

Annual Report 2025

Acacia Ridge Financial
Services Limited

Community Bank
Acacia Ridge
ABN 73 116 060 916



Contents

Chairman's report	2
Manager's report	4
Bendigo and Adelaide Bank report	6
Directors' report	7
Auditor's independence declaration	11
Financial statements	12
Notes to the financial statements	16
Directors' declaration	37
Independent audit report	38

Chairman's report

For year ending 30 June 2025



ARFSL has played a key role in supporting our community, returning \$1,434,649 for use in our local community organisations (and some further afield) since our opening in 2005. We think this is an outstanding achievement for a single branch and is only possible because local people and businesses bank with us.

Welcome to the Twentieth Annual Report for the company for the financial year ending 30 June 2025.

Community Bank Acacia Ridge was established on 23 November 2005 following withdrawal of banking services at the Elizabeth St Shopping Centre. Our Community Bank continues to provide valuable banking and financial services to Acacia Ridge and surrounding areas.

Financial

The result after income tax for the year was a profit of \$102,691, an increase of \$27,085 on the result for the previous year. Profit can fluctuate each year, depending on many factors including donations and sponsorships to the community.

Revenue increased by 12.9%, the result of an increase in business written for the year. Directors in conjunction with the Branch Manager and staff are continuing to work on ways to further increase the size of the revenue and profits.

The business for the year was driven by our Branch Manager Mark Coxhead, who joined in September 2013, and our new Manager Yuvika Yuvika who was appointed in May 2025 following several years' service in other roles in the Branch. The managers were ably supported by Warren, Jordan, Katarina and Vicki. Our branch staff have developed strong relationships with customers and community groups and given up their own time to contribute to community events.

Board of Directors

There were no changes in the Board during the year. Amanda Harward remains as Treasurer and Director. Earle Johnston is the Deputy Chairman and Chair of the Marketing and Sponsorship Committee and Maria is the Chair of the Business Development Committee. All seven Directors, including Jane Carlisle, Kellie Griffiths and Vicki Maguire serve on various committees and attend community functions throughout the year.

Dividends to Shareholders

The Directors will be considering the payment of a dividend following receipt of audited accounts for the year. The amount of any dividend will depend on a number of factors including profitability and cash flow. Dividends paid since establishment until November 2024 total \$1.035 per share, or a total of \$553,192. Dividends have been fully franked since the payment in November 2013, with the franking credits a useful additional source of income for many shareholders.

Acacia Ridge Financial Services Limited (ARFSL) continues to have approximately 130 shareholders with a total shareholding of 534,487 shares.

Chairman's report (continued)

Community Investment

ARFSL has played a key role in supporting our community, returning \$1,434,649 for use in our local community organisations (and some further afield) since our opening in 2005. We think this is an outstanding achievement for a single branch and is only possible because local people and businesses bank with us.

These community grants and sponsorships have made a significant difference to a number of organisations including St Thomas More College, Acacia Ridge YMCA, Volunteers Connect, Algester Little Athletics, PCYC Inala and local schools. We look forward to continuing to support these groups and others as more people bank with us and we become more successful.

We have been holding our Board meetings each month free of charge in the boardroom of Ice World Beaudesert Rd Acacia Ridge and we thank that organisation for use of their facilities. .

Our partner

The company's Franchise Agreement expires in November 2025 and we have two options of 5 years with Bendigo and Adelaide Bank Limited to continue our relationship. We have exercised the option to renew the franchise for 5 years.

Bendigo and Adelaide Bank provides invaluable support to our company and we acknowledge the contribution of our Regional Managers Mr Philip Bell last year and Mr Simon Brown this year and other members of the team.

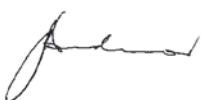
The future

Our manager Yuvika continues to provide banking expertise to current and new customers and plays an important role in the community. Yuvi continues to meet the needs of customers with a comprehensive range of products.

The success of our Community Bank branch relies on revenue generated through your banking, so I invite you to increase your support which will help bring big benefits to our community. We encourage you to refer family and friends to our staff to discuss their banking needs.

Our Annual General Meeting is planned to be held on Thursday 23 November 2025. We look forward to meeting with more shareholders for conversations with your Directors and Branch staff.

I wish to thank my fellow Directors for their expertise and dedication over the year. Thanks are also extended to our administration assistant Maris Dirkx, our staff and customers for their continuing support.



Peter Henderson OAM
Chairman

Manager's report

For year ending 30 June 2025



We continued to enhance our connections with customers and community groups providing exceptional and personalised customer service along with a wide range of competitive products and services.

	FY25	FY24	Change
Book Value	\$149.9M	\$136.7M	9.66%
Loans	\$90.6M	\$83.9M	7.99%
Deposits	\$58.4M	\$51.4M	13.61%
Other Business	\$834k	\$1.15M	27.47%
Business Growth	\$13.2M		

As a Branch Manager of Community Bank Acacia Ridge, I am delighted to share our remarkable achievements over the past financial year.

