

Annual Report 2026

Bayswater Community
Financial Services Limited

Community Bank
Bayswater

ABN 60 092 770 593



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Chair's report

For year ending 30 June 2026



On behalf of the Board of Directors, it is with immense pleasure that I present the Annual Report for what has been another successful year for our company and our community. In a year of significant achievement, we have demonstrated that strong financial performance and meaningful community impact can, and should, go hand-in-hand.

A strong financial performance benefiting shareholders

Our company's disciplined financial management delivered another year of sustainable growth. Our total loan and deposit book grew by approximately \$8 million to a closing position of nearly \$550 million. This steady growth in a competitive market is a testament to the dedication of our staff and the loyalty of our customers.

This strong performance directly translated into tangible returns for you, our shareholders. Following our August Board meeting, we were proud to announce a fully franked dividend of 22.5 cents per share—equaling the largest shareholder return in our company's history. This result underscores our commitment to delivering value to those who invest in us.

Investing in our community's future

A highlight of the year was the opening of our new, modern branch at 83 Whatley Crescent in July 2025. At a time when many financial institutions are retreating from face-to-face service, your Board made a deliberate and strategic investment to reaffirm our commitment to accessible, personal banking. This new facility has not only been well-received by customers but has also empowered our staff, led by Senior Branch Manager Sean Kay, to better serve the complete financial needs of our community. Our rising products per customer metric is a direct reflection of this enhanced capability.

A milestone in community contribution

Beyond the branch, our purpose as a community bank is to build local prosperity. This year, we reached a significant milestone, with our total community contributions surpassing \$4.1 million since our inception. These funds, distributed through grants and sponsorships, have supported countless worthy causes and organisations that form the heart of our local district. Your Board remains steadfast in its commitment to this core mission, ensuring our success is our community's success.

In closing, I extend my sincere gratitude to our valued shareholders, our loyal customers, our dedicated staff, and my fellow Directors. Your collective support is the foundation upon which our company grows and prospers. We look forward to building on this success in the year ahead.

Sincerely,

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

Barry McKenna OAM
Chair

Manager's report

For year ending 30 June 2026



Dear Shareholders,

It is with great pleasure that I can provide an update on our performance over the 2025/26 financial year.

This year has seen us successfully relocate our branch to 83 Whatley Crescent Bayswater. Although a significant upheaval and challenge, we hope that our customers and shareholders who visit the branch are enjoying the improved experience that we believe it is delivering.

Despite the change and upheaval, we were able to maintain our business focus and have achieved solid results despite a challenging and competitive environment

It is now time for our team to embed new ways of working that will provide better customer outcomes which in turn should lead to better opportunities to grow our business

Safe and secure digital banking remains a key focus for our team to assist clients with but we also continue to be able to offer a dedicated and supportive environment for those clients who prefer to continue to use an in-branch service only.

From a results perspective, during the financial year, our overall portfolio of business rose from \$538 million to \$546 million (+\$8 million).

Deposit growth was ahead of budget for most of the year but was impacted by some significant movements of funds in the last 2 months of the year.

These are regarded as exceptional circumstances and it is envisaged that we should return to deposit growth in the next financial year.

Lending growth:	\$8 million
Deposit growth:	-\$1 million
Other business growth:	\$1 million

It was pleasing to see growth in our lending portfolio. This was across both business and consumer loans. This was a promising sign that we continue to grow in a challenging and competitive banking environment.

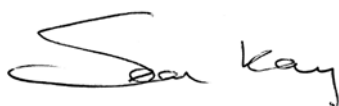
I am grateful for the guidance of our Board of Directors and our Chair, Barry McKenna. Their support allows us to continue to grow and provide better outcomes for our whole community.

The feedback we receive about our branch team is always exceptional and both the Board and I feel proud to have such a wonderful team looking after the needs of our clients and congratulate and thank them for the service they are providing for our clients.

We remain a united and supportive team as a whole and this allows us to continue to achieve these results.

Thank you to our shareholders. As a result of your support of the community bank model, we continue to excel as a remarkably successful company that we can all be proud of.

Many thanks



Sean Kay
Senior Branch Manager

Community & performance report

For year ending 30 June 2026

Executive Summary & Our Purpose

At Community Bank Bayswater, our business model is built on a simple but powerful premise: the success of our bank is directly linked to the prosperity of our community. As a community bank, a significant portion of our profits is returned directly to the local area, supporting essential programs, local infrastructure, education, and community initiatives.

Our community investments are made possible solely because local residents and businesses choose to bank with us. Every account opened, every loan approved, and every transaction completed contributes directly to funding a stronger, more resilient Bayswater.

This report outlines our performance and community contributions for the 2026 Financial Year, detailing how our profits have been reinvested to create lasting, generational impact.

FY2026 Financial & Operational Highlights

During the 2026 financial year, Community Bank Bayswater continued to demonstrate steady growth and operational resilience, ensuring we remain in a strong position to support both our shareholders and our local community.

Branch Performance & Scale



\$546 million

Total Customer Funds
as at 30 June 2026



\$8 million

Customer Funds
Growth (FY2026)*



8,689

Total Active
Customers as at
30 June 2026



14,071

Total Customer
Accounts as at
30 June 2026



\$868,546

Net Profit Before Tax
as at 30 June 2026**

* Representing a stable 1.5% increase year-on-year

** Calculated after accounting for direct community grants, local donations, and a major strategic allocation of \$550,000 into our Community Enterprise Foundation account, plus \$10,000 in other direct local donations.

Shareholder Dividends

We remain dedicated to providing strong, consistent returns to our local shareholders who backed our vision from day one:

22.5¢

Declared Dividend (FY2025/26):
Fully franked, totaling \$257,614.



