

Annual Report 2025

Bright Community Financial
Services Limited

Community Bank
Bright

ABN 93 117 798 553



Contents

Chairperson's report	2
Manager's report	4
Directors' report	6
Auditor's independence declaration	11
Financial statements	12
Notes to the financial statements	16
Directors' declaration	34
Independent audit report	35

Chairperson's report

For year ending 30 June 2025

As Chairperson, I am pleased to present this year's report to our valued shareholders and community. The 2024/2025 financial year stands as a testament to our collective strength and vision, as we've continued to deliver meaningful impact for our region while navigating significant industry challenges.

Navigating Financial Realities with Transparency

I must be transparent about the evolving landscape we're operating within. Like many financial institutions across Australia, we're experiencing tightening margins and rising operational costs that have placed pressure on our profitability this year. Despite these headwinds, I'm proud to announce we've maintained our substantial annual community contribution, demonstrating our unwavering commitment to the community we serve.

Over our eighteen-year journey, we've now contributed over \$1.1 million to local projects, infrastructure, and initiatives that continue to enrich and strengthen our remarkable region. While our purpose remains crystal clear, we must acknowledge that over the next few years, we may need to carefully consider the scale of our community contributions. This decision weighs heavily on our Board, as community investment sits at the heart of what we do. However, by being prudent now, we're ensuring the long-term sustainability of our community support.

Operational Changes: Myrtleford Agency

I must inform you of an important operational change: our Myrtleford Agency will close in October this year. This decision was not made lightly and reflects the challenging economic environment we're navigating. However, Australia Post will continue to provide banking solutions in the area, ensuring continued access to essential banking services. Importantly, there will be no change to Community Bank Bright's full operations. We will continue to operate five days per week, providing the complete range of services our community has come to rely on.

Adapting and Thriving in a Digital World

Our bank's agility in responding to evolving customer needs, particularly the accelerated shift toward digital banking solutions, has been remarkable. By staying focused on providing expert financial guidance, delivering proactive fraud protection, and offering personalised money management advice, we've solidified our position as a trusted cornerstone of financial security. The continued growth in our deposit base clearly demonstrates our community's confidence in our ability to protect and nurture their financial wellbeing.

Community Investment: Our Greatest Pride

Despite the financial pressures, our Board's commitment to community investment has remained steadfast this year. Our significant community contributions have supported an impressive array of projects designed to enhance social connection, health outcomes, and sporting participation across our entire region.

Executed by Allira Simpson, our marketing strategy continues to be guided by five fundamental pillars—Wellbeing, Liveability, Culture, Youth, and Diversity—ensuring every funding decision aligns with our community's greatest needs. The continued success of our 'Smarty Grants' digital platform has revolutionised how we manage applications and measure the real-world impact of our community support.

Our Exceptional Team

This year has brought stability to our staffing structure, with strategic investment in our team's training and development. Supported by the outstanding leadership of Branch Manager Mark Ditcham, our team has successfully risen to meet the increasing demands from both our customers and the evolving banking landscape, all while maintaining the exceptional service standards our customers have come to expect.

Chairperson's report (continued)

The dedication of our entire team—Courtney, Kasey, Lisa, Leesa, Jill and Laura—continues to be the driving force behind our success. Their commitment to exceeding customer expectations while embodying our community values is truly exceptional and deeply appreciated.

Board Developments

Marthijs Heupermann joined our team with extensive project management and IT expertise. Since joining, he has helped shape our Governance and Systems working group, delivering significant process improvements and system enhancements that have strengthened our operational efficiency and strategic capabilities.

Monique Hoedemaker brings extensive hospitality and accommodation management experience. As a Bright Chamber of Commerce Board member, she provides valuable insights into small business challenges and tourism sector dynamics, enhancing our understanding of regional market needs and community engagement strategies.

Together, Marthijs and Monique have strengthened our Board's expertise and enhanced our capacity to deliver strategic outcomes for our Board and community.

Acknowledging Exceptional Service

As we approach our AGM in November, we farewell Britt Howard after five years of outstanding service. Britt's strategic leadership of our Marketing and Sponsorship working groups has strengthened community partnerships and enhanced our local connections.

Her corporate expertise brought valuable strategic insight to Board decisions, while her leadership of last year's successful branch renovation demonstrated her ability to deliver tangible results. Most significantly, Britt championed mental health as a community priority, driving sustained investment in programs that build resilience and support collective wellbeing.

Britt's unwavering commitment to creating a thriving, mentally healthy community will benefit our region for years to come. We extend our heartfelt gratitude for her exceptional contribution and wish her continued success.

Gratitude and Recognition

The outstanding performance of Community Bank Bright is a direct result of our team's dedication and expertise. We remain deeply grateful for the ongoing support from Bendigo Bank, particularly Galen Munari and Kelly Torpey, whose guidance and partnership continue to be invaluable as we navigate industry challenges together.

Most importantly, our shareholders remain the foundation of everything we achieve. Your continued support enables our branch team and volunteer Board to create lasting, positive change throughout the Bright region.

Our Bright Future

While we face headwinds that require careful navigation, Community Bank Bright remains energised about the journey ahead. By being transparent about our challenges and prudent in our planning, we're ensuring that we can continue to serve our community for many years to come. Together, we're not just banking; we're building a resilient, bright future for everyone who calls this community home.