Our focus continues to be on adding value to our customers while building new relationships within the community.

This year has presented many opportunities and challenges, however we should all be very proud of the achievements we have made throughout the year.

During the past year we have achieved a number of great outcomes including:

- Acacia Ridge Financial Services Limited returned over \$226k through CEF grants and other charitable donations and sponsorships for use in our local community.
- Participated and supported number of local community events and projects to help our community to continue to grow and prosper.
- We continued to enhance our connections with customers and community groups providing exceptional and personalised customer service along with a wide range of competitive products and services.

A snapshot of our business as at 30 June 2025:

- 3,198 customers
- 2,509 products per customer
- \$149.9 million in total business

In FY 2025 Community Bank Acacia Ridge experienced significant growth, with the branch growing by \$13.2M. This outstanding result is a testament to the efforts of our staff, Directors, customers and shareholders.

Manager's report (continued)

I would like to take this opportunity to thank the efforts of all our branch staff including Jordan Beckman, Katerina Varnava, Vicky Zhang along with Gold Coast and South Brisbane Regional Manager Simon Brown.

I would also like to thank Mark Coxhead (Previous Branch Manager Acacia Ridge Community Bank) for his contribution towards the branch's success for over 11 years. Mark has been promoted to a Regional Manager role in April 2025.

We wouldn't have been able to achieve this outstanding success without the hard work and dedication of all staff.

I would also like to thank the shareholders who have continued to show support and commitment to the Community Bank Acacia Ridge and would like to take this opportunity to encourage everyone to ask your friends and family to invite them to consider banking with us where they will receive exceptional personal service and banking products while indirectly contributing to their local community.

I would also like to thank our volunteers Board of Directors who dedicate many hours and work tirelessly to support me in my role as a Branch Manager and to ensure the ongoing success of our business.

Without their continued hard work and unwavering support, we wouldn't have been able to achieve great success for the past 20 years.

The year ahead

The year ahead will certainly present many opportunities for us to continue to build and grow our business in the local Acacia Ridge community and surrounding suburbs, and promote the great work that we do in helping our community become an even better place to live, work and play.

My goal as always, is to continue to lead and develop my team to help us grow our business, create stronger and deeper relationships with our customers and our local community by having meaningful and relevant conversations as to how we can help our customers achieve their financial goals and aspirations.

I am committed to working closely with you all over the next year to help achieve these outcomes, and I look forward to the challenges and successes that are ahead of us.

Finally, Thank you all for your support. I look forward to working with you in the coming year as we continue to grow and positively impact our amazing community.

Yuvika Yuvika
Branch Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2025

This year marks another significant chapter in our shared journey, one defined by **adaptation, collaboration, and remarkable achievements**. I'm immensely proud of our collective progress and the unwavering commitment demonstrated by our combined networks.

We began 2025 with a renewed focus on **model evolution**, a top priority that guided our decisions and initiatives throughout the year. This involved navigating the Franchising Code and broader regulatory changes to the **Franchise Agreement**. Thanks to the network's proactive engagement and cooperation, we successfully reviewed the agreement, and the necessary changes were implemented smoothly.

Beyond the operational successes, I want to highlight the **invaluable contributions** our Community Banks continue to make to their local communities. The dedication and commitment to supporting local initiatives remain a cornerstone of our combined success and a source of immense pride for Bendigo Bank.

In FY25, more than \$50 million was invested in local communities, adding to a total of \$416 million since 1998. This funding enables community infrastructure development, strengthens the arts and culturally diverse communities, improving educational outcomes, and fosters healthy places for Australians to live and work.

On behalf of Bendigo Bank, thank you for being a shareholder in your local Community Bank. Your resilience, adaptability, and unwavering belief in our vision have been instrumental in our success. You are an integral part of the Bendigo Bank Community Banking family.

Your continued support is vital, and the results we've achieved together in 2025 underscore the continuing relevance and importance of the Community Bank model.

Justine Minne

Head of Community Banking, Bendigo Bank

Directors' report

30 June 2025

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2025.

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:

Name:	Peter Geoffrey Henderson OAM
Title:	Non-executive director
Experience and expertise:	Company Director. Involved in banking, finance and accounting since 1962. Involved in community organisations for over 50 years. Holds a Bachelor of Business degree, as well as Graduate Diplomas in Finance & Investment and Management. Fellow of CPA Australia and the Securities Institute.
Special responsibilities:	Chair, Marketing & Sponsorship Committee, Audit & Finance Committee, Business Development Committee.
Name:	Amanda Lee Harward
Title:	Non-executive director
Experience and expertise:	Accountant. Amanda is a Chartered Accountant and Director of a local accountancy firm. She holds a Bachelor of Commerce/ Bachelor of Business (Management) from the University of Queensland. She is a registered tax agent with over 20 years' experience in assisting small business clients with their accounting, business and taxation needs.
Special responsibilities:	Treasurer, Chair of Audit & Finance Committee.
Name:	Earle Alexander Johnston
Title:	Non-executive director
Experience and expertise:	Earle is a fundraising professional and has worked for The Salvation Army since July 2012. Previously, he was Fundraising Manager at 96.5 Family Radio (2 years) and a Senior Business Analyst at Telstra (12 years). Earle is a past President (2018-2021) of QUT Alumni Board (elected as a member 2012-2021), was appointed to QUT Council from March 2018 to November 2021 and was a member of CHC (Christian Heritage College) Council Fundraising sub-committee (2017-2021). He previously held directorships in media and education and is currently a director of Hush Foundation. He is a member of AICD, a Fellow of Fundraising Institute Australia (FIA), holds Certified Fundraising Executive (CFRE) international accreditation and his most recent qualification is Master of Business, Philanthropy & Non-Profit Studies QUT.
Special responsibilities:	Deputy Chairman; Chair of Marketing & Sponsorship Committee.
Name:	Victoria Louise Maguire
Title:	Non-executive director
Experience and expertise:	Property Management. Psychologist (retired), small business, M.A. (Psychology).
Special responsibilities:	Business Development Committee.
Name:	Jane Baxter Carlisle
Title:	Non-executive director
Experience and expertise:	Consultant. Jane has extensive previous experience as a Senior Queensland Government Officer responsible for delivering health service improvements. The experience involved engaging and partnering with health service providers, community groups, advocacy and non-government organisations to define and develop the service improvements. Extensive past and current experience in developing frameworks to support organisational governance including quality systems, policies, risk management, project management, data analysis and reporting. Jane has a Graduate Diploma in Health Administration and Information Systems and an Associate Diploma in Clinical Laboratory Techniques.
Special responsibilities:	Marketing & Sponsorship Committee, Audit & Finance Committee.

Directors' report (continued)

Name: Angela Kellie Griffiths
Title: Non-executive director
Experience and expertise: Kellie is a passionate community member who has worked in the community sector for over 22 years. She has been the manager of St David's Neighbourhood Centre since 2015 and believes in the values of social justice and working with people to reach their full potential. Kellie is a registered Marriage Celebrant and holds a Bachelor in Health Science (Nursing, Certificate IV in Service Coordination and studying a Double Certificate in Entrepreneurship New Business and Marketing.
Special responsibilities: Audit & Finance Committee, Marketing & Sponsorship Committee.

Name: Maria Kim Becis
Title: Non-executive director
Experience and expertise: Since commencing their professional career in 2000, Maria has gained valuable experience from working with several publicly listed companies both as an employee and consultant. Since 2008, Maria has established an accounting and tax practice, event management business, insurance business and finance business. Maria's core technical skills are in the areas of business development, stakeholder, community, corporate, business and government relations, law, taxation and commerce. Maria is a Chartered Accountant and professional qualifications include a Bachelor of Laws/ Bachelor of Commerce and Masters of Applied Taxation.
Special responsibilities: Chair of Business Development Committee.

Company secretary

The company secretary is Maria Becis. Maria was appointed to the position of company secretary on 14 December 2023.

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 \$102,691 (30 June 2024: \$75,606).

Operations have continued to perform in line with expectations.

Dividends

During the financial year, the following dividends were provided for and paid. The dividends have been provided for in the financial statements.

	2025 \$	2024 \$
Fully franked dividend of 9 cents per share (2024: 8 cents)	<u>48,104</u>	<u>42,759</u>

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

Subsequent to year end the Board has signed a franchise agreement renewal extending the company's agreement a further five years to 2030.

No other matter or circumstance has arisen since 30 June 2025 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 and expected results of operations

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.

Directors' report (continued)

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		Audit & Finance Committee		Marketing & Sponsorship Committee		Business Development Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Peter Geoffrey Henderson OAM	11	11	11	11	9	9	2	2
Amanda Lee Harward	11	11	11	10	-	-	-	-
Earle Alexander Johnston	11	10	-	-	9	9	-	-
Victoria Louise Maguire	11	11	-	-	-	-	2	1
Jane Baxter Carlisle	11	9	11	7	9	6	-	-
Angela Kellie Griffiths	11	11	11	8	9	8	-	-
Maria Kim Becis	11	10	-	-	-	-	2	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 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' 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
Peter Geoffrey Henderson OAM	33,601	-	33,601
Amanda Lee Harward	10,000	-	10,000
Earle Alexander Johnston	400	-	400
Victoria Louise Maguire	50,001	3,000	53,001
Jane Baxter Carlisle	500	-	500
Angela Kellie Griffiths	200	-	200
Maria Kim Becis	-	-	-

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 2025 and up to the date of this report.

Directors' report (continued)

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.

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


Peter Geoffrey Henderson OAM
Chair

25 September 2025

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 Acacia Ridge Financial Services Limited

As lead auditor for the audit of Acacia Ridge Financial Services Limited for the year ended 30 June 2025, 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'.

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

A handwritten signature in black ink, appearing to read 'Joshua Griffin'.

