

Strzelecki Ranges Community Enterprises Limited

ABN 76 139 013 095

Half-year Financial Report - 31 December 2024

Strzelecki Ranges Community Enterprises Limited
Directors' report
31 December 2024

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

Directors

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

Machteld Lebertha Thomas
Annette Margaretha Dieperink
Janette Mary Head
Colin Alexander Brick
Brian Christopher McDermott

Kathryn Ann Senko
Paul David Jones
Skye Ann de Hommel (appointed 27 August 2024)
Stephen Koci (resigned 30 October 2024)

Principal activity

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

Review of operations

The profit for the company after providing for income tax amounted to \$95,937 (31 December 2023: \$136,621).

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors



Machteld Lebertha Thomas
Chair

25 February 2025



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

Lead auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Strzelecki Ranges Community Enterprises Limited

We declare that, to the best of our knowledge and belief, for the half-year ended 31 December 2024 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review
- ii. any applicable code of professional conduct in relation to the review.

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

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

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

Adrian Downing
Lead Auditor

Strzelecki Ranges Community Enterprises Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024

	Note	31-Dec-24 \$	31-Dec-23 \$
Revenue from contracts with customers	3	493,301	534,973
Other revenue		9,314	8,717
Finance revenue		11,848	9,850
Fair value gains/(losses) on financial assets		19,813	3,373
Total revenue		<u>534,276</u>	<u>556,913</u>
Employee benefits expense		(241,368)	(224,030)
Advertising and marketing costs		(13,478)	(9,196)
Occupancy and associated costs		(12,151)	(11,082)
Systems costs		(14,189)	(14,744)
Depreciation and amortisation expense		(21,319)	(18,899)
General administration expenses		(37,826)	(46,010)
Total expenses before community contributions and income tax		<u>(340,331)</u>	<u>(323,961)</u>
Profit before community contributions and income tax expense		193,945	232,952
Charitable donations, sponsorships and grants expense		(67,425)	(54,168)
Profit before income tax expense		126,520	178,784
Income tax expense		(30,583)	(42,163)
Profit after income tax expense for the half-year		95,937	136,621
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year		<u>95,937</u>	<u>136,621</u>
		Cents	Cents
Basic earnings per share		12.30	16.39
Diluted earnings per share		12.30	16.39

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

Strzelecki Ranges Community Enterprises Limited
Statement of financial position
As at 31 December 2024

	31-Dec-24 \$	30-Jun-24 \$
Assets		
Current assets		
Cash and cash equivalents	593,603	507,664
Trade and other receivables	93,705	98,904
Financial assets	168,202	148,389
Total current assets	<u>855,510</u>	<u>754,957</u>
Non-current assets		
Property, plant and equipment	507,755	520,908
Intangibles	6,486	12,972
Total non-current assets	<u>514,241</u>	<u>533,880</u>
Total assets	<u>1,369,751</u>	<u>1,288,837</u>
Liabilities		
Current liabilities		
Trade and other payables	39,696	25,379
Current tax liabilities	38,031	17,963
Employee benefits	47,000	45,002
Total current liabilities	<u>124,727</u>	<u>88,344</u>
Non-current liabilities		
Deferred tax liabilities	58,014	55,499
Employee benefits	1,925	1,249
Total non-current liabilities	<u>59,939</u>	<u>56,748</u>
Total liabilities	<u>184,666</u>	<u>145,092</u>
Net assets	<u>1,185,085</u>	<u>1,143,745</u>
Equity		
Issued capital	760,615	760,615
Reserves	167,760	167,760
Retained earnings	256,710	215,370
Total equity	<u>1,185,085</u>	<u>1,143,745</u>

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

Strzelecki Ranges Community Enterprises Limited
Statement of changes in equity
For the half-year ended 31 December 2024

	Note	Issued capital \$	Revaluation reserve	Retained earnings \$	Total equity \$
Balance at 1 July 2023		812,778	95,835	182,027	1,090,640
Profit after income tax expense		-	-	136,621	136,621
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	136,621	136,621
<i>Transactions with owners in their capacity as owners:</i>					
Dividends provided for or paid	4	-	-	(58,342)	(58,342)
Balance at 31 December 2023		<u>812,778</u>	<u>95,835</u>	<u>260,306</u>	<u>1,168,919</u>
Balance at 1 July 2024		760,615	167,760	215,370	1,143,745
Profit after income tax expense		-	-	95,937	95,937
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	95,937	95,937
<i>Transactions with owners in their capacity as owners:</i>					
Dividends provided for or paid	4	-	-	(54,597)	(54,597)
Balance at 31 December 2024		<u>760,615</u>	<u>167,760</u>	<u>256,710</u>	<u>1,185,085</u>

