball Club Sponsors lunch.

The RFNC is a passionate group that delivered great speeches on the day. We learnt about their club development plans, the focus on their junior teams, the facility upgrade, and how they support community groups like Vinnies Kitchen Rosebud.

Anne-Maree from Vinnies Kitchen Rosebud spoke about their urgent need for new ovens to cope with the increased capacity for emergency food relief. The kitchen has operated in the local Community for 33 years, relying solely on community funding and grants.

Our team was overjoyed to present Anne-Maree and her team with a cheque for \$10,000, a contribution made possible by the combined generosity of our staff. This significant support is a testament to the power of our community and should fill us all with pride and inspiration.

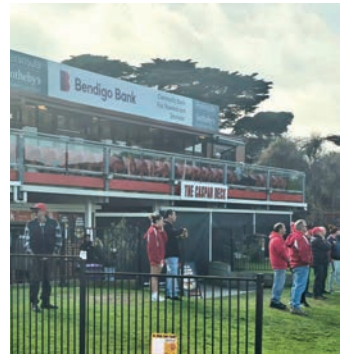


The Karingal Bulls

This was the first season of our partnership with the Karingal Football Netball Club, sponsoring the senior and junior teams, football and netball teams. This is an exciting partnership, and we are grateful for the opportunity to be involved with the club and their inclusive culture.



Sport & recreation



Environment and animal welfare

We love our furry friends; we love them so much that we can bring them to work. Customers will often see Basil, Dash, and Eddy visiting the branches on a mission for treats and cuddles. A dog in the workplace provides a calming vibe.



We proudly support the **Mornington Obedience Dog Club**, a community volunteer group operating for over forty years, providing obedience training and agility classes. The group brings like-minded people together with their canine friends. Our support helps run their training programs, building trust and respect between owner and dog.

Habitat Restoration Fund received a grant for \$3,500. The community funding went towards a larger scale effort by Habitat Restoration Fund to restore the creeks and undertake weed removal and revegetation works at Hillview Reserve in Dromana. These works improve the natural beauty of the area and enhance the birdlife and animal habitat. Weed control is a major focus along with replacing repair guards for plantings specifically made for Koala habitat and food sources. Other projects to be undertaken by HRF at the location, include the installation of shade trees and the creation of walking tracks that link with Arthurs Seat State Park. HRF also provides free guided tours to nature lovers, around many of the beautiful parklands and reserves of the Mornington Peninsula.





Environment and animal welfare

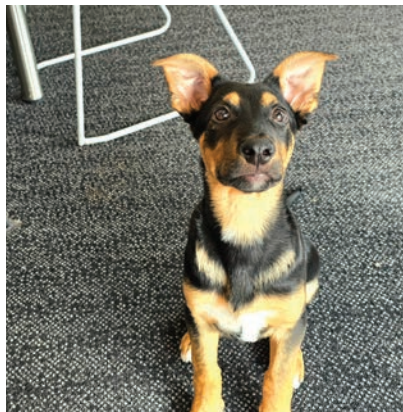
Community Awareness

This year, Fiona and Nat visited Leesa, the Community Animal Shelter Operations Supervisor, and her dedicated team at Mornington's Community Animal Shelter and Pound. Learning about another community-focused organisation was a great experience. It was an opportunity to share with our network the excellent community work that they do.

The facility's primary purpose is to assist and care for the Community's lost, stray and surrendered animals in need. They have cared for cats, dogs, livestock and pocket pets for over 30 years. They are dedicated to positively impacting the lives of all animals that come through the facility and the Community they serve. They are focused on finding homes for their furry visitors. Animals that end up here are loved and cared for until they are rehomed through their adoption program.

The investment that goes into each animal is unique. The entire team are involved in understanding the animal's personality, likes, dislikes, triggers, etc. Dogs are street-walked for an hour daily, which helps identify any idiosyncrasies, and we all have those!

Unfortunately, with the cost of living, more and more dogs are being surrendered, and they will most likely end up at this shelter. The shelter covers a vast area, from Portsea to Mt Eliza. It operates seven days a week, 24/7, which is remarkable as it is a relatively small team of ten. They rely heavily on the other sixty-plus local rescue groups, which are an integral resource, especially if they are at capacity.





Arts, culture and heritage

This year, we were proud to support local artists, writers, orchestras, film festivals & makers, theatre companies, cultural programs and the International Cool Climate Wine Show.



Peninsula Studio Trail is a fabulous initiative that fosters creativity in our community. They open three weekends a year, and there are now over 38 studios involved. PST supports a diverse range of artists, including photography, painting, ceramics, sculpture, and drawing. Our funding assists with promoting and marketing the studio's open weekends and their Art Show held in September.



This is the second year we have been involved as a sponsorship partner of the **International Cool Climate Wine Show**. As a Community Bank on the beautiful Mornington Peninsula, we support many community events. Given that the Mornington Peninsula is home to vineyards and an agricultural sector, it makes sense for us to support this event, which showcases and supports an integral Mornington Peninsula industry, employing many and driving tourism.

Fiona Somjee, Community Company Manager, had the opportunity to address the attendees, speaking about the benefits and points of difference of a Community Bank. She also presented awards for the best Mornington Peninsula white and red wine.





Arts, culture and heritage

Our ongoing partnership with the **Living Culture** school education program, which fosters cultural awareness and appreciation, has profoundly impacted their ability to reach students, schools, and the broader community that need these services. This year, they received a \$15,000 donation, meaning they can extend the program and, in this case, Tootgarook Primary School.

A Letter from Living Culture

Thanks to the support from the Community Bank Southern Peninsula, we have seen enthusiasm from schools, which need these much sought-after services that promote growth, cultural understanding, and respect. Feedback from schools indicates that students are gaining knowledge and developing a sense of pride and connection to the diverse cultures that shape our nation. Educators have reported increased student engagement and curiosity, enriching classroom discussions and community interactions.

We can support students transitioning from Primary School to Secondary Education. This is a vital time of growth in young people's lives.

The impact extends beyond the classroom as families and community members are invited to participate in cultural events and programs, fostering unity and a shared appreciation for Indigenous heritage.

In conclusion, this investment in the Living Culture core programs is more than a contribution; it is a commitment to building a more inclusive and culturally aware society. We are excited about the ongoing partnership with the Community Bank and look forward to further collaboration in celebrating Australia's vibrant culture with those in our immediate community.

Thank you once again for your incredible support.

Warm regards,

Heidi Duell and Lionel Lauch

*Founders, Cultural lead and Community Engagement.
Living Culture*





Health and wellbeing

Our commitment to supporting local community organisations that promote the health and wellness of people of all ages, genders, and abilities remains steadfast. We offer financial support to ensure these vital initiatives can continue to thrive.



This year, we received a funding request from the **Red Hill Junior Football Club**. They were seeking support to run a series of Sports & Life Training Sessions (SALT), a program that is integral to their community and the health and wellbeing of their younger members. (U18)

This community program, which has already shown promising results, educates and empowers young members of the club and community on how to better equip themselves to deal with the societal issues of today, like peer group pressure, drugs & alcohol, and wellbeing & mental health.

“The Red Hill Junior Football club is incredibly grateful to be able to provide SALT (Sport & Life Training) events to our junior footballers through the support of Bendigo Bank. The sessions have a huge impact on our club and open up the forum for incredibly important conversations and training to support our young players.”

Rob Cooper, Red Hill Football & Netball Club.



We have a longstanding relationship and commitment to the **Portsea Camp**, having helped fund several of their programs. One of our successful initiatives is the Girls Happy Vibes Mentoring Program.

This year, there was a request for \$5000 to help fund the Journey Program Camp for teenage boys.

The Journey program is a dynamic 5-day initiative designed to empower teenage boys and male-identifying youth, fostering confidence, resilience, leadership and respect as they embark on a transformative journey. This immersive experience, with its unique blend of camping, trangia cooking, a 50km cycling adventure, a 15km hike and a 15km kayak experience, offers participants a diverse range of outdoor activities and character-building opportunities.

The Portsea Camps program focuses on teenage boys' achieving their strengths, values, and potential to be community leaders.



Facilities and infrastructure

We continue to support our community groups and gardens, clubs, and schools to provide equipment to improve their facilities and add value to their organisations.

Our **Rotary and Lions Clubs** are the backbone of our community fundraising and providing ongoing support to the Southern Peninsula. **The Boneo Lions** has a new BBQ and food trailer with the assistance of our donation. This will enable them to increase their fundraising activities at events and markets. The money generated from sales goes directly back into the community.