With warm appreciation and confidence in our shared future,



Kim Murrells
Chairperson
Bright Community Financial Services Limited

Manager's report

For year ending 30 June 2025

It is once again my pleasure to submit the Branch Manager's report for Community Bank Bright.

I am proud to again report that despite the challenges in our industry of economic uncertainty and competition, Community Bank Bright was able to again grow our business during this last financial year, and return a profitable result before community contributions, and what was even more rewarding, was the fact that we were again able to support our local communities with significant financial support to a wide range of local groups, clubs, and projects.

Our Branch funds under management is now over \$170 Million and during the last financial year we continued to increase our number of customers, as even more individuals and businesses put their trust in Community Bank Bright to be their Bank of choice. This was no doubt not only due to the financial support we have been able to provide to our communities over the last 18 years, and the high-quality service we provide, but also due to the Community Bank Board's and the Bendigo Bank's commitment to provide a full-time banking branch in our community.

This sustained growth of our business has allowed the Board of Bright Community Financial Services Ltd to continue its commitment to our communities with sponsorships and support to many local groups, clubs, and projects. We were again able to provide an outstanding level of support to our community last financial year, and this is a testament to the Community Bank model.

Community Bank Bright has a charter and purpose of giving back to our communities with a variety of support given to Bright to Myrtleford and surrounds. We consider this to be a privilege, and something we remain enormously proud of.

Our local Community Bank Board also has an ongoing commitment to supporting our customers by maintaining a full service and fully staffed Branch which is open from 9.30am – 5pm Monday to Friday (closing from 1-2pm each day for lunch). Our Branch and staff are also directly contactable by either email or phone, and even in this changing banking landscape of mobile and internet banking, we know that being present and available is valued by our customers and the community.

While our Myrtleford Agency will close in October, we will continue to support the Myrtleford community through our sponsorships and grants programs.

The decision to close the Agency was a difficult one, however, our customers in and around Myrtleford can continue banking through Bank@Post at Australia Post who will be able to provide much of the access to banking that was available at our Agency. It is important to note that there will be no change to Community Bank Bright's full Branch operations of being open five days per week and providing the complete range of banking products and services to our communities.

From a banking perspective, the continued and valued support of Bendigo & Adelaide Bank Ltd means we can continue to offer competitive products, and banking options & services to our customers. We appreciate and value this collaboration and support we have with our banking partner.

Operational risk and regulatory requirements are a critical area of focus for Bendigo and Adelaide Bank Ltd and for Community Bank Bright. This ensures our staff and branch adhere to its policies and procedures. The operational reviews conducted at our branch over the last 12 months confirm that our staff continue to meet these regulatory requirements.

As mentioned, we receive tremendous support from our Bendigo & Adelaide Bank Ltd business partners, such as our Business Bankers and Rural Agribusiness Managers. They are the specialists and experts in their respective areas of business, finance and agribusiness and provide great support and service to our branch and to our customers.

I also thank our Bendigo & Adelaide Bank support team of Galen Munari & Kelly Torpey (ex & current Regional Managers) and the Risk & Compliance Management Team who also provide great support to our branch and staff.

Manager's report (continued)

I would like to personally thank our fantastic Branch staff, Laura, Kasey, Lisa, Jill, Leesa, Naomi, and Courtney for the support and high-quality service & genuine care they provide to our customers. This level of personal service and care we provide is something we are immensely proud of. The staff form a fantastic team, and I also thank them for the support and assistance they provide to myself and the Board.

I also sincerely thank all members of our local Board of Community Bank Bright. We value and appreciate the support and assistance provided by the Board.

The Board members are all volunteers, and I thank our current Chairperson, Kim Murrells, and all the Board members for their support, passion, and commitment to the community and our business.

Most importantly of all I would like to thank our local shareholders, our individual customers and the local businesses, clubs and groups that choose to do their banking with Community Bank Bright. It is only because they trust their banking to us that we can provide our invaluable support and give back to our local communities.

We acknowledge that we face a challenging, competitive and changing banking environment with pressures on income and costs, however, we are confident that our service, our product offering and our unique points of difference of being locally owned and giving back 80% of our profits to our communities will mean we continue to grow and be an important asset for our community.

Our success is linked to the success of our communities so assisting local groups and supporting community events and projects is ultimately good for all of us.

On behalf of the branch staff, we look forward to the next 12 months and another year of servicing our current, new, and potential customers, growing our business, and continuing to support our communities.

Thank you.