20¢

Declared Dividend (FY2024/25):
Fully franked, totaling \$228,990

Reinvesting in Our Community: Over \$6.4 Million Since 2000

Our long-term commitment to the Bayswater community is best represented by our cumulative impact. Since our branch opened its doors in 2000, we have reinvested a cumulative total of over \$6.4 million back into our local ecosystem. A significant proportion of this giving has occurred within the last five years as our business has matured and delivered strong returns:



\$6.4 million

Reinvested in our
community since 2000

\$2.3 million

Cumulative Distributions to Local Shareholders

\$4.1 million

Cumulative Community Contributions

This includes our current Community Enterprise Foundation account balance of \$1.1 million, preserved to secure the long-term funding of local projects.

By keeping capital circulating locally, we help families buy homes, local businesses grow, and community organisations thrive.

Helping Families Grant Recipients

During the last 2 years, our marquee 'Helping Families' Grant Program focused on addressing some of the most pressing socio-economic challenges in our region, specifically targeting cost-of-living pressures, financial hardship, and dignity in crisis.

Uniting WA – Community Navigator Program

FY2026 marked our second consecutive year of funding for the highly successful Uniting WA Community Navigator Program. This program was designed to proactively strengthen the financial wellbeing and social connectedness of City of Bayswater residents before financial challenges escalate into deep personal crises.

- **Preventative Support:** The program successfully lowered systemic barriers by proactively reaching families and individuals who might not otherwise have sought formal assistance. It connected residents to financial counselling, emergency relief, secure housing, physical and mental health services, and family support resources.
- **System Coordination:** The Community Navigator acted as a bridge, improving coordination between localised services, creating clearer referral pathways, and significantly reducing service system fragmentation.
- **Funding Cycle:** Funded via our Helping Families Grant Program, this highly successful initiative concluded its targeted grant funding cycle on August 21, 2026. The structural partnerships established during this program will continue to benefit the Bayswater service ecosystem.



Learn more online - search:
Uniting WA Community
Navigator

Anglicare WA – Thread Together Hub (Maylands)

We have proudly continued our foundational support of the Thread Together Hub in Maylands, which restores dignity and choice to people experiencing extreme vulnerability by providing brand-new, high-quality clothing.

- **The Program Model:** Thread Together is a critical link in the fashion life cycle. This not-for-profit charity intercepts brand-new, excess end-of-season clothing, shoes, and accessories from designers and retailers, redistributing them completely free of charge to those in need through a network of 1,500 charities.
- **Local Impact:** While Thread Together's mobile wardrobe vans have supported Western Australians since 2021, the relocation of their physical hub to Maylands in 2024 established a safe, welcoming, and inclusive "shopping-like" environment complete with fitting rooms and comfortable seating.
- **The Funding Significance:** As a fully philanthropically funded program, the hub relies entirely on corporate and community partners. The support of Community Bank Bayswater has been critical in securing the operational future of the Maylands Hub.



FY2026 Hub Milestones (Last 12 Months)

- **Customised Service:** Over 1,200 vulnerable community members received customised, face-to-face service.
- **Clothing Distributed:** Over 9,300 brand-new items of clothing were distributed free of charge.

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

— Mark Glasson,
CEO of Anglicare WA



Learn more online - search:
Anglicare WA Thread
Together

Empowering the Next Generation: 2026 Education Scholarships

We believe that access to education is one of the most powerful catalysts for community development. Since 2011, our scholarship program has worked to ease the financial transition into tertiary education for local youth during times of economic and personal change.

We are thrilled to announce our three outstanding local scholarship recipients for 2026.

These students have exhibited excellent results at school but just as importantly have shown significant contributions in supporting their school and local community through volunteering and supporting others despite their heavy study workloads at school. They also have career aspirations that aim to help others in our communities, and this sits at the very heart of why we value our scholarship recipients and this program.

This year's scholarship winners are:

- Isabella Jackson – Bachelor of Biomedical Science at Curtin University
- Angela Le – Bachelor of Philosophy (Majoring in Public Health) at University of Western Australia
- Emmy Whitehead – Bachelor of Science (Occupational Therapy) at Curtin University

Our Long-Term Investment in Youth

This cohort brings the total number of university scholarships funded by BCFS to 29 scholarships since 2011. We congratulate all our past and present recipients and look forward to seeing the local leadership and professional contributions they will make in the years to come.



L-R Angela Le,
Isabella Jackson and
Emmy Whitehead

Community Pitch Program 2026

In addition to allocating \$550,000 to our Community Enterprise Foundation to safeguard future funding, we ran our popular Community Pitch Event in May 2026. This program bypasses administrative red tape to deliver immediate funding directly into the hands of local, volunteer-led groups. At the event, we provided \$5,000 each to nine separate community organisations (totaling \$45,000 in direct funding) to deliver specific, high-impact local outcomes.

Organisation	Supported Project / Local Outcome
Bedford Morley Cricket Club	30th Anniversary club commemorations and community celebrations plus equipment upgrades
Future Bayswater	Direct purchase of fresh food and essential personal goods for the Bayswater Community Pantry to support local families in need.
Bayswater City VIEW Club	Technology upgrades for women's support networks and sponsorship of students through the Smith Family.
Bold Park Community School	"Belonging on Whatley" program to build local place awareness of small businesses and support community identity.
John Forrest Secondary College	Funding student attendance at the "On Country" program in partnership with RAW Impact at Bethel Farm (Dalby, QLD).
St Columba's Primary School, Bayswater	Purchase of an Edutouch interactive screen and technology upgrades to support teachers and students of all abilities.
Bayswater Croquet Club Inc.	Replacement of clubroom furniture to improve accessibility and comfort for local seniors, members and visitors.
Bayswater Traders Association Inc.	Design and delivery of the local "Bayswater Bridge District" branding and streetscape project.
Hillcrest Primary School P&C	iPads and timing technology updates for the running club and various active sporting groups.