The Rotary Club of Sorrento has a community bus, Bluey, which we sponsor. Bluey services St Joseph's and Sorrento Primary schools in Sorrento. The bus means the children can get out and about, attend excursions, visit Melbourne, and experience life beyond the Peninsula.

During the year, we visited Sorrento Primary to check out Bluey and met Principal Monica and the students, who had fun with our community letters.

When Bluey is not being used for school commitments, the community can hire the bus, subsidising the costs and keeping Bluey on the road.

The 24-seater, designed to cater to the diverse needs of our community, is available for hire on weekends, after school hours, and on designated days during the week.

The Southern Peninsula has many community gardens, many of which we support because they connect people and provide a healthy and positive environment for all ages.



Facilities and infrastructure



This year, we received a grant application from **The Dromana Community Garden** to replace their tired old shed with a fit-for-purpose pavilion. This pavilion will protect their tools from the elements and serve as an undercover potting shed.

This inclusive space is open to all, with no gates for wheelchair access, and is dog friendly. It supports kids from Scouts, Peninsula Special School, local high schools, and those who want a patch of dirt to engage socially and hang out with a worm or two.

Everyone is welcome to join and contribute to the community garden. We are so proud to have watched this project come to life and see what has become a wonderful community meeting place.



A letter received from Marion, President of the Dromana Community Gardens

Dear Nat,

We have received additional funding for our project from the MPSC for \$34,500.

We would like to thank the Community Bank Southern Peninsula for supporting our project with your donation, which helped with our successful funding from the Council.

We have come along since we first met with you and Dash in our little slice of heaven, Dromana Community Garden, and we look forward to seeing you again soon.

Thanks again for the terrific job you do for your local community.

Yours sincerely,

Marion Trevellyan



Education and research

Supporting our schools, kindergartens, educators and support programs is integral to the prosperity of our community. We continue to support the Mornington Peninsula Foundation with over \$300,000 in support being provided to support their literacy program. The community impact and results have been astounding, with students in the program directly benefiting and changing their lives.

“Through the partnership with Community Bank Southern Peninsula, Mornington Peninsula Foundation has increased its reach and capacity to address low educational attainment rates on the Southern Peninsula. Funds have specifically been channelled to support whole school improvement through teacher training and coaching in the transition to evidence-based, high-impact teaching, leadership development to manage systems changes and resources to give every child the books and tools they need to succeed in their learning.

One secondary and three primaries have been supported, and more are coming on board. All are seeing significant improvements in literacy and engagement levels, which impact behaviour, academic outcomes, attendance and wellbeing. These very promising signs indicate that we can make profound and lasting change with communities that have experienced intergenerational disadvantage for decades. The long-term commitment from the Community Bank Southern Peninsula is pivotal in this work. This partnership is highly valued by all at MPF and the wider Community.”

Nikki Fisher Communication Manager Mornington Peninsula Foundation



Groups supported 2023/24



Emergency Services & Support

Dromana Community House
Main Ridge CFA
Payton Foundation
Peninsula Life Care
SES Sorrento Unit
Southern Peninsula Community Support
Vinnie's Kitchen



Sports & Recreation

Boneo Adult Riders Club
Capel Sound Tootgarook Community Netball Club
Dromana Beachcombers Basketball Club
Dromana Bowls Club
Dromana Cricket Club
Dromana Football Netball Club
Dromana Football Netball Club
Dromana Junior Football Netball Club
Dromana Social Golf Club
Dromana Valley Probus Club
Fatima Basketball Club
Girl Guides (Mornington Peninsula - Rosebud)
Golf Peninsula Victoria
Main Ridge Bowls & Pétanque Club
Main Ridge Junior Cricket Club
Main Ridge Pony Club
Main Ridge Tennis Club
Mornington Peninsula Veteran Golfers' Association
Mount Martha Valley Probus Club
Nepean Netball Association
Point Nepean Men's Shed
Red Hill Football Netball Club
Rosebud and District Men's Shed Inc
Rosebud Country Club Bowls Section
Rosebud Cricket Club
Rosebud Football Netball Club
Rosebud Heart Junior Soccer Club
Rye Beach Community Bowls Club
Rye Beach Probus Club
Rye Bowls Club

Rye Sports & Social Club
Rye Sports & Social Club (The Rye Gift)
Rye Tennis Club
Rye Yacht Club
Safety Beach Dromana Mens' Shed
Safety Beach Sailing Club
Sorrento Bowls Club
Sorrento Football Netball Club
Sorrento Probus Club
Tootgarook Cricket Club
West Rosebud Bowling & Croquet Club
Woodworkers of the Southern Peninsula



Environment & Animal Welfare

Dromana Foreshore Committee of Management
Habitat Restoration Fund
Peninsula Obedience Dog Club



Arts, Culture & Heritage

Dreamhouse Theatre Company
Dromana Australia Day Committee
International Cool Climate Wine Show
Peninsula Chamber Musicians
Peninsula Film Festival
Peninsula Studio Trail
Peninsula Writers' Club
Poets' Corner
Rosebud Christmas Carols
Seaside Community Orchestra
Southern Peninsula Choir Inc
The Revivaging Project (auspiced by Living Culture)



Health & Wellbeing

Red Hill Junior Football Club
Southern Peninsula Cancer Support Group
Speak & Share Limited
The Portsea Camp
The Village Glen Fidelity Club



Community Facilities & Infrastructure

1st Red Hill Scout Group
Boneo Lions Club
Dromana Bay Life Saving Club
Dromana Community Garden Inc
Karingal Bulls Junior Football Club
Karingal Football Club
Lions Club of McCrae & District
Lions Club of Rye
Main Ridge Cricket Club
Mornington Peninsula Bowmen
National Servicemen's Association of Australia - MP Branch
Radio Port Phillip (RPP FM)
Red Hill District Lions Club
Rosebud & McCrae Life Saving Club
Rosebud Community Garden
Rotary Club of Sorrento
Seawinds Community Hub
Sorrento Cricket Club
Sorrento Tennis Club
Southern Mornington Peninsula Uniting Church
Tootgarook Senior Citizens Club



Education & Research

Capel Sound Community Group
Dromana College
Light Up Autism Foundation
Living Culture Inc
Mornington Peninsula Foundation
Rosebud Toy Library
Rye Community House
Rye Pre School



Franchisee: Rye and District Community Financial Services Limited
 ABN 67 095 766 895
 239 Point Nepean Road, Dromana 3936
 Phone: 5981 0106
 Email: admin@ryedistrict.com.au

Directors: Vincent Cheers (Chair), Renee Bowker, Craig Dowsing,
 Steve Edmund, Steve Robin, Helen Murphy, Josh Oppy, Oriana Tessari.
 Company Secretary: Sarah Marshall

Rye & District Community Financial Services Limited proudly acknowledges the Bunurong people of the Kulin Nation and the Aboriginal and Torres Strait Islander peoples as the first peoples of this nation and the traditional custodians of the land where we live, learn and work. We pay our respects to elders past and present as it is their knowledge and experience that holds the key to the success of future generations.

Directors' report

For the financial year ended 30 June 2024

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2024.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Vincent de Paul Cheers

Title: Non-executive director
Experience and expertise: Vincent is recently retired post sale of his company Vinsbins Pty Ltd to Cleanaway.
Special responsibilities: Chair, Community Impact & Marketing Committee

Renee Christiana Bowker

Title: Non-executive director
Experience and expertise: Renee has a Bachelor of Commerce. Over 20 years as an experienced strategic marketer in the telecommunications industry in Australia, Ireland and USA, and has been working in corporate philanthropy and community investment since co-founding Telco Together foundation in 2011. Other current directorship includes Telco Together Foundation.
Special responsibilities: Vice Chair, Co-Chair Community Impact & Marketing Committee

Stephen Bernard Edmund

Title: Non-executive director
Experience and expertise: Sales & marketing background with 35 years experience operating retail & property management business on the Peninsula. Currently working in real estate in the Safety Beach to Rye area. Past President of Rotary Club of Dromana and Paul Harris Fellowship. Past President of Dromana Chamber of Commerce.
Special responsibilities: Member of Finance Committee

Helen Mary Murphy

Title: Non-executive director
Experience and expertise: BSc, MSc (Env Eng), PhD. Over 35 years experience in the public and private sectors within Australia and internationally. She is an experienced Non-Executive Director having previously worked on boards within the tertiary education sector as well as those involved in promoting renewable technologies. Currently, Managing Director Helix Environmental.
Special responsibilities: Member of Audit, Risk and Governance Committee, Member Community Impact and Marketing Committee

Directors' report (continued)

Directors (continued)