Mark Ditcham
Branch Manager

Directors' report

30 June 2025

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

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Name:	Kim Kristalyn Murrells
Title:	Non-executive director
Experience and expertise:	With post graduate qualifications in Business and HR, Kim has a background in HR spanning 25 years. From running small HR consulting businesses to senior HR positions in manufacturing, retail and professional service industries Kim brings her experience to the Community Bank Bright board. Her passion to improve the lives of people in our community brings her expertise and energy to the Chair role.
Special responsibilities:	Chair, People working party
Name:	Julie Rose Blood
Title:	Non-executive director
Experience and expertise:	Office manager and Bookkeeper for 30 years. Bright Community Financial Services Limited Company Secretary for 14 years. General Manager at Bright Vehicle Preservation Society for 7 years. Past President of United Bright Football and Netball Club and Bright Junior Football Club. Past Treasurer for Bright Wanderers Cricket Club.
Special responsibilities:	Company Secretary, Finance working party, Governance/Policy and Procedure working party
Name:	Graham Wayne Gales ESM
Title:	Non-executive director
Experience and expertise:	B. Sc. (Ed.) (Melbourne), Grad Dip. Ed. Studies (Charles Sturt). Teacher and Curriculum Consultant, Victorian Department of Education. Controller, Bright SES; SES volunteer; SES Regional Trainer and RCR Assessor. Member, Upper Ovens Landcare Group. Volunteer Guide, Alpine National Park, Parks Victoria. Volunteer, Hut restorations, Alpine National Park, Parks Victoria. Graham was awarded the Emergency Services Medal (ESM) in the King's Birthday 2025 Honours List.
Special responsibilities:	Sponsorship working party, Marketing working party, Public Relations working party
Name:	Britt Howard
Title:	Non-executive director
Experience and expertise:	Britt is an enthusiastic person who loves design, and after two decades working in corporate IT sales and marketing roles in big cities, she moved to Bright in 2017. Here she re-trained to be an Interior Designer & Decorator, opening her own studio and employing locals, working with residential renovation clients in the Alpine Shire. She loves our local community and is hard working and committed. Super passionate about nature, architecture, art, colour & design, her work helps to enrich the lives of her clients and the community through best practices and sustainability in design. She has previously been Vice President of the Bright Community Co-working space and also holds a Bachelor of Business majoring in Marketing and Tourism.
Special responsibilities:	Marketing and Communication working party, Sponsorship working party
Name:	Lenore Harris
Title:	Non-executive director
Experience and expertise:	Experienced retail and human resources manager with experience in training, organisational development, operational human resources and communication. Bachelor of Arts and Diploma in Investor Relations.
Special responsibilities:	People working party, Sponsorship working party

Directors' report (continued)

Name:	Helen Fay Hofbauer
Title:	Non-executive director
Experience and expertise:	Currently managing the accounts, administration and payroll for a local construction company. 20 years experience employed by Alpine Health in the role of Client Services. A 6-year volunteer role as the bookkeeper and office manager for the Mt Hotham Race Squad - a not-for-profit club. Previously a receptionist at the historic Mt Buffalo Chalet and an administration role at Cresta Valley for the Department of Conservation and Environment.
Special responsibilities:	Treasurer; Sponsorship working party
Name:	Monique Hoedemaker
Title:	Non-executive director (<i>appointed 15 October 2024</i>)
Experience and expertise:	Monique has over four decades of strategic leadership experience across the hospitality, tourism and real estate sectors. Extensive experience that spans hotel operations, restaurant management, and accommodation development, with a proven track record in business development. She is an active committee member of the Bright & District Chamber of Commerce.
Special responsibilities:	Marketing & Sponsorships working party, Community Engagement working party
Name:	Marthijs Heuperman
Title:	Non-executive director (<i>appointed 15 October 2024</i>)
Experience and expertise:	Marthijs is the General Manager for Bright Laundry, a fast-expanding linen supply business based in NE Victoria. Prior to this latest appointment, he was working as a Project Manager with a key focus on Sustainability and Logistics for one of Australia's long standing independent craft breweries - Bright Brewery. Having completed a Bachelor of Town Planning and Design, he has spent the last 20 years building business acumen in a wide range of industries, including logistics and warehousing, beverage packaging, security printing, utilities and trade waste. Marthijs is the Director of Indigo Power Ltd.
Special responsibilities:	Governance/Policy and Procedure working party, Property working party
Name:	Marcus Warner
Title:	Non-executive director (<i>appointed 24 September 2025</i>)
Experience and expertise:	Nil
Name:	Rosalind Anne Holland
Title:	Non-executive director (<i>resigned 27 November 2024</i>)
Experience and expertise:	Grad Dip Bus Mgt, Assoc Dip Bus Admin. Business management consulting 16 years – public, private and NFP organisations. Positions in the public and private sectors in the people and business management – 10 years. Currently owner and manager Bright Mystic Valley Accommodation. Member of the Bright and District Chamber of Commerce. Owner and manager holiday accommodation.
Special responsibilities:	Nil

Company secretary

The Company secretary is Julie Rose Blood. Julie was appointed to the position of company secretary on 23 May 2011.

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 loss for the company after providing for income tax amounted to \$4,288 (2024: profit of \$96,953).

Operations have continued to perform in line with expectations.

Directors' report (continued)

Dividends

The following dividends were paid to shareholders during the reporting period as presented in the Statement of cash flows.

	2025 \$	2024 \$
Fully franked dividend of 13 cents per share (2024: 9 cents)	90,234	62,470

The following dividends were declared during the reporting period as presented in the Statement of changes in equity.

	2025 \$	2024 \$
Fully franked dividend of 10 cents per share (2024: 12 cents)	69,411	83,293

Significant changes in the state of affairs

During the year the company completed a share buy back of 57,866 ordinary shares at \$1 each. See note 18 for more information.