We extend our deepest gratitude to these organisations and the hundreds of local volunteers who donate their time. Our financial support is designed to make their invaluable roles just a little bit easier so that Bayswater doesn't just grow, but thrives.



Community & performance report (continued)

Ongoing Community Partnerships

In addition to our major structured grant initiatives, we are proud to provide sustained, multi-year support to key local programs. These ongoing partnerships are fundamental to our commitment to building a resilient, connected, and vibrant local community.

1. Orana House – Child & Young People's Advocate

We have established multi-year support for the Child & Young People's Advocate (CYPA) operating out of the SWitCH Centre in Noranda.

- **The Mission:** Managed by Orana House and funded via Community Bank Bayswater, this dedicated program focuses heavily on assisting children, toddlers, and teenagers who have lived through family and domestic violence.
- **Our Commitment:** By providing reliable, multi-year backing, we have helped ensure young survivors receive specialised support, healing spaces, and the advocacy they need during critical transitional moments in their lives.



Learn more online:
facebook.com/Orana.Incorporated/

2. Environment House – Green Banking Partner

Community Bank Bayswater proudly acts as a vital green banking partner for Environment House in Bayswater, WA. We provide crucial grant funding and financial backing that helps this volunteer-powered, not-for-profit centre run essential community sustainability and social inclusion initiatives.

- **Cycling Without Age (Bayswater Hub):** Powered by our grant to purchase an electric trishaw, this initiative offers free, relaxing rides through local wetlands for older residents and people living with disabilities.
- **Little Critters:** Engaging nature play and outdoor garden activities designed to connect young families with local ecosystems.
- **Social Gardening Fridays:** Weekly community get-togethers focused on physical wellbeing, mental health, and social connection in the onsite food garden.
- **Open House Mornings:** Practical, hands-on educational sessions covering organic gardening, composting, and sustainable household practices.



Learn more online - search:
Environment House
- Community Bank
Bayswater Partnership

Community & performance report (continued)

3. Bayswater Twilight Markets

The Bayswater Twilight Markets, proudly sponsored by Community Bank Bayswater, have quickly become a beloved cornerstone of local community life at Bert Wright Park.

- **Local Activation:** By bringing together diverse food trucks, live entertainment, and unique craft stalls, these family-friendly market nights successfully activate the Bayswater Town Centre, offering critical exposure and support to local small businesses, micro-enterprises, and creative vendors.
- **Social & Volunteer Hub:** Beyond the immediate economic boost, the markets serve as a powerful social hub, fostering deep community connection and providing a vital platform for volunteer engagement through our support with Future Bayswater.
- **Our Shared Vision:** This ongoing partnership highlights our shared commitment to creating a vibrant, connected, and resilient local economy.



Learn more online:
facebook.com/BayswaterGM/



Images courtesy Bayswater Twilight Market

Bendigo and Adelaide Bank report

For year ending 30 June 2026

This year marked the first chapter of delivering on Bendigo Bank's 2030 Strategy.

Our purpose remains central to who we are – to feed into the prosperity of our customers and community – and our strategy brings a new focus on areas including innovation, digital ease and setting the benchmark for trust and societal impact.

We are making strong progress with new digital features to enhance the customer experience. Notably, Community Link is allowing customers to join us through e-banking while retaining a connection to their local branch.

In FY26, more than \$51.7 million was invested back into local communities, adding to a total of \$467 million since 1998. Our Scholarship Program remains one of the largest of its kind in Australia, with an incredible 70 Community Banks participating in 2026, and more than \$1.6m in scholarships awarded.

Our model evolution project is now helping to inform a holistic strategic review of the Community Bank model. The review is considering a broad range of factors to strengthen the model for the future, including growth, community impact, revenue share and non-financial risk. As an organisation, we remain committed to the Community Bank model and the important role it plays in achieving our 2030 Strategy.

Bendigo Bank has been supporting customers and communities across Australia for more than 160 years and for the past 27 years, the Community Bank model has been a driving force for positive impact.

On behalf of Bendigo Bank, thank you for being a shareholder in your local Community Bank. Your belief and support of our purpose have been instrumental in our success. I look forward to seeing us grow together and continue supporting our communities to prosper.

Warmest regards,

Justine Minne
Head of Community Banking, Bendigo Bank

Community Bank National Council



COMMUNITY BANK
NATIONAL COUNCIL

CBNC: Supporting Local Leadership and National Strategy

On behalf of the Community Bank network, we acknowledge and thank our shareholders for your continued support. The Community Bank model remains one of the most distinctive in Australian banking, combining commercial strength with genuine community purpose.

Over the past year, the Community Bank National Council (CBNC) has continued its important role as the conduit between Community Bank companies and Bendigo Bank (BEN). As the formally recognised representative body of the network, the CBNC ensures the voice of local Directors is heard in national discussions, while keeping Community Bank companies informed on strategic developments that shape our future.

Supporting BEN's 2030 Strategy

The Community Bank model continues to evolve as part of BEN's 2030 strategy, with a focus on long-term strength and sustainability. A jointly led BEN and CBNC Model Evolution project has enabled the CBNC to engage deeply with the network seeking feedback on the challenges and opportunities ahead. The priority being given to this ongoing work reflects the importance of Community Banks to BEN's success and commitment to local communities.

Gathering in our nation's capital

Last September, more than 500 Directors representing 142 Community Bank companies from every state and territory came together for the Community Bank National Conference. It was one of the largest gatherings of our network in recent years, and the CBNC played a key role in contributing to the agenda.

The conference created space for open dialogue between Directors and BEN executives, while also reinforcing the unique value of the Community Bank model. For many, it was also a timely reminder of the strength of peer connection - the opportunity to share challenges, exchange ideas, and look to the future.