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

Strzelecki Ranges Community Enterprises Limited
Statement of cash flows
For the half-year ended 31 December 2024

	Note	31-Dec-24 \$	31-Dec-23 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		555,829	607,073
Payments to suppliers and employees (inclusive of GST)		(359,915)	(396,401)
Dividends received		4,281	3,943
Interest received		11,713	9,252
Income taxes refunded/(paid)		(5,500)	11,650
		<u>206,408</u>	<u>235,517</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(1,672)	-
Payments for intangible assets		(64,200)	-
		<u>(65,872)</u>	<u>-</u>
Cash flows from financing activities			
Dividends paid	4	(54,597)	(58,342)
		<u>(54,597)</u>	<u>(58,342)</u>
Net increase in cash and cash equivalents		85,939	177,175
Cash and cash equivalents at the beginning of the financial half-year		507,664	453,181
		<u>593,603</u>	<u>630,356</u>

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

Strzelecki Ranges Community Enterprises Limited
Notes to the financial statements
31 December 2024

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all of the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Note 2. Economic dependency and material uncertainty over going concern

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of revenue under the franchise agreement. The franchise agreement expires on 18 July 2025.

The franchise agreement includes two remaining additional renewal options, for a period of five years each. Under the terms of the franchise agreement, Bendigo Bank will renew the agreement upon the company's request, subject to the company satisfying certain conditions. The key conditions for renewal include:

- compliance with franchise conditions under the existing agreement
- maintaining valid lease agreement/s for branch premises where applicable
- ensuring branch premises meet Bendigo Bank's fit-out requirements at the time of renewal.

The directors have assessed the company's ability to meet these conditions and, to the best of their knowledge, believe they have been and will continue to be satisfied. Accordingly, the directors have a reasonable expectation that the franchise agreement will be renewed prior to its expiry date.

The directors have also been advised that Bendigo Bank is currently reviewing the franchise agreement to ensure compliance with updated ACCC Franchise Code of Conduct and expect that a new franchise agreement incorporating necessary changes will be presented in April this year.

Note 3. Revenue from contracts with customers

	31-Dec-24	31-Dec-23
	\$	\$
Margin income	433,592	475,985
Fee income	30,896	30,081
Commission income	28,813	28,907
Revenue from contracts with customers	<u>493,301</u>	<u>534,973</u>

Disaggregation of revenue

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

Note 4. Dividends

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

	31-Dec-24	31-Dec-23
	\$	\$
Fully franked dividend of 7 cents per share (31-Dec-23: 7 cents)	<u>54,597</u>	<u>58,342</u>

Strzelecki Ranges Community Enterprises Limited
Notes to the financial statements
31 December 2024

Note 4. Dividends (continued)

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

Note 5. Fair value measurement

Some of the company's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors determine the appropriate valuation techniques and inputs for fair value measurements.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: Quoted market price at the close of business at the end of the reporting period.

Level 2: Inputs are based on a valuation performed by a third party qualified valuer using quoted prices for similar assets in an active market.

Level 3: Unobservable inputs for the asset or liability

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
31-Dec-24				
<i>Assets</i>				
Equity securities	168,202	-	-	168,202
Land	-	56,000	-	56,000
Buildings	-	373,142	-	373,142
Total assets	168,202	429,142	-	597,344
30-Jun-24				
<i>Assets</i>				
Equity securities	148,389	-	-	148,389
Land	-	56,000	-	56,000
Buildings	-	380,000	-	380,000
Total assets	148,389	436,000	-	584,389

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

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.

Note 6. Contingent assets and liabilities

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

Note 7. Related party transactions

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

Note 8. Events after the reporting date

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Strzelecki Ranges Community Enterprises Limited
Directors' declaration
31 December 2024

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *'Interim Financial Reporting'*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Machteld Lebertha Thomas
Chair

25 February 2025



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
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03 5443 0344

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

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Strzelecki Ranges Community Enterprises Limited (the company), which comprises the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying half-year financial report of Strzelecki Ranges Community Enterprises Limited does not present fairly, in all material respects, the company's financial position at 31 December 2024, and of its financial performance and its cash flows for the half-year ended on that date, in accordance with the *Corporations Act 2001* and Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

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



Andrew Frewin Stewart
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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the half-year financial report does not present fairly, in all material respects in accordance with the *Corporations Act 2001* including giving a true and fair view of the company's financial position as at 31 December 2024 and its performance for the half-year ended on that date, in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

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

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

Adrian Downing
Lead Auditor