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

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments

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

Environmental regulation

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

Meetings of directors

The number of directors' meetings attended by each of the directors' of the company during the financial year were:

	Board Eligible	Attended
Kim Kristalyn Murrells	11	10
Julie Rose Blood	11	11
Graham Wayne Gales	11	8
Britt Howard	11	9
Lenore Harris	11	7
Helen Fay Hofbauer	11	10
Monique Hoedemaker	7	6
Marthijs Heuperman	7	6
Rosalind Anne Holland	4	3

Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 23 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' report (continued)

Directors' interests

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Kim Kristalyn Murrells	-	-	-
Julie Rose Blood	-	-	-
Graham Wayne Gales	5,000	-	5,000
Britt Howard	-	-	-
Lenore Harris	-	-	-
Helen Fay Hofbauer	-	-	-
Monique Hoedemaker	-	-	-
Marthijs Heuperman	-	-	-
Rosalind Anne Holland	600	-	600

Shares under option

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

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2025 and up to the date of this report.

Indemnity and insurance of directors and officers

The company has indemnified all directors and management in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or management of the company except where the liability arises out of conduct involving the lack of good faith.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Non-audit services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 24 to the accounts.

Directors' report (continued)

The board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of the non-audit services is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

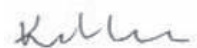
- all non-audit services have been reviewed by the board to ensure they do not impact on the impartiality, integrity and objectivity of the auditor
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the company, acting as an advocate for the company or jointly sharing risks and rewards.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



Kim Kristalyn Murrells
Chair

30 October 2025

Auditor's independence declaration



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

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Bright Community Financial Services Limited

As lead auditor for the audit of Bright Community Financial Services Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 30 October 2025

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

Lachlan Tatt
Lead Auditor

Financial statements

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

	Note	2025 \$	2024 \$
Revenue from contracts with customers	6	1,098,765	1,123,393
Other revenue		-	10,593
Finance revenue		37,752	35,676
Total revenue		<u>1,136,517</u>	<u>1,169,662</u>
Employee benefits expense	7	(552,869)	(524,509)
Advertising and marketing costs		(18,669)	(49,920)
Occupancy and associated costs		(19,239)	(17,045)
System costs		(28,477)	(18,311)
Depreciation and amortisation expense	7	(60,111)	(63,682)
Finance costs	7	(10,728)	(11,907)
General administration expenses		(216,791)	(173,729)
Total expenses before community contributions and income tax		<u>(906,884)</u>	<u>(859,103)</u>
Profit before community contributions and income tax expense		229,633	310,559
Charitable donations, sponsorships and grants expense		<u>(235,351)</u>	<u>(184,479)</u>
Profit/(loss) before income tax (expense)/benefit		(5,718)	126,080
Income tax (expense)/benefit	8	<u>1,430</u>	<u>(29,127)</u>
Profit/(loss) after income tax (expense)/benefit for the year		(4,288)	96,953
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>(4,288)</u>	<u>96,953</u>
		Cents	Cents
Basic earnings per share	26	(0.63)	13.97
Diluted earnings per share	26	(0.63)	13.97

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

Financial statements (continued)

Bright Community Financial Services Limited Statement of financial position As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	9	142,150	97,968
Trade and other receivables	10	103,950	106,107
Investments	11	600,000	926,909
Current tax assets	8	37,095	77,091
Total current assets		<u>883,195</u>	<u>1,208,075</u>
Non-current assets			
Property, plant and equipment	12	141,987	10,307
Right-of-use assets	13	468,705	269,645
Intangible assets	14	16,223	29,201
Deferred tax assets	8	28,424	26,994
Total non-current assets		<u>655,339</u>	<u>336,147</u>
Total assets		<u>1,538,534</u>	<u>1,544,222</u>
Liabilities			
Current liabilities			
Trade and other payables	15	59,209	122,452
Borrowings		9,971	5,544
Lease liabilities	16	45,349	42,355
Employee benefits	17	71,282	66,767
Total current liabilities		<u>185,811</u>	<u>237,118</u>
Non-current liabilities			
Trade and other payables	15	-	15,244
Borrowings		-	9,971
Lease liabilities	16	437,610	243,878
Employee benefits	17	17,480	13,676
Provisions		22,240	17,377
Total non-current liabilities		<u>477,330</u>	<u>300,146</u>
Total liabilities		<u>663,141</u>	<u>537,264</u>
Net assets		<u>875,393</u>	<u>1,006,958</u>
Equity			
Issued capital	18	612,481	670,347
Retained earnings		<u>262,912</u>	<u>336,611</u>
Total equity		<u>875,393</u>	<u>1,006,958</u>

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

Financial statements (continued)

Bright Community Financial Services Limited Statement of changes in equity For the year ended 30 June 2025

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2023		670,347	322,951	993,298
Profit after income tax expense		-	96,953	96,953
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(83,293)	(83,293)
Balance at 30 June 2024		<u>670,347</u>	<u>336,611</u>	<u>1,006,958</u>
 Balance at 1 July 2024		 670,347	 336,611	 1,006,958
Loss after income tax expense		-	(4,288)	(4,288)
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(69,411)	(69,411)
Buy back of shares during period	18	(57,866)	-	(57,866)
		<u>(57,866)</u>	<u>(69,411)</u>	<u>(127,277)</u>
Balance at 30 June 2025		<u>612,481</u>	<u>262,912</u>	<u>875,393</u>

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

Financial statements (continued)