Social enterprise leadership

With an entrenched "profit for purpose" approach, the Community Bank moves beyond traditional banking by helping to sustain local economies. The combined community impact of this approach is significant, with several recent examples evidenced across the network.

The partnership between the Bendigo Bank Community Foundation and the Australian Centre for Rural Entrepreneurship (ACRE) is just one example. It demonstrated what collective action can achieve through the buyback of the Old Beechworth Gaol.

The community asset buyback was supported by \$8.6 million in capital, including \$2.2 million from BEN and Community Bank companies. It has created a nationally significant example of community ownership in action and provides a tangible example of our social enterprise leadership.

New 'Community Link' feature returns profits to communities

As customer expectations evolve, BEN continues to invest in digital capability while protecting the strength of local connection. A clear example is Community Link, a new feature introduced to the Bank's App during the past year.

The feature allows new customers, who join digitally, to nominate a community or corporate branch as their home branch. Customers can have the satisfaction they're contributing to a community they care about without having to set foot in a branch to do so.

The CBNC have been very supportive of this new feature which powerfully bridges BEN's digital future with its renowned community focus. In many ways, it reinforces BEN's commitment to innovation, while serving its core purpose to feed into the prosperity of the community.

Together, these initiatives demonstrate the enduring strength of the Community Bank model in balancing both commercial success with community impact. As the network continues to evolve, the CBNC remains committed to ensuring the network has a strong voice in shaping the future. We thank shareholders for the ongoing support that makes this unique model possible.

Directors' report

For the financial year ended 30 June 2026

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2026.

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



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



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

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
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 corporate communications expert with over 30 years' experience as a broadcast journalist and executive-level communications roles across State Government, the not-for-profit sector, tourism, and aged care. Louise is the Head of Corporate Communications and Education at RSPCA WA, overseeing government, media and other high-profile stakeholder management, crisis communications, school-based and public education and advocacy, and corporate communications strategy.

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 \$655,001 (30 June 2025: \$899,972).

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.

	2026 \$	2025 \$
Fully franked dividend of 20 cents per share (2025: 20 cents)	228,990	228,990

Significant changes in the state of affairs

During the year, the company completed a major fit out of its branch premises, representing a significant investment in property, plant and equipment to support ongoing operations and customer service. The company relocated operations to new premises at 83 Whatley Crescent, Bayswater on 10 July 2025.

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

Matters subsequent to the end of the financial year

On 7 August 2026, the Company declared a fully franked dividend of 22.5 cents per share, amounting to \$257,614, which was paid on 9 September 2026. As the dividend was declared after the reporting date, no liability has been recognised in these financial statements.

Apart from the dividend declared as discussed above, no other matter or circumstance has arisen since 30 June 2026 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' report (continued)

Likely developments and expected results of operations

No matter, circumstance or likely development in operations has arisen during or since the end of the financial year that has significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

Environmental regulation

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2026, and the number of meetings attended by each director were:

	Board		Executive Committee		Stakeholder Engagement Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Barry Anthony McKenna OAM	9	9	5	5	-	-
Denise Gail Beer	9	7	5	5	-	-
Tadeusz Joseph Budzinski	9	8	5	3	-	-
Alan James Radford	9	8	5	5	-	-
Michael Stephen Anderton J.P	9	9	-	-	-	-
Steven James Brown	9	8	-	-	1	-
Gregory Da Rui	9	8	-	-	1	1
Louise Anne Rowe	9	9	-	-	1	1

Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 22 and note 23 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 OAM	22,891	4,837	27,728
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	32,980	-	32,980
Louise Anne Rowe	3,000	-	3,000

Directors' report (continued)

Shares under option

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

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2026 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 December annually.

Directors' remuneration has been approved under a three-year remuneration framework ratified by shareholders at the 2024 Annual General Meeting. The remuneration rates applicable for the 2025, 2026 and 2027 financial years are set out below.

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.

Directors' report (continued)

Remuneration report (continued)

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.

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 24 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.

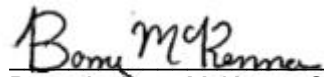
Directors' report (continued)

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 OAM
Chair

14 September 2026

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 2026, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 14 September 2026

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

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 2026

	Note	2026 \$	2025 \$
Revenue from contracts with customers	6	3,514,487	3,440,453
Other revenue	7	18,900	56,208
Finance revenue		94,591	105,631
Total revenue		<u>3,627,978</u>	<u>3,602,292</u>
Employee benefits expense	8	(1,709,950)	(1,697,385)
Advertising and marketing costs		(13,448)	(5,327)
Occupancy and associated costs		(69,000)	(66,263)
System costs		(40,753)	(31,304)
Depreciation and amortisation expense	8	(88,515)	(114,000)
Finance costs	8	(496)	(3,418)
General administration expenses		(205,559)	(191,045)
Net fair value loss on financial assets		(62,700)	-
Loss on disposal of assets		(8,615)	-
Total expenses before community contributions and income tax expense		<u>(2,199,036)</u>	<u>(2,108,742)</u>
Profit before community contributions and income tax expense		1,428,942	1,493,550
Charitable donations, sponsorships and grants expense	8	<u>(560,396)</u>	<u>(298,177)</u>
Profit before income tax expense		868,546	1,195,373
Income tax expense	9	<u>(213,545)</u>	<u>(295,401)</u>
Profit after income tax expense for the year		655,001	899,972
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u><u>655,001</u></u>	<u><u>899,972</u></u>
		Cents	Cents
Basic earnings per share	26	57.21	78.60
Diluted earnings per share	26	57.21	78.60

