

Annual Report 2025

Bayswater Community
Financial Services Limited

Community Bank
Bayswater

ABN 60 092 770 593



Contents

Chair's report	2
Senior Manager's report	3
Financial year highlights	5
Community contributions	6
Bendigo and Adelaide Bank report	12
Community Bank National Council report	13
Directors' report	14
Auditor's independence declaration	20
Financial statements	21
Notes to the financial statements	25
Directors' declaration	47
Independent audit report	48

Chair's report

For year ending 30 June 2025



Our end of year result was again one of the best in our history with our overall portfolio rising to \$538 million, representing a growth of 11 percent over the previous year.

Dear Shareholder,

It is with great pleasure that I report to you another very successful financial year by our company. Our end of year result was again one of the best in our history with our overall portfolio rising to \$538 million, representing a growth of 11 percent over the previous year.

This outcome led to all our shareholders receiving a fully franked 20 cents per share return which was announced following our August Board meeting.

The result again demonstrates the strong support for our banking services. Importantly, our locally owned company, has now given over \$3 million in community support since we began operations in 2000. This has been a great achievement and is due to our staff, shareholder support, customers, and the foresight and commitment of our Board of Directors.

Again, our dedicated and hard-working staff deserve special recognition. Under the continued excellent leadership of our Senior Branch Manager, Sean Kay, our banking services continue to be recognised as leaders in the Community Bank network. For this, the Board and I offer Sean and our team a sincere thank you.

Over the past year, the company successfully relocated operations to our new site at 83 Whatley Crescent, Bayswater. Opened on the 10th of July by Richard Fennell, Chief Executive Officer and Managing Director at Bendigo and Adelaide Bank, our Board viewed this as a necessary next step to take our operations into the future. I especially want to thank our company secretary Alan Radford for the hard work he dedicated to this project. His work with Sean and the rest of the Board has ensured our new branch will meet our customers' expectations for many years to come in the Bayswater district.

With a new branch location offering modern facilities, our company is committed to demonstrate that Bendigo Bank is the better big bank. We look forward to further growth and being able to serve our community for years to come.

A handwritten signature in black ink that reads "Barry McKenna".

Barry McKenna OAM
Chair

Senior Manager's report

For year ending 30 June 2025



Our team remains focussed on helping our customers use digital banking safely but also in ensuring that those who do not want to engage with this method of banking remain supported through our branch offering.

Dear Shareholders,

It is with great pleasure that I can provide an update on our performance over the 2024/25 financial year. This past year saw us heavily involved in preparing for our eventual relocation to 83 Whatley Crescent, Bayswater. This relocation successfully occurred on 10th July 2025 and has resulted in us providing an updated banking premises to our customers now and into the future.

The relocation and changes to our working patterns have inevitably encountered a few “teething problems”. These are gradually being resolved, and we know that the new branch will provide better outcomes for our customers and team.

Our team are to be congratulated on their positive attitude and resilience during what has been a time of major upheaval after 25 years in our old premises.

In terms of business performance throughout the year, we have once again continued to see difficulties in growing our lending portfolio but have seen superb results in growing our customer deposits.

It is hoped that our new branch and ways of working will allow us to assist more customers with their home loan needs and help us return to strong growth in our lending portfolio.

Our team remains focussed on helping our customers use digital banking safely but also in ensuring that those who do not want to engage with this method of banking remain supported through our branch offering.

From a results perspective, during the financial year, our overall portfolio of business rose from \$481.8 million to \$538 million (+\$56.2 million). This represented overall growth of more than 11 percent.

Lending growth	\$3.3 million
Deposit growth	\$45.7 million
Other business growth	\$7.2 million

This is a continuation of the strong growth in deposits that we have been experiencing over recent years and a sign of the confidence of our customers in our services and products.

It was pleasing to see growth in our lending portfolio. Even though it was at modest levels, our ability to increase our home loan portfolio in a competitive market is promising but remains a key focus area for improvement. We hope our new branch offering will help to improve these results into the future.

Senior Manager's report (continued)


In the next financial year, we will be using our improved premises to assist in training and developing our team in a more focussed and structured way. We plan to implement a greater focus on the skills our team need to help customers understand their financial needs and why we are ideally placed to assist with these and build on our reputation as Australia's most trusted bank.

The last year has been one of change and challenge and once again I am grateful for the guidance of our Board of Directors and our Chair, Barry McKenna. Their support allows us to continue to grow and provide better outcomes for our whole community.

The levels of trust and connection within the Board and our team remains a great strength within our organisation and one that we need to continue to nurture and respect to ensure our continued success.

Thank you as always to our shareholders. As a result of your support of the Community Bank model, we are an extremely well regarded and successful company that we should all be immensely proud of.

Many thanks,



Sean Kay
Senior Branch Manager

Financial year highlights

\$538.1 million
Total business size



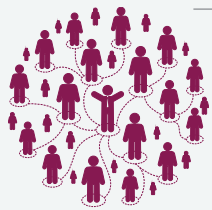
\$56.3 million
Customer loans & deposits growth
↑ 11.7%



8,931 Total customers

13,842 Total accounts

Net Profit before tax
\$1,195,373 from \$1,276,814



\$250,000
into our Community Enterprise
Foundation account

+ **\$48,177**
in donations, grants and
sponsorships

\$228,990
Shareholder distributions
Fully franked dividend for 2024/25 year



Community investment 2000-2025

Since opening in 2000 to 2025

Shareholder
distributions
\$2.543 million



Community
contributions
\$3.020 million



Community
Enterprise
Foundation
account balance
\$0.938 million



**Total
community
investment
\$6.501 million**
2000-2025



West Australian
Symphonic
Wind Ensemble



Left to right: WA Symphonic Wind Ensemble, Orana House Christmas collection, John Forrest Secondary College Engineering Club

Community contributions

Community contributions 2024/25

In 2024/25 we provided 19 local community organisations with funding which led to approximately 83,464 direct beneficiaries from their projects.