Bright Community Financial Services Limited Statement of cash flows For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,220,878	1,264,748
Payments to suppliers and employees (inclusive of GST)		(1,200,952)	(1,087,238)
Interest received		40,778	34,814
Income taxes refunded/(paid)		11,082	(174,020)
Net cash provided by operating activities	25	71,786	38,304
Cash flows from investing activities			
Redemption of/(investment in) term deposits		326,909	(126,169)
Payments for property, plant and equipment		(140,272)	-
Payments for intangible assets		(13,857)	(13,857)
Net cash provided by/(used in) investing activities		172,780	(140,026)
Cash flows from financing activities			
Repayment of borrowings		(5,544)	(4,967)
Interest and other finance costs paid		(10,111)	(11,311)
Payments for share buy-backs	18	(57,866)	-
Dividends paid	20	(90,234)	(62,470)
Repayment of lease liabilities		(36,629)	(34,300)
Net cash used in financing activities		(200,384)	(113,048)
Net increase/(decrease) in cash and cash equivalents		44,182	(214,770)
Cash and cash equivalents at the beginning of the financial year		97,968	312,738
Cash and cash equivalents at the end of the financial year	9	142,150	97,968

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

Notes to the financial statements

30 June 2025

Note 1. Reporting entity

The financial statements cover Bright Community Financial Services Limited (the company) as an individual entity, which is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Shop 2, 104 Gavan Street, Bright VIC 3741.

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 30 October 2025. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

The accounting policies that are material to the company are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Adoption of new and revised accounting standards

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The company has assessed and concluded there are no material impacts.

Accounting standards issued but not yet effective

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

Current and non-current classification

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

Investments

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the company has the positive intention and ability to hold the financial asset to maturity. Investments are carried at amortised cost using the effective interest rate method.

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.

Notes to the financial statements (continued)

Note 3. Material accounting policy information (continued)

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Impairment of non-financial assets

At each reporting date, the company reviews the carrying amounts of its tangible assets and intangible assets to determine whether there is any indication those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 4. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. The directors continually evaluate their judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

The directors base their judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events that it believes to be reasonable under the circumstances. Differences between the accounting judgements and estimates and actual results and outcomes are accounted for in future reporting periods. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Judgements

Timing of revenue recognition associated with trail commission

The company receives trailing commission from Bendigo Bank for products and services sold. Ongoing trailing commission payments are recognised on a monthly basis when earned as there is insufficient detail readily available to estimate the most likely amount of revenue without a high probability of significant reversal in a subsequent reporting period. The receipt of ongoing trailing commission revenue is outside the control of the company.

Allowance for expected credit losses on trade and other receivables

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

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

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

Impairment of non-financial assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. The directors did not identify any impairment indications during the financial year.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Notes to the financial statements (continued)

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

Lease term

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

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

The company includes extension options applicable to the lease of branch premises in its calculations of both the right-of-use asset and lease liability to the extent that the company is reasonably certain it will exercise the extension option. This is due to the significant disruption of relocating premises and the loss on disposal of leasehold improvements fitted out in the leased premises.

Estimates and assumptions

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives or assets that have been abandoned or sold will be written off or written down.

Incremental borrowing rate

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

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.

Note 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The current term of the franchise agreement expires in October 2026.

The franchise agreement includes one additional option for a period of 5 years. Under the terms of the franchise agreement, Bendigo Bank will renew the agreement upon the company's request, subject to the company satisfying certain conditions. The key conditions for renewal include:

- compliance with conditions under the existing agreement
- maintaining valid lease agreement/s for branch premises where applicable
- ensuring branch premises meet Bendigo Bank's fit-out requirements at the time of renewal.

The directors have assessed the company's ability to meet these conditions and, to the best of their knowledge, believe they have been and will continue to be satisfied. Accordingly, the directors have a reasonable expectation that the franchise agreement will be renewed under mutually acceptable terms and conditions prior to expiry of the current term.

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.

Notes to the financial statements (continued)

Note 5. Economic dependency (continued)

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

	2025 \$	2024 \$
Margin income	946,806	983,526
Fee income	60,038	57,390
Commission income	91,921	82,477
	<u>1,098,765</u>	<u>1,123,393</u>

Accounting policy for revenue from contracts with customers

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

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

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

Revenue stream	Includes	Performance obligation	Timing of recognition
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.

Revenue calculation

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

Margin income

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

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

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

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers (continued)

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.

Core banking products

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

Ability to change financial return

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

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

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

Note 7. Expenses

Employee benefits expense

	2025 \$	2024 \$
Wages and salaries	443,254	433,080
Non-cash benefits	11,091	433
Superannuation contributions	54,130	48,517
Expenses related to long service leave	7,893	9,158
Other expenses	36,501	33,321
	<u>552,869</u>	<u>524,509</u>

Leases recognition exemption

	2025 \$	2024 \$
Expenses relating to low-value leases	<u>12,801</u>	<u>5,757</u>

Depreciation and amortisation expense

	2025 \$	2024 \$
<i>Depreciation of non-current assets</i>		
Furniture, fixtures and fittings	8,592	4,962
Motor vehicles	-	8,704
	<u>8,592</u>	<u>13,666</u>
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	<u>38,541</u>	<u>36,361</u>
<i>Amortisation of intangible assets</i>		
Franchise fee	2,163	2,343
Franchise renewal fee	10,815	11,312
	<u>12,978</u>	<u>13,655</u>
	<u>60,111</u>	<u>63,682</u>

Notes to the financial statements (continued)

Note 7. Expenses (continued)