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 2026

	Note	2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	10	471,066	195,152
Trade and other receivables	11	354,775	301,883
Financial assets	12	316,500	379,200
Investments	13	1,818,100	2,500,000
Current tax assets	9	27,093	-
Total current assets		<u>2,987,534</u>	<u>3,376,235</u>
Non-current assets			
Property, plant and equipment	14	2,182,425	1,422,486
Right-of-use assets		-	9,223
Intangible assets	15	61,242	2,581
Deferred tax assets	9	44,362	65,701
Total non-current assets		<u>2,288,029</u>	<u>1,499,991</u>
Total assets		<u>5,275,563</u>	<u>4,876,226</u>
Liabilities			
Current liabilities			
Trade and other payables	16	175,578	140,500
Lease liabilities		-	8,392
Current tax liabilities	9	-	61,940
Employee benefits	17	256,803	264,430
Total current liabilities		<u>432,381</u>	<u>475,262</u>
Non-current liabilities			
Trade and other payables	16	48,150	-
Employee benefits	17	5,085	2,472
Provisions		-	34,556
Total non-current liabilities		<u>53,235</u>	<u>37,028</u>
Total liabilities		<u>485,616</u>	<u>512,290</u>
Net assets		<u>4,789,947</u>	<u>4,363,936</u>
Equity			
Issued capital	18	1,103,852	1,103,852
Retained earnings		<u>3,686,095</u>	<u>3,260,084</u>
Total equity		<u>4,789,947</u>	<u>4,363,936</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 2026

	Note	Issued capital \$	Retained earnings \$	Total equity \$
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	20	-	(228,990)	(228,990)
Balance at 30 June 2025		<u>1,103,852</u>	<u>3,260,084</u>	<u>4,363,936</u>
Balance at 1 July 2025		1,103,852	3,260,084	4,363,936
Profit after income tax expense		-	655,001	655,001
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	655,001	655,001
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(228,990)	(228,990)
Balance at 30 June 2026		<u>1,103,852</u>	<u>3,686,095</u>	<u>4,789,947</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 2026

	Note	2026 \$	2025 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,813,344	3,834,845
Payments to suppliers and employees (inclusive of GST)		(2,968,588)	(2,559,851)
Dividends received		18,900	18,900
Interest received		97,172	99,920
Interest and other finance costs paid		-	(6)
Income taxes paid		(281,239)	(257,584)
Net cash provided by operating activities	25	679,589	1,136,224
Cash flows from investing activities			
Payments for/ (redemption of) term deposits		681,900	(650,000)
Payments for property, plant and equipment		(860,175)	(300,218)
Payments for intangible assets		(14,591)	-
Proceeds from disposal of property, plant and equipment		26,625	-
Net cash used in investing activities		(166,241)	(950,218)
Cash flows from financing activities			
Repayment of borrowings		-	(119)
Interest and other finance costs paid		(52)	(1,688)
Dividends paid	20	(228,990)	(228,990)
Repayment of lease liabilities		(8,392)	(45,812)
Net cash used in financing activities		(237,434)	(276,609)
Net increase/(decrease) in cash and cash equivalents		275,914	(90,603)
Cash and cash equivalents at the beginning of the financial year		195,152	285,755
Cash and cash equivalents at the end of the financial year	10	471,066	195,152

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

Notes to the financial statements

30 June 2026

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. The registered office and principal place of business was located at 14 King William Street, Bayswater WA 6053. From 10 July 2025, the registered office and principal place of business has been 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 14 September 2026. 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 recently 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 2026. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 (effective for annual reporting periods beginning on or after 1 January 2027) will replace AASB 101 *Presentation of Financial Statements*. Early adoption is permitted.

The new standard does not change how amounts are recognised or measured. However, it will change how information is presented and disclosed in the financial statements. This includes a revised structure for the statement of profit or loss and other comprehensive income, new subtotals, and additional disclosures for certain performance measures.

The company intends to adopt the standard from 1 July 2027. The impact is expected to be limited to changes in presentation and disclosure.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

Notes to the financial statements (continued)

Note 3. Material accounting policy information (continued)

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.

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.

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

Allowance for expected credit losses on trade and other receivables

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

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

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

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.

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.

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.

Notes to the financial statements (continued)

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

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.

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

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

Note 6. Revenue from contracts with customers

	2026 \$	2025 \$
Margin income	3,158,137	3,108,437
Fee income	254,617	239,352
Commission income	101,733	92,664
	<u>3,514,487</u>	<u>3,440,453</u>

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers (continued)

Accounting policy for revenue from contracts with customers

The company has entered into a franchise agreement with Bendigo Bank. The company delivers banking and financial services of Bendigo Bank to its community. The franchise agreement provides for a share of interest, fee, and commission revenue earned by the company. Interest margin share is based on a funds transfer pricing methodology which recognises that income is derived from deposits held, and that loans granted incur a funding cost. Fees are based on the company's current fee schedule and commissions are based on the agreements in place. All margin revenue is recorded as non-interest income when the company's right to receive the payment is established.

The company acts as an agent under the franchise agreement and revenue arises from the rendering of services through its franchise agreement.

Revenue is recognised on an accruals basis, at the fair value of consideration specified in the franchise agreement, as follows:

<u>Revenue stream</u>	<u>Includes</u>	<u>Performance obligation</u>	<u>Timing of recognition</u>
Franchise agreement profit share	Margin, commission, and fee income	When the company satisfies its obligation to arrange for the services to be provided to the customer by the supplier (Bendigo Bank as franchisor).	On completion of the provision of the relevant service. Revenue is accrued monthly and paid within 10 business days after the end of each month.

All revenue is stated net of the amount of GST. There was no revenue from contracts with customers recognised over time during the financial year.

Revenue calculation

The franchise agreement provides that three forms of revenue may be earned by the company which are margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services. The revenue earned by the company is dependent on the business that it generates, interest rates and funds transfer pricing and other factors, such as economic and local conditions.

Margin income

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

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

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

Commission income

Commission 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.

