

Annual Report 2025

Augusta Margaret River
Community Financial
Services Ltd

Community Bank
Augusta Margaret River
ABN 64 110 946 168

Augusta Margaret River Community Financial Service Annual Report 2025

Contents

Chairperson's Report	2
Branch Managers Report	4
CBNC Annual Report	5
BEN Annual Report	6
Community Raffle Results	7
Financial Report 2025 – including	8
• Directors Report	
• Auditors Independence Declaration	
• Financial Statements	
• Notes to Financial Statements	
• Directors Declaration	
• Independent Audit Report	

Chair Report

As we mark the 20th anniversary of our Branch, there is much to celebrate. This milestone would not have been possible without the dedication of our steering committee and founding Board of Directors and our Shareholders. Their vision and persistence have ensured the continued presence of our branch in Augusta.

I extend my sincere gratitude to the current Board for their unwavering commitment to our local community bank, now recognized as Augusta Margaret River Community Financial Services. Following a unanimous vote at the Special Electors meeting, we proudly adopted this new company name to more accurately reflect the Local Government area we serve.

Special thanks are due to Deputy Chair Cinde Fisher for her longstanding dedication, and to our outgoing Treasurer Donna Adams, who has stepped down from her role as Director to pursue new professional opportunities. We warmly welcome our new Treasurer, Catriona Le Blanc.

Miriam Bailey of AMD Accounting has served diligently as Company Secretary.

We also express our appreciation to Natalie Chambers, our Communications and Marketing Officer. Natalie has not only prepared this year's AGM documents and meetings but has excelled in her many roles within the company, particularly in initiating and overseeing the Community Raffle.

This year, our community sponsorship efforts saw us contribute \$12,000 in prize money through the Community Raffle. Ticket sales facilitated by local groups raised an impressive \$36,500, providing significant and wide-reaching benefits throughout the community.

I commend Branch Manager Tony Greipl for his outstanding performance and professionalism, which have been appreciated by the Board, staff, customers, and community. Similarly, I thank Customer Relations Officer Toni English and Customer Service Officers Kristine Schreck and Kate Finkelstein for their daily care and excellent service.

We are also grateful for the consistent and positive guidance provided by Business Performance Manager Grant McLeod and Regional Manager Michelle Brace.

As your Board of Directors, our primary focus remains on:

- Providing essential banking services in Augusta

Financial Overview

Our historical overdraft has been fully repaid, and we now operate with a positive bank balance. As we prepare for potential changes in our franchise arrangement or other developments arising from the Model Evolution, we remain committed to maintaining a strong financial position. Prudent cost management and reserved funds for any necessary specialist consultation will remain our priorities throughout this transition.

Conclusion

We are currently in the strongest financial position we have experienced in years. Our operations and staff are performing admirably, and we are dedicated to sustaining growth for the benefit of our community.

We encourage all shareholders to act as ambassadors in the community and support our ongoing mission to grow the business.

AUGUSTA MARGARET RIVER COMMUNITY FINANCIAL SERVICES LTD BRANCH MANAGERS REPORT

Another year has passed and it is with great pleasure that I present the manager's report for the 2024/2025 financial year.

Over the year the business has continued to navigate all challenges and opportunities with a strong commitment to operate in line with our community bank ethos.

I am very pleased with the growth of the business and the continued service we provide to the community. The staff grow in experience and knowledge which in turn results in better service that we can provide to our ever growing customer base. We have had a new staff member join the team, Kate joined us in April and we are now back to full staff complement.

As far as business is concerned, I am very pleased to announce that we have recently reached the \$100M milestone, however we must keep growing the total business. I urge all of you to assist us with that task. Every single account or product taken up makes a difference and in turn will assist the business to strive to provide more community funding.

On a personal note, I have recently made the move to Augusta more permanent with the purchase of our own home which confirms that we have settled well into the community and I certainly hope to be here for the foreseeable future.

I would like to thank the staff, board members and most importantly our customers for their continued trust and support. Together we are all growing the business but also strengthening the brand.

Tony Greipl

Branch Manager

Community Bank Network: Embracing Our Guiding Principles

A warm welcome to our existing and new shareholders. Thank you for your support and for sharing in our purpose. We're immensely proud of our Community Bank network which was a first mover in Australia in 1998 through our unique social enterprise model.