Finance costs

	2025 \$	2024 \$
Bank loan interest paid or accrued	449	1,025
Lease interest expense	9,662	10,286
Unwinding of make-good provision	617	596
	<u>10,728</u>	<u>11,907</u>

Note 8. Income tax

	2025 \$	2024 \$
<i>Income tax expense/(benefit)</i>		
Current tax	-	33,214
Movement in deferred tax	(1,430)	(1,694)
Under/over adjustment	-	(2,393)
Aggregate income tax expense/(benefit)	<u>(1,430)</u>	<u>29,127</u>
<i>Prima facie income tax reconciliation</i>		
Profit/(loss) before income tax (expense)/benefit	<u>(5,718)</u>	<u>126,080</u>
Tax at the statutory tax rate of 25%	(1,430)	31,520
Under/over adjustment	-	(2,393)
Income tax expense/(benefit)	<u>(1,430)</u>	<u>29,127</u>
	2025 \$	2024 \$
<i>Deferred tax assets/(liabilities)</i>		
Carry forward tax losses	1,526	-
Property, plant and equipment	(3,652)	-
Employee benefits	22,621	20,454
Provision for lease make good	5,560	4,344
Income accruals	(1,195)	(1,951)
Lease liabilities	120,740	71,558
Right-of-use assets	(117,176)	(67,411)
Deferred tax asset	<u>28,424</u>	<u>26,994</u>
	2025 \$	2024 \$
Income tax refund due	<u>37,095</u>	<u>77,091</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.

Notes to the financial statements (continued)

Note 8. Income tax (continued)

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 9. Cash and cash equivalents

	2025 \$	2024 \$
Cash at bank and on hand	142,150	97,968

Note 10. Trade and other receivables

	2025 \$	2024 \$
Trade receivables	82,065	93,271
Other receivables and accruals	5,234	8,261
Prepayments	16,651	4,575
	21,885	12,836
	103,950	106,107

Accounting policy for trade and other receivables

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

Note 11. Investments

	2025 \$	2024 \$
<i>Current assets</i>		
Term deposits	600,000	926,909

Note 12. Property, plant and equipment

	2025 \$	2024 \$
Furniture, fixtures and fittings - at cost	199,404	196,315
Less: Accumulated depreciation	(57,417)	(186,008)
	141,987	10,307
Motor vehicles - at cost	42,046	42,046
Less: Accumulated depreciation	(42,046)	(42,046)
	-	-
	141,987	10,307

Notes to the financial statements (continued)

Note 12. 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:

	Furniture, fixtures and fittings \$	Motor vehicles \$	Total \$
Balance at 1 July 2023	15,269	8,704	23,973
Depreciation	(4,962)	(8,704)	(13,666)
Balance at 30 June 2024	10,307	-	10,307
Additions	140,272	-	140,272
Depreciation	(8,592)	-	(8,592)
Balance at 30 June 2025	<u>141,987</u>	<u>-</u>	<u>141,987</u>

Additions

During the financial year the company completed a refurbishment for the Bright branch, which also included disposing of old assets that were either replaced or no longer in use. Total refurbishment cost was \$140,272.

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 straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Furniture, fixtures and fittings	5 to 13 years
Motor vehicle	4 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 13. Right-of-use assets

	2025 \$	2024 \$
Land and buildings - right-of-use	676,890	439,289
Less: Accumulated depreciation	<u>(208,185)</u>	<u>(169,644)</u>
	<u>468,705</u>	<u>269,645</u>

Notes to the financial statements (continued)

Note 13. Right-of-use assets (continued)

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

	Land and buildings \$
Balance at 1 July 2023	291,217
Remeasurement adjustments	14,789
Depreciation expense	<u>(36,361)</u>
Balance at 30 June 2024	269,645
Remeasurement adjustments	237,601
Depreciation expense	<u>(38,541)</u>
Balance at 30 June 2025	<u><u>468,705</u></u>

Accounting policy for right-of-use assets

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

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

Refer to note 16 for more information on lease arrangements.

Note 14. Intangible assets

	2025 \$	2024 \$
Franchise fee	101,329	101,329
Less: Accumulated amortisation	<u>(98,625)</u>	<u>(96,462)</u>
	2,704	4,867
Franchise renewal fee	110,036	110,036
Less: Accumulated amortisation	<u>(96,517)</u>	<u>(85,702)</u>
	13,519	24,334
	<u><u>16,223</u></u>	<u><u>29,201</u></u>

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

	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2023	7,210	35,646	42,856
Amortisation expense	<u>(2,343)</u>	<u>(11,312)</u>	<u>(13,655)</u>
Balance at 30 June 2024	4,867	24,334	29,201
Amortisation expense	<u>(2,163)</u>	<u>(10,815)</u>	<u>(12,978)</u>
Balance at 30 June 2025	<u><u>2,704</u></u>	<u><u>13,519</u></u>	<u><u>16,223</u></u>

Notes to the financial statements (continued)

Note 14. Intangible assets (continued)

Accounting policy for intangible assets

Intangible assets of the company relate to the franchise fees paid to Bendigo Bank which conveys the right to operate the Community Bank franchise.

Intangible assets are measured on initial recognition at cost. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

The franchise fees paid by the company are amortised over their useful life and assessed for impairment whenever impairment indicators are present.