Most of the recipient groups are run by volunteers who require financial assistance to be able to operate smoothly and effectively. Our financial support ensures that our local community not only grows but thrives, and the efforts of these volunteers goes towards necessary and essential activities that make an impact to our society and the members they serve.

We thank our customers and shareholders for their continued support. Without it, we would not be able to provide grants and sponsorships to our local community who make up the social fabric of our society, help improve the facilities we use, provide healthy avenues to improve the wellbeing of our residents and many more.



Top left to right: Community Bank Bayswater Christmas Twilight Markets, Future Bayswater 6053 Community Pantry, Defibs helping save lives at Bayswater Croquet Club, Morley/Noranda Recreation Club and Morley Windmills Soccer Club
Above: Community Bank Bayswater Easter Twilight Markets

Community contributions (continued)



2025 Community Pitch recipients

Organisation	Outcome
55 Central	Grind and Grow coffee van/barista training program to provide new skills and employment
55 Central	55 Central's 50th Anniversary Celebration
Anglicare	Additional support staff to manage the Maylands Thread Together Hub
Bayswater City Saints Netball Club	Purchase of 28 coaching bags and 34 sets of new velcro playing bibs
Bayswater Croquet Club	New defibrillator
Bayswater Junior Football Club	Purchase of football post pads and tackling bags
Bayswater Morley Netball Club	Purchase of essential training and game day equipment
Bayswater Village Retail Traders Association	Social media management for the 'Local Bayswater Train Station District' project
Casa Mia Montessori Playgroup	Purchase of essential sensory and imaginative play resources
Enviro House	Delivery of environmental projects including the 'Growing Well with Bendigo Bank' program
Enviro House	Purchase of a tri-shaw bike for the 'Bendigo Bank Ride Together' project
Future Bayswater Community Group	Funding of provisions for the Future Bayswater Community Pantry
Future Bayswater Community Group	Bendigo Bank Bayswater Twilight Markets Sponsorship
Hillcrest Primary School	Carnival fundraiser raffle donation towards the resurfacing of basketball courts
Morley / Noranda Recreation Club	New defibrillator
Morley Windmills Soccer Club	New defibrillator
Orana House	Employment of additional support staff, including a child advocate worker, two mentors and a creche worker
Perth Roller Derby	New skater scholarship and gear hire program
Scale Modellers Club of Western Australia	Purchase of new display cabinets
The Laneway Art Space	Sponsorship of the 2025 Narrative Threads fibre and textile art exhibition and WA textile art awards
UnitingCare West	Support of a full time Community Navigator role to provide direct support to families experiencing financial hardship
West Australian Symphonic Wind Ensemble	New music stands

Community Bank Bayswater Helping Families Grant

Anglicare WA

We are proud to announce that Community Bank Bayswater has committed \$200,000 over the next two years to the Thread Together Hub in Maylands, supporting people in need to receive the dignity and choice of new clothing.

In its twelfth year, Thread Together is considered one of the Australian fashion industry's most important chains in the fashion life cycle. A not-for-profit charity responsible for accepting excess end-of-season, brand-new clothing, shoes and accessories from designers, manufacturers, wholesalers, and retailers then redistributing it, free of charge, through a network of more than 1,500 registered charities and social service agencies to Australians in need.

Thread Together's mobile wardrobes – brightly coloured vans packed with new clothing and shoes - have been supporting Western Australians in need since 2021. Thread Together established a Hub in Mirrabooka in 2023, which relocated to Maylands last year. The Hub is a 'shopping-like' experience with a welcoming, safe and inclusive environment, including change rooms and comfortable seating.

Anglicare WA CEO Mark Glasson said, as a fully philanthropically funded program, Thread Together relies on donations to operate, and the support of Community Bank Bayswater was critical in securing the future of the Hub.

"Demand for our services just keeps growing as West Australians have struggled to keep up with rising cost-of-living pressures," Mr Glasson said.

"More people than ever before are going without warm clothes, prescription medicines, and other essential items, as they have no income left after paying for accommodation, bills and food.

"An increasing number of women and children have also needed the support of services like Thread Together to start over after escaping family and domestic violence.

"This support secures the future of the Maylands Hub for the next two years, which is a key part of Thread Together's service. Together with our fleet of two mobile wardrobes, this partnership means we can support more and more West Australians who are doing it really tough at the moment".

For more information:
www.anglicarewa.org.au/get-help/financial-assistance/thread-together

Left to Right: Jacquie Chambers (Anglicare Corporate Relationship Manager, Philanthropy), Bronwyn Harris (Thread Together Program Coordinator), Sean Kay (Community Bank Bayswater Senior Branch Manager)



Community contributions (continued)

Uniting WA

We are also pleased to declare that we have committed \$200,000 to Uniting WA to fund their Community Navigator role for the next two years to run their Financially Resilient Families project.

Uniting WA will help families who may be unaware or hesitant to engage with available community supports and services, raise awareness of financial support resources, and assist them in accessing those resources to avoid financial crisis. A Community Navigator will play a vital role in empowering these families and local services providers to foster a financially resilient community. This project will provide direct support to families experiencing financial hardship within a 7km radius of -our branch.

The Financially Resilient Families project will offer early intervention and prevention support to these families at critical points, equipping them with tools and resources to navigate hardship and prepare for future challenges. Having these tools and understanding the available resources builds the families' capabilities and reduces the need for financial 'hand-outs'. The project focuses on a 'hand-up' principle that contributes to the independence, empowerment and autonomy of the family, allowing them to seek support that best suits their situation rather than relying on a standardised system.

The Community Navigator will provide an essential link and improve referral pathways and coordination of supports between Bayswater residents' particular needs to the available resources such as government services and emergency relief programs. This can include involvement in the development and implementation of community-based programs and initiatives.