The principles of the Community Bank model are the same as they were when the first Community Bank opened its doors. The principles are centred on:

- Relationships based on goodwill, trust and respect
- Local ownership, local decision making, local investment
- Decisions which are commercially focussed and community spirited
- Shared effort reward and risk; and
- Decisions which have broad based benefits

Today the network has grown to 303 Community Bank branches. We represent a diverse cross-section of Australia with more than 214 community enterprises, 70,000+ shareholders, 1500+ volunteer directors, 1700 staff and 998,000 customers.

Our Community Bank National Council (CBNC) plays a pivotal role in the success story. The CBNC consists of both elected and appointed members from every state and territory sharing and reflecting the voice of the network. It's the role of the CBNC to initiate, lead and respond to strategic issues and opportunities that enhance the sustainability, resilience and prospects of the Community Bank model.

We utilise a range of forums to ensure the ongoing success of the network. Our State Connect events have been one of many network engagement activities that have enabled Bendigo Bank execs, staff, the CBNC and directors to come together to share ideas, insights and ensure we are collaborating better together.

As consumer behaviours shift, and the environment in which we operate challenges the status quo, we embrace the opportunities that come with this new reality. We've already completed the mandatory changes to the Franchise Agreement with Bendigo Bank which were required by 1 April 2025.

The mandatory changes of the Franchise Agreement were in response to the Franchise Code of Conduct Review along with requirements from other external statutory and government bodies. This process which was led by Council in partnership with the Bank, was necessary to ensure our long-term sustainability. Council also sought legal advice on behalf of the network to ensure the changes were fair.

We also recognise the time is now to consider our model and how we combine the value of local presence with new digital capabilities that expand rather than diminish our community impact. This work forms part of the Model Evolution process which will be co-designed with Bendigo Bank and implemented over the next 12 months.

Building further on our enhanced digital presence, community roots and measurable impact, we've reached another major milestone. We now have 41 Community Bank companies formerly certified as social enterprises through Social Traders. It's a powerful endorsement of our commitment to delivering both commercial and social outcomes.

This recognition through Social Traders opens new opportunities for our network. It's paved the way for new partnerships with other enterprises in the sector that share our values and mission to build a better, stronger Australia.

Our increased engagement with the broader social enterprise sector has not only enabled us to diversify our partnerships; we've also deepened our impact. Over \$416 million and counting – that's how much has been reinvested back into local communities.

As we look to the future, we remain committed to the founding principles of the Community Bank model. Community is at the centre of everything we do, and our purpose remains clear: to create meaningful, lasting value for the communities we serve.

Community Bank National Council

Community Bank Report 2025

BEN Message

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 and \$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

Augusta & Districts Community Financial Services Ltd

ABN 64 110 946 168

Financial Report - 30 June 2025

Augusta & Districts Community Financial Services Ltd

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:	Jennifer Anne Gherardi
Title:	Non-executive director
Experience and expertise:	Jennifer's qualifications include; BSc Communications Studies, 1st Class Honours in Media, Vice Chancellors Award for Academic Excellence and Training and mentoring at BBC London in New Media. Jennifer has both business and community experience, she and her partner developed Freycinet Estate (now Voyage Estate) in the commencement of the wine industry in the Margaret River. She went onto becoming a Film and Television Producer/Director making independent films for SBS and ABC TV. Jennifer co-manages Meeks House in Margaret River and is a Chamber of Commerce member. Her community contributions include being; a lactation counsellor for 15 years, a founding member of The Margaret River Community Centre, and a CinefestOZ Film Festival board director for 8 years.
Special responsibilities:	Chair, Marketing Committee.
Name:	Cinde Blanche Fisher
Title:	Non-executive director
Experience and expertise:	Bachelor of Science (Computer Science & Financial Accounting).
Special responsibilities:	Audit Committee.
Name:	Nicholas Fairbairn Dornan
Title:	Non-executive director
Experience and expertise:	Nicholas' previous roles included a designer in the entertainment industry UK, General Manager of Samuelson Vari-lites UK (Europe and Asia). Former Shire president of Augusta Margaret River. He is currently on the Shire Sustainability Advisory committee, is the Secretary of the Augusta Golf Club and the Vice President of the Margaret River Tennis Club.
Special responsibilities:	Nil.
Name:	Jodie Boyd Lane
Title:	Non-executive director
Experience and expertise:	Farmer, small business owner, educator, venue provider, event organiser.
Special responsibilities:	Marketing Committee.
Name:	Julie Alice Kirby
Title:	Non-executive director
Experience and expertise:	With more than 20 years' experience specialising in agribusiness, Julie is a consultant who uses her financial acumen to drive competitiveness and improved commercial outcomes in the private sector and applies her robust strategic planning and analytical thinking skills to projects spanning Government, industry peak bodies and Not-for-Profit organisations. Julie helps clients build and execute powerful business strategies, navigate change and improve organisational, team and leadership effectiveness. Julie has an MBA and is a graduate of the Australian Institute of Company Directors.
Special responsibilities:	Nil.
Name:	Mathew John Cuthbert
Title:	Non-executive director
Experience and expertise:	Mathew has been a town planner for 22 years working in both the local government and state government sectors. Mathew has worked for the Shire of Augusta Margaret River for the last 9 years and is currently the Manager of Planning and Regulatory Services. Mathew has helped to initiate and develop the Busselton Community Garden and held positions on the Committee between its inception in 2005 and 2013.
Special responsibilities:	Nil.