The estimated useful life and amortisation method for the current and comparative periods are as follows:

<u>Asset class</u>	<u>Method</u>	<u>Useful life</u>	<u>Expiry/renewal date</u>
Franchise fee	Straight-line	Over the franchise term (5 years)	October 2026
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	October 2026

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

Note 15. Trade and other payables

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Trade payables	28,142	60,396
Other payables and accruals	31,067	62,056
	<u>59,209</u>	<u>122,452</u>
<i>Non-current liabilities</i>		
Other payables and accruals	-	15,244
	<u>-</u>	<u>15,244</u>
	2025	2024
	\$	\$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	59,209	137,696
Less: other payables and accruals (net GST payable to the ATO)	(9,368)	(25,719)
	<u>49,841</u>	<u>111,977</u>

Note 16. Lease liabilities

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Land and buildings lease liabilities	45,349	42,355
	<u>45,349</u>	<u>42,355</u>
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	437,610	243,878
	<u>437,610</u>	<u>243,878</u>

Notes to the financial statements (continued)

Note 16. Lease liabilities (continued)

Reconciliation of lease liabilities

	2025 \$	2024 \$
Opening balance	286,233	308,527
Remeasurement adjustments	233,355	12,006
Lease interest expense	9,662	10,286
Lease payments - total cash outflow	(46,291)	(44,586)
	<u>482,959</u>	<u>286,233</u>

Accounting policy for lease liabilities

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

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

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

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options available	Reasonably certain to exercise options	Lease term end date used in calculations
Bright Branch	6.25%	5 years	3 x 5 years	Yes	September 2041

Remeasurement adjustments

The company has determined it is now reasonably certain to exercise the extension options available for the Bright branch lease as a result of the recently completed branch refurbishment. As such a remeasurement of the right-of-use asset, lease liability and make-good provision occurred using the revised lease term end date of September 2041.

Note 17. Employee benefits

	2025 \$	2024 \$
<i>Current liabilities</i>		
Annual leave	24,941	19,524
Long service leave	46,341	47,243
	<u>71,282</u>	<u>66,767</u>
<i>Non-current liabilities</i>		
Long service leave	<u>17,480</u>	<u>13,676</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.

Notes to the financial statements (continued)

Note 17. Employee benefits (continued)

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

	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	694,113	694,113	694,113	694,113
Less: Equity raising costs	-	-	(23,766)	(23,766)
Less: Cost of share buy back	(57,866)	-	(57,866)	-
	<u>636,247</u>	<u>694,113</u>	<u>612,481</u>	<u>670,347</u>

During the financial year the company completed a share buy back, where the company bought back and cancelled 57,866 ordinary shares at \$1 each following the offer made to the company's shareholders.

Accounting policy for issued capital

Ordinary shares are recognised at the fair value of the consideration received by the company being \$1 per share. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Rights attached to issued capital

Ordinary shares

Voting rights

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

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

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

Dividends

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

Transfer

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

Notes to the financial statements (continued)

Note 18. Issued capital (continued)

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

Prohibited shareholding interest

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

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

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

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

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

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

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

Note 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 monitor the return on capital and the level of distributions to shareholders. Capital is represented by total equity as recorded in the statement of financial position.

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

The distribution limit is the greater of:

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

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

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

Notes to the financial statements (continued)

Note 20. Dividends

Dividends paid during the period

The following dividends were paid to shareholders during the reporting period as presented in the Statement of cash flows.

	2025 \$	2024 \$
Fully franked dividend of 13 cents per share (2024: 9 cents)	90,234	62,470

Dividends declared during the period

The following dividends were declared during the reporting period as presented in the Statement of changes in equity.

	2025 \$	2024 \$
Fully franked dividend of 10 cents per share (2024: 12 cents)	69,411	83,293

Accounting policy for dividends

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

Franking credits

	2025 \$	2024 \$
Franking account balance at the beginning of the financial year	238,038	84,841
Franking credits (debits) arising from income taxes paid (refunded)	(11,082)	174,020
Franking debits from the payment of franked distributions	(30,078)	(20,823)
	196,878	238,038

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

Balance at the end of the financial year	196,878	238,038
Franking credits (debits) that will arise from payment (refund) of income tax	(37,095)	(48,476)
Franking debits that will arise from payment of dividends subsequent to financial year end	-	(6,941)
Franking credits available for future reporting periods	159,783	182,621

Franking credits

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%.

Note 21. Financial risk management

The company's financial instruments include trade receivables and payables, cash and cash equivalents, investments, lease liabilities and borrowings. The company does not have any derivatives.

The directors are responsible for monitoring and managing the financial risk exposure of the company, to which end it monitors the financial risk management policies and exposures and approves financial transactions within the scope of its authority.

The directors have identified that the only significant financial risk exposures of the company are liquidity and market (price) risk. Other financial risks are not significant to the company due to the following factors:

- The company has no foreign exchange risk as all of its account balances and transactions are in Australian Dollars.
- The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo Bank. The company monitors credit worthiness through review of credit ratings, Bendigo Bank is rated A- on Standard & Poor's credit ratings.
- The company has no direct exposure to movements in commodity prices.
- The company's interest-bearing instruments are held at amortised cost which have fair values that approximate their carrying value since all cash and payables have maturity dates within 12 months.