Joshua Griffin
Lead Auditor

Financial statements

Acacia Ridge Financial Services Limited Statement of profit or loss and other comprehensive income For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Revenue from contracts with customers	6	1,150,781	1,019,320
Other revenue		10,425	8,253
Finance revenue		11,556	7,848
Total revenue		<u>1,172,762</u>	<u>1,035,421</u>
Employee benefits expense	7	(520,239)	(543,769)
Advertising and marketing costs		(7,113)	(6,255)
Occupancy and associated costs		(24,403)	(25,954)
System costs		(19,579)	(17,061)
Depreciation and amortisation expense	7	(89,551)	(89,403)
Finance costs		(27,483)	(28,654)
General administration expenses		(121,052)	(86,427)
Total expenses before community contributions and income tax		<u>(809,420)</u>	<u>(797,523)</u>
Profit before community contributions and income tax expense		363,342	237,898
Charitable donations, sponsorships and grants expense	7	<u>(226,651)</u>	<u>(132,010)</u>
Profit before income tax expense		136,691	105,888
Income tax expense	8	<u>(34,000)</u>	<u>(30,282)</u>
Profit after income tax expense for the year		102,691	75,606
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of equity instruments at fair value through other comprehensive income, net of tax	19	<u>11,506</u>	<u>16,911</u>
Other comprehensive income for the year, net of tax		<u>11,506</u>	<u>16,911</u>
Total comprehensive income for the year		<u><u>114,197</u></u>	<u><u>92,517</u></u>
		Cents	Cents
Basic earnings per share	27	19.21	14.15
Diluted earnings per share	27	19.21	14.15

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

Financial statements (continued)

Acacia Ridge Financial Services Limited Statement of financial position As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	9	13,764	244,873
Trade and other receivables	10	74,916	52,214
Investments	12	250,000	195,244
Total current assets		<u>338,680</u>	<u>492,331</u>
Non-current assets			
Financial assets	11	215,341	-
Property, plant and equipment	13	46,900	57,812
Right-of-use assets	14	670,817	721,911
Intangible assets	15	5,128	18,039
Deferred tax assets	8	13,640	14,070
Total non-current assets		<u>951,826</u>	<u>811,832</u>
Total assets		<u>1,290,506</u>	<u>1,304,163</u>
Liabilities			
Current liabilities			
Trade and other payables	16	18,749	30,303
Lease liabilities	17	85,884	84,527
Current tax liabilities	8	7,288	28,703
Total current liabilities		<u>111,921</u>	<u>143,533</u>
Non-current liabilities			
Lease liabilities	17	672,554	720,930
Provisions		6,964	6,726
Total non-current liabilities		<u>679,518</u>	<u>727,656</u>
Total liabilities		<u>791,439</u>	<u>871,189</u>
Net assets		<u>499,067</u>	<u>432,974</u>
Equity			
Issued capital	18	405,476	405,476
Fair value reserve	19	11,506	-
Retained earnings		82,085	27,498
Total equity		<u>499,067</u>	<u>432,974</u>

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

Financial statements (continued)

Acacia Ridge Financial Services Limited Statement of changes in equity For the year ended 30 June 2025

	Note	Issued capital \$	Fair value reserve \$	Retained earnings \$	Total equity \$
Balance at 1 July 2023		405,476	13,221	(35,481)	383,216
Profit after income tax expense		-	-	75,606	75,606
Other comprehensive income, net of tax		-	16,911	-	16,911
Total comprehensive income		-	16,911	75,606	92,517
<i>Transactions with owners in their capacity as owners:</i>					
Transfers between classes		-	(30,132)	30,132	-
Dividends provided for or paid	21	-	-	(42,759)	(42,759)
Balance at 30 June 2024		<u>405,476</u>	<u>-</u>	<u>27,498</u>	<u>432,974</u>
Balance at 1 July 2024		405,476	-	27,498	432,974
Profit after income tax expense		-	-	102,691	102,691
Other comprehensive income, net of tax		-	11,506	-	11,506
Total comprehensive income		-	11,506	102,691	114,197
<i>Transactions with owners in their capacity as owners:</i>					
Dividends provided for or paid	21	-	-	(48,104)	(48,104)
Balance at 30 June 2025		<u>405,476</u>	<u>11,506</u>	<u>82,085</u>	<u>499,067</u>

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

Financial statements (continued)

Acacia Ridge Financial Services Limited Statement of cash flows For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,267,407	1,123,736
Payments to suppliers and employees (inclusive of GST)		(1,035,658)	(897,645)
Dividends received		-	6,556
Interest received		3,087	9,181
Income taxes paid		(59,791)	(23,083)
Net cash provided by operating activities	26	175,045	218,745
Cash flows from investing activities			
Payments for financial assets	11	(200,000)	-
Redemption of/(investment in) term deposits		(54,756)	(80,244)
Payments for property, plant and equipment	13	(1,909)	-
Payments for intangible assets		(14,396)	(13,424)
Proceeds from disposal of financial assets		-	231,189
Net cash provided by/(used in) investing activities		(271,061)	137,521
Cash flows from financing activities			
Interest and other finance costs paid		(27,245)	(28,421)
Dividends paid	21	(48,104)	(42,759)
Repayment of lease liabilities		(59,744)	(56,221)
Net cash used in financing activities		(135,093)	(127,401)
Net increase/(decrease) in cash and cash equivalents		(231,109)	228,865
Cash and cash equivalents at the beginning of the financial year		244,873	16,008
Cash and cash equivalents at the end of the financial year	9	13,764	244,873