Augusta & Districts Community Financial Services Ltd

Directors' report

30 June 2025

Name:	Wendy Helen Stimpson
Title:	Non-executive director (<i>appointed 31 March 2025</i>)
Experience and expertise:	Wendy is an experienced General Counsel, business owner and graduate of the Australian Institute of Company Directors. She has almost 30 years' international business and professional experience gained living and working in London, Hong Kong, Australia and Singapore. Wendy has led teams and held various directorships, advisory committees and trustee roles throughout her career. As a lawyer, she has advised on numerous governance, legal risk management and compliance matters, including senior level liaison with financial regulators in Australia and the Asia Pacific region. She is also a founder and owner of award-winning wine estate, Passel Estate, in Margaret River.
Special responsibilities:	Nil
Name:	Catriona Le Blanc
Title:	Non-executive director (<i>appointed 21 May 2025</i>)
Experience and expertise:	Catriona is an Accountant and Director at AMD Margaret River. She is a qualified Chartered Accountant.
Special responsibilities:	Treasurer
Name:	Edward John Coulter
Title:	Non-executive director (<i>resigned 24 June 2025</i>)
Experience and expertise:	Financial Director of a development company in the tourism industry. Former Augusta-Margaret River Shire Councillor and Business Proprietor. Current Member of Augusta Chamber of Commerce Inc and previous member of several community organisations including inaugural chair of Augusta Community & Districts Community Financial Services Ltd,
Special responsibilities:	Nil
Name:	Donna Adams
Title:	Non-executive director (<i>resigned 24 April 2025</i>)
Experience and expertise:	Donna was born in Margaret River and now lives in Augusta with her husband and two daughters. She holds a Cert IV in Financial Services/Bookkeeping and is a BAS agent with Tax Practitioner Board. Donna is the owner of Nautilus Business Solutions, a small Accounting & Bookkeeping firm with four employees and has also just started Donna Adams Business Coaching. Currently Donna is in her last year of studying a BPsych at Curtin University, where she is a Member of Vice Chancellor List 2019 (top 1%). Donna also presently volunteers as a mentor to 12 students who are new to Curtin University and is a committee member on the 'Open The Gate' group (mental health awareness and suicide prevention in rural and marginalised communities). She is also 2017 Alumni of Women & Leadership Australia.
Special responsibilities:	Nil.

Company secretary

The company secretary is Miriam Rachel Bailey. Miriam was appointed to the position of company secretary on 20 June 2019.

Experience and expertise:	Miriam was a past Auditor at Ernst & Young, Tax Manager at NKH Knight and Facilitator for the Institute of Chartered Accountants. She is a Director of AMD Margaret River (tax and advisory) and holds a Bachelor of Commerce major in Professional Accounting, minor in Business Law, Chartered Accountant, Certified Tax Advisor, Diploma of Financial Planning.
---------------------------	--

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.

Augusta & Districts Community Financial Services Ltd
Directors' report
30 June 2025

Review of operations

The profit for the company after providing for income tax amounted to \$102,717 (2024: \$40,919).

Operations have continued to perform in line with expectations.

Dividends

No dividends were declared or paid in the current financial year.

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 company renewed the lease for the Augusta branch. The new lease commenced on 1 July 2025 for an initial term of 5 years, with a further 5 year renewal option available. This extends the potential lease end date to June 2035. The renewal increased the company's right-of-use asset and corresponding lease liability by \$165,021.