Uniting has appointed Mr Sonny Randall to the role. We are looking forward to working with him in helping provide relevant financial support to his referrals.

For more information:

<https://unitingwa.org.au/services/financial-wellbeing/community-navigator/>



Sonny Randall, Uniting community navigator

Providing access to education for our young people through scholarships

We are proud to announce our scholarship recipient for 2025 – Kate Smith.

Kate was awarded \$2,000 towards her Bachelor of Laws / Bachelor of Philosophy at The University of Notre Dame.

Kate is a driven individual having experienced hardship during her formative years. Despite this, she has been able to achieve numerous academic awards, stay active through a variety of sports, including netball, tennis, volleyball and dance and work.

Kate is passionate about breaking down gender discrimination and has been determined to encourage students to pursue economics and STEM subjects at school. She has been able to do this through STEM mentoring, tutoring maths and speaking at events to empower young people to pursue their goals despite institutionalised gender biases.

Through her university degree, Kate hopes to work in an international diplomatic setting, with the United Nations, specifically within the War Crimes Unit.

She is deeply interested in the prosecution of war crimes and the development of human rights laws, as she is a strong believer in holding individuals and systems accountable for injustices.

Additionally, Kate is drawn to politics and hopes to contribute to better legislation that benefits all Australians, ensuring our country is run with fairness and integrity.

Kate is our 26th scholarship recipient since we started our scholarship program in 2011, and we are so proud of her achievements to date and wish her many successes now and in future.



Kate Smith, 2025 scholarship recipient

Community contributions (continued)

Our new branch

After 25 years in the historic post office building situated at 14 King William Street, Bayswater, we have made the move into our new premises at 83 Whatley Crescent, Bayswater on Thursday 10 July 2025.

It was a long awaited and exciting day for all involved with a formal opening of the branch undertaken by our Chair Barry McKenna, OAM, Richard Fennell, Chief Executive Officer and Managing Director of Bendigo and Adelaide Bank along with Hon. Dave Kelly MLA, Member for Bassendean.

We were also delighted to welcome several senior managers and executives from Bendigo and Adelaide Bank along with former directors of our company and representatives from State and local government.

With more parking available at Hamilton Street and a 450m walk from the Bayswater train station, we are better situated to serve our customers, local community, and businesses.

We look forward to seeing you at our new premises and we can't wait to celebrate another 25 years of local banking in the area.



Top: Official ribbon cutting. L-R: Barry McKenna, Richard Fennell, David Kelly.

Middle: Our staff in front of our new premises

Above L-R: Dennis Teale, Ted Budzinski, Richard Fennell, Barry McKenna, Alan Radford, David Kelly, Leh Miin Tan, Denise Beer, Mike Anderton, Kerrie Noonan, Sean Kay

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 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

Community Bank National Council report

For year ending 30 June 2025



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, 1,500+ volunteer Directors, 1,700 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

Directors' report

For the financial year ended 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:



Barry Anthony McKenna OAM

Title: Chair, non-executive director

Experience and expertise: Councillor for the City of Bayswater from May 1991 till October 2021, Barry was the Mayor of the City from October 2015 - October 2017.

Special responsibilities: Executive Committee
83 Whatley Crescent Bayswater Committee



Denise Gail Beer

Title: Deputy Chair, non-executive director

Experience and expertise: Resident of Morley since 1977. Bachelor of Business in Management and Accounting. Employed in the not for profit sector in a variety of roles from 1985 until 2013. Denise has experience in operational aspects of community sector business including human resources, marketing and promotion, budgeting and compliance and tender writing.

Special responsibilities: Executive Committee
83 Whatley Crescent Bayswater Committee



Tadeusz Joseph Budzinski

Title: Company Treasurer, non-executive director

Experience and expertise: Retired Director of Finance at the City of Bayswater, a role he held from 1989 to 2012. Ted extended this role to include Aged Care and Child Care facilities. Previous to his career at the City of Bayswater, Ted held various roles specialising in accountancy and financial management in the mining industry, wine industry and at Australia Post as well as being involved in numerous community groups including various chairing roles.

Special responsibilities: Executive Committee
83 Whatley Crescent Bayswater Committee

Directors' report (continued)

Directors (continued)



Alan James Radford

Title: Company Secretary, non-executive director

Experience and expertise: Retired from Telstra as a Principal Technical Officer after 33 years. Alan ran a small computer software and consulting business from 1995 till 2016 and served 4 terms (14 years) as a Councillor for the City of Bayswater, completed last term in October 2017. Alan was a community board member of Noranda Primary School and also Hampton Park Primary School for 10 years. At present Alan is on the committee of the Noranda Probus Club and a member of the Noranda Sports Club.

Special responsibilities: Executive Committee
83 Whatley Crescent Bayswater Committee (Chair)
Represent the board on Bayswater Traders Association



Michael Stephen Anderton J.P

Title: Non-executive director

Experience and expertise: Having completed and participated in the Duke of Edinburgh Award scheme, Michael was selected by the Royal Navy Reserve to be part of the H.M.S. Mersey for the Prince of Wales Investiture at Caernavon on 1 July 1969. On completion of his city and guilds in engineering, Michael joined the merchant navy as a junior engineer in 1973 and migrated to Australia in 1977. Michael is the managing director of an insurance services company. He is also the past director of community groups and sporting organisations and is an active Justice of the Peace serving the communities of the Noranda and Morley areas.

Special responsibilities: Nil



Steven James Brown

Title: Non-executive director

Experience and expertise: Steven is a lawyer and founder of the law firm Lynn and Brown Lawyers. He has worked as a lawyer at Lynn and Brown Lawyers since 1996. He has been a Director of Bayswater Community Financial Services Limited since 2005. He is a current member of the Trinity College Advisory Council and former president and life member of the Morley Business Association.