Stephen De Quetteville Robin

- Title:** Non-executive director
- Experience and expertise:** Stephen is an experienced marketing executive with over 30 years in public relations-based positions, including; 12 years PR with Mornington Peninsula Shire and 20 years with an Australia-wide locally based events management company. Stephen has a master's degree in Public Policy.
- Special responsibilities:** Member of Audit Risk and Governance Committee, Member of Community Impact & Marketing Committee

Craig Lawrence Dowsing

- Title:** Non-executive director
- Experience and expertise:** Craig has a Bachelor of Business (Accounting). He has many years of experience in commercial and consumer banking having worked with NAB for over a decade, including several years on the Mornington Peninsula. In more recent times Craig has held leadership roles in accounting, financial management, strategic planning and business development for both private and not-for-profit organisations.
- Special responsibilities:** Treasurer, Chair of Finance & Asset Committee

Oriana Maria Tessari

- Title:** Non-executive director
- Experience and expertise:** Oriana has a Bachelor of Commerce and Master of International Business from The University of Melbourne and is a graduate of the Australian Institute of Company Directors. With over 17 years of international financial services experience spanning banking, payments and financial technology, Oriana has functional expertise in partnerships, operations and product leadership.
- Special responsibilities:** Chair of Audit Risk and Governance Committee, Member of Community Impact & Marketing Committee

Josh Oppy

- Title:** Non-executive director (appointed 27 February 2024)
- Experience and expertise:** Josh is a lawyer and holds a Bachelor of Laws (Hons), Bachelor of Commerce and a Graduate Diploma of Legal Practice.
- Special responsibilities:** Member of Audit Risk and Governance Committee

Amber Britt Earles

- Title:** Non-executive director (resigned 15 November 2023)
- Experience and expertise:** BA (Melbourne), Grad. Dip. Ed (Melbourne); Master of International and Community Development (Deakin); Grad. Cert Social Impact (Swinburne); PhD (Swinburne). Throughout her career, Amber has worked across Asia, the Pacific and the Middle East as well as in remote Australian Aboriginal communities to support individuals and organisations to achieve their goals. She is now applying her expertise closer to home.
- Special responsibilities:** Co-Chair Community Impact & Marketing Committee

Directors' report (continued)

Directors (continued)

Barry Leonard Irving OAM

- Title:** Non-executive director (resigned 24 November 2023)
- Experience and expertise:** Member of Rotary Club of Rosebud-Rye and past President of Paul Harris Fellow 3 Sapphires. Secretary of Rotary District 9820 Conference Ride, Member Rye RSL, Senior Laboratory Craftsman with C.S.I.R.O. with 17 years' experience (now retired). Professional photography business in Rye (now retired). Photography & Journalism for local community groups and associations (voluntary basis), Member of Rye Cemetery Trust (voluntary basis).
- Special responsibilities:** Community Impact & Marketing Committee and promotions

Company secretary

The company secretary is Sarah Marshall. Sarah was appointed to the position of company secretary on 1 December 2016.

- Experience and expertise:** Sarah's qualifications include BA/LLB(Hons) from the University of Melbourne. Sarah has a background in corporate and commercial law in city law firms for 8 years. Sarah's special responsibilities include the Community Impact & Marketing Committee and Audit Risk and Governance Committee.

Principal activity

The principal activity of the company during the financial year was facilitating Community Bank services under management rights of Bendigo and Adelaide Bank Limited (Bendigo Bank).

There have been no significant changes in the nature of this activity during the financial year.

Review of operations

The profit for the company after providing for income tax amounted to \$1,040,849 (30 June 2023: \$1,924,371).

Operations have continued to perform in line with expectations.

Dividends

During the financial year, the following dividends were declared.

	2024 \$	2023 \$
Fully franked dividend of 8 cents per share (2023: 3.5 cents)	234,528	102,606

Significant changes in the state of affairs

On 1 July 2023, Bendigo Bank updated the Funds Transfer Pricing (FTP) base rate on certain deposits which has reduced the income earned on these products.

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. Refer to note 4 and note 24 for further information regarding associates of the company.

There were no other significant changes in the state of affairs of the company during the financial year.

Directors' report (continued)

Matters subsequent to the end of the financial year

Subsequent to 30 June 2024 the company approved for Bendigo Bank to project manage the refurbishment of the Rye branch. The financial impact of the refurbishment is an increase to the company's property, plant and equipment and decrease to the cash and cash equivalents of \$290,455.

No other matter or circumstance has arisen since 30 June 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.

Likely developments

No matter, circumstance or likely development in operations has arisen during or since the end of the financial year that has significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

Environmental regulation

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Meetings of directors

The number of directors meetings (including meetings of committees of directors) attended by each of the directors of the company during the financial year were:

	Board		Community Impact & Marketing Committee		Finance Committee		Audit, Risk & Governance Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Vincent de Paul Cheers	12	10	-	-	1	1	9	7
Renee Christiana Bowker	12	9	8	8	1	-	-	-
Stephen Bernard Edmund	12	10	-	-	1	1	-	-
Helen Mary Murphy	12	11	8	5	-	-	10	9
Stephen De Quetteville Robin	12	11	8	7	-	-	10	7
Craig Lawrence Dowsing	12	11	-	-	1	1	-	-
Oriana Maria Tessari	12	12	8	7	-	-	10	10
Josh Oppy	5	5	-	-	-	-	4	4
Amber Britt Earles	2	1	1	-	-	-	-	-
Barry Leonard Irving OAM	5	2	3	2	-	-	-	-

Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 23 and note 24 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Directors' report (continued)

Directors' interests

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Vincent de Paul Cheers	131,134	20,000	151,134
Renee Christiana Bowker	1,000	5,600	6,600
Stephen Bernard Edmund	7,200	-	7,200
Helen Mary Murphy	1,985	(1,985)	-
Stephen De Quetteville Robin	1,500	-	1,500
Craig Lawrence Dowsing	26,000	16,500	42,500
Oriana Maria Tessari	-	2,400	2,400
Josh Oppy	-	-	-
Amber Britt Earles	2,000	-	2,000
Barry Leonard Irving OAM	3,600	-	3,600

Shares under option

There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

Indemnity and insurance of directors and officers

The company has indemnified all directors and management in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or management of the company except where the liability arises out of conduct involving the lack of good faith.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Directors' report (continued)

Non-audit services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 25 to the accounts.

The board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of the non-audit services is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the board to ensure they do not impact on the impartiality, integrity and objectivity of the auditor
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the company, acting as an advocate for the company or jointly sharing risks and rewards.

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 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



Vincent de Paul Cheers
Chair

24 September 2024

Auditor's independence declaration



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

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Rye & District Community Financial Services Limited

As lead auditor for the audit of Rye & District Community Financial Services Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart', written in a cursive style.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 24 September 2024

A handwritten signature in black ink, appearing to read 'Lachlan Tatt', written in a cursive style.

Lachlan Tatt
Lead Auditor

Financial statements

Statement of profit or loss and other comprehensive income For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue from contracts with customers	7	5,461,580	6,245,131
Finance revenue		65,247	-
Total revenue		5,526,827	6,245,131
Employee benefits expense	8	(2,474,953)	(2,324,271)
Advertising and marketing costs		(9,242)	(10,934)
Occupancy and associated costs		(134,251)	(165,543)
System costs		(139,886)	(169,062)
Depreciation and amortisation expense	8	(134,932)	(121,003)
Finance costs		(3,002)	(17,863)
General administration expenses		(214,319)	(167,299)
Total expenses before community contributions and income tax expense		(3,110,585)	(2,975,975)
Profit before community contributions and income tax expense		2,416,242	3,269,156
Charitable donations, sponsorships and grants expense	8	(1,024,051)	(699,774)
Profit before income tax expense		1,392,191	2,569,382
Income tax expense	9	(351,342)	(645,011)
Profit after income tax expense for the year		1,040,849	1,924,371
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		1,040,849	1,924,371
		Cents	Cents
Basic earnings per share	27	35.50	65.64
Diluted earnings per share	27	35.50	65.64

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

Financial statements (continued)

Statement of financial position As at 30 June 2024

	Note	2024 \$	2023 Restated \$	2022 Restated \$
Assets				
Current assets				
Cash and cash equivalents	10	190,944	1,594,904	130,571
Trade and other receivables	11	513,659	557,302	354,106
Investments	12	2,010,162	-	-
Current tax assets	9	-	-	14,115
Total current assets		2,714,765	2,152,206	498,792
Non-current assets				
Property, plant and equipment	13	5,635,528	5,729,993	5,598,757
Intangible assets	14	69,765	107,828	145,891
Total non-current assets		5,705,293	5,837,821	5,744,648
Total assets		8,420,058	7,990,027	6,243,440
Liabilities				
Current liabilities				
Trade and other payables	15	230,135	247,201	229,256
Borrowings	16	2,400	48,871	207,528
Current tax liabilities	9	147,092	572,611	-
Employee benefits	17	193,324	159,976	92,815
Total current liabilities		572,951	1,028,659	529,599
Non-current liabilities				
Trade and other payables	15	-	42,271	84,545
Borrowings	16	209,563	98,028	587,257
Deferred tax liabilities	9	250,133	245,559	249,287
Employee benefits	17	28,743	23,163	62,170
Total non-current liabilities		488,439	409,021	983,259
Total liabilities		1,061,390	1,437,680	1,512,858
Net assets		7,358,668	6,552,347	4,730,582
Equity				
Issued capital	18	1,299,400	1,299,400	1,299,400
Reserves		1,010,045	1,010,045	1,010,045
Retained earnings		5,049,223	4,242,902	2,421,137
Total equity		7,358,668	6,552,347	4,730,582

Refer to note 6 for detailed information on restatement of comparatives.