In addition, the company renewed its franchise agreement with Bendigo Bank for a further 5 years, extending the expiry date to August 2030. The renewal increased the company's intangible assets and trade payables by \$72,954.54.

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.

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 attended by each of the directors of the company during the financial year were:

	Board	
	Eligible	Attended
Jennifer Anne Gherardi	7	6
Cinde Blanche Fisher	7	5
Nicholas Fairbairn Dornan	7	2
Jodie Boyd Lane	7	4
Julie Alice Kirby	7	4
Mathew John Cuthbert	7	5
Wendy Helen Stimpson	2	2
Catriona Le Blanc	1	1
Edward John Coulter	6	6
Donna Adams	5	1

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 21 to the financial statements.

Augusta & Districts Community Financial Services Ltd

Directors' report

30 June 2025

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
Jennifer Anne Gherardi	-	-	-
Cinde Blanche Fisher	-	-	-
Nicholas Fairbairn Dornan	-	-	-
Jodie Boyd Lane	-	-	-
Julie Alice Kirby	-	-	-
Mathew John Cuthbert	-	-	-
Wendy Helen Stimpson	-	-	-
Catriona Le Blanc	-	-	-
Edward John Coulter	1,000	-	1,000
Donna Adams	-	-	-

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.

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 22 to the accounts.

Augusta & Districts Community Financial Services Ltd
Directors' report
30 June 2025

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:

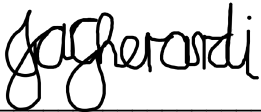
- all non-audit services have been reviewed by the board to ensure they do not impact on the impartiality, integrity and objectivity of the auditor
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional 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



Jennifer Anne Gherardi
Chair

26 September 2025



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 Augusta & Districts Community Financial Services Ltd

As lead auditor for the audit of Augusta & Districts Community Financial Services Ltd 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', is positioned above the printed name.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 26 September 2025

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

Adrian Downing
Lead Auditor

Augusta & Districts Community Financial Services Ltd
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	603,830	526,709
Other revenue		7,218	-
Finance revenue		25	15
Total revenue		<u>611,073</u>	<u>526,724</u>
Employee benefits expense	7	(293,109)	(291,294)
Advertising and marketing costs		(11,700)	(15,050)
Occupancy and associated costs		(26,341)	(25,101)
System costs		(17,024)	(14,907)
Depreciation and amortisation expense	7	(46,194)	(37,610)
Finance costs	7	(3,143)	(4,405)
General administration expenses		(72,383)	(72,926)
Total expenses before community contributions and income tax expense		<u>(469,894)</u>	<u>(461,293)</u>
Profit before community contributions and income tax expense		141,179	65,431
Charitable donations, sponsorships and grants expense		<u>(4,158)</u>	<u>(11,947)</u>
Profit before income tax expense		137,021	53,484
Income tax expense	8	<u>(34,304)</u>	<u>(12,565)</u>
Profit after income tax expense for the year		102,717	40,919
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>102,717</u></u>	<u><u>40,919</u></u>
		Cents	Cents
Basic earnings per share	24	16.52	6.58
Diluted earnings per share	24	16.52	6.58

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

Augusta & Districts Community Financial Services Ltd
Statement of financial position
As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	9	139,755	19,052
Trade and other receivables	10	56,645	57,123
Total current assets		<u>196,400</u>	<u>76,175</u>
Non-current assets			
Investment properties		10,743	-
Property, plant and equipment	11	22,392	29,729
Right-of-use assets	12	72,505	19,605
Intangible assets	13	2,689	15,588
Deferred tax assets	8	101,335	135,639
Total non-current assets		<u>209,664</u>	<u>200,561</u>
Total assets		<u>406,064</u>	<u>276,736</u>
Liabilities			
Current liabilities			
Trade and other payables	14	32,869	53,954
Contract liabilities		5,002	-
Borrowings		-	6,271
Lease liabilities	15	11,832	20,372
Employee benefits		11,694	13,490
Total current liabilities		<u>61,397</u>	<u>94,087</u>
Non-current liabilities			
Lease liabilities	15	56,841	3,327
Employee benefits		6,370	1,433
Provisions		24,855	24,005
Total non-current liabilities		<u>88,066</u>	<u>28,765</u>
Total liabilities		<u>149,463</u>	<u>122,852</u>
Net assets		<u>256,601</u>	<u>153,884</u>
Equity			
Issued capital	16	621,813	621,813
Accumulated losses		<u>(365,212)</u>	<u>(467,929)</u>
Total equity		<u>256,601</u>	<u>153,884</u>