Special responsibilities: Stakeholder Engagement Committee



Gregory Da Rui

Title: Non-executive director

Experience and expertise: Chairperson of Bayswater Trader's Association (Inc.), Executive Committee Member of the Future Bayswater community group and Branch Committee member of the Pharmacy Guild of Australia WA branch. Community Pharmacist in Bayswater for over 40 years, Proprietor Pharmacy 777 Bayswater and Pharmacy 777 Maylands. City of Bayswater Community Citizen of the Year 2024.

Special responsibilities: Stakeholder Engagement Committee

Directors' report (continued)

Directors (continued)



Louise Anne Rowe

Title: Non-executive director

Experience and expertise: Louise is a media and communications expert with over 25 years' experience as a broadcast journalist and WA State Government media directorships with the Department of Corrective Services and Tourism WA. Louise is the Executive Manager of Media, Marketing and PR at RSPCA WA. Louise has worked with a diverse range of clients in a number of sectors including NFP, finance, aged care, state government and tourism.

Special responsibilities: Stakeholder Engagement Committee (Lead)

Company secretary

The Company secretary is Alan Radford. Alan was appointed to the position of Company secretary on 6 December 2021.

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 \$899,972 (30 June 2024: \$964,626).

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 20 cents per share (2024: 22.5 cents)	228,990	257,614

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

On 1 September 2025, the company signed a new franchise agreement with Bendigo Bank, extending the term of the existing arrangement from its previous expiry in September 2025 to a new expiry in September 2030. This renewal secures the ongoing operation of the Community Bank under the Bendigo Bank franchise system and confirms the company's continuing economic dependency on Bendigo Bank.

The company relocated operations to new premises at 83 Whatley Crescent, Bayswater, effective 10 July 2025.

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 meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2025, and the number of meetings attended by each director were:

	Board		Executive Committee		Stakeholder Engagement Committee		83 Whitley Crescent Bayswater Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Barry Anthony McKenna	11	10	6	6	-	-	3	3
Denise Gail Beer	11	11	6	6	-	-	3	3
Tadeusz Joseph Budzinski	11	10	6	6	-	-	3	3
Alan James Radford	11	10	6	4	-	-	3	2
Michael Stephen Anderton J.P	11	7	-	-	-	-	-	-
Steven James Brown	11	9	-	-	2	2	-	-
Gregory Da Rui	11	10	-	-	2	2	-	-
Louise Anne Rowe	11	8	-	-	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 25 and note 26 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 during the year	Balance at the end of the year
Barry Anthony McKenna	22,891	-	22,891
Denise Gail Beer	1,000	-	1,000
Tadeusz Joseph Budzinski	5,001	-	5,001
Alan James Radford	3,000	-	3,000
Michael Stephen Anderton J.P	8,000	-	8,000
Steven James Brown	3,001	-	3,001
Gregory Da Rui	25,364	7,616	32,980
Louise Anne Rowe	3,000	-	3,000

Shares under option

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

Directors' report (continued)

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.

Remuneration report

This report details the nature and amount of remuneration for each director of the company. Bayswater Community Financial Services Ltd pays fees 12 months in advance in November annually.

Remuneration of directors

	2024/25	2025/26	2026/27
Non-executive directors	9,225	10,225	11,225
x 8 directors sum	73,800	81,800	89,800

In addition to the sum stated for each non-executive director, the company will provide the additional sums for the following roles:

	2024/25	2025/26	2026/27
Chair	6,300	6,300	6,300
Deputy Chair	4,725	4,725	4,725
Company Secretary	4,200	4,200	4,200
Treasurer	4,200	4,200	4,200
x 4 roles sum	19,425	19,425	19,425
Total remuneration	93,225	101,225	109,225

Superannuation guarantee will be paid on any of the amounts payable to directors, where there is a statutory requirement to do so.

Remuneration policy

The remuneration policy of the company has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component.

The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain key management personnel to run and manage the company, as well as create alignment between Directors, Executives, and shareholders.

Non-Executive Director remuneration

The company's special position as a for-profit, community-based company places particular restrictions on how it should remunerate its directors.

The Board's policy is to remunerate non-executive directors for their time, commitment, expertise, experience, and responsibilities that they have in performing their role.

Additionally, the company recognises the personal liability risk that each non-executive director of a public company bears and has considered this when determining the fees paid. The amount paid is determined by the Board.

Directors' report (continued)

Non-Executive Director remuneration (continued)

Fees payable to each director are as outlined above.

Certain non-executive director roles have a further fee attaching to them as some compensation for the additional work and resources provided by those serving in these positions and are as outlined in the table provided.

Fees for non-executive directors are not linked to the performance of the company.

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 27 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



Barry Anthony McKenna
Chair

2 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 Bayswater Community Financial Services Ltd

As lead auditor for the audit of Bayswater 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 written over a light blue horizontal line.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 2 September 2025

A handwritten signature in black ink, appearing to read 'Adrian Downing', is written over a light blue horizontal line.

Adrian Downing
Lead Auditor

Financial statements

Bayswater 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	7	3,440,453	3,486,236
Other revenue	8	56,208	197,248
Finance revenue		105,631	87,302
Total revenue		<u>3,602,292</u>	<u>3,770,786</u>
Employee benefits expense	9	(1,697,385)	(1,540,222)
Advertising and marketing costs		(5,327)	(13,971)
Occupancy and associated costs		(66,263)	(66,683)
System costs		(31,304)	(23,295)
Depreciation and amortisation expense	9	(114,000)	(112,469)
Finance costs	9	(3,418)	(5,869)
General administration expenses		(191,045)	(179,939)
Total expenses before community contributions and income tax expense		<u>(2,108,742)</u>	<u>(1,942,448)</u>
Profit before community contributions and income tax expense		1,493,550	1,828,338
Charitable donations, sponsorships and grants expense	9	<u>(298,177)</u>	<u>(551,524)</u>
Profit before income tax expense		1,195,373	1,276,814
Income tax expense	10	<u>(295,401)</u>	<u>(312,188)</u>
Profit after income tax expense for the year		899,972	964,626
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u><u>899,972</u></u>	<u><u>964,626</u></u>
		Cents	Cents
Basic earnings per share	29	78.60	84.25
Diluted earnings per share	29	78.60	84.25

