



Rye & District Community

Financial Services Limited

Financial Statements

for the half-year ended

31 December 2012

Rye & District Community Financial Services Limited
ABN 67 095 766 895
Directors' Report

Your directors submit the financial report of the company for the half-year ended 31 December 2012:

Directors

The names of directors who held office during the half year and until the date of this report are as below:

Shane Christopher McCarthy

Patricia Tonks

Eileen Naylor

Barry Irving

Andrew Ross Emerson

Janet Iris Hall

Stephen Bernard Edmund

Gary Michael Cain

Dorothy Mortlock

Vincent De Paul Cheers (*Appointed 24th July 2012*)

Principal Activities

The principal activity of the company during the course of the financial period was in facilitating Community Bank® services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

Review and Results of Operations

Operations have continued to perform in line with expectations. The net profit of the company for the financial period after the provision of income tax was: \$364,554 (2011: \$292,695).

Matters Subsequent to the End of the Reporting Period

Bendigo Bank announced on 22 February 2013 that it has decided to reduce the trailer commission that it pays to the company on fixed rate home loans and term deposits greater than 90 days by 1/3 effective 1 April 2013. This will reduce the company's income stream and have a yet undetermined impact on profit and community donations.

There are no other matters or circumstances that have arisen since the end of the half year reporting period that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 2.

Signed in accordance with a resolution of the directors at DRCMANA
on 26th February 2013.


Shane Christopher McCarthy, Chairman

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2012 there have been no contraventions of:

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



David Hutchings
Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550

Dated: 26 February 2013

Rye & District Community Financial Services Limited
ABN 67 095 766 895
Statement of Comprehensive Income
for the half-year ended 31 December 2012

	2012	2011
	\$	\$
Revenue from ordinary activities	1,758,892	1,699,523
Employee benefits expense	(674,311)	(690,947)
Charitable donations, sponsorship, advertising and promotion	(180,187)	(213,300)
Occupancy and associated costs	(82,995)	(86,157)
Systems costs	(65,629)	(75,200)
Depreciation and amortisation expense	(43,394)	(47,310)
Finance costs	(49,074)	(49,899)
General administration expenses	(142,160)	(137,229)
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Profit before income tax expense	521,142	399,481
Income tax expense	(156,588)	(106,786)
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Profit after income tax expense	364,554	292,695
	<hr/>	<hr/>
Total comprehensive income for the year attributable to members	364,554	292,695
	<hr/> <hr/>	<hr/> <hr/>
Earnings per Share	c	c
Basic from profit for the period:	12.44	9.98

The accompanying notes form part of these financial statements.

Rye & District Community Financial Services Limited
ABN 67 095 766 895
Balance Sheet
as at 31 December 2012

	31-Dec 2012 \$	30-Jun 2012 \$
ASSETS		
Current Assets		
Cash assets	1,073,482	779,715
Trade and other receivables	300,948	297,265
Total Current Assets	<u>1,374,430</u>	<u>1,076,980</u>
Non-Current Assets		
Property, plant and equipment	3,043,897	2,998,683
Financial assets	10,000	10,000
Intangible assets	79,504	91,546
Deferred tax asset	44,319	43,178
Total Non-Current Assets	<u>3,177,720</u>	<u>3,143,407</u>
Total Assets	<u>4,552,150</u>	<u>4,220,387</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	126,047	92,064
Current tax liabilities	90,387	70,623
Borrowings	233,043	219,085
Provisions	114,343	116,143
Total Current Liabilities	<u>563,820</u>	<u>497,915</u>
Non-Current Liabilities		
Borrowings	1,216,551	1,105,920
Provisions	43,766	44,950
Total Non-Current Liabilities	<u>1,260,317</u>	<u>1,150,870</u>
Total Liabilities	<u>1,824,137</u>	<u>1,648,785</u>
Net Assets	<u>2,728,013</u>	<u>2,571,602</u>
Equity		
Issued capital	1,299,400	1,299,400
Retained earnings	1,428,613	1,272,202
Total Equity	<u>2,728,013</u>	<u>2,571,602</u>

The accompanying notes form part of these financial statements.

Rye & District Community Financial Services Limited
ABN 67 095 766 895
Statement of Changes in Equity
for the half-year ended 31 December 2012

	Issued Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2011	1,299,400	876,201	2,175,601
Total comprehensive income for the year	<u>-</u>	<u>292,695</u>	<u>292,695</u>
	1,299,400	1,168,896	2,468,296
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	<u>-</u>	<u>(196,419)</u>	<u>(196,419)</u>
Balance at 31 December 2011	<u>1,299,400</u>	<u>972,477</u>	<u>2,271,877</u>
 Balance at 1 July 2012	 1,299,400	 1,272,202	 2,571,602
Total comprehensive income for the year	<u>-</u>	<u>364,554</u>	<u>364,554</u>
	1,299,400	1,636,756	2,936,156
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	<u>-</u>	<u>(208,143)</u>	<u>(208,143)</u>
Balance at 31 December 2012	<u>1,299,400</u>	<u>1,428,613</u>	<u>2,728,013</u>

The accompanying notes form part of these financial statements.