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

Augusta & Districts Community Financial Services Ltd
Statement of changes in equity
For the year ended 30 June 2025

	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	621,813	(508,848)	112,965
Profit after income tax expense	-	40,919	40,919
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	40,919	40,919
Balance at 30 June 2024	<u>621,813</u>	<u>(467,929)</u>	<u>153,884</u>
 Balance at 1 July 2024	 621,813	 (467,929)	 153,884
Profit after income tax expense	-	102,717	102,717
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	102,717	102,717
Balance at 30 June 2025	<u>621,813</u>	<u>(365,212)</u>	<u>256,601</u>

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

Augusta & Districts Community Financial Services Ltd
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)		676,911	583,884
Payments to suppliers and employees (inclusive of GST)		(489,521)	(468,461)
Interest received		25	15
Interest and other finance costs paid		(54)	(2,441)
Net cash provided by operating activities	23	<u>187,361</u>	<u>112,997</u>
Cash flows from investing activities			
Payments for intangible assets		<u>(13,521)</u>	<u>(13,521)</u>
Net cash used in investing activities		<u>(13,521)</u>	<u>(13,521)</u>
Cash flows from financing activities			
Repayment of bank loans		(6,271)	(11,497)
Interest and other finance costs paid		(2,239)	(1,141)
Repayment of lease liabilities		<u>(44,627)</u>	<u>(19,559)</u>
Net cash used in financing activities		<u>(53,137)</u>	<u>(32,197)</u>
Net increase in cash and cash equivalents		120,703	67,279
Cash and cash equivalents at the beginning of the financial year		<u>19,052</u>	<u>(48,227)</u>
Cash and cash equivalents at the end of the financial year	9	<u><u>139,755</u></u>	<u><u>19,052</u></u>

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

Augusta & Districts Community Financial Services Ltd

Notes to the financial statements

30 June 2025

Note 1. Reporting entity

The financial statements cover Augusta & Districts Community Financial Services Ltd (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 1,1 Charles West Avenue, Margaret River WA 6285.

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 26 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.

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.

Augusta & Districts Community Financial Services Ltd

Notes to the financial statements

30 June 2025

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.

Allowance for expected credit losses on trade and other receivables

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

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

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

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.

Augusta & Districts Community Financial Services Ltd

Notes to the financial statements

30 June 2025

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

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, which is generally the case for the company's lease agreements, 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. This 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.

Note 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank.

The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in August 2025.

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

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

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

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

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

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

Augusta & Districts Community Financial Services Ltd
Notes to the financial statements
30 June 2025

Note 6. Revenue from contracts with customers

	2025	2024
	\$	\$
Margin income	529,519	472,423
Fee income	27,746	28,813
Commission income	46,565	25,473
	<u>603,830</u>	<u>526,709</u>

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

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

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

Commission income

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

Fee income

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

Augusta & Districts Community Financial Services Ltd
Notes to the financial statements
30 June 2025

Note 6. Revenue from contracts with customers (continued)

Core banking products

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

Ability to change financial return

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

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

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

Note 7. Expenses

Employee benefits expense

	2025	2024
	\$	\$
Wages and salaries	249,874	248,714
Superannuation contributions	28,781	26,595
Expenses related to long service leave	4,937	1,183
Other expenses	9,517	14,802
	<u>293,109</u>	<u>291,294</u>

Depreciation and amortisation expense

	2025	2024
	\$	\$
<i>Depreciation of non-current assets</i>		
Leasehold improvements	242	192
Plant and equipment	1,354	1,975
Motor vehicles	5,741	5,740
	<u>7,337</u>	<u>7,907</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	23,203	16,804
Investment property	2,755	-
	<u>25,958</u>	<u>16,804</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	2,150	2,150
Franchise renewal fee	10,749	10,749
	<u>12,899</u>	<u>12,899</u>
	<u>46,194</u>	<u>37,610</u>

Augusta & Districts Community Financial Services Ltd
Notes to the financial statements
30 June 2025

Note 7. Expenses (continued)