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

Financial statements (continued)

Bayswater Community Financial Services Ltd Statement of financial position As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	11	195,152	285,755
Trade and other receivables	12	301,883	354,211
Financial assets	13	379,200	344,700
Investments	14	2,500,000	1,850,000
Total current assets		<u>3,376,235</u>	<u>2,834,666</u>
Non-current assets			
Property, plant and equipment	15	1,422,486	1,186,594
Right-of-use assets	16	9,223	45,816
Intangibles assets	17	2,581	15,662
Deferred tax assets	10	65,701	65,254
Total non-current assets		<u>1,499,991</u>	<u>1,313,326</u>
Total assets		<u>4,876,226</u>	<u>4,147,992</u>
Liabilities			
Current liabilities			
Trade and other payables	18	140,500	104,133
Borrowings		-	119
Lease liabilities	19	8,392	46,231
Current tax liabilities	10	61,940	23,676
Employee benefits	20	264,430	239,344
Total current liabilities		<u>475,262</u>	<u>413,503</u>
Non-current liabilities			
Lease liabilities	19	-	7,973
Employee benefits	20	2,472	729
Provisions		34,556	32,833
Total non-current liabilities		<u>37,028</u>	<u>41,535</u>
Total liabilities		<u>512,290</u>	<u>455,038</u>
Net assets		<u>4,363,936</u>	<u>3,692,954</u>
Equity			
Issued capital	21	1,103,852	1,103,852
Retained earnings		3,260,084	2,589,102
Total equity		<u>4,363,936</u>	<u>3,692,954</u>

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

Financial statements (continued)

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

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2023		1,103,852	1,882,090	2,985,942
Profit after income tax expense		-	964,626	964,626
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	964,626	964,626
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	23	-	(257,614)	(257,614)
Balance at 30 June 2024		<u>1,103,852</u>	<u>2,589,102</u>	<u>3,692,954</u>
Balance at 1 July 2024		1,103,852	2,589,102	3,692,954
Profit after income tax expense		-	899,972	899,972
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	899,972	899,972
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	23	-	(228,990)	(228,990)
Balance at 30 June 2025		<u>1,103,852</u>	<u>3,260,084</u>	<u>4,363,936</u>

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

Financial statements (continued)

Bayswater 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)		3,834,845	4,022,752
Payments to suppliers and employees (inclusive of GST)		(2,559,851)	(2,804,850)
Dividends received		18,900	18,600
Interest received		99,920	76,946
Interest and other finance costs paid		(6)	(237)
Income taxes paid		(257,584)	(559,341)
Net cash provided by operating activities	28	<u>1,136,224</u>	<u>753,870</u>
Cash flows from investing activities			
Payments for investments		(650,000)	(900,000)
Payments for property, plant and equipment		(300,218)	(53,875)
Proceeds from disposal of property, plant and equipment		-	28,182
Net cash used in investing activities		<u>(950,218)</u>	<u>(925,693)</u>
Cash flows from financing activities			
Repayment of borrowings		(119)	-
Interest and other finance costs paid		(1,688)	(3,983)
Dividends paid	23	(228,990)	(257,614)
Repayment of lease liabilities		(45,812)	(43,516)
Net cash used in financing activities		<u>(276,609)</u>	<u>(305,113)</u>
Net decrease in cash and cash equivalents		(90,603)	(476,936)
Cash and cash equivalents at the beginning of the financial year		<u>285,755</u>	<u>762,691</u>
Cash and cash equivalents at the end of the financial year	11	<u><u>195,152</u></u>	<u><u>285,755</u></u>

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 Bayswater 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 was 14 King William Street, Bayswater WA 6053. From 10 July 2025 this will be 83 Whatley Crescent, Bayswater WA 6053.

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 2 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.

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.

Fair value measurement hierarchy

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

- Level 1: inputs are based on the quoted market price at the close of business at the end of the reporting period
Level 2: inputs are based on a valuation performed by a third party qualified valuer using quoted prices for similar assets in an active market
Level 3: unobservable inputs for the asset or liability.

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

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

Impairment of non-financial assets

The company assesses impairment of non-financial 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.

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, incurrance 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.

Notes to the financial statements (continued)

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

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.

Employee benefits provision

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

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

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

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 September 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 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.

Notes to the financial statements (continued)

Note 5. Economic dependency (continued)

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

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

Note 6. Restatement of comparatives

Reclassification of Sandhurst Trustees managed fund

During the year, the directors reviewed the classification of financial assets under AASB 107 Statement of Cash Flows and AASB 9 Financial Instruments. The Sandhurst Trustees managed fund account, previously classified as cash and cash equivalents, has been reclassified as a current investment measured at fair value through profit or loss. This reflects its withdrawal restrictions, unitised structure, and exposure to fair value changes.

The change in classification had the following impacts on comparative figures:

- Cash and cash equivalents decreased and investments increased by \$1,650,000 at 30 June 2024
- Opening and closing cash balances in the Statement of cash flows were adjusted accordingly.
- Related movements are now shown as investing activities in the Statement of cash flows.

Note 7. Revenue from contracts with customers

	2025 \$	2024 \$
Margin income	3,108,437	3,178,863
Fee income	239,352	220,639
Commission income	92,664	86,734
	<u>3,440,453</u>	<u>3,486,236</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:

Notes to the financial statements (continued)

Note 7. Revenue from contracts with customers (continued)

<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 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.

Remediation fee income

Remediation payment relates to a one-off payment made by Bendigo Bank for missed fee income for any Retirement Living Aged Care lending referrals the company was entitled to receive for the proceeding 7 years.

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.