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers (continued)

Ability to change financial return

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

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

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

Note 7. Other revenue

	2026 \$	2025 \$
Net fair value gain on financial assets	-	34,500
Dividend and distribution income	18,900	18,900
Rental income	-	2,808
	<u>18,900</u>	<u>56,208</u>

Note 8. Expenses

Employee benefits expense

	2026 \$	2025 \$
Wages and salaries	1,437,253	1,413,145
Non-cash benefits	21,973	20,714
Contributions to defined contribution plans	179,177	167,520
Expenses related to long service leave	(10,426)	23,230
Other expenses	81,973	72,776
	<u>1,709,950</u>	<u>1,697,385</u>

Notes to the financial statements (continued)

Note 8. Expenses (continued)

Depreciation and amortisation expense

	2026 \$	2025 \$
<i>Depreciation of non-current assets</i>		
Buildings	2,344	2,344
Leasehold improvements	24,023	39,271
Plant and equipment	21,725	8,047
Motor vehicles	16,904	14,664
	<u>64,996</u>	<u>64,326</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	<u>9,225</u>	<u>36,593</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	2,383	3,503
Franchise renewal fee	11,911	9,578
	<u>14,294</u>	<u>13,081</u>
	<u>88,515</u>	<u>114,000</u>

Finance costs

	2026 \$	2025 \$
Bank loan interest paid or accrued	-	6
Lease interest expense	52	1,688
Unwinding of make-good provision	444	1,724
	<u>496</u>	<u>3,418</u>

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

Charitable donations, sponsorships and grants expense

	2026 \$	2025 \$
Direct donation, sponsorship and grant payments	10,396	48,177
Contribution to the Community Enterprise Foundation™ (CEF)	<u>550,000</u>	<u>250,000</u>
	<u>560,396</u>	<u>298,177</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.

Notes to the financial statements (continued)

Note 8. Expenses (continued)

Community Enterprise Foundation™ contributions

	2026 \$	2025 \$
<i>Disaggregation of CEF funds</i>		
Opening balance	938,245	995,704
Contributions paid in	550,000	250,000
Grants paid out	(382,518)	(337,648)
Interest received	32,370	42,688
Management fees incurred	(27,497)	(12,499)
	<u>1,110,600</u>	<u>938,245</u>
Balance available for distribution		

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.

Note 9. Income tax

	2026 \$	2025 \$
<i>Income tax expense</i>		
Current tax	200,306	303,948
Movement in deferred tax	21,339	(447)
Net benefit of franking credits on dividends received	(8,100)	(8,100)
	<u>213,545</u>	<u>295,401</u>
Aggregate income tax expense		
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	<u>868,546</u>	<u>1,195,373</u>
Tax at the statutory tax rate of 25%	217,137	298,843
Tax effect of:		
Non-deductible expenses	2,483	2,636
Other assessable income	2,025	2,022
Net benefit of franking credits on distributions received	(8,100)	(8,100)
	<u>213,545</u>	<u>295,401</u>
Income tax expense		
	<u>2026 \$</u>	<u>2025 \$</u>
<i>Deferred tax assets / (liabilities)</i>		
Employee benefits	65,473	66,725
Provision for lease make good	-	8,639
Accrued expenses	1,070	1,140
Income accruals	(5,747)	(6,392)
Lease liabilities	-	2,098
Right-of-use assets	-	(2,306)
Property, plant and equipment	(13,455)	14,395
Financial assets at fair value through profit or loss	(1,699)	(17,374)
Prepayments	(1,280)	(1,224)
	<u>44,362</u>	<u>65,701</u>
Deferred tax asset		

Notes to the financial statements (continued)

Note 9. Income tax (continued)

	2026 \$	2025 \$
Income tax refund due	<u>27,093</u>	<u>-</u>
	2026 \$	2025 \$
Provision for income tax	<u>-</u>	<u>61,940</u>

Accounting policy for income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Accounting policy for current tax

Current tax assets and liabilities are measured at amounts expected to be recovered from or paid to the taxation authorities. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Accounting policy for deferred tax

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

Note 10. Cash and cash equivalents

	2026 \$	2025 \$
Cash at bank and on hand	<u>471,066</u>	<u>195,152</u>

Note 11. Trade and other receivables

	2026 \$	2025 \$
Trade receivables	<u>326,668</u>	<u>271,414</u>
Accrued income	22,989	25,570
Prepayments	<u>5,118</u>	<u>4,899</u>
	<u>28,107</u>	<u>30,469</u>
	<u>354,775</u>	<u>301,883</u>
	2026 \$	2025 \$
<i>Financial assets at amortised cost</i>		
Total trade and other receivables	354,775	301,883
Less prepayments, included in trade and other receivables	<u>(5,118)</u>	<u>(4,899)</u>
	<u>349,657</u>	<u>296,984</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.

Notes to the financial statements (continued)

Note 12. Financial assets

	2026 \$	2025 \$
Equity securities - designated at fair value through profit or loss	<u>316,500</u>	<u>379,200</u>

Accounting policy for financial assets
Refer to note 21 'Financial risk management'

Note 13. Investments

	2026 \$	2025 \$
<i>Current assets</i>		
Sandhurst managed fund	<u>1,818,100</u>	<u>2,500,000</u>

Note 14. Property, plant and equipment

	2026 \$	2025 \$
Land - at cost	<u>893,711</u>	<u>893,711</u>
Buildings - at cost	149,660	149,660
Less: Accumulated depreciation	<u>(18,367)</u>	<u>(16,023)</u>
	<u>131,293</u>	<u>133,637</u>
Leasehold improvements - at cost	950,683	509,988
Less: Accumulated depreciation	<u>(17,352)</u>	<u>(499,552)</u>
	<u>933,331</u>	<u>10,436</u>
Plant and equipment - at cost	266,380	269,411
Less: Accumulated depreciation	<u>(114,232)</u>	<u>(239,335)</u>
	<u>152,148</u>	<u>30,076</u>
Motor vehicles - at cost	97,344	93,083
Less: Accumulated depreciation	<u>(25,402)</u>	<u>(29,537)</u>
	<u>71,942</u>	<u>63,546</u>
Work in progress	-	291,080
	<u>2,182,425</u>	<u>1,422,486</u>