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

Notes to the financial statements

30 June 2025

Note 1. Reporting entity

The financial statements cover Acacia Ridge 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 Shop 5/28 Elizabeth Street, Acacia Ridge QLD 4110.

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 25 September 2025. 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 Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The company has assessed and concluded there are no material impacts.

Accounting standards issued but not yet effective

Australian Accounting Standards and Interpretations that have been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2025. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

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.

Notes to the financial statements (continued)

Note 3. Material accounting policy information (continued)

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.

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.

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.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

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.

Notes to the financial statements (continued)

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

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.

Impairment of non-financial assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets 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.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term.

In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations, comparison of terms and conditions to prevailing market rates, incurrence of significant penalties, existence of significant leasehold improvements and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

The company includes extension options applicable to the lease of branch premises in its calculations of both the right-of-use asset and lease liability except where the company is reasonably certain it will not exercise the extension option. This is due to the significant disruption of relocating premises and the loss on disposal of leasehold improvements fitted out in the leased premises.

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.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Notes to the financial statements (continued)

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

Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

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 current franchise agreement expires in November 2025, subsequent to year end the Board has signed a franchise agreement renewal extending the company's agreement a further five years to 2030.

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 the 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. Revenue from contracts with customers

	2025 \$	2024 \$
Margin income	974,269	851,270
Fee income	65,089	64,038
Commission income	111,423	104,012
	<u>1,150,781</u>	<u>1,019,320</u>

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers (continued)

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:

<u>Revenue stream</u>	<u>Includes</u>	<u>Performance obligation</u>	<u>Timing of recognition</u>
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 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 revenue 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 Group including fees for loan applications and account transactions.

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.

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers (continued)

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 7. Expenses

Employee benefits expense

	2025 \$	2024 \$
Wages and salaries	416,082	437,374
Superannuation contributions	44,228	48,071
Expenses related to long service leave	2,620	9,952
Other expenses	57,309	48,372
	<u>520,239</u>	<u>543,769</u>

Accounting policy for employee benefits

The company seconded employees from Bendigo and Adelaide Bank Limited. The total cost of these employees, including an allowance for accrued annual and long service leave, is charged to the company by Bendigo and Adelaide Bank Limited by offsetting against the monthly profit share arrangement. The company recognises these costs as an expense on a monthly basis.

Depreciation and amortisation expense

	2025 \$	2024 \$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	8,316	7,603
Plant and equipment	4,505	7,179
	<u>12,821</u>	<u>14,782</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	<u>63,819</u>	<u>61,710</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	2,152	2,152
Franchise renewal fee	10,759	10,759
	<u>12,911</u>	<u>12,911</u>
	<u>89,551</u>	<u>89,403</u>

Notes to the financial statements (continued)

Note 7. Expenses (continued)

Charitable donations, sponsorships and grants expense

	2025 \$	2024 \$
Direct donation, sponsorship and grant payments	76,651	32,010
Contribution to the Community Enterprise Foundation™ exclusive of management fee	150,000	100,000
	<u>226,651</u>	<u>132,010</u>

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.

Community Enterprise Foundation™ contributions

	2025 \$	2024 \$
<i>Disaggregation of CEF funds</i>		
Opening balance	198,793	148,226
Contributions paid in	157,895	105,263
Grants paid out	(108,417)	(55,917)
Interest received	8,410	6,484
Management fees incurred	(7,894)	(5,263)
	<u>248,787</u>	<u>198,793</u>

Notes to the financial statements (continued)

Note 8. Income tax

	2025 \$	2024 \$
<i>Income tax expense</i>		
Current tax	38,050	38,158
Movement in deferred tax	431	(11,137)
Investments at FVTOCI	(3,835)	4,431
Under/over provision in respect to prior years	-	(215)
Net benefit of franking credits on dividends received	(646)	(955)
	<u>34,000</u>	<u>30,282</u>
Aggregate income tax expense		
	<u>34,000</u>	<u>30,282</u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	<u>136,691</u>	<u>105,888</u>
Tax at the statutory tax rate of 25%	34,173	26,472
Tax effect of:		
Non-deductible expenses	311	310
Investments recognised FVTOCI	-	4,431
Net benefit of franking credits on dividends received	(646)	(955)
Other assessable income	162	239
Under/over provision in respect to prior years	-	(215)
	<u>34,000</u>	<u>30,282</u>
Income tax expense		
	<u>34,000</u>	<u>30,282</u>
	2025 \$	2024 \$
<i>Deferred tax assets/(liabilities)</i>		
Property, plant and equipment	(5,476)	(7,931)
Lease liabilities	189,610	201,364
Provision for lease make good	1,741	1,682
Income accruals	(696)	(567)
Right-of-use assets	(167,704)	(180,478)
Investments market value unrealised gain	(3,835)	-
	<u>13,640</u>	<u>14,070</u>
Deferred tax asset		
	<u>13,640</u>	<u>14,070</u>
	2025 \$	2024 \$
Provision for income tax	<u>7,288</u>	<u>28,703</u>

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.