Notes to the financial statements (continued)

Note 8. Other revenue

	2025 \$	2024 \$
Net fair value gain on financial assets	34,500	87,000
Dividend and distribution income	18,900	18,600
Rental income	2,808	60,486
Other income	-	31,162
	<u>56,208</u>	<u>197,248</u>

Note 9. Expenses

Employee benefits expense

	2025 \$	2024 \$
Wages and salaries	1,413,145	1,304,798
Non-cash benefits	20,714	18,706
Contributions to defined contribution plans	167,520	145,833
Expenses related to long service leave	23,230	1,601
Other expenses	72,776	69,284
	<u>1,697,385</u>	<u>1,540,222</u>

Depreciation and amortisation expense

	2025 \$	2024 \$
<i>Depreciation of non-current assets</i>		
Buildings	2,344	2,344
Leasehold improvements	39,271	39,271
Plant and equipment	8,047	10,141
Motor vehicles	14,664	10,939
	<u>64,326</u>	<u>62,695</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	36,593	36,693
<i>Amortisation of intangible assets</i>		
Franchise fee	3,503	2,180
Franchise renewal fee	9,578	10,901
	<u>13,081</u>	<u>13,081</u>
	<u>114,000</u>	<u>112,469</u>

Finance costs

	2025 \$	2024 \$
Bank loan interest paid or accrued	6	244
Lease interest expense	1,688	3,983
Unwinding of make-good provision	1,724	1,642
	<u>3,418</u>	<u>5,869</u>

Finance costs are recognised as expenses when incurred using the effective interest rate.

Notes to the financial statements (continued)

Note 9. Expenses (continued)

Charitable donations, sponsorships and grants expense

	2025 \$	2024 \$
Direct donation, sponsorship and grant payments	48,177	51,524
Contribution to the Community Enterprise Foundation™ (CEF)	250,000	500,000
	<u>298,177</u>	<u>551,524</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 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	995,704	735,614
Contributions paid in	250,000	500,000
Grants paid out	(337,648)	(243,000)
Interest received	42,688	28,088
Management fees incurred	(12,499)	(24,998)
Balance available for distribution	<u>938,245</u>	<u>995,704</u>

During the financial year the company contributed funds to the CEF, the philanthropic arm of the Bendigo Bank. These contributions paid in form part of charitable donations, sponsorships and grants expenditure included in the Statement of Profit or Loss and Other Comprehensive Income.

Notes to the financial statements (continued)

Note 10. Income tax

	2025 \$	2024 \$
<i>Income tax expense</i>		
Current tax	303,948	311,139
Movement in deferred tax	(447)	10,488
Under/over adjustment in respect for prior periods	-	(1,468)
Net benefit of franking credits on dividends received	(8,100)	(7,971)
	<u>295,401</u>	<u>312,188</u>
<i>Aggregate income tax expense</i>		
	<u>295,401</u>	<u>312,188</u>
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	1,195,373	1,276,814
Tax at the statutory tax rate of 25%	298,843	319,204
Tax effect of:		
Non-deductible expenses	2,636	430
Other assessable income	2,022	1,993
Net benefit of franking credits on distributions received	(8,100)	(7,971)
	<u>295,401</u>	<u>313,656</u>
Under/over adjustment in respect for prior periods	-	(1,468)
Income tax expense	<u>295,401</u>	<u>312,188</u>
	<u>295,401</u>	<u>312,188</u>
	2025 \$	2024 \$
<i>Deferred tax assets / (liabilities)</i>		
Employee benefits	66,725	60,018
Provision for lease make good	8,639	8,208
Accrued expenses	1,140	1,101
Income accruals	(6,392)	(4,965)
Lease liabilities	2,098	13,551
Right-of-use assets	(2,306)	(11,454)
Property, plant and equipment	14,395	10,965
Financial assets at fair value through profit or loss	(17,374)	(8,749)
Prepayments	(1,224)	(3,421)
	<u>65,701</u>	<u>65,254</u>
Deferred tax asset	<u>65,701</u>	<u>65,254</u>
	2025 \$	2024 \$
Provision for income tax	<u>61,940</u>	<u>23,676</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.

Notes to the financial statements (continued)

Note 10. 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 11. Cash and cash equivalents

	2025 \$	2024 \$
Cash at bank and on hand	195,152	285,755

Note 12. Trade and other receivables

	2025 \$	2024 \$
Trade receivables	271,414	318,672
Other receivables and accruals	-	1,995
Accrued income	25,570	19,859
Prepayments	4,899	13,685
	<u>30,469</u>	<u>35,539</u>
	<u>301,883</u>	<u>354,211</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 13. Financial assets

	2025 \$	2024 \$
Equity securities - designated at fair value through profit or loss	379,200	344,700

Accounting policy for financial assets

Refer to note 24 'Financial risk management'

Note 14. Investments

	2025 \$	2024 \$
<i>Current assets</i>		
Term deposits	-	200,000
Sandhurst managed fund	2,500,000	1,650,000
	<u>2,500,000</u>	<u>1,850,000</u>

Notes to the financial statements (continued)

Note 15. Property, plant and equipment

	2025 \$	2024 \$
Land - at cost	893,711	893,711
Buildings - at cost	149,660	149,660
Less: Accumulated depreciation	(16,023)	(13,679)
	<u>133,637</u>	<u>135,981</u>
Leasehold improvements - at cost	509,988	509,988
Less: Accumulated depreciation	(499,552)	(460,281)
	<u>10,436</u>	<u>49,707</u>
Plant and equipment - at cost	269,411	260,273
Less: Accumulated depreciation	(239,335)	(231,288)
	<u>30,076</u>	<u>28,985</u>
Motor vehicles - at cost	93,083	93,083
Less: Accumulated depreciation	(29,537)	(14,873)
	<u>63,546</u>	<u>78,210</u>
Work in progress	291,080	-
	<u>1,422,486</u>	<u>1,186,594</u>