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

Financial statements (continued)

Statement of changes in equity For the year ended 30 June 2024

	Note	Issued capital \$	Revaluation reserve \$	Retained earnings/ \$	Total equity \$
Balance at 1 July 2022		1,299,400	1,404,542	2,367,774	5,071,716
Prior period restatement	6	-	(394,497)	53,363	(341,134)
Restated balance at 1 July 2022		1,299,400	1,010,045	2,421,137	4,730,582
Profit after income tax expense		-	-	1,924,371	1,924,371
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	1,924,371	1,924,371
<i>Transactions with owners in their capacity as owners:</i>					
Dividends provided for or paid	20	-	-	(102,606)	(102,606)
Restated balance at 30 June 2023		1,299,400	1,010,045	4,242,902	6,552,347
	Note	Issued capital \$	Revaluation reserve \$	Retained earnings/ \$	Total equity \$
Restated balance at 1 July 2023		1,299,400	1,010,045	4,242,902	6,552,347
Profit after income tax expense		-	-	1,040,849	1,040,849
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	1,040,849	1,040,849
<i>Transactions with owners in their capacity as owners:</i>					
Dividends provided for or paid	20	-	-	(234,528)	(234,528)
Balance at 30 June 2024		1,299,400	1,010,045	5,049,223	7,358,668

Refer to note 6 for detailed information on restatement of comparatives.

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

Financial statements (continued)

Statement of cash flows For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		6,107,833	6,669,728
Payments to suppliers and employees (inclusive of GST)		(4,526,206)	(4,122,421)
Interest received		10,162	-
Interest and other finance costs paid		(3,002)	(17,863)
Income taxes paid		(772,287)	(62,013)
Net cash provided by operating activities	26	816,500	2,467,431
Cash flows from investing activities			
Investment in term deposits		(2,010,162)	-
Payments for property, plant and equipment	13	(2,404)	(214,176)
Payments for intangible assets		(38,430)	(38,430)
Net cash used in investing activities		(2,050,996)	(252,606)
Cash flows from financing activities			
Proceeds from borrowings		200,000	-
Dividends paid	20	(234,528)	(102,606)
Repayment of borrowings		(134,936)	(647,886)
Net cash used in financing activities		(169,464)	(750,492)
Net increase/(decrease) in cash and cash equivalents		(1,403,960)	1,464,333
Cash and cash equivalents at the beginning of the financial year		1,594,904	130,571
Cash and cash equivalents at the end of the financial year	10	190,944	1,594,904

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

Notes to the financial statements

For the year ended 30 June 2024

Note 1. Reporting entity

The financial statements cover Rye & District Community Financial Services Limited (the company) as an individual entity, which is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 239 Point Nepean Road, Dromana VIC 3936.

A description of the nature of the company's operations and its principal activity is included in the directors' report, which is not part of the financial statements.

Note 2. Basis of preparation and statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB). The financial statements have been prepared on an accrual and historical cost basis and are presented in Australian dollars, which is the company's functional and presentation currency.

The directors have a reasonable expectation that the company has adequate resources to pay its debts as and when they fall due for the foreseeable future. For these reasons, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 September 2024. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

The accounting policies that are material to the company are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Adoption of new and revised accounting standards

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current financial year. A description of the impact of new or amended Accounting Standards and Interpretations that have had a material impact on the company during the current financial year is outlined below:

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates is mandatory for annual reporting periods beginning on or after 1 January 2023 and was adopted by the company in the preparation of the 30 June 2024 financial statements.

AASB 2021-2 includes amendments to AASB 101 *Presentation of Financial Statements*, requiring the company to disclose material accounting policy information in its financial statements rather than significant accounting policies which was required in previous financial years. Accounting policy information is material if it, when considered with other information, could reasonably be expected to influence decisions of primary users based on the financial statements.

Adoption of AASB 2021-2 has had no impact on the numerical information disclosed in the company's financial statements. Rather, adoption has required the company to remove significant accounting policy information from the notes to the financial statements that is not considered material.

Accounting standards issued but not yet effective

An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to the company has been performed. No new or amended Accounting Standards or Interpretations that are not mandatory have been early adopted, nor are they expected to have a material impact on the company in future financial years.

Notes to the financial statements (continued)

Note 3. Material accounting policy information (continued)

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

Investments

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the company has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Impairment of non-financial assets

At each reporting date, the company reviews the carrying amounts of its tangible assets and intangible assets to determine whether there is any indication those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Associates

Associates are entities over which the company has significant influence but not control or joint control.

Note 4. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. The directors continually evaluate their judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

The directors base their judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events that it believes to be reasonable under the circumstances. Differences between the accounting judgements and estimates and actual results and outcomes are accounted for in future reporting periods. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Notes to the financial statements (continued)

Note 4. Critical accounting judgements, estimates and assumptions (continued)

Judgements

Timing of revenue recognition associated with trail commission

The company receives trailing commission from Bendigo Bank for products and services sold. Ongoing trailing commission payments are recognised on a monthly basis when earned as there is insufficient detail readily available to estimate the most likely amount of revenue without a high probability of significant reversal in a subsequent reporting period. The receipt of ongoing trailing commission revenue is outside the control of the company.

Allowance for expected credit losses on trade and other receivables

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

The company has not recognised an allowance for expected credit losses in relation to trade and other receivables for the following reasons:

- The company's trade receivables are limited to the monthly profit share distribution from Bendigo Bank, which is received 10 business days post month end.
- The credit risk (i.e. the risk that a customer will not make repayments) is for Bendigo Bank to bear as long as the company has complied with the appropriate procedures and relevant obligations and has not exercised a discretion in granting or extending credit. The directors are not aware of any such non-compliance at balance date.
- The company has reviewed credit ratings provided by Standard & Poors, Moody's and Fitch Ratings to determine the level of credit exposure to the company.
- The company has not experienced any instances of default in relation to receivables owed to the company from Bendigo Bank.

Interests in associates

On 18 December 2023, to help address a major social housing crisis on the Southern Mornington Peninsula, 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.

To establish the trustee company, the company paid a settled sum of \$100. The directors of the company have applied significant judgement and concluded the payment of the settled sum represents a genuine gift to the trustee which did not result in any form of equity interest or ownership in the trustee company. Accordingly, the directors have concluded the company had no equity interest in the trustee company at 30 June 2024 or during the year then ended.

The directors also note the company, as founder and settler of the trustee company, has one of its directors on the board of the trustee company. The other director of the trustee company is not related to the company. The directors have reviewed this relationship and note the following:

- This position may provide the company with the ability to participate in decisions of the trustee company and foundation, even though the company cannot unilaterally direct such decisions.
- This position is indicative of significant influence over the trustee company and foundation, even though the company does not hold an equity interest in the trustee company. This is because the company's representation on the board of the trustee company allows the company to have input into decisions that could affect the financial and operating policies of the trustee company and foundation.
- The company may elect to make material contributions to the foundation in the future to support its purpose and objectives, given the foundation's Deductible Gift Recipient ("DGR") status.

The directors have concluded that due to the combination of the above factors the company is likely to have significant influence over the trustee company and foundation. However, since the company has no equity investment in the trustee company and foundation, the directors have applied significant judgement and concluded the equity method of accounting does not apply directly to this relationship. Refer to note 24 for further information, including details of transactions between the company and its associates.

Notes to the financial statements (continued)

Note 4. Critical accounting judgements, estimates and assumptions (continued)

Fair value measurement hierarchy

The company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: inputs are based on the 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.

Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Impairment of non-financial assets

The company assesses impairment of non-financial asset at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. The directors did not identify any impairment indications during the financial year.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Estimates and assumptions

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives or assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and inflation have been taken into account.