Notes to the financial statements (continued)

Note 9. Cash and cash equivalents

	2025 \$	2024 \$
Cash at bank and on hand	13,764	244,873

Note 10. Trade and other receivables

	2025 \$	2024 \$
Trade receivables	53,806	44,929
Accrued income	10,741	2,271
Prepayments	10,369	5,014
	21,110	7,285
	74,916	52,214

Note 11. Financial assets

	2025 \$	2024 \$
Equity securities - designated at fair value through other comprehensive income	215,341	-

Reconciliation

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

Opening fair value	-	209,376
Additions	200,000	-
Revaluation increments	15,341	16,911
Disposals	-	(226,287)
Closing fair value	215,341	-

Note 12. Investments

	2025 \$	2024 \$
<i>Current assets</i>		
Term deposits	250,000	195,244

Notes to the financial statements (continued)

Note 13. Property, plant and equipment

	2025 \$	2024 \$
Leasehold improvements - at cost	179,390	189,753
Less: Accumulated depreciation	(143,943)	(145,990)
	<u>35,447</u>	<u>43,763</u>
Plant and equipment - at cost	52,470	77,912
Less: Accumulated depreciation	(41,017)	(63,863)
	<u>11,453</u>	<u>14,049</u>
	<u><u>46,900</u></u>	<u><u>57,812</u></u>

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

	Leasehold improvements \$	Plant and equipment \$	Total \$
Balance at 1 July 2023	51,366	21,228	72,594
Depreciation	(7,603)	(7,179)	(14,782)
Balance at 30 June 2024	43,763	14,049	57,812
Additions	-	1,909	1,909
Depreciation	(8,316)	(4,505)	(12,821)
Balance at 30 June 2025	<u><u>35,447</u></u>	<u><u>11,453</u></u>	<u><u>46,900</u></u>

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:

Leasehold improvements	2 to 15 years
Plant and equipment	3 to 15 years

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.

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. Right-of-use assets

	2025 \$	2024 \$
Land and buildings - right-of-use	1,009,964	997,239
Less: Accumulated depreciation	(339,147)	(275,328)
	<u><u>670,817</u></u>	<u><u>721,911</u></u>

Notes to the financial statements (continued)

Note 14. Right-of-use assets (continued)

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

	Land and buildings \$
Balance at 1 July 2023	732,798
Remeasurement adjustments	50,823
Depreciation expense	(61,710)
Balance at 30 June 2024	721,911
Remeasurement adjustments	12,725
Depreciation expense	(63,819)
Balance at 30 June 2025	<u>670,817</u>

Accounting policy for right-of-use assets

Right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease. Right-of-use assets are subject to impairment and are adjusted for any remeasurement of lease liabilities.

Refer to note 17 for more information on lease arrangements.

Note 15. Intangible assets

	2025 \$	2024 \$
Franchise fee	43,626	43,626
Less: Accumulated amortisation	(42,771)	(40,619)
	<u>855</u>	<u>3,007</u>
Franchise renewal fee	168,133	168,133
Less: Accumulated amortisation	(163,860)	(153,101)
	<u>4,273</u>	<u>15,032</u>
	<u>5,128</u>	<u>18,039</u>

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 2023	5,159	25,791	30,950
Amortisation expense	(2,152)	(10,759)	(12,911)
Balance at 30 June 2024	3,007	15,032	18,039
Amortisation expense	(2,152)	(10,759)	(12,911)
Balance at 30 June 2025	<u>855</u>	<u>4,273</u>	<u>5,128</u>

Notes to the financial statements (continued)

Note 15. Intangible assets (continued)

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:

<u>Asset class</u>	<u>Method</u>	<u>Useful life</u>	<u>Expiry/renewal date</u>
Franchise fee	Straight-line	Over the franchise term (5 years)	November 2025
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	November 2025

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

Change in estimates

During the financial year, the company assessed estimates used for intangible assets including useful lives, residual values, and amortisation methods. There were no changes in estimates for the current reporting period.