Notes to the financial statements (continued)

Note 21. Financial risk management (continued)

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

	2025 \$	2024 \$
Financial assets		
Trade and other receivables (note 10)	87,299	101,532
Cash and cash equivalents (note 9)	142,150	97,968
Investments (note 11)	600,000	926,909
	<u>829,449</u>	<u>1,126,409</u>
Financial liabilities		
Trade and other payables (note 15)	49,841	111,977
Lease liabilities (note 16)	482,959	286,233
Borrowings	9,971	15,515
	<u>542,771</u>	<u>413,725</u>

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

Accounting policy for financial instruments

Financial assets

Classification

The company classifies its financial assets at amortised cost.

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

The company's financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents and investments in term deposits.

Derecognition

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

Impairment of trade and other receivables

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

Financial liabilities

Classification

The company classifies its financial liabilities at amortised cost.

Derecognition

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

Financial risk management

The company has exposure to credit, liquidity and market risk arising from financial instruments. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company does not use derivative instruments. Risk management is carried out directly by the board.

Notes to the financial statements (continued)

Note 21. Financial risk management (continued)

Market risk

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

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on those are subject to movements in market interest rates. The company held cash and cash equivalents of \$142,150 and investments of \$600,000 at 30 June 2025 (2024: \$97,968 and \$926,909).

Price risk

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

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The following are the company's remaining contractual maturities of financial liabilities. The contractual cash flow amounts are gross and undiscounted and therefore may differ from their carrying amount in the statement of financial position.

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2025				
Borrowings	10,000	-	-	10,000
Trade and other payables	49,841	-	-	49,841
Lease liabilities	46,625	186,502	524,536	757,663
Total non-derivatives	106,466	186,502	524,536	817,504
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2024				
Borrowings	5,992	10,000	-	15,992
Trade and other payables	96,733	15,244	-	111,977
Lease liabilities	43,001	178,860	101,896	323,757
Total non-derivatives	145,726	204,104	101,896	451,726

Note 22. Key management personnel disclosures

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

Kim Kristalyn Murrells
Julie Rose Blood
Graham Wayne Gales
Britt Howard
Lenore Harris

Helen Fay Hofbauer
Monique Hoedemaker
Marthijs Heuperman
Rosalind Anne Holland
Marcus Warner

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

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

Notes to the financial statements (continued)

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

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

Transactions with related parties

The following transactions occurred with related parties:

	2025 \$	2024 \$
The company used the secretary services of Julie Rose Blood through her company Blood's Secretarial Services. The total benefit received was:	14,890	11,675
The company provided a sponsorship of Balloon Light for local SES unit of which Graham Wayne Gales is a controller. The total benefit received was:	5,945	6,300
The company provided sponsorship to the Bright & District Chamber of Commerce for their Spring and Autumn Festivals. Monique Hoedemaker is a board member. The total benefit received was:	9,500	-

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:

	2025 \$	2024 \$
<i>Audit services</i>		
Audit or review of the financial statements	8,253	7,040
<i>Other services</i>		
Taxation advice and tax compliance services	360	-
General advisory services	5,390	5,204
Share registry services	8,635	5,689
	14,385	10,893
	<u>22,638</u>	<u>17,933</u>

Notes to the financial statements (continued)

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

	2025 \$	2024 \$
Profit/(loss) after income tax (expense)/benefit for the year	(4,288)	96,953
Adjustments for:		
Depreciation and amortisation	60,111	63,682
Finance costs - loans	449	1,025
Lease liabilities interest amount	9,662	10,286
Change in operating assets and liabilities:		
Decrease in trade and other receivables	2,157	13,901
Decrease/(increase) in current tax assets	39,996	(77,091)
Increase in deferred tax assets	(1,430)	(1,693)
Increase/(decrease) in trade and other payables	(43,807)	11,081
Decrease in current tax liabilities	-	(88,121)
Increase in employee benefits	8,319	7,685
Increase in provisions	617	596
Net cash provided by operating activities	<u>71,786</u>	<u>38,304</u>

Note 26. Earnings per share

	2025 \$	2024 \$
Profit/(loss) after income tax	<u>(4,288)</u>	<u>96,953</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>679,528</u>	<u>694,113</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>679,528</u>	<u>694,113</u>
	Cents	Cents
Basic earnings per share	(0.63)	13.97
Diluted earnings per share	(0.63)	13.97

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

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Directors' declaration

30 June 2025

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2025 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- the company does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, a consolidated entity disclosure statement has not been included as section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Kim Kristalyn Murrells
Chair

30 October 2025

Independent audit report



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

Independent auditor's report to the Directors of Bright Community Financial Services Limited Report on the audit of the financial report

Our opinion

In our opinion, the accompanying financial report of Bright Community Financial Services Limited, is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2025 and of its financial performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

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

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

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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

Independence

We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the financial report

The directors of the company are responsible for the preparation of the financial report that it gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 30 October 2025

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

Lachlan Tatt
Lead Auditor

Community Bank - Bright
Shop 2, 104 Gavan Street, Bright VIC 3741
Phone: 03 5755 1932 Fax: 03 5755 1107
Email: bright@bendigoadelaide.com.au
Web: bendigobank.com.au/bright

Franchisee: Bright Community Financial Services Limited
ABN: 93 117 798 553
Shop 2, 104 Gavan Street, Bright VIC 3741
Phone: 03 5755 1932



/communitybankbright