The company uses historical employee attrition rates in determining the probability of an employee, at a given date, achieving continuous employment eligible for entitlement in accordance with long service leave legislation.

In the absence of sufficient historical employee attrition rates, the company applies a benchmark probability rate from across the Community Bank network to factor in estimating the probability of an employee, at a given date, achieving continuous employment eligible for entitlement in accordance with legislation.

Notes to the financial statements (continued)

Note 5. 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 income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in April 2026.

The company operates as a franchise of Bendigo Bank, using the name "Bendigo Bank" and the logo and system of operations of Bendigo Bank. The company manages the Community Bank on behalf of Bendigo Bank, however all transactions with customers conducted through the Community Bank are effectively conducted between the customers and Bendigo Bank.

All deposits are made with Bendigo Bank, and all personal and investment products are products of Bendigo Bank, with the company facilitating the provision of those products. All loans, leases or hire purchase transactions, issues of new credit or debit cards, temporary or bridging finance and any other transaction that involves creating a new debt, or increasing or changing the terms of an existing debt owed to Bendigo Bank, must be approved by Bendigo Bank. All credit transactions are made with Bendigo Bank, and all credit products are products of Bendigo Bank.

The company promotes and sells the products and services, but is not a party to the transaction.

The credit risk (i.e. the risk that a customer will not make repayments) is for Bendigo Bank to bear as long as the company has complied with the appropriate procedures and relevant obligations and has not exercised a discretion in granting or extending credit.

Bendigo Bank provides significant assistance in establishing and maintaining the Community Bank franchise operations. It also continues to provide ongoing management and operational support and other assistance and guidance in relation to all aspects of the franchise operation, including advice and assistance in relation to:

- the design, layout and fit out of the Community Bank premises
- training for the branch manager and other employees in banking, management systems and interface protocol
- methods and procedures for the sale of products and provision of services
- security and cash logistic controls
- calculation of company revenue and payment of many operating and administrative expenses
- the formulation and implementation of advertising and promotional programs
- sales techniques and proper customer relations
- providing payroll services.

Note 6. Restatement of comparatives

Restatement of comparatives

During the financial year, the following prior period errors were identified:

- The company did not recognise a deferred tax liability relating to fair value increments of land and buildings in accordance with AASB 112 Income Taxes. The fair value increments recorded in prior years should have been accompanied by a corresponding deferred tax liability, which was not recognised. As a result, the company's deferred tax liability was understated in prior years, and the company's reserves were overstated.
- The company recorded revaluation increments for certain properties in other comprehensive income when it should have been recorded in profit or loss. This error related to a prior decrement which had been recorded in profit or loss in earlier periods. Under AASB 116 Property, Plant and Equipment, revaluation increments that reverse previous decrements recognised in profit or loss should be recognised in profit or loss rather than other comprehensive income.

The errors have been corrected by restating the comparative period financial statements at both the beginning of the earliest comparative period, being 1 July 2022, and the end of the earliest comparative period, being 30 June 2023, as tabled below.

Notes to the financial statements (continued)

Note 6. Restatement of comparatives (continued)

Statement of financial position at the beginning of the earliest comparative period

Extract	2022 \$ Reported	\$ Adjustment	2022 \$ Restated
Assets			
Non-current assets			
Deferred tax assets	91,847	(91,847)	-
Total non-current assets	5,836,495	(91,847)	5,744,648
Total assets	6,335,287	(91,847)	6,243,440
Liabilities			
Non-current liabilities			
Deferred tax liabilities	-	249,287	249,287
Total non-current liabilities	733,972	249,287	983,259
Total liabilities	1,263,571	249,287	1,512,858
Net assets	5,071,716	(341,134)	4,730,582
Equity			
Reserves	1,404,542	(394,497)	1,010,045
Retained earnings	2,367,774	53,363	2,421,137
Total equity	5,071,716	(341,134)	4,730,582

Statement of financial position at the end of the earliest comparative period

Extract	2023 \$ Reported	\$ Adjustment	2023 \$ Restated
Assets			
Non-current assets			
Deferred tax assets	95,575	(95,575)	-
Total non-current assets	5,933,396	(95,575)	5,837,821
Total assets	8,085,602	(95,575)	7,990,027
Liabilities			
Non-current liabilities			
Deferred tax liabilities	-	245,559	245,559
Total non-current liabilities	163,462	245,559	409,021
Total liabilities	1,192,121	245,559	1,437,680
Net assets	6,893,481	(341,134)	6,552,347
Equity			
Reserves	1,404,542	(394,497)	1,010,045
Retained earnings	4,189,539	53,363	4,242,902
Total equity	6,893,481	(341,134)	6,552,347

Notes to the financial statements (continued)

Note 7. Revenue from contracts with customers

	2024 \$	2023 \$
Margin income	4,944,267	5,714,169
Fee income	255,686	260,688
Commission income	261,627	270,274
	5,461,580	6,245,131

Accounting policy for revenue from contracts with customers

The company has entered into a franchise agreement with Bendigo Bank. The company delivers banking and financial services of Bendigo Bank to its community. The franchise agreement provides for a share of interest, fee, and commission revenue earned by the company. Interest margin share is based on a funds transfer pricing methodology which recognises that income is derived from deposits held, and that loans granted incur a funding cost. Fees are based on the company's current fee schedule and commissions are based on the agreements in place. All margin revenue is recorded as non-interest income when the company's right to receive the payment is established.

The company acts as an agent under the franchise agreement and revenue arises from the rendering of services through its franchise agreement.

Revenue is recognised on an accruals basis, at the fair value of consideration specified in the franchise agreement, as follows:

Revenue stream	Includes	Performance obligation	Timing of recognition
Franchise agreement profit share	Margin, commission, and fee income	When the company satisfies its obligation to arrange for the services to be provided to the customer by the supplier (Bendigo Bank as franchisor).	On completion of the provision of the relevant service. Revenue is accrued monthly and paid within 10 business days after the end of each month.

All revenue is stated net of the amount of GST. There was no revenue from contracts with customers recognised over time during the financial year.

Revenue calculation

The franchise agreement provides that three forms of revenue may be earned by the company which are margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services. The revenue earned by the company is dependent on the business that it generates, interest rates and funds transfer pricing and other factors, such as economic and local conditions.

Margin income

Margin income on core banking products is arrived at through the following calculation:

- Interest paid by customers on loans less interest paid to customers on deposits
- plus:* any deposit returns i.e. interest return applied by Bendigo Bank for a deposit
- minus:* any costs of funds i.e. interest applied by Bendigo Bank to fund a loan.

The company is entitled to a share of the margin earned by Bendigo Bank. If this reflects a loss, the company incurs a share of that loss.

Commission income

Commission income is generated from the sale of products and services. This commission is recognised at a point in time which reflects when the company has fulfilled its performance obligation. Refer to Note 4 for further information regarding key judgements applied by the directors in relation to the timing of revenue recognition from trail commission.

Fee income

Fee income is a share of what is commonly referred to as 'bank fees and charges' charged to customers by Bendigo Bank including fees for loan applications and account transactions.

Notes to the financial statements (continued)

Note 7. Revenue from contracts with customers (continued)

Core banking products

Bendigo Bank has identified some products and services as 'core banking products'. It may change the products and services which are identified as core banking products by giving the company at least 30 days notice. Core banking products currently include Bendigo Bank branded home loans, term deposits and at call deposits.

Ability to change financial return

Under the franchise agreement, Bendigo Bank may change the form and amount of financial return the company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo Bank earns revenue.

The change may be to the method of calculation of margin, the amount of margin, commission and fee income or a change of a margin to a commission or vice versa. This may affect the amount of revenue the company receives on a particular product or service.

Bendigo Bank must not reduce the margin and commission the company receives on core banking products and services to less than 50% (on an aggregate basis) of Bendigo Bank's margin at that time. For other products and services, there is no restriction on the change Bendigo Bank may make.