Notes to the financial statements (continued)

Note 14. Property, plant and equipment (continued)

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

	Land \$	Buildings \$	Leasehold improvements \$	Plant and equipment \$	Work in progress \$	Motor vehicles \$	Total \$
Balance at 1 July 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	893,711	133,637	10,436	30,076	291,080	63,546	1,422,486
Additions	-	-	-	126,192	688,507	45,476	860,175
Disposals	-	-	(3,765)	(11,299)	-	(20,176)	(35,240)
Transfers in/(out)	-	-	950,683	28,904	(979,587)	-	-
Depreciation	-	(2,344)	(24,023)	(21,725)	-	(16,904)	(64,996)
Balance at 30 June 2026	<u>893,711</u>	<u>131,293</u>	<u>933,331</u>	<u>152,148</u>	<u>-</u>	<u>71,942</u>	<u>2,182,425</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.

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 15. Intangible assets

	2026 \$	2025 \$
Franchise fee	190,842	178,682
Less: Accumulated amortisation	(180,634)	(178,251)
	<u>10,208</u>	<u>431</u>
Franchise renewal fee	115,300	54,505
Less: Accumulated amortisation	(64,266)	(52,355)
	<u>51,034</u>	<u>2,150</u>
	<u>61,242</u>	<u>2,581</u>

Notes to the financial statements (continued)

Note 15. Intangible 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 2024	3,934	11,728	15,662
Amortisation expense	(3,503)	(9,578)	(13,081)
Balance at 30 June 2025	431	2,150	2,581
Additions	12,160	60,795	72,955
Amortisation expense	(2,383)	(11,911)	(14,294)
Balance at 30 June 2026	<u>10,208</u>	<u>51,034</u>	<u>61,242</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 2030
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	September 2030

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

Note 16. Trade and other payables

	2026 \$	2025 \$
Trade payables	11,646	4,194
Other payables and accruals	<u>163,932</u>	<u>136,306</u>
	<u>175,578</u>	<u>140,500</u>
<i>Non-current liabilities</i>		
Other payables and accruals	<u>48,150</u>	<u>-</u>
	<u>223,728</u>	<u>140,500</u>
	2026 \$	2025 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	223,728	140,500
Less statutory payables, included in trade and other payables	<u>(78,550)</u>	<u>(82,861)</u>
	<u>145,178</u>	<u>57,639</u>

Notes to the financial statements (continued)

Note 17. Employee benefits

	2026 \$	2025 \$
<i>Current liabilities</i>		
Annual leave	123,185	117,772
Long service leave	133,618	146,658
	<u>256,803</u>	<u>264,430</u>
<i>Non-current liabilities</i>		
Long service leave	5,085	2,472
	<u>261,888</u>	<u>266,902</u>

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 18. Issued capital

	2026 Shares	2025 Shares	2026 \$	2025 \$
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.

Notes to the financial statements (continued)

Note 18. Issued capital (continued)

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

Dividends

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

Transfer

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

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

Prohibited shareholding interest

A person must not have a prohibited shareholding interest in the company.

In summary, a person has a prohibited shareholding interest if any of the following applies:

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").

As with voting rights, the purpose of this prohibited shareholding provision is to reflect the community-based nature of the company.

Where a person has a prohibited shareholding interest, the voting and dividend rights attaching to the shares in which the person (and their associates) has a prohibited shareholding interest in are suspended.

The board has the power to request information from a person who has (or is suspected by the board of having) a legal or beneficial interest in any shares in the company or any voting power in the company, for the purpose of determining whether a person has a prohibited shareholding interest. If the board becomes aware that a member has a prohibited shareholding interest, it must serve a notice requiring the member (or the member's associate) to dispose of the number of shares the board considers necessary to remedy the breach. If a person fails to comply with such a notice within a specified period (that must be between three and six months), the board is authorised to sell the specified shares on behalf of that person. The holder will be entitled to the consideration from the sale of the shares, less any expenses incurred by the board in selling or otherwise dealing with those shares.

In the constitution, members acknowledge and recognise that the exercise of the powers given to the board may cause considerable disadvantage to individual members, but that such a result may be necessary to enforce the prohibition.

Note 19. 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.

Notes to the financial statements (continued)

Note 19. Capital management (continued)

The distribution limit is the greater of:

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

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

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

Note 20. 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.

	2026 \$	2025 \$
Fully franked dividend of 20 cents per share (2025: 20 cents)	228,990	228,990

Franking credits

	2026 \$	2025 \$
Franking account balance at the beginning of the financial year	1,268,087	1,078,733
Franking credits (debits) arising from income taxes paid (refunded)	281,239	257,584
Franking debits from the payment of franked distributions	(76,330)	(76,330)
Franking credits from franked distributions received	8,100	8,100
	1,481,096	1,268,087

Franking transactions that will arise subsequent to the financial year end:

Balance at the end of the financial year	1,481,096	1,268,087
Franking credits (debits) that will arise from payment (refund) of income tax	(27,093)	61,940
Franking credits available for future reporting periods	1,454,003	1,330,027

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 21. 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:

Notes to the financial statements (continued)

Note 21. Financial risk management (continued)

- 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.

	2026 \$	2025 \$
Financial assets		
Cash and cash equivalents (note 10)	471,066	195,152
Trade and other receivables excluding prepayments (note 11)	349,657	296,984
Financial assets (note 12)	316,500	379,200
Investments (note 13)	1,818,100	2,500,000
	<u>2,955,323</u>	<u>3,371,336</u>
Financial liabilities		
Trade and other payables (note 16)	145,178	57,639
Lease liabilities	-	8,392
	<u>145,178</u>	<u>66,031</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 and cash and cash equivalents.