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

	Land \$	Buildings \$	Leasehold improvements \$	Plant and equipment \$	Work in progress \$	Motor vehicles \$	Total \$
Balance at 1 July 2023	893,711	138,325	88,978	37,120	-	51,284	1,209,418
Additions	-	-	-	2,006	-	51,869	53,875
Disposals	-	-	-	-	-	(14,004)	(14,004)
Depreciation	-	(2,344)	(39,271)	(10,141)	-	(10,939)	(62,695)
Balance at 30 June 2024	893,711	135,981	49,707	28,985	-	78,210	1,186,594
Additions	-	-	-	9,138	291,080	-	300,218
Depreciation	-	(2,344)	(39,271)	(8,047)	-	(14,664)	(64,326)
Balance at 30 June 2025	<u>893,711</u>	<u>133,637</u>	<u>10,436</u>	<u>30,076</u>	<u>291,080</u>	<u>63,546</u>	<u>1,422,486</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	5 to 20 years
Plant and equipment	2.5 to 40 years
Motor vehicles	5 years
Buildings	40 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Notes to the financial statements (continued)

Note 15. Property, plant and equipment (continued)

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 16. Right-of-use assets

	2025 \$	2024 \$
Land and buildings - right-of-use	192,000	192,000
Less: Accumulated depreciation	<u>(182,777)</u>	<u>(146,184)</u>
	<u>9,223</u>	<u>45,816</u>

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	81,360
Remeasurement adjustments	1,149
Depreciation expense	<u>(36,693)</u>
Balance at 30 June 2024	45,816
Depreciation expense	<u>(36,593)</u>
Balance at 30 June 2025	<u>9,223</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 19 for more information on lease arrangements.

Note 17. Intangibles assets

	2025 \$	2024 \$
Franchise fee	178,682	178,682
Less: Accumulated amortisation	<u>(178,251)</u>	<u>(174,748)</u>
	431	3,934
Franchise renewal fee	54,505	54,505
Less: Accumulated amortisation	<u>(52,355)</u>	<u>(42,777)</u>
	2,150	11,728
	<u>2,581</u>	<u>15,662</u>

Notes to the financial statements (continued)

Note 17. Intangibles assets (continued)

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	6,114	22,629	28,743
Amortisation expense	<u>(2,180)</u>	<u>(10,901)</u>	<u>(13,081)</u>
Balance at 30 June 2024	3,934	11,728	15,662
Amortisation expense	<u>(3,503)</u>	<u>(9,578)</u>	<u>(13,081)</u>
Balance at 30 June 2025	<u><u>431</u></u>	<u><u>2,150</u></u>	<u><u>2,581</u></u>

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)	September 2025
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	September 2025

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

Note 18. Trade and other payables

	2025 \$	2024 \$
Trade payables	4,194	10,743
Other payables and accruals	<u>136,306</u>	<u>93,390</u>
	<u><u>140,500</u></u>	<u><u>104,133</u></u>
	2025 \$	2024 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	140,500	104,133
less other payables and accruals (net GST payable to the ATO)	<u>(47,066)</u>	<u>(29,745)</u>
	<u><u>93,434</u></u>	<u><u>74,388</u></u>

Notes to the financial statements (continued)

Note 19. Lease liabilities

	2025 \$	2024 \$
<i>Current liabilities</i>		
Property lease liabilities	8,392	46,231
<i>Non-current liabilities</i>		
Property lease liabilities	-	7,973
<i>Reconciliation of lease liabilities</i>		
	2025 \$	2024 \$
Opening balance	54,204	97,081
Remeasurement adjustments	-	639
Lease interest expense	1,688	3,983
Lease payments - total cash outflow	(47,500)	(47,499)
	<u>8,392</u>	<u>54,204</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
Bayswater Branch	5.25%	5 years	N/A	N/A	September 2025

Note 20. Employee benefits

	2025 \$	2024 \$
<i>Current liabilities</i>		
Annual leave	117,772	114,156
Long service leave	146,658	125,188
	<u>264,430</u>	<u>239,344</u>
<i>Non-current liabilities</i>		
Long service leave	<u>2,472</u>	<u>729</u>

Notes to the financial statements (continued)

Note 20. Employee benefits (continued)

Accounting policy for short-term employee benefits

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

Accounting policy for other long-term employee benefits

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

Remeasurements are recognised in profit or loss in the period in which they arise.

Note 21. Issued capital

	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	1,144,952	1,144,952	1,144,952	1,144,952
Less: Equity raising costs	-	-	(6,100)	(6,100)
Less: Return of capital	-	-	(35,000)	(35,000)
	<u>1,144,952</u>	<u>1,144,952</u>	<u>1,103,852</u>	<u>1,103,852</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.

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.

Notes to the financial statements (continued)

Note 21. Issued capital (continued)

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.

Note 22. Capital management

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

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

The distribution limit is the greater of:

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

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

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

Notes to the financial statements (continued)

Note 23. 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 20 cents per share (2024: 22.5 cents)	<u>228,990</u>	<u>257,614</u>

Franking credits

	2025 \$	2024 \$
Franking account balance at the beginning of the financial year	1,078,733	597,292
Franking credits (debits) arising from income taxes paid (refunded)	257,584	559,341
Franking debits from the payment of franked distributions	(76,330)	(85,871)
Franking credits from franked distributions received	<u>8,100</u>	<u>7,971</u>
	<u>1,268,087</u>	<u>1,078,733</u>
<i>Franking transactions that will arise subsequent to the financial year end:</i>		
Balance at the end of the financial year	1,268,087	1,078,733
Franking credits (debits) that will arise from payment (refund) of income tax	<u>61,940</u>	<u>23,676</u>
Franking credits available for future reporting periods	<u>1,330,027</u>	<u>1,102,409</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 24. 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 24. Financial risk management (continued)

	2025 \$	2024 \$
Financial assets		
Trade and other receivables (note 12)	296,984	340,526
Cash and cash equivalents (note 11)	195,152	285,755
Investments (note 14)	-	200,000
Financial assets (note 13)	379,200	344,700
	<u>871,336</u>	<u>1,170,981</u>
Financial liabilities		
Trade and other payables (note 18)	93,434	74,388
Lease liabilities (note 19)	8,392	54,204
Borrowings	-	119
	<u>101,826</u>	<u>128,711</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 profit or loss (FVTPL)

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 FVTPL comprise investments in listed entities over which the company does not have significant influence nor control.