Note 8. Expenses

Employee benefits expense

	2024 \$	2023 \$
Wages and salaries	2,062,312	1,984,742
Non-cash benefits	12,109	9,087
Superannuation contributions	208,329	179,529
Expenses related to long service leave	31,035	11,660
Payroll tax	67,825	57,454
Other expenses	93,343	81,799
	2,474,953	2,324,271

Depreciation and amortisation expense

	2024 \$	2023 \$
<i>Depreciation of non-current assets</i>		
Buildings	62,404	61,109
Furniture and fittings	23,956	16,854
Motor vehicles	10,509	4,977
	96,869	82,940
<i>Amortisation of intangible assets</i>		
Franchise fee	6,345	6,345
Franchise renewal fee	31,718	31,718
	38,063	38,063
	134,932	121,003

Notes to the financial statements (continued)

Note 8. Expenses (continued)

Leases recognition exemption

	2024 \$	2023 \$
Expenses relating to low-value leases	36,994	66,982

Charitable donations, sponsorships and grants

	2024 \$	2023 \$
Direct donation, sponsorship and grant payments	546,778	416,524
Contribution to the Community Enterprise Foundation™	477,273	283,250
	1,024,051	699,774

The overarching philosophy of the Community Bank model, is to support the local community in which the company operates. This is achieved by circulating the flow of financial capital into the local economy through community contributions (such as donations, sponsorships and grants).

The funds contributed to and held by the Community Enterprise Foundation™ (CEF) are available for distribution as grants to eligible applicants for a specific purpose in consultation with the directors.

When the company pays a contribution in to the CEF, the company loses control over the funds at that point. While the directors are involved in the payment of grants, the funds are not refundable to the company.

Note 9. Income tax

	2024 \$	2023 \$
<i>Income tax expense</i>		
Current tax	346,768	648,740
Movement in deferred tax	4,574	(3,729)
Aggregate income tax expense	351,342	645,011
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	1,392,191	2,569,382
Tax at the statutory tax rate of 25%	348,048	642,346
Tax effect of:		
Non-deductible expenses	1,078	952
Current year temporary differences not recognised	2,216	1,713
Income tax expense	351,342	645,011

	2024 \$	2023 \$
<i>Deferred tax liabilities/(assets)</i>		
Prepayments	6,072	-
Revaluation increment of property, plant and equipment through profit or loss	71,999	71,999
Income accruals	13,771	5,731
Employee benefits	(55,517)	(45,857)
Accrued expenses	(47)	(169)
Carried-forward capital losses	(122,827)	(122,827)
Revaluation increment of property, plant and equipment through other comprehensive income	336,682	336,682
Deferred tax liability	250,133	245,559

Notes to the financial statements (continued)

Note 9. Income tax (continued)

	2024 \$	2023 \$
Provision for income tax	147,092	572,611

Accounting policy for income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Accounting policy for current tax

Current tax assets and liabilities are measured at amounts expected to be recovered from or paid to the taxation authorities. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Accounting policy for deferred tax

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Note 10. Cash and cash equivalents

	2024 \$	2023 \$
Cash on hand	670	670
Cash at bank and on hand	190,274	1,594,234
	190,944	1,594,904

Note 11. Trade and other receivables

	2024 \$	2023 \$
Trade receivables	434,285	534,380
Accrued income	55,085	-
Prepayments	24,289	22,922
	79,374	22,922
	513,659	557,302

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. The company's trade receivables are limited to the monthly profit share distribution from Bendigo Bank, which is received 10 business days post month end.

Note 12. Investments

	2024 \$	2023 \$
<i>Current assets</i>		
Term deposits	2,010,162	-

Notes to the financial statements (continued)

Note 13. Property, plant and equipment

	2024 \$	2023 \$
Land - at fair value	3,282,154	3,282,154
Buildings - at fair value	2,312,553	2,312,553
Less: Accumulated depreciation	(123,513)	(61,109)
	2,189,040	2,251,444
Furniture and fittings - at cost	383,254	383,254
Less: Accumulated depreciation	(252,850)	(228,894)
	130,404	154,360
Motor vehicles - at cost	73,006	73,006
Less: Accumulated depreciation	(41,480)	(30,971)
	31,526	42,035
Works in progress	2,404	-
	5,635,528	5,729,993

Reconciliations of the carrying values at the beginning and end of the current and previous financial year are set out below:

	Land \$	Buildings \$	Furniture and fittings \$	Motor vehicles \$	Works in progress \$	Total \$
Balance at 1 July 2022	3,282,154	2,192,846	105,841	17,916	-	5,598,757
Additions	-	119,707	65,373	29,096	-	214,176
Depreciation	-	(61,109)	(16,854)	(4,977)	-	(82,940)
Balance at 30 June 2023	3,282,154	2,251,444	154,360	42,035	-	5,729,993
Additions	-	-	-	-	2,404	2,404
Depreciation	-	(62,404)	(23,956)	(10,509)	-	(96,869)
Balance at 30 June 2024	3,282,154	2,189,040	130,404	31,526	2,404	5,635,528

Fair value

The fair value of land and buildings was determined by external, independent property valuers, having recognised professional qualifications and recent experience in the location and category of the property being valued. Independent valuers provide the fair value of the company's property portfolio every 3 to 5 years.

The company's properties were independently valued effective 30 June 2022 by Knight Frank Valuation & Advisory Victoria on 22 August 2022.

Accounting policy for property, plant and equipment

Property, plant and equipment are measured at cost or fair value as applicable, less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing value and straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Buildings	40 years
Furniture and fittings	2 to 40 years
Motor vehicles	4 years

Land is not depreciated. The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets.

Notes to the financial statements (continued)

Note 13. Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Note 14. Intangible assets

	2024 \$	2023 \$
Franchise fee	198,941	198,941
Less: Accumulated amortisation	(187,315)	(180,970)
	11,626	17,971
Franchise renewal fee	393,526	393,526
Less: Accumulated amortisation	(335,387)	(303,669)
	58,139	89,857
	69,765	107,828

Reconciliations of the carrying values at the beginning and end of the current and previous financial year are set out below:

	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2022	24,316	121,575	145,891
Amortisation expense	(6,345)	(31,718)	(38,063)
Balance at 30 June 2023	17,971	89,857	107,828
Amortisation expense	(6,345)	(31,718)	(38,063)
Balance at 30 June 2024	11,626	58,139	69,765

Accounting policy for intangible assets

Intangible assets of the company relate to the franchise fees paid to Bendigo Bank which conveys the right to operate the Community Bank franchise.

Intangible assets are measured on initial recognition at cost. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

The franchise fees paid by the company are amortised over their useful life and assessed for impairment whenever impairment indicators are present.

The estimated useful life and amortisation method for the current and comparative periods are as follows:

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	April 2026
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	April 2026

Amortisation methods, useful life, and residual values are reviewed and adjusted, if appropriate, at each reporting date.

Notes to the financial statements (continued)

Note 15. Trade and other payables

	2024 \$	2023 \$
<i>Current liabilities</i>		
Trade payables	8,999	6,702
Other payables and accruals	221,136	240,499
	230,135	247,201
<i>Non-current liabilities</i>		
Other payables and accruals	-	42,271

	2024 \$	2023 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	230,135	289,472
Less: other payables and accruals (net GST payable to ATO)	(52,185)	(89,804)
	177,950	199,668

Note 16. Borrowings

	2024 \$	2023 \$
<i>Current liabilities</i>		
Bank loans	2,400	48,871
<i>Non-current liabilities</i>		
Bank loans	209,563	98,028

Bank loans

Bank loans are repayable monthly. Interest is recognised at rate of 6.88% (2023: 6.41%). The loans are secured by a fixed and floating charge over the company's assets.

Note 17. Employee benefits

	2024 \$	2023 \$
<i>Current liabilities</i>		
Annual leave	82,854	74,960
Long service leave	110,470	85,016
	193,324	159,976
<i>Non-current liabilities</i>		
Long service leave	28,743	23,163

Accounting policy for short-term employee benefits

Liabilities for annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating non-vesting sick leave is expensed when the leave is taken and is measured at the rates paid or payable.

Notes to the financial statements (continued)

Note 17. Employee benefits (continued)

Accounting policy for other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 18. Issued capital

	2024 Shares	2023 Shares	2024 \$	2023 \$
Ordinary shares - fully paid	1,340,732	1,340,732	1,340,732	1,340,732
Bonus shares - fully paid (3:1)	1,590,873	1,590,873	-	-
Less: Equity raising costs	-	-	(41,332)	(41,332)
	2,931,605	2,931,605	1,299,400	1,299,400

Accounting policy for issued capital

Ordinary shares are recognised at the fair value of the consideration received by the company being \$1 per share. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Rights attached to issued capital

Ordinary shares

Voting rights

Subject to some limited exceptions, each member has the right to vote at a general meeting.

On a show of hands or a poll, each member attending the meeting (whether they are attending the meeting in person or by attorney, corporate representative or proxy) has one vote, regardless of the number of shares held. However, where a person attends a meeting in person and is entitled to vote in more than one capacity (for example, the person is a member and has also been appointed as proxy for another member) that person may only exercise one vote on a show of hands. On a poll, that person may exercise one vote as a member and one vote for each other member that person represents as duly appointed attorney, corporate representative or proxy.