Finance costs

	2025	2024
	\$	\$
Bank overdraft interest paid or accrued	54	1,781
Lease interest expense	2,239	1,141
Unwinding of make-good provision	850	823
Chattel mortgage interest expense	-	660
	<u>3,143</u>	<u>4,405</u>

Note 8. Income tax

	2025	2024
	\$	\$
<i>Income tax expense</i>		
Movement in deferred tax	1,841	(2,610)
Under/over adjustment in respect for prior periods	-	(877)
Recoupment of prior year tax losses	<u>32,463</u>	<u>16,052</u>
Aggregate income tax expense	<u>34,304</u>	<u>12,565</u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	<u>137,021</u>	<u>53,484</u>
Tax at the statutory tax rate of 25%	34,255	13,371
Tax effect of:		
Non-deductible expenses	<u>49</u>	<u>71</u>
	34,304	13,442
Under/over adjustment in respect for prior periods	<u>-</u>	<u>(877)</u>
Income tax expense	<u>34,304</u>	<u>12,565</u>

	2025	2024
	\$	\$
<i>Deferred tax assets/(liabilities)</i>		
Carried-forward tax losses	99,847	132,309
Property, plant and equipment	(5,598)	(7,432)
Employee benefits	4,516	3,737
Provision for lease make good	6,214	6,001
Lease liabilities	17,168	5,925
Right-of-use assets	<u>(20,812)</u>	<u>(4,901)</u>
Deferred tax asset	<u>101,335</u>	<u>135,639</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.

Augusta & Districts Community Financial Services Ltd
Notes to the financial statements
30 June 2025

Note 8. Income tax (continued)

Accounting policy for deferred tax

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

Note 9. Cash and cash equivalents

	2025	2024
	\$	\$
Cash at bank and on hand	<u>139,755</u>	<u>19,052</u>

Note 10. Trade and other receivables

	2025	2024
	\$	\$
Trade receivables	<u>47,489</u>	<u>45,285</u>
Accrued income	30	-
Prepayments	<u>9,126</u>	<u>11,838</u>
	<u>9,156</u>	<u>11,838</u>
	<u><u>56,645</u></u>	<u><u>57,123</u></u>

Accounting policy for trade and other receivables

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

Note 11. Property, plant and equipment

	2025	2024
	\$	\$
Leasehold improvements - at cost	83,933	83,933
Less: Accumulated depreciation	<u>(82,963)</u>	<u>(82,721)</u>
	<u>970</u>	<u>1,212</u>
Plant and equipment - at cost	123,023	123,023
Less: Accumulated depreciation	<u>(110,283)</u>	<u>(108,929)</u>
	<u>12,740</u>	<u>14,094</u>
Motor vehicles - at cost	28,702	28,702
Less: Accumulated depreciation	<u>(20,020)</u>	<u>(14,279)</u>
	<u>8,682</u>	<u>14,423</u>
	<u><u>22,392</u></u>	<u><u>29,729</u></u>

Augusta & Districts Community Financial Services Ltd
Notes to the financial statements
30 June 2025

Note 11. Property, plant and equipment (continued)

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 \$	Motor vehicle \$	Total \$
Balance at 1 July 2023	1,404	16,069	20,163	37,636
Depreciation	(192)	(1,975)	(5,740)	(7,907)
Balance at 30 June 2024	1,212	14,094	14,423	29,729
Depreciation	(242)	(1,354)	(5,741)	(7,337)
Balance at 30 June 2025	<u>970</u>	<u>12,740</u>	<u>8,682</u>	<u>22,392</u>

Accounting policy for property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. 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	5 years
Plant and equipment	2.5 to 40 years
Motor vehicle	5 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.

Note 12. Right-of-use assets

	2025 \$	2024 \$
Land and buildings - right-of-use	187,839	111,736
Less: Accumulated depreciation	<u>(115,334)</u>	<u>(92,131)</u>
	<u>72,505</u>	<u>19,605</u>

Augusta & Districts Community Financial Services Ltd
Notes to the financial statements
30 June 2025

Note 12. 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	35,944
Remeasurement adjustments	465
Depreciation expense	<u>(16,804)</u>
Balance at 30 June 2024	19,605
Additions	76,103
Depreciation expense	<u>(23,203)</u>
Balance at 30 June 2025	<u><u>72,505</u></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 15 for more information on lease arrangements.