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.

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 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 \$195,152 and investments of \$2,500,000 at 30 June 2025 (2024: cash equivalents of \$285,755 and investments of \$1,850,000).

Notes to the financial statements (continued)

Note 24. Financial risk management (continued)

Interest-bearing liabilities are held with Bendigo Bank and interest on those are subject to movements in market interest rates. The company held borrowings of \$nil at 30 June 2025 (2024: \$119).

Price risk

The primary goal of the company's investment in equity securities is to hold the investments for the long term for strategic purposes.

All of the company's listed equity investments are listed on the Australian Stock Exchange (ASX). Changes in equity securities value is recognise through profit or loss or other comprehensive income.

	% change increase	Effect on profit before tax	Effect on equity	% change decrease	Effect on profit before tax	Effect on equity
2025						
Equity securities	10%	<u>37,920</u>	<u>-</u>	(10%)	<u>(37,920)</u>	<u>-</u>
2024						
Equity securities	10%	<u>34,470</u>	<u>-</u>	(10%)	<u>(34,470)</u>	<u>-</u>

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				
Trade and other payables	93,434	-	-	93,434
Lease liabilities	8,444	-	-	8,444
Total non-derivatives	<u>101,878</u>	<u>-</u>	<u>-</u>	<u>101,878</u>
2024				
Bank loans	119	-	-	119
Trade and other payables	74,388	-	-	74,388
Lease liabilities	47,500	8,444	-	55,944
Total non-derivatives	<u>122,007</u>	<u>8,444</u>	<u>-</u>	<u>130,451</u>

Notes to the financial statements (continued)

Note 25. Key management personnel disclosures

The following persons were directors of Bayswater Community Financial Services Ltd during the financial year and/or up to the date of signing of these Financial Statements:

Barry Anthony McKenna	Michael Stephen Anderton J.P
Denise Gail Beer	Steven James Brown
Tadeusz Joseph Budzinski	Gregory Da Rui
Alan James Radford	Louise Anne Rowe

There are no executives within the company whose remuneration is required to be disclosed.

Compensation

Key management personnel compensation comprised the following.

	2025	2024
	\$	\$
Short-term employee benefits	107,350	98,750
Post-employment benefits	10,721	9,375
	<u>118,071</u>	<u>108,125</u>

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

Note 26. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 25.

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

There were no transactions with related parties during the current and previous financial year.

Notes to the financial statements (continued)

Note 27. 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	8,500	7,450
<i>Other services</i>		
Taxation advice and tax compliance services	290	900
General advisory services	3,025	2,965
Share registry services	16,567	11,589
	<u>19,882</u>	<u>15,454</u>
	<u>28,382</u>	<u>22,904</u>

Note 28. Reconciliation of profit after income tax to net cash provided by operating activities

	2025 \$	2024 \$
Profit after income tax expense for the year	899,972	964,626
Adjustments for:		
Depreciation and amortisation	114,000	112,469
Net gain on disposal of non-current assets	-	(14,178)
Increase in fair value of equity instruments designated at FVTPL	(34,500)	(87,000)
Lease liabilities interest	1,688	3,983
Change in operating assets and liabilities:		
Decrease in trade and other receivables	52,328	33,095
Decrease/(increase) in deferred tax assets	(447)	10,488
Increase/(decrease) in trade and other payables	36,367	(29,742)
Increase/(decrease) in provision for income tax	38,264	(257,640)
Increase in employee benefits	26,829	16,127
Increase in other provisions	1,723	1,642
Net cash provided by operating activities	<u>1,136,224</u>	<u>753,870</u>

Note 29. Earnings per share

	2025 \$	2024 \$
Profit after income tax	<u>899,972</u>	<u>964,626</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,144,952</u>	<u>1,144,952</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,144,952</u>	<u>1,144,952</u>

Notes to the financial statements (continued)

Note 29. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	78.60	84.25
Diluted earnings per share	78.60	84.25

Note 30. Commitments

At 30 June 2025 the company had contractual commitments of \$626,778 (ex GST) in respect of building works for 83 Whatley Crescent, Bayswater WA 6053. The contract is being managed under Bendigo and Adelaide Bank's national property program, however the liability remains with the company.

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

Note 31. Contingencies

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

Note 32. Events after the reporting period

On 1 September 2025, the company signed a new franchise agreement with Bendigo Bank, extending the term of the existing arrangement from its previous expiry in September 2025 to a new expiry in September 2030. This renewal secures the ongoing operation of the Community Bank under the Bendigo Bank franchise system and confirms the company's continuing economic dependency on Bendigo Bank.

The company relocated operations to new premises at 83 Whatley Crescent, Bayswater, effective 10 July 2025.

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

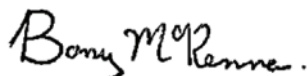
30 June 2025

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 audited remuneration disclosures set out in the remuneration report section of the directors' report comply with the Accounting Standard *AASB 124 Related Party Disclosures* and the *Corporation Regulations 2001*
- 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



Barry Anthony McKenna
Chair

2 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 Bayswater Community Financial Services Ltd

Report on the audit of the financial report

Our opinion

In our opinion, the accompanying financial report of Bayswater 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 Bayswater 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
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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: 2 September 2025

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

Adrian Downing
Lead Auditor

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 **Bendigo Bank**