The purpose of giving each member only one vote, regardless of the number of shares held, is to reflect the nature of the company as a community based company, by providing that all members of the community who have contributed to the establishment and ongoing operation of the Community Bank branch have the same ability to influence the operation of the company.

Dividends

Generally, dividends are payable to members in proportion to the amount of the share capital paid up on the shares held by them, subject to any special rights and restrictions for the time being attaching to shares. The franchise agreement with Bendigo Bank contains a limit on the level of profits or funds that may be distributed to shareholders. There is also a restriction on the payment of dividends to certain shareholders if they have a prohibited shareholding interest (see below).

Transfer

Generally, ordinary shares are freely transferable. However, the directors have a discretion to refuse to register a transfer of shares.

Subject to the foregoing, shareholders may transfer shares by a proper transfer effected in accordance with the company's constitution and the *Corporations Act 2001*.

Notes to the financial statements (continued)

Note 18. Issued capital (continued)

Prohibited shareholding interest

A person must not have a prohibited shareholding interest in the company.

In summary, a person has a prohibited shareholding interest if any of the following applies:

- They control or own 10% or more of the shares in the company (the “10% limit”).
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the “close connection test”).
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the “base number test”). The base number is 270. As at the date of this report, the company had 451 shareholders (2023: 456 shareholders).

As with voting rights, the purpose of this prohibited shareholding provision is to reflect the community-based nature of the company.

Where a person has a prohibited shareholding interest, the voting and dividend rights attaching to the shares in which the person (and their associates) has a prohibited shareholding interest in are suspended.

The board has the power to request information from a person who has (or is suspected by the board of having) a legal or beneficial interest in any shares in the company or any voting power in the company, for the purpose of determining whether a person has a prohibited shareholding interest. If the board becomes aware that a member has a prohibited shareholding interest, it must serve a notice requiring the member (or the member’s associate) to dispose of the number of shares the board considers necessary to remedy the breach. If a person fails to comply with such a notice within a specified period (that must be between three and six months), the board is authorised to sell the specified shares on behalf of that person. The holder will be entitled to the consideration from the sale of the shares, less any expenses incurred by the board in selling or otherwise dealing with those shares.

In the constitution, members acknowledge and recognise that the exercise of the powers given to the board may cause considerable disadvantage to individual members, but that such a result may be necessary to enforce the prohibition.

Note 19. Capital management

The board’s policy is to maintain a strong capital base so as to sustain future development of the company. The board monitor the return on capital and the level of distributions to shareholders. Capital is represented by total equity as recorded in the statement of financial position.

In accordance with the franchise agreement, in any 12 month period the funds distributed to shareholders shall not exceed the distribution limit.

The distribution limit is the greater of:

- 20% of the profit or funds of the company otherwise available for distribution to shareholders in that 12 month period; and
- subject to the availability of distributable profits, the relevant rate of return multiplied by the average level of share capital of the company over that 12 month period where the relevant rate of return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the financial year can be seen in the statement of profit or loss and other comprehensive income.

There were no changes in the company’s approach to capital management during the year.

Notes to the financial statements (continued)

Note 20. Dividends

Dividends provided for and paid during the period

The following dividends were provided for and paid to shareholders during the financial year as presented in the Statement of changes in equity and Statement of cash flows.

	2024 \$	2023 \$
Fully franked dividend of 8 cents per share (2023: 3.5 cents)	234,528	102,606

Accounting policy for dividends

Dividends are recognised when declared during the financial year.

Franking credits

	2024 \$	2023 \$
Franking account balance at the beginning of the financial year	1,261,563	1,233,751
Franking credits (debits) arising from income taxes paid (refunded)	772,287	62,014
Franking debits from the payment of franked distributions	(78,176)	(34,202)
annual income tax return	1,955,674	1,261,563
<i>Franking transactions that will arise subsequent to the financial year end:</i>		
Balance at the end of the financial year	1,955,674	1,261,563
Franking credits (debits) that will arise from payment (refund) of income tax	162,640	572,612
Franking credits available for future reporting periods	2,118,314	1,834,175

The ability to utilise franking credits is dependent upon the company's ability to declare dividends. The tax rate at which future dividends will be franked is 25%.

Note 21. Financial risk management

Financial risk management objectives

The company's financial instruments include trade receivables and payables, cash and cash equivalents, investments and borrowings. The company does not have any derivatives.

The directors are responsible for monitoring and managing the financial risk exposure of the company, to which end it monitors the financial risk management policies and exposures and approves financial transactions within the scope of its authority.

The directors have identified that the only significant financial risk exposures of the company are liquidity and market (price) risk. Other financial risks are not significant to the company due to the following factors:

- The company has no foreign exchange risk as all of its account balances and transactions are in Australian Dollars.
- The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo Bank. The company monitors credit worthiness through review of credit ratings, Bendigo Bank is rated BBB+ on Standard & Poor's credit ratings.
- The company has no direct exposure to movements in commodity prices.
- The company's interest-bearing instruments are held at amortised cost which have fair values that approximate their carrying value since all cash and payables have maturity dates within 12 months.

Notes to the financial statements (continued)

Note 21. Financial risk management (continued)

Further details regarding the categories of financial instruments held by the company that hold such exposure are detailed below.

	2024 \$	2023 \$
Financial assets at amortised cost		
Trade and other receivables (note 11)	489,370	534,380
Cash and cash equivalents (note 10)	190,944	1,594,904
Investments (note 12)	2,010,162	-
	2,690,476	2,129,284
Financial liabilities		
Trade and other payables (note 15)	177,950	199,668
Bank loans (note 16)	211,963	146,899
	389,913	346,567

Accounting policy for financial instruments

Financial assets

Classification

The company classifies its financial assets at amortised cost.

Financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial asset.

The company's financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents and investments in term deposits.

Derecognition

A financial asset is derecognised when the company's contractual right to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

Impairment of trade and other receivables

Impairment of trade receivables is determined using the simplified approach which uses an estimation of lifetime expected credit losses. The company has not recognised an allowance for expected credit losses in relation to trade and other receivables. Refer to note 4 for further information.

Financial liabilities

Classification

The company classifies its financial liabilities at amortised cost.

Derecognition

A financial liability is derecognised when it is extinguished, cancelled or expires.

Market risk

Market risk is the risk that changes in market prices - e.g. foreign exchange rates, interest rates, and equity prices - will affect the company's income or the value of its holdings in financial instruments.

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on these are subject to movements in market interest rates. The company held cash and cash equivalents of \$190,944 and term deposits of \$2,010,162 at 30 June 2024 (2023: \$1,594,904 and \$nil).

Notes to the financial statements (continued)

Note 21. Financial risk management (continued)

Price risk

The company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. The company is not exposed to commodity price risk.

As at the reporting date, the company had the following variable rate borrowings outstanding:

	2024		2023	
	Nominal interest rate %	Balance \$	Nominal interest rate %	Balance \$
Bank loans	6.88%	211,963	6.41%	146,899
Net exposure to cash flow interest rate risk		211,963		146,899

An analysis by remaining contractual maturities is shown in 'liquidity risk' below.

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The following are the company's remaining contractual maturities of financial liabilities. The contractual cash flow amounts are gross and undiscounted and therefore may differ from their carrying amount in the statement of financial position.

2024	1 year or less	Between 1 and 5 years	Over 5 years	Remaining contractual maturities
	\$	\$	\$	\$
Non-derivatives				
Bank loans	2,400	209,563	-	211,963
Trade and other payables	177,950	-	-	177,950
Total non-derivatives	180,350	209,563	-	389,913

2023	1 year or less	Between 1 and 5 years	Over 5 years	Remaining contractual maturities
	\$	\$	\$	\$
Non-derivatives				
Bank loans	48,871	98,028	-	146,899
Trade and other payables	157,397	42,271	-	199,668
Total non-derivatives	206,268	140,299	-	346,567

Notes to the financial statements (continued)

Note 22. Fair value measurement

2024	Level 1 \$	Level 2 \$	Level 3 \$	Total
<i>Assets</i>				
Land and buildings	-	5,471,194	-	5,471,194
Total assets	-	5,471,194	-	5,471,194

2023	Level 1 \$	Level 2 \$	Level 3 \$	Total
<i>Assets</i>				
Land and buildings	-	5,533,598	-	5,533,598
Total assets	-	5,533,598	-	5,533,598

There were no transfers between levels during the financial year.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 23. Key management personnel disclosures

The following persons were directors of Rye & District Community Financial Services Limited during the financial year and/or up to the date of signing of these Financial Statements

Vincent de Paul Cheers	Craig Lawrence Dowsing
Renee Christiana Bowker	Oriana Maria Tessari
Stephen Bernard Edmund	Josh Oppy
Helen Mary Murphy	Amber Britt Earles
Stephen De Quetteville Robin	Barry Leonard Irving OAM

Compensation

Key management personnel compensation comprised the following.