The company's financial assets measured at FVTPL comprise investments in listed entities and managed funds 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.

Notes to the financial statements (continued)

Note 21. Financial risk management (continued)

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 \$471,066 and investments of \$1,818,100 at 30 June 2026 (2025: cash equivalents of \$195,152 and investments of \$2,500,000).

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 are recognised 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
2026						
Equity securities	10%	<u>31,650</u>	<u>-</u>	(10%)	<u>(31,650)</u>	<u>-</u>
	% 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>

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 \$
2026				
Trade and other payables	97,028	48,150	-	145,178
Total non-derivatives	<u>97,028</u>	<u>48,150</u>	<u>-</u>	<u>145,178</u>
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2025				
Trade and other payables	57,639	-	-	57,639
Lease liabilities	8,444	-	-	8,444
Total non-derivatives	<u>66,083</u>	<u>-</u>	<u>-</u>	<u>66,083</u>

Notes to the financial statements (continued)

Note 22. 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 OAM	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.

	2026 \$	2025 \$
Short-term employee benefits	116,950	107,350
Post-employment benefits	12,147	10,721
	<u>129,097</u>	<u>118,071</u>

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

Note 23. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 22.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Terms and conditions of transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties

The following transactions occurred with related parties:

	2026 \$	2025 \$
The company engaged Elle Rowe Creative for design services during the period. Elle Rowe Creative is a sole trader business operated by a close family member of Louise Rowe. The total amount paid during the period was:	349	715
The company made a sponsorship payment through its Community Enterprise Foundation (CEF) to Future Bayswater. Greg Da Rui is a committee member of Future Bayswater. The total amount paid during the period was:	5,000	5,000
The company made a sponsorship payment through its Community Enterprise Foundation (CEF) to the Bayswater Traders Association. Greg Da Rui is the Chairperson of the Bayswater Traders Association. The total amount paid during the period was:	5,000	2,500
The company made a sponsorship payment through its Community Enterprise Foundation (CEF) to Future Bayswater (Twilight Markets). Greg Da Rui is a committee member of Future Bayswater. The total amount paid during the period was:	36,000	4,000

Notes to the financial statements (continued)

Note 24. 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:

	2026 \$	2025 \$
<i>Audit services</i>		
Audit or review of the financial statements	9,190	8,500
<i>Other services</i>		
Taxation advice and tax compliance services	290	290
General advisory services	3,850	3,025
Share registry services	16,209	16,567
	20,349	19,882
	29,539	28,382

Note 25. Reconciliation of profit after income tax to net cash provided by operating activities

	2026 \$	2025 \$
Profit after income tax expense for the year	655,001	899,972
Adjustments for:		
Depreciation and amortisation	88,515	114,000
Net loss on disposal of non-current assets	8,615	-
Decrease/(Increase) in fair value of equity instruments designated at FVTPL	62,700	(34,500)
Lease liabilities interest	52	1,688
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(52,892)	52,328
Increase in income tax refund due	(27,093)	-
Decrease/(increase) in deferred tax assets	21,339	(447)
Increase in trade and other payables	24,862	36,367
Increase/(decrease) in provision for income tax	(61,940)	38,264
Increase/(decrease) in employee benefits	(5,014)	26,829
Increase/(decrease) in other provisions	(34,556)	1,723
Net cash provided by operating activities	679,589	1,136,224

Note 26. Earnings per share

	2026 \$	2025 \$
Profit after income tax	655,001	899,972
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	1,144,952	1,144,952
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,144,952	1,144,952

Notes to the financial statements (continued)

Note 26. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	57.21	78.60
Diluted earnings per share	57.21	78.60

Note 27. Commitments

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

Note 28. Contingencies

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

Note 29. Events after the reporting period

On 7 August 2026, the Company declared a fully franked dividend of 22.5 cents per share, amounting to \$257,614, which was paid on 9 September 2026. As the dividend was declared after the reporting date, no liability has been recognised in these financial statements.

Apart from the dividend declared as discussed above, no other matter or circumstance has arisen since 30 June 2026 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

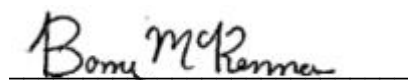
Bayswater Community Financial Services Ltd **Directors' declaration** **30 June 2026**

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the *Accounting 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 2026 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 requirements of 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 Standard *AASB 124 Related Party Disclosures* to prepare consolidated financial statements. Therefore, a consolidated entity disclosure statement has not been included in the financial statements. 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 OAM
Chair

14 September 2026

Independent audit report



Andrew Friwin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
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03 5443 0344

Independent auditor's report to the members 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 (the company), is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2026 and of its financial performance for the year ended on that date
- 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, which comprises:

- the Statement of financial position as at 30 June 2026
- the Statement of profit or loss and other comprehensive income for the year ended 30 June 2026
- the Statement of changes in equity for the year ended 30 June 2026
- the Statement of cash flows for the year ended 30 June 2026
- the notes to the financial statements, including material accounting policies, and the
- 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 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.

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 2026 but does not include the financial report and our auditor's report thereon.



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Our opinion on the financial report does not cover the other information and accordingly we will not express any form of assurance conclusion thereon.

At the date of this auditor's report, we have not received the other information. When we receive the other information, our responsibility is to read it and consider whether it is materially inconsistent with the financial report or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

If, based on the work we perform on the other information received after the date of this auditor's report, we conclude that there is a material misstatement of that other information, we are required to report that fact.

Responsibilities of the directors for the financial report

The directors of the company are responsible for the preparation of the financial report that 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: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf
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: 14 September 2026

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

Adrian Downing
Lead Auditor

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