Note 13. Intangible assets

	2025 \$	2024 \$
Franchise fee	93,677	93,677
Less: Accumulated amortisation	<u>(93,230)</u>	<u>(91,080)</u>
	447	2,597
Franchise renewal fee	168,384	168,384
Less: Accumulated amortisation	<u>(166,142)</u>	<u>(155,393)</u>
	2,242	12,991
	<u><u>2,689</u></u>	<u><u>15,588</u></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	4,747	23,740	28,487
Amortisation expense	<u>(2,150)</u>	<u>(10,749)</u>	<u>(12,899)</u>
Balance at 30 June 2024	2,597	12,991	15,588
Amortisation expense	<u>(2,150)</u>	<u>(10,749)</u>	<u>(12,899)</u>
Balance at 30 June 2025	<u><u>447</u></u>	<u><u>2,242</u></u>	<u><u>2,689</u></u>

Augusta & Districts Community Financial Services Ltd
Notes to the financial statements
30 June 2025

Note 13. 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)	August 2030
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	August 2030

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

Note 14. Trade and other payables

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Trade payables	8,146	17,817
Other payables and accruals	24,723	36,137
	<u>32,869</u>	<u>53,954</u>
	2025	2024
	\$	\$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	32,869	53,954
less other payables and accruals (net GST payable to the ATO)	(12,368)	(9,010)
	<u>20,501</u>	<u>44,944</u>

Note 15. Lease liabilities

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Land and buildings lease liabilities	<u>11,832</u>	<u>20,372</u>
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	<u>56,841</u>	<u>3,327</u>

Augusta & Districts Community Financial Services Ltd
Notes to the financial statements
30 June 2025

Note 15. Lease liabilities (continued)

Reconciliation of lease liabilities

	2025 \$	2024 \$
Opening balance	23,699	43,111
Additions	89,601	-
Remeasurement adjustments	-	147
Lease interest expense	2,239	1,141
Lease payments - total cash outflow	(46,866)	(20,700)
	<u>68,673</u>	<u>23,699</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 available	Reasonably certain to exercise options	Lease term end date used in calculations
Augusta Branch	3.54%	5 years	N/A	N/A	August 2025
Margaret River Branch	6.83%	2 years	1 x 2 years	Yes	January 2029

Additions

During the year, the company entered into a new lease agreement for the Margart Rivier Branch. This is for an initial term of 2 years with a further term of 2 years available taking the lease end date to January 2029. The new addition increased right of use assets and lease liabilities by \$89,601.

The Margaret River Branch operates on an appointment-only basis. When not used by the company, the premises are sub-let to third parties. This arrangement results in part of the property meeting the definition of an investment property under AASB 140 *Investment Property*.

Note 16. Issued capital

	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	<u>621,813</u>	<u>621,813</u>	<u>621,813</u>	<u>621,813</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.

Augusta & Districts Community Financial Services Ltd

Notes to the financial statements

30 June 2025

Note 16. Issued capital (continued)

Rights attached to issued capital

Ordinary shares

Voting rights

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

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

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

Dividends

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

Transfer

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

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

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").

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.

Augusta & Districts Community Financial Services Ltd

Notes to the financial statements

30 June 2025

Note 17. 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 18. Dividends

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

Note 19. 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.

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

Augusta & Districts Community Financial Services Ltd
Notes to the financial statements
30 June 2025

Note 19. Financial risk management (continued)

	2025	2024
	\$	\$
Financial assets at amortised cost		
Trade and other receivables (note 10)	47,519	45,285
Cash and cash equivalents (note 9)	139,755	19,052
	<u>187,274</u>	<u>64,337</u>
Financial liabilities		
Trade and other payables (note 14)	20,501	44,944
Lease liabilities (note 15)	68,673	23,699
Bank loans	-	6,271
	<u>89,174</u>	<u>74,914</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 at amortised cost.

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

The company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents.

Derecognition

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

Impairment of trade and other receivables

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

Financial liabilities

Classification

The company classifies its financial liabilities at amortised cost.

Derecognition

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

Market risk

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of \$139,755 at 30 June 2025 (2024: \$19,052).

Price risk

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

Augusta & Districts Community Financial Services Ltd
Notes to the financial statements
30 June 2025

Note 19. Financial risk management (continued)

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.

Financing arrangements

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time.