Note 16. Trade and other payables

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Trade payables	8,074	1,072
Other payables and accruals	10,675	29,231
	<u>18,749</u>	<u>30,303</u>
	2025	2024
	\$	\$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	18,749	30,303
less other payables and accruals (net GST refundable from the ATO)	4,770	2,689
	<u>23,519</u>	<u>32,992</u>

Note 17. Lease liabilities

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Land and buildings lease liabilities	<u>85,884</u>	<u>84,527</u>
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	<u>672,554</u>	<u>720,930</u>

Notes to the financial statements (continued)

Note 17. Lease liabilities (continued)

Reconciliation of lease liabilities

	2025 \$	2024 \$
Opening balance	805,457	816,465
Remeasurement adjustments	12,725	45,213
Lease interest expense	27,245	28,421
Lease payments - total cash outflow	(86,989)	(84,642)
	<u>758,438</u>	<u>805,457</u>

Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially measured at the present value of the lease payments to be made over the term of the lease, including renewal options if the company is reasonably certain to exercise such options, discounted using the company's incremental borrowing rate.

The company has applied the following accounting policy choices in relation to lease liabilities:

- The company has elected not to separate lease and non-lease components when calculating the lease liability for property leases.
- The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases and low-value assets, which include the company's lease of information technology equipment. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options	Reasonably certain to exercise options	Lease term end date used in calculations
Branch	3.54%	5 years	2 x 5 years	Yes	November 2035

Note 18. Issued capital

	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	534,487	534,487	534,487	534,487
Return of capital payment	-	-	(106,897)	(106,897)
Less: Equity raising costs	-	-	(22,114)	(22,114)
	<u>534,487</u>	<u>534,487</u>	<u>405,476</u>	<u>405,476</u>

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.

Notes to the financial statements (continued)

Note 18. Issued capital (continued)

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*.

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 111. As at the date of this report, the company had 130 shareholders (2024: 132 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.

Notes to the financial statements (continued)

Note 19. Fair value reserve

	Fair value \$
Balance at 1 July 2023	13,221
Fair value movement on equity instruments designated at FVTOCI	16,911
Transfer to retained earnings	<u>(30,132)</u>
Balance at 30 June 2024	-
Revaluation - gross	15,341
Deferred tax	<u>(3,835)</u>
Balance at 30 June 2025	<u><u>11,506</u></u>

Financial assets at fair value through other comprehensive income reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Note 20. 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.

Note 21. Dividends

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.

	2025 \$	2024 \$
Fully franked dividend of 9 cents per share (2024: 8 cents)	<u>48,104</u>	<u>42,759</u>

Notes to the financial statements (continued)

Note 21. Dividends (continued)

Franking credits

	2025 \$	2024 \$
Franking account balance at the beginning of the financial year	25,475	15,820
Franking credits (debits) arising from income taxes paid (refunded)	59,791	23,083
Franking debits from the payment of franked distributions	(16,035)	(14,253)
Franking credits from franked distributions received	556	825
	<u>69,787</u>	<u>25,475</u>
<i>Franking transactions that will arise subsequent to the financial year end:</i>		
Balance at the end of the financial year	69,787	25,475
Franking credits (debits) that will arise from payment (refund) of income tax	14,817	37,203
Franking credits available for future reporting periods	<u>84,604</u>	<u>62,678</u>

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%.

Accounting policy for dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

Note 22. Financial risk management

The company's financial instruments include trade receivables and payables, cash and cash equivalents, investments and lease liabilities. 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 A- 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.
- The company has no borrowings.

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

Notes to the financial statements (continued)

Note 22. Financial risk management (continued)

	2025 \$	2024 \$
Financial assets at amortised cost		
Trade and other receivables excluding prepayments (note 10)	64,547	47,200
Cash and cash equivalents (note 9)	13,764	244,873
Financial assets (note 11)	215,341	-
Investments (note 12)	250,000	195,244
	<u>543,652</u>	<u>487,317</u>
Financial liabilities		
Trade and other payables (note 16)	23,519	32,992
Lease liabilities (note 17)	758,438	805,457
	<u>781,957</u>	<u>838,449</u>

At balance date, the fair value of financial instruments approximated their carrying values.

Accounting policy for financial instruments

Financial assets

Classification

The company classifies its financial assets into the following categories:

- Amortised cost
- Fair value through other comprehensive income (FVOCI)

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.

The company's financial assets measured at FVOCI comprise investments in listed entities over which the company does not have significant influence nor control. The company has made an irrevocable election to classify these equity investments at FVOCI as they are not held for trading purposes.

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.

Notes to the financial statements (continued)

Note 22. Financial risk management (continued)

Interest-bearing assets and liabilities are held with Bendigo Bank and subject to movements in market interest rates. The company held cash and cash equivalents of \$13,764 at 30 June 2025 (2024: \$244,873) and term deposits of \$250,000 at 30 June 2025 (2024: \$195,244).

Price risk

While all investments held for sale or at fair value (including Vanguard investments) were sold during the 2024 financial year, the company reinvested in Sandhurst investments during the 2025 financial year. Accordingly, equity securities were held during the year, but the exposure as at balance date remains limited.

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.