Rye & District Community Financial Services Limited
ABN 67 095 766 895
Cash Flow Statement
for the half-year ended 31 December 2012

	2012	2011
	\$	\$
Cash Flows From Operating Activities		
Receipts from customers	1,734,931	1,667,484
Payments to suppliers and employees	(1,088,445)	(1,146,750)
Interest paid	(49,074)	(49,899)
Interest received	20,278	11,190
Income taxes paid	(157,729)	(106,786)
Net cash provided by operating activities	<u>459,961</u>	<u>375,239</u>
Cash Flows From Investing Activities		
Payments for property, plant and equipment	(29,083)	(311,270)
Payments for office furniture & fittings	-	(437)
Payments for motor vehicles	(59,011)	-
Proceeds from sale of motor vehicles	5,454	-
Net cash provided used in investing activities	<u>(82,640)</u>	<u>(311,707)</u>
Cash Flows From Financing Activities		
Proceeds from borrowings	185,980	217,000
Repayment of borrowings	(61,390)	(82,043)
Dividends paid	(208,144)	(196,418)
Net cash used in financing activities	<u>(83,554)</u>	<u>(61,461)</u>
Net increase in cash held	293,767	2,071
Cash at the beginning of the financial year	779,715	510,449
Cash at the end of the half-year	<u>1,073,482</u>	<u>512,520</u>

The accompanying notes form part of these financial statements.

Rye & District Community Financial Services Limited
ABN 67 095 766 895
Notes to the financial statements
for the half-year ended 31 December 2012

Note 1. Summary of Significant Accounting Policies

Statement of Compliance

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard *AASB 134: Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard *IAS 34: Interim Financial Reporting*.

Basis of Preparation

The half-year financial report is intended to provide users with an update on the latest annual financial statements and does not include all the notes of the type normally included in an annual financial report. Accordingly the report shall be read in conjunction with the annual financial report for the year ended 30 June 2012 and any public announcements made by the company during the period.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements and the previous corresponding interim period.

The half-year financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

There are no new and revised Accounting Standards or amendments thereof and Interpretations effective for the current reporting period relevant to the company that were not disclosed in the annual financial report for the year ended 30 June 2012.

Note 2. Events Subsequent to Reporting Date

Bendigo Bank announced on 22 February 2013 that it has decided to reduce the trailer commission that it pays to the company on fixed rate home loans and term deposits greater than 90 days by 1/3 effective 1 April 2013. This will reduce the company's income stream and have a yet undetermined impact on profit and community donations.

There have been no other events subsequent to reporting date that would materially effect the financial statements at the reporting date.

Note 3. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the date of this report to affect the financial statements.

Note 4. Segment Reporting

The economic entity operates in a single service sector where it facilitates community banking services in Rye District, Victoria pursuant to a franchise agreement with Bendigo and Adelaide Bank

Note 5. Related Parties

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2012 annual financial report.

Rye & District Community Financial Services Limited
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Notes to the financial statements
for the half-year ended 31 December 2012

Note 6. Dividends Paid/Provided

	<u>2012</u> <u>Cents</u>	<u>2012</u> <u>\$</u>	<u>2011</u> <u>Cents</u>	<u>2011</u> <u>\$</u>
Dividend paid in the period as recommended in the annual report:	7.10	208,143	6.70	196,418

100% fully franked (2011: 100%)

The tax rate at which dividends have been franked is 30% (2011: 30%).

Rye & District Community Financial Services Limited
ABN 67 095 766 895
Directors' Declaration

In the opinion of the directors of Rye & District Community Financial Services Limited ("the company"):

- 1 The financial statements and notes thereto are in accordance with the *Corporations Act 2001* including:
 - (a) giving a true and fair view of the financial position of the entity as at 31 December 2012 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date;
 - (b) complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- 2 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 the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the board of directors.



Shane Christopher McCarthy, Chairman

Dated this 26th day of February 2013.

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

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Rye & District Community Financial Services Limited, which comprises the balance sheet as at 31 December 2012, the statement of comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Rye & District Community Financial Services Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Rye & District Community Financial Services Limited is not in accordance with the *Corporations Act 2001* including:

- giving a true and fair view of the company's financial position at 31 December 2012 and of its performance for the half-year ended on that date
- complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.



David Hutchings

Andrew Frewin Stewart

61 Bull Street Bendigo Vic 3550

Dated: 26 February 2013