	2024 \$	2023 \$
Short-term employee benefits	85,746	77,006
Post-employment benefits	9,432	8,086
	95,178	85,092

Compensation of the company's key management personnel includes salaries and contributions to a post-employment superannuation fund.

Notes to the financial statements (continued)

Note 24. Related party transactions

Associates

The following entities are considered associates of the company:

- 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 directors believe the company is likely to have significant influence over the trustee company and foundation on the basis that the company has one of its directors on the board of the trustee company. The other director of the trustee company is not related to the company.

However, since the company has no equity investment in the trustee company and foundation, the directors have applied significant judgement and concluded the equity method of accounting does not apply directly to this relationship. Refer to note 4 for further information.

Key management personnel

Disclosures relating to key management personnel are set out in note 23.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Terms and conditions of transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties

The following transactions occurred with related parties:

	2024 \$	2023 \$
The company used the electrical services of Cheers Electrical, of which Vincent de Paul Cheers' son is the sole trader.	817	-

The company did not record any transactions with associates of the company during the year ended 30 June 2024.

Note 25. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Andrew Frewin Stewart, the auditor of the company:

	2024 \$	2023 \$
<i>Audit services</i>		
Audit or review of the financial statements	8,650	7,500
<i>Other services</i>		
General advisory services	1,910	2,110
	10,560	9,610

Notes to the financial statements (continued)

Note 26. Reconciliation of profit after income tax to net cash provided by operating activities

	2024 \$	2023 \$
Profit after income tax expense for the year	1,040,849	1,924,371
Adjustments for:		
Depreciation and amortisation	134,932	121,003
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	43,643	(203,196)
Decrease in current tax assets	-	14,115
Increase/(decrease) in trade and other payables	(20,907)	14,101
Increase/(decrease) in current tax liabilities	(425,519)	572,611
Increase/(decrease) in deferred tax liabilities	4,574	(3,728)
Increase in employee benefits	38,928	28,154
Net cash provided by operating activities	816,500	2,467,431

Note 27. Earnings per share

	2024 \$	2023 \$
Profit after income tax	1,040,849	1,924,371

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	2,931,605	2,931,605
Weighted average number of ordinary shares used in calculating diluted earnings per share	2,931,605	2,931,605

	Cents	Cents
Basic earnings per share	35.50	65.64
Diluted earnings per share	35.50	65.64

Accounting policy for earnings per share

Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Rye & District Community Financial Services Limited, by the weighted average number of ordinary shares outstanding during the financial year.

Note 28. Commitments

The company has no commitments contracted for which would be provided for in future reporting periods.

Note 29. Contingencies

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

Note 30. Events after the reporting period

Subsequent to 30 June 2024 the company approved for Bendigo Bank to project manage the refurbishment of the Rye branch. The financial impact of the refurbishment is an increase to the company's property, plant and equipment and decrease to the cash and cash equivalents of \$290,455.

No other matter or circumstance has arisen since 30 June 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.

Directors' declaration

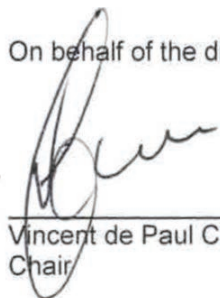
For the financial year ended 30 June 2024

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the company does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, a consolidated entity disclosure statement has not been included as section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Vincent de Paul Cheers
Chair

24 September 2024

Independent audit report



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

Independent auditor's report to the Directors of Rye & District Community Financial Services Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Rye & District Community Financial Services Limited (the company), which comprises:

- Statement of financial position as at 30 June 2024
- Statement of profit or loss and other comprehensive income for the year then ended
- Statement of changes in equity for the year then ended
- Statement of cash flows for the year then ended
- Notes to the financial statements, including material accounting policies
- The directors' declaration.

In our opinion, the accompanying financial report of Rye & District Community Financial Services Limited, is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that it gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



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As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart', written over a light blue horizontal line.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 24 September 2024

A handwritten signature in black ink, appearing to read 'Lachlan Tatt', written over a light blue horizontal line.

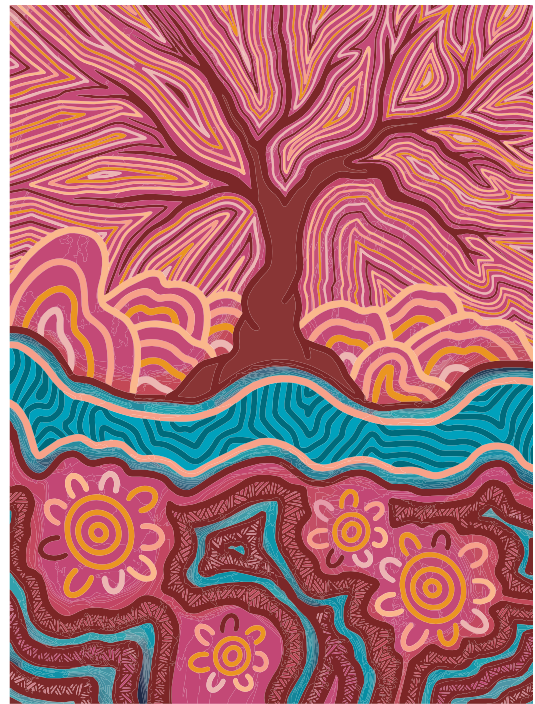
Lachlan Tatt
Lead Auditor

Reflect Reconciliation Action Plan

As a way to commemorate the launch of the Bendigo and Adelaide Bank's inaugural Reflect Reconciliation Action Plan 2023, they engaged with Yorta Yorta and Dja Dja Wurrung artist and educator, Troy Firebrace, to create a piece of art that symbolised the importance of and the start of the Bank's journey towards reconciliation.

This Reconciliation Action Plan will support the Bank in understanding, exploring and measuring, where and how we can have the most meaningful impact, and lay firm foundations for Reconciliation across the Group in the years to come.

Learn more about the Reconciliation Action Plan and learn more about the artwork [here](#)



Artist: Troy Firebrace
Country: Yorta Yorta and Dja Dja Wurrung
Year Created: 2023



THE ARTIST

Troy Firebrace is a proud Yorta Yorta and Dja Dja Wurrung artist and educator. Born in Shepparton, Troy was always drawn to art and painting at school, but an absence of Aboriginal history and education in his schooling lead him on a path to becoming an educator too. Troy has a Bachelor in Creative Arts, Major in Fine Arts and a Masters of Teaching Secondary. He has exhibited at Kaiela Arts Shepparton, Dudley House Bendigo and Melbourne Museum. Troy lives in Bendigo with his family.

Official artist statement

The artwork focuses on three elements of Bendigo and Adelaide Bank. Community, Impact and Journey.

As an Aboriginal person, it's my interpretation of the Bank's ambitions and commitments, and feeling the truth in their words, which has let me step forward with trust in my creation.

Community is the connection the Bank is forming by learning about community and country. Ensuring the Bank's choices align with the beliefs, ambitions and respect of the community in which the Bank embeds itself. An authentic connection.

Impact is the result of the good, honest work the Bank strives for. The importance of relationships and quality service not only creates an open dialogue with the community, but also has a positive impact on the sustainability of the places they serve. The commitment of honest change for better impact.

Journey is the path of collective learning as a whole community. There is no one side benefiting from the other. The direction of the pathway is open to the whole community and that leads to prosperity. The truest form of partnership.

The Bank's ambitions are not solely of profit or just talk of finance. They are the model in which real communities are formed; where a simple "hello" becomes "how are you?" A question of investment in someone's life, free from creed, race or status. A question grounded in country.

Community Bank - Southern Peninsula

Community Bank - Rye & District

2271 Point Nepean Road, Rye VIC 3941

Phone: 03 5985 9755

Email: ryemailbox@bendigoadelaide.com.au

Web: bendigobank.com.au/rye

Community Bank - Rosebud

1087 Point Nepean Road, Rosebud VIC 3939

Phone: 03 5982 0499

Email: rosebudmailbox@bendigoadelaide.com.au

Web: bendigobank.com.au/rosebud

Community Bank - Dromana

239 Point Nepean, Dromana VIC 3936

Phone: 03 5981 0106

Email: dromanamailbox@bendigoadelaide.com.au

Web: bendigobank.com.au/dromana

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ABN: 67 095 766 895

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Email: admin@ryedistrict.com.au

Share Registry: RSD Registry

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