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2025				
Non-derivatives				
Trade and other payables	23,519	-	-	23,519
Lease liabilities	87,449	349,797	466,395	903,641
Total non-derivatives	110,968	349,797	466,395	927,160
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2024				
Non-derivatives				
Trade and other payables	32,992	-	-	32,992
Lease liabilities	86,067	344,268	545,091	975,426
Total non-derivatives	119,059	344,268	545,091	1,008,418

Note 23. Key management personnel disclosures

The following persons were directors of Acacia Ridge Financial Services Limited during the financial year and/or up to the date of signing of these Financial Statements.

Peter Geoffrey Henderson OAM
Amanda Lee Harward
Earle Alexander Johnston
Maria Kim Becis

Victoria Louise Maguire
Jane Baxter Carlisle
Angela Kellie Griffiths

Notes to the financial statements (continued)

Note 23. Key management personnel disclosures (continued)

Compensation

Key management personnel compensation comprised the following.

	2025 \$	2024 \$
Short-term employee benefits	17,489	15,315
Post-employment benefits	2,012	1,685
	<u>19,501</u>	<u>17,000</u>

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

Note 24. Related party transactions

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:

	2025 \$	2024 \$
Victoria Maguire is a Director of J L Lander Pty Ltd, J L Lander Pty Ltd own the branch premises leased by the bank and received rent income of:	86,643	85,355
Amanda Harward is a Director at Accounting Intelligence Pty Ltd, Acacia Ridge Financial Services Limited used the services of Accounting Intelligence Pty Ltd during the financial year.	10,321	9,888
Peter Henderson provided consulting and clerical services to the bank during the financial year.	1,884	1,724
Earle Johnston provided consulting services to the bank during the financial year.	3,363	3,574
Jane Carlisle provided consulting services to the bank during the financial year.	1,788	1,221
The company made sponsorships to community groups where company directors also are owners/managers.	5,588	200
Maria Becis provided Business Development Consultancy services to the bank during the financial year.	14,576	-

Notes to the financial statements (continued)

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:

	2025 \$	2024 \$
<i>Audit services</i>		
Audit or review of the financial statements	7,930	6,450
<i>Other services</i>		
General advisory services	2,880	2,610
Share registry services	4,233	3,871
	7,113	6,481
	<u>15,043</u>	<u>12,931</u>

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

	2025 \$	2024 \$
Profit after income tax expense for the year	102,691	75,606
Adjustments for:		
Depreciation and amortisation	89,551	89,403
Lease liability interest	27,245	28,421
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(21,731)	11,296
Decrease/(increase) in deferred tax assets	430	(11,010)
Increase in trade and other payables	2,842	11,492
Increase/(decrease) in provision for income tax	(22,386)	13,307
Decrease in deferred tax liabilities	(3,835)	-
Increase in other provisions	238	230
Net cash provided by operating activities	<u>175,045</u>	<u>218,745</u>

Note 27. Earnings per share

	2025 \$	2024 \$
Profit after income tax	<u>102,691</u>	<u>75,606</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>534,487</u>	<u>534,487</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>534,487</u>	<u>534,487</u>
	Cents	Cents
Basic earnings per share	19.21	14.15
Diluted earnings per share	19.21	14.15

Notes to the financial statements (continued)

Note 27. Earnings per share (continued)

Accounting policy for earnings per share

Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Acacia Ridge 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 year end the Board has signed a franchise agreement renewal extending the company's agreement a further five years to 2030.

No other matter or circumstance has arisen since 30 June 2025 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

30 June 2025

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 2025 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


Peter Geoffrey Henderson OAM
Chair

25 September 2025

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 Acacia Ridge Financial Services Limited Report on the audit of the financial report

Our opinion

In our opinion, the accompanying financial report of Acacia Ridge Financial Services Limited (the company), 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 2025 and of its financial performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

We have audited the financial report of Acacia Ridge Financial Services Limited (the company), which comprises the:

- Statement of financial position as at 30 June 2025
- Statement of profit or loss and other comprehensive income
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements, including material accounting policies, and the
- Directors' declaration.

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

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 2025 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.



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

Independence

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.

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/home.aspx>. This description forms part of our auditor's report.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

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

A handwritten signature in black ink, appearing to read 'Joshua Griffin'.

Joshua Griffin
Lead Auditor

Community Bank · Acacia Ridge
Shop 5/11-28 Elizabeth Street,
Acacia Ridge QLD 4110
Phone: 07 3255 6773 Fax: 07 3255 6997
Email: acaciaridgemailbox@bendigoadelaide.com.au
Web: bendigobank.com.au/acaciaridge

Franchisee: Acacia Ridge Financial Services Limited
ABN: 73 116 060 916
Shop 5/11-28 Elizabeth Street
Acacia Ridge QLD 4110
Phone: 07 3255 6773 Fax: 07 3255 6997
Email: admin@arfsl.com.au

Share Registry:
AFS & Associates Pty Ltd
PO Box 454, Bendigo VIC 3552
Phone: 5443 0344
Fax: 5443 5304
Email: shareregistry@afsbendigo.com.au

 /CommunityBankAcaciaRidge