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				
Trade and other payables	20,501	-	-	20,501
Lease liabilities	14,077	65,884	-	79,961
Total non-derivatives	34,578	65,884	-	100,462

	1 year or less	Between 1 and 5 years	Over 5 years	Remaining contractual maturities
	\$	\$	\$	\$
2024				
Bank loan	6,271	-	-	6,271
Trade and other payables	44,944	-	-	44,944
Lease liabilities	20,700	3,450	-	24,150
Total non-derivatives	71,915	3,450	-	75,365

Note 20. Key management personnel disclosures

The following persons were directors of Augusta & Districts Community Financial Services Ltd during the financial year and/or up to the date of signing of these Financial Statements.

Jennifer Anne Gherardi
Cinde Blanche Fisher
Nicholas Fairbairn Dornan
Jodie Boyd Lane
Julie Alice Kirby

Mathew John Cuthbert
Wendy Helen Stimpson
Catriona Le Blanc
Edward John Coulter
Donna Adams

No director of the company receives remuneration for services as a company director or committee member.

Note 21. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 20.

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.

Augusta & Districts Community Financial Services Ltd
Notes to the financial statements
30 June 2025

Note 21. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	2025 \$	2024 \$
Donna Adams' accounting firm, Nautilus Business Solutions provides bookkeeping, BAS agent and administration services for the company	-	9,529
The company paid a donation to Augusta Golf Club, Nick Dorman is a related party.	200	200

Note 22. 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>		
Taxation advice and tax compliance services	265	900
General advisory services	3,340	2,870
	3,605	3,770
	11,535	10,220

Note 23. Reconciliation of profit after income tax to net cash provided by operating activities

	2025 \$	2024 \$
Profit after income tax expense for the year	102,717	40,919
Adjustments for:		
Depreciation and amortisation	46,194	37,610
Lease liabilities interest	2,239	1,141
Change in operating assets and liabilities:		
Decrease in trade and other receivables	478	4,504
Decrease in deferred tax assets	34,304	12,565
Increase/(decrease) in trade and other payables	(7,564)	8,802
Increase in contract liabilities	5,002	-
Increase in employee benefits	3,141	6,633
Increase in other provisions	850	823
Net cash provided by operating activities	187,361	112,997

Note 24. Earnings per share

	2025 \$	2024 \$
Profit after income tax	102,717	40,919

Augusta & Districts Community Financial Services Ltd
Notes to the financial statements
30 June 2025

Note 24. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	621,813	621,813
Weighted average number of ordinary shares used in calculating diluted earnings per share	621,813	621,813
	Cents	Cents
Basic earnings per share	16.52	6.58
Diluted earnings per share	16.52	6.58

Note 25. Commitments

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

Note 26. Contingencies

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

Note 27. Events after the reporting period

Subsequent to year end, the company renewed the lease for the Augusta branch. The new lease commenced on 1 July 2025 for an initial term of 5 years, with a further 5 year renewal option available. This extends the potential lease end date to June 2035. The renewal increased the company's right-of-use asset and corresponding lease liability by \$165,021.

In addition, the company renewed its franchise agreement with Bendigo Bank for a further 5 years, extending the expiry date to August 2030. The renewal increased the company's intangible assets and trade payables by \$72,954.54.

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.

Augusta & Districts Community Financial Services Ltd
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



Jennifer Anne Gherardi
Chair

26 September 2025



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 Augusta & Districts Community Financial Services Ltd Report on the audit of the financial report

Our opinion

In our opinion, the accompanying financial report of Augusta & Districts Community Financial Services Ltd, 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 Augusta & Districts Community Financial Services Ltd (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: 26 September 2025

A handwritten signature in black ink, appearing to read 'Adrian Downing'.

Adrian Downing
Lead Auditor

Community Bank - Augusta Margaret River
54 Blackwood Avenue,
Augusta WA 6290
Phone: 08 9758 0850
Email: AugustaMailbox@bendigoadelaide.com.au
Web: bendigobank.com.au/augusta

Franchisee: Augusta Margaret River Community Financial Services Ltd
ABN: 64 110 946 168
Unit 1/1 Charles West Avenue,
Margaret River WA 6285
Phone: 0409 553 985
Email: natalie@communitybankamr.com.au

Share Registry:
AFS & Associates Pty Ltd
PO Box 454, Bendigo VIC 3552
Phone: 03 5443 0344
Fax: 03 5443 5304
Email: shareregistry@afsbendigo.com.au

 www.bendigobank.com.au/augusta/

This Annual Report has been printed on 100% Recycled Paper

